

 **UniCredito Italiano Group**

Social and Environmental Report 2002

Moving forward we build our way

UniCredito Italiano – Italian Stock Company

Registered Office: Genoa, via Dante 1 - General Management: Milan, Piazza Cordusio

Registered in the Genoa Trade and Companies Register (Court of Genoa) Tax Code and VAT Reg. No. 00348170101

Entered in the Register of Banks and Parent Company of the UniCredito Italiano Banking Group

Banking Group Register No. 3135.1 - Member of the Interbank Deposit Protection Fund

Capital stock: € 3,148,070,110 fully paid in

**Social and
Environmental
Report 2002**

Contents

Board of Directors, Board of Auditors	4
Letter of the Chairman	6
Introduction	8
PART ONE	
CORPORATE IDENTITY	
History	14
A new identity	16
Mission, values and conduct guidelines	18
History of our new logo	20
Corporate governance	21
Calculation and breakdown of value added	24
The situation in 2002: organisational structure and the distribution model	26
Shared values, service quality and integration with the territory	32
Interview with the Managing Director/CEO	34

PART TWO

AREAS OF SUSTAINABILITY

Quality of labour	40
Market and territory	52
Environment, health and safety	64
Security and privacy	72
Listening and dialogue	76
Corporate citizenship	80

Schedule to the 2002	
Social and Environmental Report	90
PricewaterhouseCoopers opinion	108
Glossary	110
Questionnaire	113

Board of Directors, Board of Auditors

Board of Directors as at 31 December 2002

Chairman	Carlo Salvatori *
Deputy Chairman (with vicarious duties)	Eugenio Caponi *
Deputy Chairman	Franco Bellei *
Deputy Chairman	Fabrizio Palenzona *
Managing Director/CEO	Alessandro Profumo **
Directors	Roberto Bertazzoni ** Vincenzo Calandra Buonauro Mario Cattaneo Philippe Citerne Ambrogio Dalla Rovere Giovanni Desiderio Guidalberto di Canossa Francesco Giacomini ** Piero Gnudi Mario Greco * Achille Maramotti Gianfranco Negri-Clementi Carlo Pesenti ** Giovanni Vaccarino Anthony Wyand
Secretary	Marco Fantazzini

* Member of the Managing Committee and Executive Committee

** Executive Committee Member

Board of Auditors as at 31 December 2002

Chairman	Gian Luigi Francardo
Statutory Auditors	Giorgio Loli Aldo Milanese Vincenzo Nicastro Roberto Timo
Alternate Auditors	Giuseppe Armenise Marcello Ferrari

Letter of the Chairman

The organisational structure evolution of UniCredit Group, which is tied to the transition to a new business model focused on specialisation by market segments, sets the stage for this edition of the social and environmental report. In fact, in 2002 we were engaged in creating a new, unique way of banking through the S3 project, which was aimed at reorganising our seven Italian banks into three new entities dedicated to different types of customers: retail, corporate and private.

In 2002 we were also engaged in planning the creation of our non-profit foundation called Unidea (established at the beginning of 2003). Its primary aim is to use a share of Group profits to support fund-raising activities in the areas of social services, health and education in developing countries and central Europe and the Balkans.

All of this has come together to show the timeliness of a new vision of the Group's identity and role. The Group has to ask itself - starting from its base, i.e., the various areas in which it operates and then expanding nationwide - whether it wishes to become a leading company with which people can plan their future, able to represent interests, exercise cultural influence and talk to institutions.

This means that differing roots can be productive if intertwined to form a new tree bearing fruit. In corporate cultures, the identity of individual companies takes form, and their distinctive spirit surfaces. Shaping these soft elements,

which seem imponderable, takes more time than designing structures and organisational processes. Good things take time to develop. On the other hand, once projects are launched, it is easy to delude oneself that everything will happen automatically and almost inevitably. Wisdom tells us that we need to make use of the combined past experience of various cultures: with many good past experiences to remember, we are able to face the future objectively.



That is why the creation of the social and environmental report this year has even more significance for corporate governance since we wanted to conceive this first "unified report" for the Group while remaining faithful to the commitment taken in this regard in the last edition. The report combines key results of UniCredit's corporate social responsibility together with useful elements and information that explain how we are approaching this important crossroads and how we intend to focus our conduct in the context of full operation of the new segment banks.

Based on this conviction, last year we launched a specific research project called "Itaca," during which we sought to speak directly with local market players from the areas where we work to gather information on the meaning of the transformations that are affecting local companies and economies. In addition, we listened to our stakeholders and took other significant steps - the road show to present the S3 project to our employees, a survey on the business climate, meetings with representatives of those involved in civic duties and social work - all of which were aimed at reaffirming our commitment to be active "citizens" in the community where we live.

The ability to innovate with a continuing commitment and shared values by continuing to focus on local development means that we feel to be a vital and responsible part of the social fabric. Taken as a whole, all of this represents the goal we want to achieve and the key to complete support for our new way of banking by listening and understanding the needs and expectations of our customers.

Carlo Salvatori

Lasting economic growth

Lasting economic growth that takes into account the social and environmental impact of achieving such target must be the goal of any organisation that operates according to the principles of sustainable growth. In this context, the creation of the social and environmental report takes on the significance of a strategic decision.

Introduction

Lasting economic growth that takes into account the social and environmental impact of achieving such target must be the goal of any organisation that operates according to the principles of sustainable growth. In this context, the creation of the social and environmental report takes on the significance of a strategic decision.

Since the aim of this tool is to renew our commitment to face up and to reflect on issues of social responsibility, the company's commitment in this area should not be seen just as another way of achieving higher growth rates.

In fact, UniCredit's goal is to cast aside the rooted cultural approach that separates social issues from everything else involving economic growth: this divergence, depending on the players involved, at times leads to emphasis on social cohesion and civic duty, and at times to emphasis on the economy and profitability. The conviction that what is good for the community is also good for the company is the only way to start a virtuous cycle able to make everything

prosper in the environment where the company operates.

Thus, the goal must be to unite these two orientations, which only appear to be separated. The Italian model of local development proves that civic virtues are not separate from economic growth, or at the very least, their



It is extremely important that these values “take root” at all levels of the corporate organisation.

futures are closely linked. Take for example the network of manufacturing systems spread throughout Italy, where high levels of entrepreneurial activity and competitiveness are based on corporate assumptions in which human

resources and social relations play a role that cannot be ignored when trying to explain the attainment of certain levels of economic development.

Thus, it is increasingly important for companies, and for banks that provide services to the community, to have a well-defined corporate identity, i.e., a system of values in which all parties concerned can be recognised clearly and precisely. And it is extremely important that these values “take root” at all levels of the corporate organisation. This is essential for those who work in businesses, and also, obviously, for customers and all parties with which the businesses interact. To have this ability, it is necessary to possess a large set of guiding principles and conduct, which makes it possible to be recognised not only for generating a good profit, but also for social responsibility and caring for what is happening in a broader perspective in order to start and maintain a sustainable strategy over time focused on discussion and partnership with all parties concerned.

In a word, social responsibility is an investment, not a cost: operating in this manner means, also for a bank group, coming to grips with the possibility of supporting growth prospects locally and in the broader area (where, however, talk about so-called “ethical districts” has already begun) where manufacturing and labour intersect with respect of guarantees for individuals and environmental protection.

From the standpoint of UniCredit, this means that the commitment to socially responsible economic growth affects all entities with which it comes in contact, and also requires a contribution from those who intend to share in this growth. All in all, this means creating a social report in this specific context that is truly representative, and not merely an annual publication that reports the company's operating results.



The Group is committed to economic growth that is compatible with the well-being of the community today and in future generations.

In a constantly changing external environment, the principles that guided the Group's transformation over recent years to its current structure (a complex entity made up of about 30,000 employees nationwide and a similar number abroad) have left their mark in all sections of this report, which is now in its third edition.

In particular, in its description of UniCredit's customary activities and economic, social and environmental activities and the related results, the section of the report dedicated to areas

of sustainable growth is devoted to interpreting the information and data presented in the context of the growth experienced by the Parent Company in particular and its banking structure nationwide, which has been organised since 2002 by market segments (private, corporate and retail), and also the growing commitment of the Group's foreign banks in these areas. This is evidence of the corporate desire to take pains to determine the impact that

these changes have had and are having on the perceptions of employees, customers and the community, and its desire to try innovative tools to maintain a dialog and to communicate with the various counterparts in the areas where it operates.

The “guiding light” that directs the initiatives and activities described is clearly reflected in the profile of values

that defines the entire Group's identity, which is presented in the section dedicated to corporate identity.

As structured, this document has become a fundamental internal milestone in the process of expanding social and environmental reporting for the entire group. This goal has been pursued since the first edition, and will be completed with the preparation of a consolidated social report.

In addition to the criteria established for the credit sector by the Italian Banking Association, the new edition of Global Reporting Initiative guidelines (2002) is one of several methodological references which provide further confirmation of the harmony of principles and structure. This edition is a leading work in the area of reporting sustainable growth at the international level.

The need, on the one hand, for a document that meets the requirement of complete coverage of the subject matter concerned, and on the other hand, for a more

streamlined, readable document for a wide range of counterparts with differing characteristics and expectations, led to the decision to only include the most significant information and data in the report, and to refer the reader to other quantitative data included in the attached CD-ROM for further details.

Corporate

HISTORY

A NEW IDENTITY

MISSION, VALUES AND CONDUCT GUIDELINES

HISTORY OF OUR NEW LOGO

CORPORATE GOVERNANCE

CALCULATION AND BREAKDOWN OF VALUE ADDED

THE SITUATION IN 2002: ORGANISATIONAL STRUCTURE AND DISTRIBUTION MODEL

SHARED VALUES, SERVICE QUALITY AND INTEGRATION WITH THE LOCAL AREA



Identity



Maintaining consistent conduct

Corporate Identity

“

Do what you say you will. Acting consistently is not only management's but everyone's responsibility, and it guarantees the personal sharing of the corporate mission and values.

