

# Human Capital

We support our colleagues throughout their professional lives by listening to their needs, valuing their skills, implementing training programs and development plans, and promoting diversity, inclusion and work-life balance.

## OUR STOCKS OF CAPITAL



## RESULTS

- **75%** engagement index
- **~24** training hours per capita
- **Joint Declaration on Work-Life Balance** signed with the European Works Council

## COMMUNITY IMPACTS



## PRIORITIES 2018

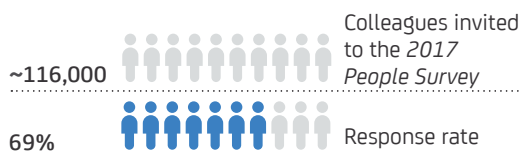
- Further promotion of a positive working environment for colleagues, supporting work-life balance
- Enhancement of diversity and inclusion initiatives



## Engage colleagues

We listen to our people, and we work to thoroughly communicate our Group strategy, performance and results to them, in recognition of the crucial role they play in all of our activities.

### Listening to our people



### Engagement index



The results of our *People Survey*, a recurring listening initiative carried out by UniCredit since 2003, exhibit the engagement of our employees in our enterprise. The 2017 survey, held in November, measured our overall engagement at 75 percent, the same as the previous year. This indicates that our people are aligned with UniCredit's goals and values, and that there is a high level of acceptance of the changes associated with the Group's ongoing transformation.

### Communicating our strategy and involving our people in it

In 2017, we focused our internal communication efforts on conveying results and key performance indicators (KPIs) related to the execution of our strategic plan. Our goal was to inform our colleagues about our progress and foster pride and a sense of belonging. Relevant content on our Group intranet included videos from our CEO and other senior managers. These received up to 48,800 page views, and the results from instant polls confirmed the readers' substantial interest in this topic.

Senior management has also participated extensively in the effort to explain and disseminate the plan's key achievements and messages Groupwide.

Over the course of 2017, they participated in meetings with their first line of managers to initiate the process of sharing this information with the rest of the employee population.

Furthermore, our CEO and other senior managers informed employee representatives about the status of the strategic plan's implementation during the biannual meetings with the UniCredit European Works Council. These meetings provided an occasion to address topics of particular interest to employees and to engage in a constructive social dialogue.<sup>1</sup>

We also determined it was important to recruit engaged colleagues to act as ambassadors, who could explain our Group's transformation journey. So, we established a community of 500 transformation agents in the Italian commercial network, in direct communication with leaders to promote change and mobilize action towards our strategic plan targets.

## Enhance competences

We are committed to being a company where people can fully deploy their skills, abilities and personal assets. We invest in attracting, managing and developing talent and seek to be an employer of choice.

### Recruiting talent

To guarantee sustainable support for the transformation and digitization of the Group, we continue to invest in the best available talent in our markets.

A global policy is in place to regulate the selection process for all types of jobs at the Group, from entry level to executive. This ensures a single, clearly structured hiring process. In every case when a vacant position needs to be filled, an external recruiting process is activated only when it is impossible to fill it using internal resources.

• We continue to offer opportunities for personalized development to recent university graduates: in 2017, through our *Impact International Graduate Program*, we hired 56 promising recent graduates of eight different nationalities and an average age of 25.

1. Refer to the Supplement – Human Capital section for more information.

## Managing performance

The *UniCredit Competency Model* describes the behaviors, based on our *Five Fundamentals*,<sup>2</sup> expected from all of UniCredit's people. All our employees receive a performance review from their manager, which assesses their performance and skills and identifies learning and development opportunities.

Career development decisions and compensation allocations are based on structured processes for non-executives, executives and executive-track colleagues alike. They are based on several key principles: accountability and empowerment of managers to make decisions about their people, rewarding merit and performance, clearly differentiated appraisals, appropriate rewards and career development opportunities, increasing transparency and fostering a culture of constructive feedback.

We also have a strong leadership pipeline for executives at our Group, as a way to ensure UniCredit's long-term sustainability. In 2017, as part of our effort to strengthen the *One Bank, One UniCredit* mindset, we identified a pool of potential successors for each executive level, on the basis of clear, inclusive and transparent criteria, such as: performance and potential evaluation; championing one or more of our *Five Fundamentals*; relevant technical and functional skills; readiness; cross-functional and international experience.

## Developing people

We design initiatives that address the professional growth needs of colleagues and ensure they can support UniCredit's transformation objectives.