”



UniCredito Italiano

History

UniCredito Italiano is the largest banking group in Italy by market capitalisation. In Europe it is one of the top five banking groups by efficiency and profitability, and in the top twenty by total assets.

It was formed in 1998 from the combination of Credito Italiano and Rolo Banca 1473 (Credito Italiano Group) with Cariverona, Cassa di Risparmio di Torino and Cassamarca (Unicredito).

In 1999 Cassa di Risparmio di Trento e Rovereto and Cassa di Risparmio di Trieste became a part of the Group.

Again in 1999, a controlling interest

was acquired in Bank Pekao, the second largest commercial bank in Poland. This was the first step in the Group's strategy to penetrate markets in the New Europe. Between 1999 and 2000 the Slovak bank, Pol'nobanca (now UniBanka); Bulbank, the main Bulgarian bank; and the Croatian Splitska Banka (sold to Bank Austria in April 2002) joined the Group.

In 2000, Pioneer Global Asset Management was created with the acquisition of the Global Investment Management division by Pioneer in Boston.

Subsequently, the largest bank in Croatia, Zagrebačka Banka, and Demirbank Romania (now UniCredit Romania) joined the bank. In Turkey, UniCredito Italiano reached an agreement with the Koç Group (one of the key private groups in the country) for an equal partnership in banking and financial services.

On 17 December 2001 the S3 project was launched to reorganise the Group's Italian banks. The goal of the project was to transform the existing federal structure into a multi-specialist business model organised by customer segment: retail, corporate and private.

The S3 project: banking by segment to create value over time

In 2002 UniCredit proceeded with the important project of transforming its corporate structure from a federal, geography-based organisational model (adopted in 1998) to a model based on "customer segment."

The project – named S3 for the three market segments the new structure will target – is aimed at increasing specialisation, the bank's local presence and customer satisfaction through a structural and functional reorganisation of the Group's seven Italian banks (Credito Italiano, Rolo Banca 1473, Cariverona, Banca CRT, Cassamarca, Caritro, CRTrieste) into three new, large banks that target specific market segments and are able to create innovative products and services. Effective 1 January 2003 they will assume the following names: **UniCredit Banca** (the retail bank for households, professionals and small businesses), **UniCredit Banca d'Impresa** (the corporate bank for medium and large businesses) and **UniCredit**

Private Banking (for working with high net worth individuals).

The process took place in the following phases:

Phase One: July – September 2002: creation of UniCredit Banca from the unification of the federated banks.

The following occurred on 1 July 2002:

1. The transfer to Credito Italiano (which took the name of UniCredit Banca) of the banking operations resulting from the merger of Rolo Banca 1473, Banca CRT, Cariverona Banca, Caritro, Cassamarca, CRTrieste and some of the operations of the Parent Company;



2. The transfer, from the Parent Company to UniCredit Banca, of the Call Centre and retail, corporate and private banking business areas, which perform marketing functions and provide service to the Italian branch network.

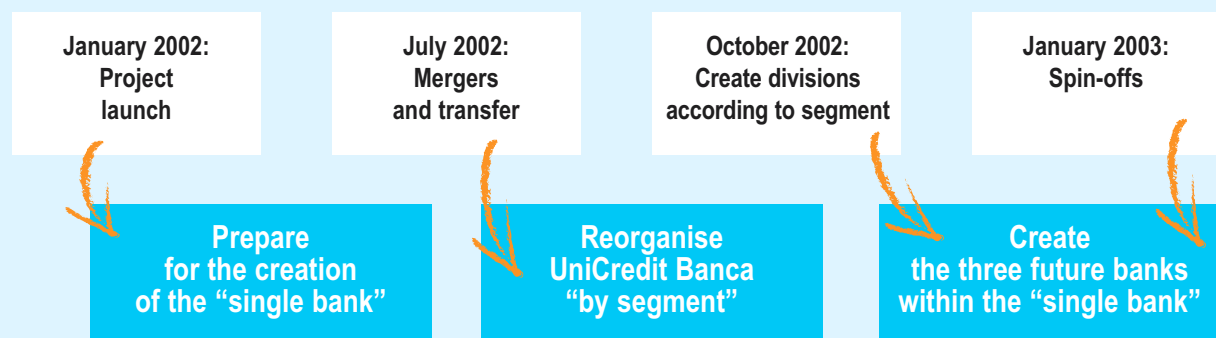
Phase Two: October – December 2002: internal reorganisation of UniCredit Banca

As the vehicle for the reorganisation, UniCredit Banca acted as the “single bank” under the new reorganisation into three specialised banks which was realised in January 2003, with the goal of organising and structuring operations by market segment (corporate, retail and private banking). During this

phase the structures, resources and contractual relationships with customers were carefully identified in order to create the future segment banks, while providing uninterrupted operations.

Phase Three: 1 January 2003: creation of the three segment banks

UniCredit Banca d'Impresa (headquartered in Verona) and UniCredit Private Banking (headquartered in Turin) were created from the partial spin-off of UniCredit Banca (which is the retail bank, headquartered in Bologna). They commenced operations and began rationalising and optimising their respective structures.



A new way of banking and a new identity

Creating an identity in an organisational structure that incorporates seven different entities, which are traditionally based on very distinct cultures, is an operation that requires a combination of focus, respect and strong planning skills.

A new identity

Every identity has differences and creates boundaries: feeling a part of or outside this identity is not merely a matter of organisational engineering, and the time it takes to feel a part of the organisation has a certain "patience threshold" that does not always coincide with the timing dictated by the change.

That is why, as a common structure with shared strategies and skills, at least two levels of processing are significant:

- 1) The first is aimed at giving life to the new "inclusive" structure as a support network that ensures compliance, including symbolically, with the project by defining new rights and duties of citizenship and providing justification on more than a legal and economic basis;*
- 2) The second level of processing deals with the "remnants" that the convergence of diverse cultures in the new system inevitably leaves behind.*

The second level is more ambiguous and capable of compromising the success of any unification operation. In essence this means that at the time the different entities lose their autonomy to become a part of the larger entity, there are parts for which there is no place in the new organisation. These are nearly always



values or thoughts that developed over time, and the loss of these values results in suffering, resentment and a degree of revenge that preclude fully experiencing an "optimistic outlook" tied to the new organisation created.

It is a known fact that the more ingrained the cultures, the greater the resistance to change as a form of defence of the individual identities when faced with an image we perceive as threatening, not only to our work, but our very social life as well. This results in an often implicit reluctance to show trust.

The newly created common identity must make a priority of dealing with this "unspoken" emotional issue, which cannot be translated into strictly

organisational or procedural terms.

And this is the very task that the UniCredit Group is pursuing through trips and meetings that bring the different local structures together, right where they work, with the Group's representatives and authors of the change.

Recognising, dealing with and managing these differences ("eliminating the remnants") serve as a self-confirmation that the changes will not be well entrenched until the environment of new values becomes a space for positive sharing without prejudices and reservations.

However, this identity is never a finished product. It is fed by disagreements, loves challenges and embraces conflict.

Especially in our case, the milestones (chapters) of a new story pass almost naturally, and the story is enriched in its diversity by seeking a "model" to propose and a "passion" to share.

Pier Luigi Celli

Manager Corporate Identity



Mission, values and operating guidelines

We currently are, and want to continue growing as one of the largest European financial and business groups with a strong presence in the areas where it operates. We want to do banking in a new way to generate a high value over time for:

The Community

We act as a corporate citizen that promotes sustainable growth from an economic and social standpoint wherever the Group operates. We make social responsibility a characteristic feature of our operations, and realise that we are an important part of society and the communities in which we act.

Customers

Customers are the centre of our focus and our operational decisions. We take care of our customers and help them to carry out their projects and optimise their returns. We want to guarantee them the best levels of service and products with a high quality/price ratio through dedicated structures specialising in their needs. We strive for excellence based on our ability to stay close to our customers and build long-lasting relationships with them based on quality, mutual trust, competence and open dealings. We constantly measure their level of satisfaction and make them aware of it.

Employees

We take care of their professional growth, seeking out and promoting the use of growing skills. We aim to be the ideal company for capable and motivated people. We want to develop and maintain their skills as a natural result of an overall well-managed, humane and professional structure capable of offering the same opportunities to everyone and rewarding excellent performance. We want to attract competent individuals with values similar to our own.

Shareholders

Our commitment to our shareholders is to provide a high and growing return on capital and dividend growth, increase our market value and provide appropriate risk management. We also want our shareholders to be satisfied with results and proud of the distinctive style we use to achieve them. We must constantly strive to achieve the best return and growth as a reward for quality, efficiency, business attitude and adherence to a precise, well-defined, widely shared code of ethics.

Our Group's value profile is based primarily on obeying rules, ethically appropriate conduct and work with a good knowledge of our responsibilities. All activities are rooted in innovation and the search for the best solution as a result of a creative and entrepreneurial spirit. The Group believes in people as the "fundamental component" for creating value and encourages the development of competence as an essential condition for common growth, and it encourages initiative, teamwork and the ability to delegate. It promotes

listening and seeks ongoing discussion inside and outside the company as a stimulus for the creation of new ideas and constant improvement.

Its conduct is distinguished by fairness and openness and it is committed to avoid all discrimination. It is prepared to justify its decisions to the market and happy to provide all information necessary to make its customers knowledgeable.

Mission and values serve as the ideal cultural foundation for the strategic

development of UniCredit. They embrace not only commitments made to shareholders, customers and employees, but also those made to the community: it constantly strives to promote sustainable growth in the economic, social and civil environment in which the Group's banks are located and operate.

The core of this new corporate identity is to feel that we are, and actually be, "citizens" by taking responsibility in relationships with all our counterparts in an effort to make our

We have chosen to follow our mission and proclaim our identity by drawing inspiration from strong common principles that have become our values:

Ethics/Responsibilities

Ethics is our conviction that “doing business” means following the rules: those connected with our duties to shareholders, those that affect relationships with stakeholders and the community where we operate, and also those dictated by our conscience. This concept is also reflected in the assumption of responsibility as an ethical choice for anyone who deals with the consequences of his actions, and in loyalty as a minimal competitive principle.

Creativity/Entrepreneurship

By creativity we mean the orientation towards innovation and the constant search for better solutions. The incentive to improve and face new opportunities with a positive attitude enhances our spirit of enterprise, which distinguishes our Group as an innovative and entrepreneurial player.

Competence/Growth

Competence is seen as the continuing commitment of

individuals and the organisation to develop skills and build on experience and develop a specific, distinct knowledge base. Thus, growth is the result of enhanced skills and constant striving to achieve important goals.

Listening/Discussing

This business will be built by growing together, involving all individuals and entities that make it up. The collaboration necessary to be effective is possible only when there is a real desire to listen, and open discussion is encouraged including the discussion of differing ideas, which will lead to the creation of better solutions.

Fairness/Openness

For us fairness means giving everyone the same opportunities based on merit, potential and need on the basis of in-depth knowledge and reasonable assumptions of trust.

Open dealings and information lead to long-lasting relationships with people, customers, investments and suppliers.

daily conduct consistent with corporate values and mission.

Social, environmental and safety policies are based on these components, and delineate the Group's objectives and direction in the area of corporate social responsibility as summarised below.

All environmental protection measures are aimed at continually improving services, sharing decisions, getting employees involved, openly communicating results and creating

awareness in external counterparts so that they support and contribute to the success of the Group's initiatives in the area of environmental protection. An important achievement in this area was obtaining ISO 14001 certification in 2002 and EMAS registration by the Parent Company, UniCredito Italiano S.p.A.

Ethics, fairness, discussion and openness are the pillars on which UniCredit bases its relationships with various counterparts, from employees to volunteer workers and government

employees, and from union representatives to those engaged in social initiatives and institutions.

There are ongoing efforts to ensure the safety of employees, who are the Group's most important asset, through prevention and protection measures, which are carried out through a careful, up-to-date assessment of actual and potential risks. Discussion and the involvement of people are key elements: training, information and discussion are the basis for obtaining significant results.

History of our new logo

Creating a new bank and a new logo are not separate or even merely parallel processes: they are expressions of the same plan, with one inseparable from the other.

For the banks of the UniCredit Group, the logo must be a precise reflection of the new way of banking. The main *raison d'être* of the process that led to the creation of the three banks is the willingness to focus on the customer and more capably meet his true needs. The new logo of the Parent Company and those of the three banks are meant to express this very concept.

The decision was to have a single graphic symbol, a common "UniCredit" base, and to develop it into four differently coloured, cohesive designs. It was based on the Parent Company's previous logo with certain changes. The circle became a sphere, the "1" was transformed into a sort of arrow pointing up and to the right, and the single sign became two interacting "objects."

Nor was the selection of colours left to chance, since colours communicate at both the logical and analogical level: UniCredito Italiano is red, UniCredit Banca is orange, UniCredit Banca d'Impresa is dark blue, and UniCredit Private Banking is dark green.

Research showed that customers liked this new logo, finding in it the traditional values of a solid, professional, reliable and credible bank, as well as elements of dynamism and innovation.

What did they "see" in the new logo? In the sphere they saw "the world" or "the community" (in essence, themselves); and they saw the bank represented by the arrow-shaped "1." However, the two objects (the

community and the bank) were not seen to be opposing figures, but seemed close, related, and they appeared to be interacting and discussing.

This means that this logo, which is characterised by interaction, was identified and found to be consistent with a bank with a local presence that operates through ethical decisions and conduct with a customer focus and a strong culture of commitment and social responsibility.

Thus, the logo is like a flag that serves to identify and create recognition and to reflect the world that it expresses. Thus, it is something living that is born, moves, grows and evolves like the company itself. Thus, UniCredit's logo represents a new way of banking.



Corporate governance

Corporate governance is the set of criteria and corporate administration processes aimed at creating sustainable economic value over time for stakeholders.

The openness of governance processes is a basic requirement for a financial institution, as highlighted by recent changes in laws that have forced businesses to adopt self-regulating controls that supplement and reinforce legal restrictions.

To protect its customers and stakeholders, and in accordance with current laws, the UniCredit Group adopted a code of ethics that identifies the rights, duties and responsibilities of the company with respect to its counterparts. It adopted self-regulating controls for brokers that provide investment services. It adheres to the self-governing controls of listed companies that are intended to ensure due control of business risks, the absence of conflicts of interest, and openness, and it also complies with the code of conduct for the banking and financial sector prepared by the Italian Banking Association.

For UniCredit the adoption of a corporate governance model represents both a necessity and a guarantee of quality corporate information, open internal

control systems, protection of the shareholders' interests and the clear assignment of powers and responsibilities. In this sense, the code of conduct for internal dealing was prepared with the goal of monitoring specific financial transactions carried out by individuals in senior positions within the Group.

Board of Directors

Composition

The Board of Directors can be made up of nine to twenty members with a term of three years unless

another term is set at the time of the appointment. It generally meets at least every three months and whenever the chairman deems necessary, or when the chairman is requested to do so by the managing director/CEO or at least three directors. A meeting can also be called at the request of at least two internal auditors.

This year there were 14 meetings, one of which was extraordinary.

The following individuals may be invited to attend meetings to report on specific topics, but do not have voting rights: deputy general managers, senior managers and central co-managers, as well as other senior managers of general management. At present there are twenty board members.¹:

	Position	Place and date of birth	Degree
Carlo Salvatori (*)(**)	Chairman	Sora, 7.07.1941	Economics, business and banking
Alessandro Profumo (**)	Managing Director/CEO	Genoa, 17.02.1957	Business economics
Eugenio Caponi (*)(**)	Deputy Chairman (Vicarious)	Florence, 8.03.1936	Law
Franco Bellei (*)(**)	Deputy Chairman	Modena, 24.04.1944	Biology and sociology
Fabrizio Palenzona (*)(**)	Deputy Chairman	Novi Ligure, 1.09.1953	Law
Roberto Bertazzoni (**)	Director	Guastalla, 10.12.1942	Economics and business
Vincenzo Calandra Buonauro	Director	Reggio Emilia, 21.08.1946	Law
Mario Cattaneo	Director	Genoa, 24.07.1930	Economics and business
Philippe Citerne	Director	Lens Pas de Calais, 14.04.1949	Economics
Ambrogio Dalla Rovere	Director	Thiene, 15.01.1940	Dip. acc.
Giovanni Desiderio	Director	Bosconero, 4.05.1948	Dip. des.
Guidalberto di Canossa	Director	Verona, 31.07.1949	Political science
Francesco Giacomini (**)	Director	San Polo di Piave, 2.08.1951	Law
Piero Gnudi	Director	Bologna, 17.05.1938	Economics and business
Mario Greco (*)(**)	Director	Naples, 16.06.1959	Economics and business
Achille Maramotti	Director	Reggio Emilia, 7.01.1927	Law
Gianfranco Negri-Clementi	Director	Rome, 12.06.1931	Law
Carlo Pesenti (**)	Director	Milan, 30.03.1963	Mechanical engineering
Giovanni Vaccarino	Director	Tronzano, 1.04.1941	Political science
Anthony Wyand	Director	Crowborough, 24.11.1943	BA I st Class Honours, MA King's College

(*) Managing Committee Member

(**) Executive Committee Member

1. The following individuals are independent as defined in Article 3 of the Self Regulating Controls for Listed Companies: Messrs. Salvatori, Bellei, Palenzona, Bertazzoni, Calandra Buonauro, Cattaneo, Citerne, Dalla Rovere, Desiderio, di Canossa, Giacomini, Gnudi, Maramotti, Pesenti, Vaccarino.

Within the board, certain directors with consulting and advisory functions have been assigned specific duties related to certain areas of internal controls, appointments in the Group's corporate governance bodies, the compensation of such appointments and of senior management. In the appointment of these directors, who meet in committees, a significant role is given to non-executive directors who:

a) do not directly, indirectly or on behalf of third parties maintain, nor have they recently maintained, economic relationships with the company, its subsidiaries, executive directors, shareholders or groups of shareholders who have a level of control in the company that would affect their ability to be objective;

b) do not directly, indirectly or on behalf of third parties own an equity interest in an amount that would allow them to exercise control or significant influence over the company, nor do they participate in agreements among shareholders in order to control the company;

c) are not close family members of executive directors of the company or individuals included in the situations indicated in paragraphs a) and b) above.

However, all directors must act and vote with full knowledge of the facts and objectivity and must devote time in order to pursue the goal of creating value for shareholders.

Function

Operating in accordance with the provisions, duties and authorities set by law and the bylaws as well as general rules indicated in the self-regulating controls for listed companies that are currently in effect, the board of directors has sole authority to:

A) determine criteria for coordinating and managing Group companies and for implementing instructions of the Bank of Italy, and within the framework of exercising power granted to the Parent Company by legislative and regulatory provisions, to give instructions to members of the Group for the purposes noted above, and to verify that such instructions are actually carried out. Thus, the board is responsible for:

A.1) determining general management guidelines for the Group's operating policies in preparation for the drafting of multi-year plans and budgets, approving these and verifying that they are duly implemented;

A.2) approving partnership, joint venture and any collaboration agreements, including at the industry

level, with related parties and other bank groups;

A.3) defining guidelines for internal control systems and periodically verifying the adequacy and actual operation of such systems ensuring that the main corporate risks have been identified and are properly managed; analysing periodic reports of the control systems; assessing mechanisms to control corporate and Group results and the accounting of such results;

A.4) defining procedures for providing information to outsiders on documents and information regarding the Parent Company and the Group, and also with regard to price sensitive information and information on transactions involving financial instruments carried out by individuals who, due to their position, have access to relevant information (internal dealing);

A.5) identifying criteria for determining compensation for the Group's senior management;

A.6) approving stock option and stock granting plans for Group personnel.