For current and future Group leaders, the *Leadership Curriculum* provides a global dedicated learning environment to advance their leadership skills and their ability to play key roles in our business transformation. In 2017, we partnered with top-tier business schools to offer these leadership programs to 520 colleagues from 17 different countries.

To enhance the way talent is identified and nurtured within the Group, in 2017 we designed a new program that deploys a data-driven, meritocratic and transparent approach.

The *Future in Talent* program is designed to identify promising employees and to accelerate their growth with learning and development opportunities. Its first exploratory phase was completed in Italy in December, and 370 colleagues were identified. The program will be rolled out at the Group level in 2018.

In 2017, we offered professional growth in specific competence and business lines, using the modular and flexible format of our functional academies in fields such as Risk, Compliance, HR and Audit.<sup>3</sup>

In addition, training opportunities specific to local business needs in each country and division were provided throughout our Group.

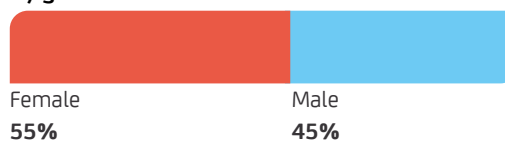
A total of roughly 24 training hours per capita in 2017 testifies to our investment in professional skills development.

## Value diversity and inclusion

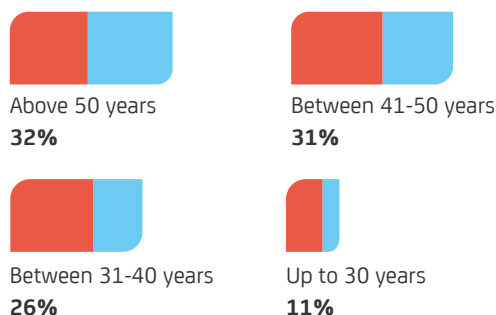
We have a richly diverse workforce, and we are committed to an inclusive working environment where all of the talent, skills, experiences and perspectives of our people can be fully expressed.

### Our workforce

#### By gender



#### By age



2. Refer to the 2016 Integrated Report for more information.

3. Refer to the Risk Management and Compliance chapter for more information.



## Promoting gender balance

Our Group remains committed to achieving more gender balance in our leadership.

UniCredit's workforce is 55 percent female. In 2017, the execution of our strategic plan, which decreased the overall employee population and divested several companies that have high rates of female employees (such as Bank Pekao), resulted in a decrease of women across different managerial levels in the Group.

⋮ Since 2013, we have maintained a Global Policy on Gender Equality.

Our approach is based on four main pillars: clear governance and accountability, with ownership decentralized to business leaders; measurement that makes it possible to monitor progress; training, to increase awareness; and dedicated processes that support our leadership pipeline.

The policy sets out principles and guidelines to ensure a level playing field where all employees, regardless of gender, can realize their full potential. Our gender equality guidelines apply to company processes and practices in the areas of recruitment and internal appointments, professional development, remuneration, work-life balance, information and education. The policy also outlines the roles and responsibilities for its application, and requires the regular tabulation of a dashboard of KPIs measuring gender diversity in our Group.

UniCredit is committed to equality in pay regardless of gender, consistent with the policy and the Group Compensation Policy.

Senior management monitors the annual progress of UniCredit's *Gender Balance Program* and the indicators related to its effectiveness, such as the presence of women across different levels of the company and gender pay gap.

At both global and local levels, UniCredit is encouraging initiatives and best practices to balance the situation where needed.

In 2017, we continued to carry out awareness-building activities on this topic at all levels of the organization.

### FOCUS Improving work-life balance

We are committed to promoting work-life balance and inclusion in order to achieve an engaging work environment and be an ideal place to work.

In November 2017, our Group signed a Joint Declaration on Work-Life Balance<sup>4</sup> with the European Works Council. The declaration defines global guidelines and principles to promote work-life balance initiatives across the Group, with an eye to continuous innovation and the development of current best practices. It establishes a basis for concrete implementation in all countries, in keeping with the respective national legal requirements and labor conditions.

A number of common drivers and actions have been identified to inspire initiatives in specific countries, encouraging social dialogue on the main aspects of the declaration. These include: flexible working solutions, measures to maximize the quality and effectiveness of time spent at work, and measures to improve colleagues' well-being.

The key features of the declaration build on the principles of respect, equal opportunities and non-discrimination, already addressed in previous joint declarations.<sup>5</sup>

4. Refer to Joint Declaration on Work-Life Balance on our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.

5. Refer to the Supplement – Human Capital section for more information.