B) examine and approve the company's strategic, industrial and financial plans and the Group's corporate structure headed by the company;

C) oversee general operating performance with a specific focus on the status of conflicts of interest, taking into consideration, in particular, information received from the executive committee, managing director and audit committee, and periodically comparing actual to budgeted results;

D) approve the acquisition and sale of equity investments, companies or divisions in amounts greater than 1% of shareholders' equity, and in any event, the acquisition and sale of equity investments that change the Group's composition;

E) review and approve transactions with a significant operational, balance sheet and financial impact, particularly with regard to transactions with related parties, subject to the definition of criteria for identifying them;

F) verify the appropriateness of the organisational and administrative structure of the company and Group prepared by the managing director;

G) after reviewing the proposal of the appropriate committee and consulting with the board of auditors, determine the compensation of managing directors and directors filling specific positions, and if not already handled by the shareholders' meeting, determine the breakdown of overall compensation due to individual members of the board and executive committee;

H) report to shareholders at shareholders' meetings.

The board may assign, modify and revoke powers of attorney by setting their limits and the methods for exercising them, as well as the frequency with which the bodies granted powers must report to the board on activities performed in the exercise of the powers granted.

Decisions made by the board of directors regarding management guidelines and the Group's main strategic initiatives are clarified by the managing director at meetings of management committees when required, with information and consulting functions in the regulation of the Group.

Committee

In order to promote an efficient information and consulting system that gives the board of directors a means to perform a better assessment of certain issues under its responsibility, two committees were established with consulting and/or advisory roles, and also investigative duties, on a limited basis, with diversification by area of responsibility.

Both committees may have independent operating rules that specify that dissenters may express and report the reasons for their dissent to the Board.

Audit Committee

This committee is made up of five non-executive directors, the majority of whom are independent.

By law, the chairman of the board of directors and deputy chairman (vicarious) are members; if no appointment has been made for the latter, a member of the committee is identified among the members of the managing committee. This member will automatically be removed in the event a vice chairman (vicarious) is subsequently appointed and he does not fill this position. The other members must be selected based on the best skills and their willingness to fill the position.

The committee elects among its members, other than those who participate by law, a chairman and secretary. The latter may also be appointed from outside the committee's membership, and prepares appropriate minutes for each meeting.

The committee has investigatory, consulting and advisory duties. In particular, the audit committee:

A) assists the board of directors in determining guidelines for internal control systems and the periodic verification of their appropriateness and actual operation, and in the activities performed by the board of directors to ensure that the main corporate risks have been identified and are

managed appropriately; it also performs analyses of the periodic reports on control systems;

B) assesses the work plan prepared by those in charge of risk management controls and audit activities, from whom it receives periodic reports;

C) together with the company's administrative managers and auditors, it assesses the appropriateness of accounting principles used and their standardisation for the purposes of preparing consolidated accounts;

D) assesses criteria proposed by the branches for the selection of the auditing firm (or "the Group's auditing firms") and the work performed by it (or "by them"), and reviews the status of relationships with the auditing firm, including in consideration of any consulting duties assigned to them by the Parent Company and Group companies;

E) reviews the process for assembling quarterly and half-year reports and the annual accounts on the basis of reports prepared by those in charge of this function;

F) reviews the processes for assembling accounts, including consolidated accounts, prepared by sub-holding companies for the purposes of preparing the single accounts and the consolidated accounts for UniCredito Italiano on the basis of reports prepared by those in charge of this function and meetings with representatives of sub-holding companies;

G) assesses any observations made in audit reports of the internal audit units of UniCredito and sub-holding companies, which were received through UniCredito Italiano's audit department or from boards of auditors or investigations and/or reviews of third parties.

This committee may be consulted to assess transactions with related parties and transactions in which there may be a direct or indirect conflict of interest, when directed to do so by the board of directors.

In addition, the audit committee reports at least semi-annually to the board of directors on the occasion of the approval of accounts and the half-year report, regarding activities performed, the appropriateness of internal controls, and the status of the relationship with the auditing firm.

The chairman of the board of auditors, or another internal auditor designated by the chairman of the board of auditors, participates in the work of the audit committee.

The managing director, accounting manager, Group audit manager and other members of the Parent

Company's senior management may be asked to participate in meetings of the committee, including separately, based on the specific issues covered.

These individuals may always submit topics and questions for the committee's review, for which they feel an investigation would be useful for subsequent reports to the board.

The committee is responsible for establishing appropriate relationships with the board of auditors to perform those activities deemed to be common to the two bodies in compliance with their specific powers.

Compensation and Nominating Committee

This committee is made up of six members including, by law, the chairman of the board of directors, deputy chairmen and the managing director. If there is no deputy chairman in office, members of the managing committee are members by law, in addition to the chairman and managing director; these members will automatically be removed if one or more deputy chairmen are subsequently appointed, and they themselves are not appointed to the position.

The other members of the committee are designated by the board of directors from its non-executive members. The secretary, who may be appointed from outside the committee's membership, prepares the appropriate minutes for each meeting. The committee is presided over by the chairman of the board of directors.

The committee has investigatory, advisory and consulting duties. It is requested to provide an opinion on compensation-related matters in the following areas:

A) the identification of proposals for the compensation of directors with specific positions in the company and in Group companies;

B) at the instruction of the Parent Company's managing director, and after consulting with the chairmen of the subsidiary banks, the identification of proposals to link a portion of the compensation of managing directors and general managers of subsidiary banks to achieving targets set in advance by the boards of directors;

C) at the instruction of the Parent Company's managing director, the identification of criteria and parameters for determining the compensation of the Group's senior management and for linking all or a part of such compensation to achieving pre-set targets;

D) the review of documents for the preparation and audit of stock option and stock granting plans for Group personnel.

The chairman will not participate in meetings regarding the determination of proposals on his own compensation; similarly, the managing director will not participate when meetings are held to set his or the chairman's compensation.

To carry out the above duties, the committee may avail itself of the Parent Company's management, and if appropriately substantiated, may propose hiring outside consultants.

This committee, convened well in advance of the meeting of the board of directors at which the motion will be discussed and the resolution passed in principle, is also in charge of providing an opinion on appointments to be indicated for the positions of directors and internal auditors of Group companies designated as "key companies" on the basis of the type of activity, operating relevance, existence of partnerships and the presence of appointees at the Group level.

Once appropriate advance consulting has taken place, and taking into account the needs of the local branch network of each company, the chairman is required to indicate the names to be submitted for the review of the committee.

The openness of governance processes is a basic requirement for a financial institution, as witnessed by recent changes in laws that have forced businesses to adopt self-regulating controls that supplement and reinforce legal restrictions.

To protect its customers and stakeholders, and in accordance with current laws, the UniCredit Group adopted a code of ethics that identifies the rights, duties and responsibilities of the company with respect to its counterparts. It adopted self-regulating controls for brokers that provide investment services. It adheres to the self-regulating controls of listed companies that are aimed at controlling business risks, conflicts of interest and openness, and it also complies with the code of conduct for the banking and financial sector prepared by the ABI (Italian Banking Association).

For UniCredit the adoption of a corporate governance model represents both a necessity and a guarantee of quality corporate information, open internal control systems, protection of the shareholders' interests and the clear assignment of powers and responsibilities. In this sense, the code of conduct for internal dealing was prepared with the goal of monitoring specific financial transactions carried out by individuals in senior positions within the Group.

Calculation and breakdown of value added

The creation of value over time for all corporate counterparts, which is based on an ongoing discussion with them, is the ultimate goal of corporate governance, and is a key component of UniCredit's mission.

The reporting of the redistribution of value generated by the Group to shareholders, employees and the community makes use of consolidated calculation methodologies for the calculation of value added, which is defined as the accounting link between consolidated accounts and the social and environmental report. In fact, the calculation of this measure is done by reclassifying entries of the profit and loss account in order to show how the value added is

formed and distributed by expressing in monetary terms the relationships between the company and the socio-economic system with which it interacts, with a particular focus on several of the main stakeholders covered in this report:

- Shareholders
- Employees
- Government, agencies and institutions
- The Community
- The Corporate Structure

From a methodological standpoint, of the various configurations that value added could assume, depending on the degree to which income components are combined, it was decided to use global value added (VAG), which was used in the ABI Model for preparing Social Reports for the credit industry, and which takes the specific features of banks into account.

BREAKDOWN OF TOTAL GROSS VALUE ADDED

(€ thousands)

	2002	2001
Revenues	15.901.152	17.633.789
Consumption	(8.827.056)	(10.408.405)
Net extraordinary items	358.537	231.329
TOTAL GROSS VALUE ADDED	7.432.633	7.456.713
Divided among:		
THIRD PARTIES – minority interest in consolidated profits	161.208	500.875
SHAREHOLDERS – dividends distributed to shareholders	995.116	723.811
HUMAN RESOURCES	3.174.658	3.053.556
Labour costs:		
- direct	2.246.909	2.151.868
- indirect	912.749	892.688
Portion of net profit for the period allocated to the reserve connected with the medium-term incentive system for Group staff	15.000	9.000
GOVERNMENT, AGENCIES AND INSTITUTIONS	1.597.158	1.766.982
Indirect and property taxes and duties	280.235	282.420
Income tax for the period	1.316.923	1.484.562
THE COMMUNITY	15.063	15.231
Donations and gifts	15.063	15.231
THE CORPORATE STRUCTURE	1.489.430	1.396.258
Writedowns of fixed assets	704.568	681.900
Reserves and undistributed profits and change in fund for general banking risks	784.862	714.358
TOTAL GROSS VALUE ADDED	7.432.633	7.456.713

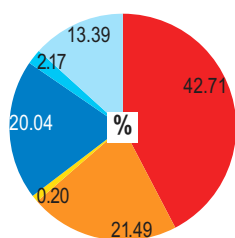
For the first time in UniCredit's social and environmental report, the Group's consolidated accounts were used as a basis for determining the breakdown of value added. The decision to report data for the entire Group represents and synthesises the organisational effort involved in combining the Group's main Italian banks, which last year each presented their own social and environmental reports (*Credito Italiano, CRT and Cariverona*) or social reports (*Cassamarca, Cassa di Risparmio di Trento e Rovereto, Cassa di Risparmio di Trieste, Rolo Banca 1473*).

Thus, compared to the breakdown of value added presented in the previous social and environmental report, which was only for the Parent Company, the breakdown resulting from a restatement of the Group's consolidated position shows a net preponderance of the *human resources* component (42.71%), and significant amounts allocated to the Government (21.49%) for taxes and duties owed for 2002 and to provisions to strengthen the Group's capital base – reported under “corporate structure” – (20.04%).

The *minority interest* (2.17%) represents the share of profits generated by companies falling under the Group's scope of consolidation, which is distributed to third party shareholders of Group companies, while the portion allocated in 2002 to the community (over €15 million or 0.20%) includes the allocation of €10 million in profits generated by the Group to the “donation fund” established within Group companies.



Distribution of total gross value added 2002



- Human Resources
- Government, Agencies and Institutions
- Community
- Corporate Structure
- Minorities
- Shareholders

In fact, of this €10 million, €4 million was set aside in the proposal for the distribution of profits made at the shareholders' meeting of the Parent Company, UniCredito Italiano, at the time the accounts for 2002 were approved, while €6 million was allocated by UniCredit Banca to the fund established by statute at the latter bank under the same name.

In 2002 uses of amounts previously allocated to these funds for donations totalled €9.513 million, of which €6.637 million was donated by the Parent Company and €2.876 million was donated by, or on behalf of, the federated banks.

The situation in 2002: organisational structure and distribution model

In 2002 the UniCredito Italiano Group reviewed its organisational structure, which until then had been divided into three divisions – the Italian Banking Division, Wholesale Banking, Foreign Banks and New Initiatives – and reorganised it into four Divisions that operate primarily to serve a specific customer segment, thereby adopting a structure “by bank segment with nationwide coverage”.

The transformation process – of which the S3 project for the reorganisation of the Italian banks was the main component – was based on the need to place all business units that primarily service a specific customer segment in the same Division in order to reap the full benefits from enhancing specialist skills in various markets to provide greater customer satisfaction.

As a result, four Divisions were set up: retail, corporate, private banking and asset management and New Europe. Their main objective will be to maximise economies of scale and scope and achieve business excellence through a greater ability to propose and carry out strategic moves in specific reference markets, including at an international level.

Within this structure, the Parent Company is responsible for maximising the Group's overall value through the centralised administration of the Group, the planning and strategic direction of the business units, the management of profit centres under its responsibility, and the efficient provision of common Group services that have not been structured as dedicated companies.

At the same time, the Parent Company

has broadened its area of responsibility to include a clearer organisation of “intangible” resources such as identity, image management and coordination of brands for the Group; it has also strengthened its oversight of high-profile, inter-departmental processes relating to risk and operating efficiency.

The main responsibilities and functions of the departments and structure of the Group's divisions are described below.

Parent company planning and administration

Legal and corporate affairs: *legal and corporate affairs is responsible for ensuring accurate legal and corporate compliance, reviewing changes in regulations and ensuring uniform interpretation at Group level. This department has the task of identifying the best corporate method for implementing acquisitions and Group restructuring projects, continuously reviewing legal changes, preparing legal opinions, drafting intra-group service contracts and providing general legal consulting services.*

Group audit: *group audit is responsible for assisting in the protection of corporate assets and providing corporate stability through the audit of the organisation's ability to achieve its goals effectively. The department is charged with*

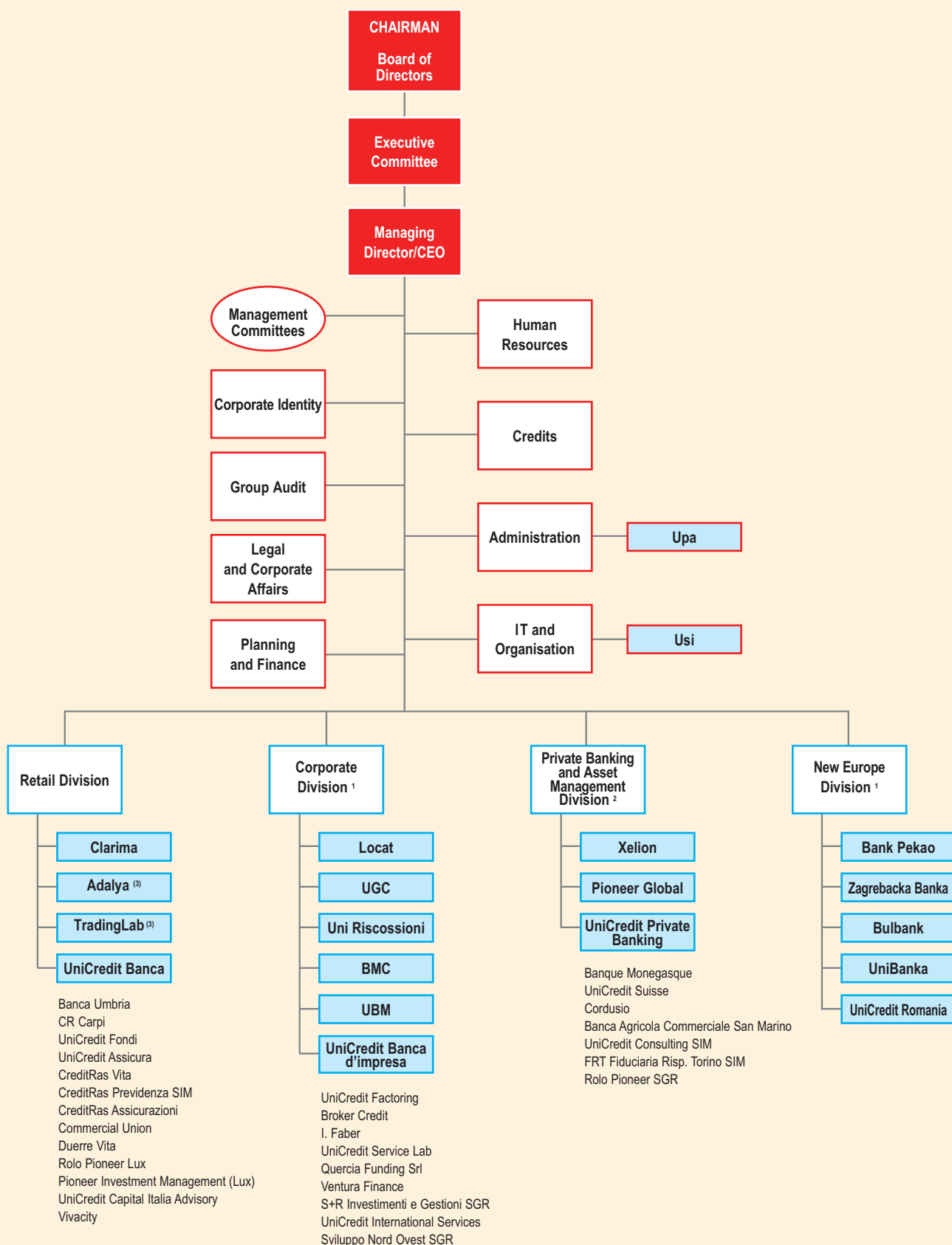
assessing the functionality of internal control systems at Group level, the effectiveness and efficiency of operating processes, and monitoring the uniformity of operating procedures and their compliance with laws, regulations and the Parent Company's plans.

Corporate identity: *corporate identity is responsible for formulating and disseminating the Group identity through brand coordination, managing public and institutional relations, managing internal communications in conjunction with Human Resources, and public communications, developing environmental policy, preparing the Social and Environmental Report, coordinating Local Committees and liaising with the Unidea Foundation.*

Credits: *the department is responsible for strategic planning in the area of credit risk management and control, overseeing the assessment of credit ratings of major groups, planning and implementing processes and tools for the loan approval process, loan monitoring and recovery, and the management of major loan restructuring.*

Administration: *administration is responsible for managing the Group's acquisition processes, optimising operating expenses, preparing reports for regulators, accounting and tax compliance, compliance in the area of the Group's equity investments and overseeing operating risks. This department is in charge of the acquisition and*

UNICREDITO ITALIANO SpA ORGANISATION CHART



(1) Division headed by Deputy CEO.

(2) Division headed by Deputy CEO effective 1 January 2003.

(3) Transfer of responsibilities to the Retail Division for the two subsidiaries upon the finalisation of corporate transfers (from UBM to UCI for TradingLab, and from UniCredit Banca to UCI for Adalya).

accounts area and the Group's centralised production company (Unicredit Produzioni Accentrate or UPA).

IT and organisation: *this department is responsible for coordinating the Group's reorganisation projects, overseeing Group processes with a high degree of interdepartmental activity, developing Parent Company processes, managing and maintaining property assets and managing physical security at Group level. The Group's information technology company (USI) reports to this department.*

Human resources: *human resources is responsible for supporting the Group's strategic and organisational development, overseeing its management of human capital, recruiting, maintaining and developing high quality human resources and providing, at the same time, a close and consistent management of payroll costs. This department ensures a cohesive organisational structure, defines development and management policies for human resources, provides optimal management and development of key employees and individuals with high potential, and manages national industrial relations and all matters relating to employment law.*

Corporate *is made up of UniCredit Banca d'Impresa, UniCredit Banca Mobiliare, Locat, Banca Mediocredito, UniCredito Gestione Crediti and Uniriscossioni. The Division also includes UniCredit Factoring, Broker Credit, I-Faber and the other equity investments allocated to UniCredit Banca d'Impresa. The foreign branches, correspondent banking and custodian services also report to this division.*

The private banking & asset management Division *is made up of UniCredit Private Banking, the sub-holding company Pioneer Global Asset Management and Xelion. The Division also includes current Group offices abroad specialising in private banking, Fiduciaria Cordusio and other equity investments allocated to UniCredit Private Banking.*

The New Europe Division *is in charge of promoting and managing the Retail and Corporate banking operations in foreign markets with the aim of maximising the Group's value, adjusted for risk-related costs, in order to create the leading banking group in the New Europe.*

The Division also assists banks in the preparation of (strategic and operating) plans; in management controls; the implementation of methods, processes and excellent loan management tools together with Credits, and the implementation of projects involving organisational changes and the development of information systems.



Planning and finance: *this department oversees asset and liability management, the management of Group treasury, the Parent Company's planning and control activities as well as planning and controlling operating costs. It is also responsible for coordinating planning at the Group level, investor relations, mergers and acquisitions, managing market risks, the consolidation of overall risks and the related process of capital allocation.*

Business Divisions

Retail *is made up of UniCredit Banca, Clarima, Adalya and Trading Lab. The Division also includes all insurance companies in which UniCredito has a significant equity interest, and which support the distribution of specific products. It also encompasses companies dedicated to integrating production and distribution of mutual funds and other equity investments allocated to UniCredit Banca.*

UniCredito Italiano Group

IN ITALY



	Branches	Employees
UniCredito Banca S.p.A.	2,842	29,381
Banca dell'Umbria 1462 S.p.A.	89	766
Cassa di Risparmio di Carpi S.p.A.	40	344
Banca Mediocredito S.p.A.	1	241
UniCredito Banca Mobiliare S.p.A.	2	532
Domestic banks	2,974	31,264

	Branches	Employees
Banca Agricola Commerciale, Republic of San Marino	7	101
Banque Monegasque de Gestion S.A., Montecarlo	1	40
UniCredito (Suisse) Bank S.A., Lugano	1	22
Cassa di Risparmio di Trieste Banca D.D., Zagreb	1	39
Banks operating outside Italy	10	202

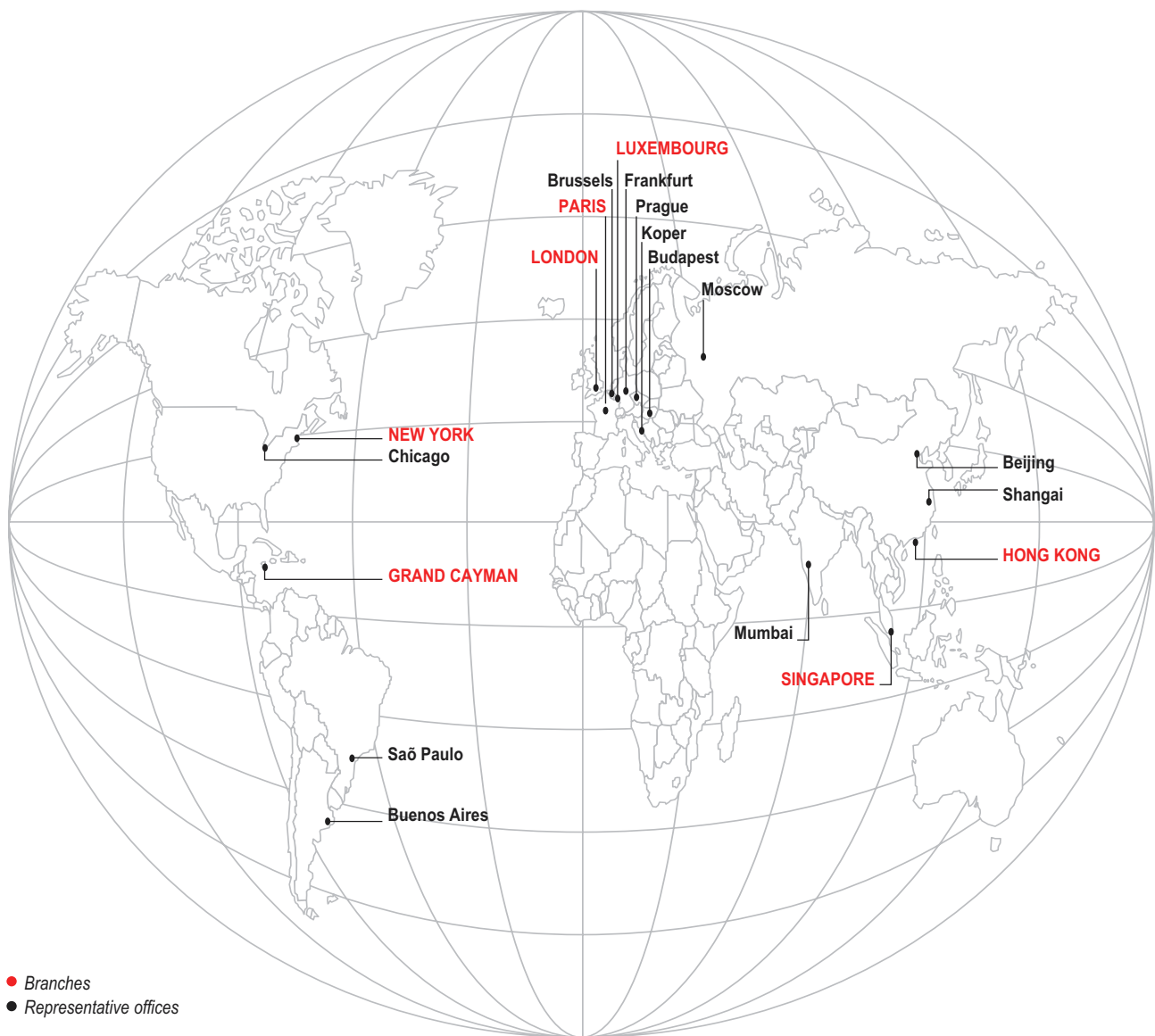
NEW EUROPE



* Koç Finansal Hizmetler
(joint venture with the Koç Group)

	Branches	Employees
Pekao Group	832	17.783
Bulbank A.D.	91	2.060
UniBanka	66	1.008
Zagrebačka Banka	180	5.374
UniCredit Romania	15	306
New Europe banks	1.184	26.531

INTERNATIONAL NETWORK



	Branches	Employees
UniCredito Italiano S.p.A.	7	1,680
Domestic banks	2,974	31,264
Banks operating outside Italy	1,195	26,748
New Europe banks	1,184	26,531
Other foreign banks	10	202
UniCredito Italiano Bank (Ireland) PLC	1	15
Other financial and ancillary companies	-	6,863
TOTAL	4,176	66,555

Shared values, service quality and integration with the territory

UniCredit's medium to long-term strategy is aimed at generating sustainable value over time for all stakeholders. This means having the right organisational and corporate governance tools, investing in the quality of internal resources and in customer relations, and maximising the focus on the areas and local branch networks.

As part of the S3 project, there is a strong emphasis on strengthening the Group's identity in order to create cohesion with respect to certain shared values and a resulting distinct market perception.

The relevance of the Group's emphasis on values must be combined with its strong customer focus.

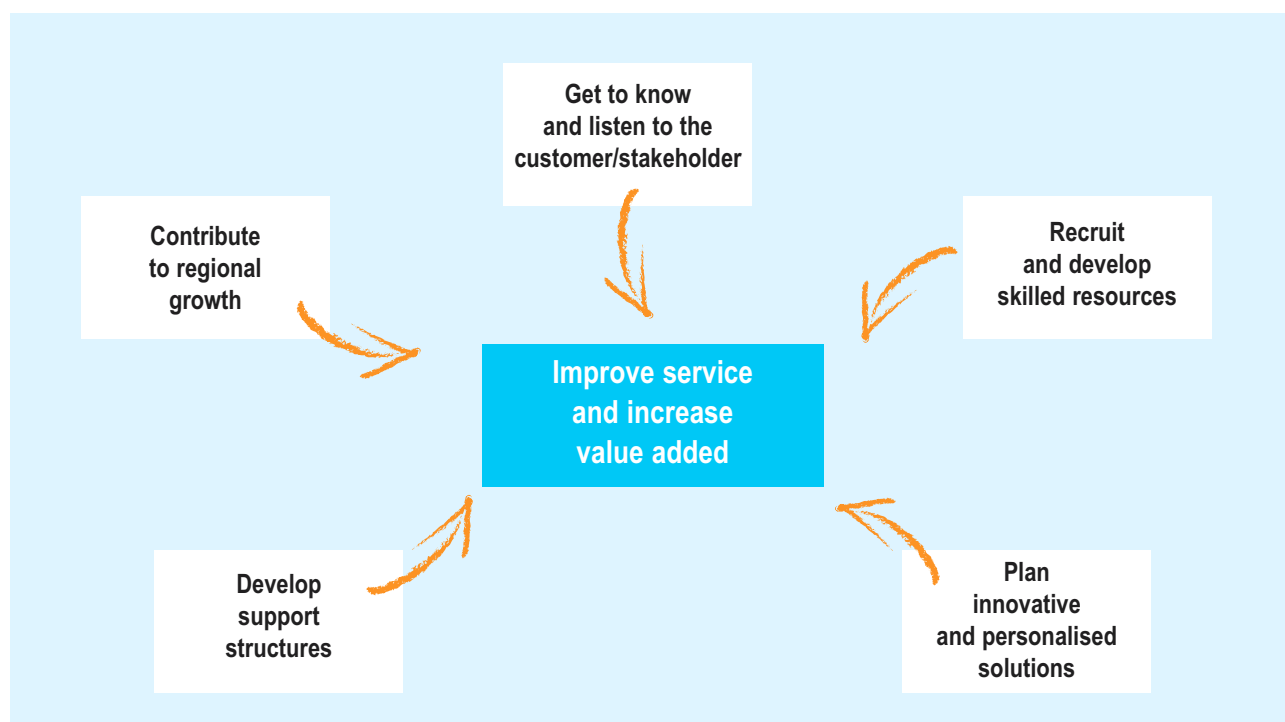
Quality, which is defined as a high degree of consistency between the

focus on satisfying customer needs and the organisation's efficiency in delivering services, is a distinctive feature of the Group's development.

UniCredit is in the process of a significant reorganisation, which is characterised by a strong drive to improve the quality of service offered. In the context of relationships this means differentiating and focusing products using the segment bank model.

The essential starting point for this process of building a stable, personalised and mutually satisfactory relationship over time is to have an accurate picture of the customer's needs with the awareness that customer needs are characterised by their specific social, cultural and regional environment.

Knowing the customer base, for UniCredit, also means having a thorough understanding of the needs of



the environment where it is located. This links our customer project with the project of consulting stakeholders in the various areas where we have a presence, and it is also a feature of our way of operating outside Italy.

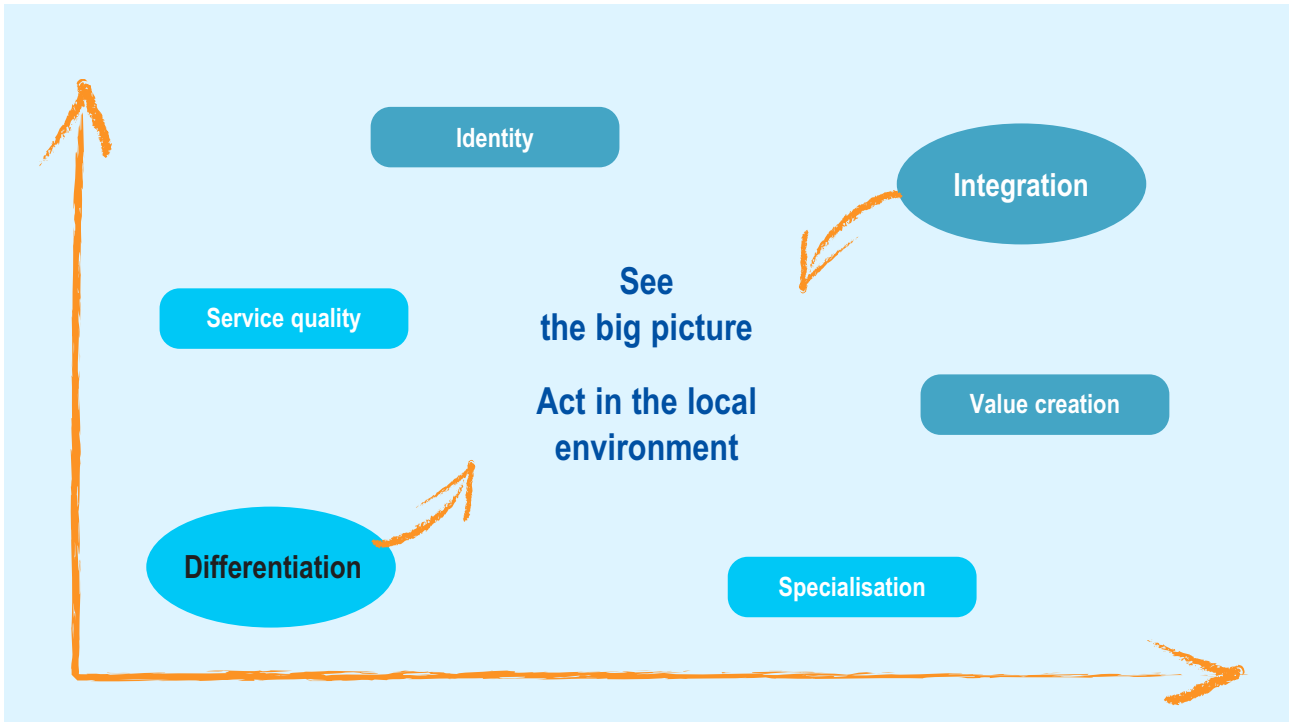
This challenge is extremely important, and requires a full appreciation of the work of the staff that forms the key interface in the management of relationships with customers/

stakeholders. The investment in training courses that support the development of professional skills and capabilities – an essential condition for the continuous improvement of services – is a fundamental component of UniCredit's growth project.

Another important and distinctive feature, which should be utilised to the full, is the ability to make the

resources of a large diversified international group available to the different local environments, each of which has its own specific needs.

This means combining the skills and performance, which UniCredit has demonstrated that it possesses, with levels of service quality that only the "largest local Italian bank" can provide.



Interview with the Managing Director/CEO

UniCredit's commitment to operate as a "responsible" business has roots that are getting stronger and deeper every year. Based on experience, what does the term corporate social responsibility (CSR) mean today for the company and its management?

The period of major transformation that we are undergoing provides a very useful key to interpreting and understanding how we define corporate social responsibility. We are a Group that sets ambitious goals and commits to achieving them with growth and development projects, including at an international level. This requires courageous decisions and the ability to implement them. Take, for example, the S3 project, which is covered in this social report: we were the only ones in the sector to restructure to this extent, and we are now using all our energy to complete the process by the established deadline, which will allow us to provide a better, more specialised service to customers. And it is in the very implementation of this transformation

process that our vision of corporate social responsibility has strengthened. This means knowing how to respond better to the needs of the market and the various environments in which we operate while maintaining the same level of professionalism. The only way to effectively accomplish this transformation is to reinforce our identity and our local presence, and at the same time, absorb the experience and skills that our counterparts and partners are able to share with us.

This may lead one to believe that CSR is an opportunity for UniCredit to redefine its relationship with its business partners, customers and all of society, but, more importantly, it also intends to do so with employees. In short, this is a sort of new interpretation of the "us and them" relationship achieved, on the one hand, by strengthening the identity and the sense of belonging to "us", and on the other hand by building partnerships and opportunities to reach out to "them".

Building and nurturing a strong identity has always been a priority for us. Sharing values, goals and attitudes among the people in our Group proved essential for implementing the S3 project and expanding the Group abroad.

The merger of the various roots that sustain us – each with new ideas, experiences and social relations – led to a definition of a corporate identity that is based on gathering and enhancing all their specific features. From this point of view, the greatest effort over the last year was focused on talking to employees (through travelling road shows to those areas where we have a presence) with the aim of encouraging people to find a place for themselves in the Group's new mission and value profile. A strong and clear set of values is the best possible guide to enable us to do our job well, guaranteeing that the company will have a long and prosperous life, while an identity based on principles of social responsibility can ensure that both our partners and us benefit from this.

Is it possible to combine the value created for the company with the values of its stakeholders?

In reality, the objective is to be able to create value for the company (and not necessarily only profit or economic value) and at the same time create value for stakeholders. This approach is increasingly characteristic of a company's various areas of operation, and in particular for a bank. The evolution of the concept of corporate governance is a good example of this. As this report shows, we believe that corporate governance should be aimed at regulating the various interests within the company, discussing them openly and creating value for all stakeholders: from shareholders to customers, and from employees to local communities. By demonstrating that appropriate corporate appointments have been made, that these positions are filled by qualified people, and that the profit margin that we generate is shared among many different social and economic entities is a way of interacting with our counterparts, including at management level. This approach is inspired by transparency, but also by the desire to share and cooperate. To achieve these objectives it is of course necessary to be able to identify and understand the expectations of stakeholders, and the dissimilarity and specific connotations (public, production and regional) of such expectations in order to be able to effectively "listen" to them. The Itaca project, which is described in this report, was entirely

devoted to listening to stakeholders, as were the meetings with our various counterparts (suppliers, institutional investors, organisations, etc.).



The process of getting closer to CSR is clear, at least from a logical standpoint: shared values lead to a strong identity, which makes it possible to properly conduct business activities by satisfying customers and remaining competitive, and at the same time, makes it possible to listen and respond to ethical requirements and public duty, which are becoming increasingly important.

Is it idealistic to believe that this process can be translated into an operating plan?

It is difficult. We are trying.

Let me give you two specific examples that retrace the steps you outlined.

Our non-profit foundation, Unidea, has just been launched. It is coordinated by a board of directors primarily from outside

the bank and funded with one percent of the Group's profits. Its mission is to assist in implementing projects, including those proposed by employees, in the area of social services in developing countries, Central and Eastern Europe and in Italy. Now let's talk about the environment. UniCredit adopted principles long ago aimed at sustainable growth. The only way to share these principles was through a strategy of assuming and strengthening responsibility: for example, we do not associate with polluting companies. This is a conscious commitment to "them" (in this case, future generations). For this reason, we have also decided to comply with the European EMAS regulations, which is the height of excellence for companies wanting to demonstrate their respect for the environment. To achieve this target, which was done in 2002, we reconsidered a number of activities, which, although indirectly, can have a significant environmental impact: credit policies, loans to companies and the management of mutual funds. In this regard, it is interesting to note that by aiming to achieve better control over environmental risks, the process described led to an improvement in our methodologies used to assess a party's creditworthiness. In this way, we will strive to be "active citizens" of society and improve our strategies. Together we will pursue a goal shared by many stakeholders of prospering for as long as possible with the conviction that helping others grow will also help us.

Interview by Antonio Calabrò

Areas of

QUALITY OF WORK

MARKET AND TERRITORY

ENVIRONMENT, HEALTH AND SAFETY

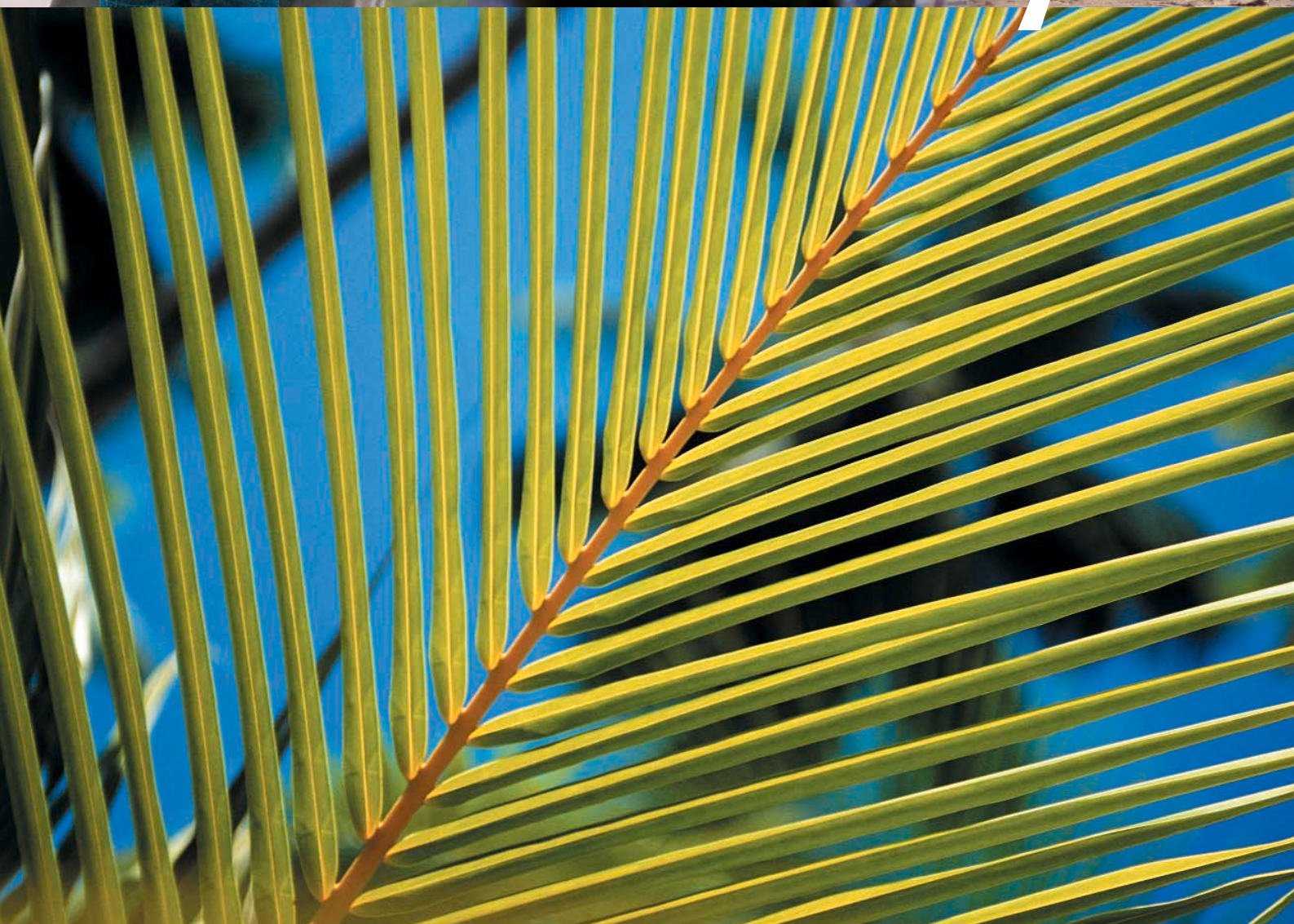
SECURITY AND PRIVACY

LISTENING AND DIALOGUE

CORPORATE CITIZENSHIP



sustainability





Areas of sustainability

The decision to organise the report by “topics”, i.e. specific areas of interaction with stakeholders, is aimed at providing a better representation of the “interrelationship” of the three dimensions of sustainable growth: economic, social and environmental. The initiatives undertaken by UniCredit demonstrate their commitment to achieving results in each particular dimension, ensuring that the goals pursued will benefit everyone involved.

To this end, UniCredit carefully identified its counterparts and key partners and carried out a thorough analysis of the interactions with them in order to demonstrate the interdependence of economic factors and social responsibility in values, strategic decisions and day-to-day operations.





Quality of work

Means, within our relationships, guaranteeing our employees ever better working conditions, opportunities for personal and professional growth, and compatibility with their quality of life and leisure time

Market and territory

Means encouraging sustainable economic growth through a range of products, services and business solutions offered to customers and local communities by undertaking action and initiatives in support of economic expansion in local areas

Environment, health and safety

Means protecting the environment and preventing direct and indirect environmental damage, and improving health and safety conditions for our employees

Security and privacy



Means being accountable for all actions taken to protect corporate assets, transparency and ensuring the legality of our business activities and the protection of individuals and their privacy

Listening and dialogue

Means interacting with corporate counterparts with the aim of developing relationships that encourage discussion and mutual respect in order to identify needs and expectations vis-a-vis our actions in the social context and to encourage new ideas and proposals

Corporate citizenship

Means, within our relationships, on the one hand, measures taken to support non-profit organisations, initiatives aimed at promoting greater social cohesion and supporting the arts, culture and sports; and, on the other hand, activities to promote and disseminate the culture of corporate responsibility and citizenship in the economy and the community



Investing in skills for growth

Quality of work

“

Helping people in their professional development through ongoing training aimed at improving skills, fostering their aptitude and realising their potential in order to encourage personal growth that will lead to overall growth for the company.

Investing in the professionalism of individuals makes it possible to meet customer needs in the best way possible, through trust and long-lasting relationships (not just “short-term” results based on customer speculation). This is how value is generated for all concerned.

”



The objective of launching a new phase of the Group's development, based not only on the ability to provide high-quality products and services to meet customers' expectations, but also, and most importantly, to continually increase their level of satisfaction, requires professional, skilled and motivated employees.

The process of business specialisation, which was launched in 2002, must be properly supported by careful management and the development of human resources.

This means defining the professional qualities necessary, striving to make certain that employees are excellent and have the skills needed, and enhancing internal skills. Most of all, this means developing a sense of belonging to the Group through discussion, motivation, managing the internal working environment and providing appropriate mechanisms for rewarding results.

These are the various paths that the Group has taken to implement the concept of "quality of work". This process involves the growth and development of human resources that is strongly supported by an efficient organisation, which in 2002 achieved the fundamental objective of reassignment over 29,000 people in the Group's seven historical banks and transferring 6,000 of them without any particular employment issues.

General background

The Parent Company has 1,680 employees (as at 31 December 2002), up by 25 employees over the prior year (or 1.5%).

This increase was the cumulative result of:

- a decrease of 350 employees that were transferred on 1 July 2002 to UniCredit Banca following the transfer of the Call Centre and Retail, Corporate and Private Banking areas (which provide marketing and service support to the Italian branch network).
- keeping some of the staff (296 employees) from the six banks, which formed the single bank, at the Parent Company;
- an actual increase of 79 employees.

In addition, 110 new jobs were created to cover the need for new professionals in staff, coordination, planning and communication structures resulting from the reorganisation process of the Group banks.

At UniCredit Banca (29,381 employees in December 2002) staff levels decreased by 493 (down by 1.7%) from the combined staff level in 2001 of the seven banks (Credito Italiano, Rolo Banca 1473, Banca CRT, Cariverona Banca, Caritro, Cassamarca and CRTrieste) that formed this bank.

This reduction was due to:

- the transfer of 350 employees of the Parent Company who perform marketing and service functions for

the Italian branch network;

- keeping the 296 employees from the six banks, which formed the single bank, at UniCredito Italiano;
- an actual decrease of 547 employees.

There was also an increase in part-time positions (from 2,690 to 2,944), which was partly due to the transfer of the Call Centre to UniCredit Banca (this centre is predominately staffed by part-time workers and people on work training contracts), and partly due to synergies linked to the S3 project that made it possible to meet part-time needs, especially those of female staff.

Taking into account the ratio of part-time employees to full-time employees, the real overall reduction in personnel translated into 625 full-time equivalent employees. This figure can be seen as a "natural" result of the merger and reorganisation process. Finally, it should be noted that despite the overall drop in staff, the organisational rationalisation process resulted in the creation of 429 new commercial jobs, which will strengthen the sales force and front office.

65% of the Parent Company's staff is located in the Milan office where the administrative structure and the units that provide support services to UniCredit Banca and the other Group companies are based.

The remaining 35% is based in the foreign branch network (16.30%), on

assignments throughout the country to provide more effective property and security management (12.80%), and in provincial locations of the subsidiary Uniriscossioni S.p.A. (5.90%).

UniCredit Banca's staff is spread

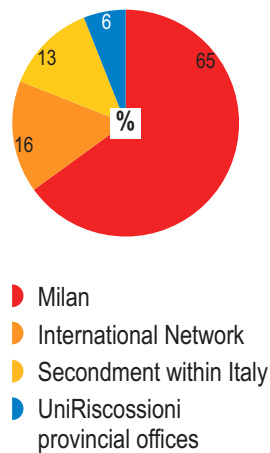
throughout the country with a particularly significant presence in those provinces where the banks, which became a part of the single bank, had the greatest presence.

As a result, 78% of staff is in the North, 12% in central Italy, and 10% in the South. On the other hand, UniCredit Banca has no

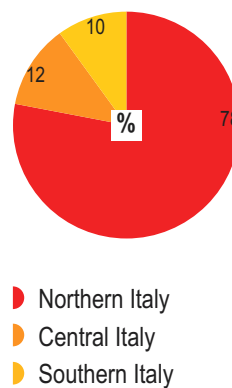
presence abroad since the foreign branches, which previously reported to the individual banks, now report directly to the Parent Company.

There is a significant percentage of management staff (senior

**UniCredito Italiano
staff located in:**



**UniCredit Banca
Staff located in:**



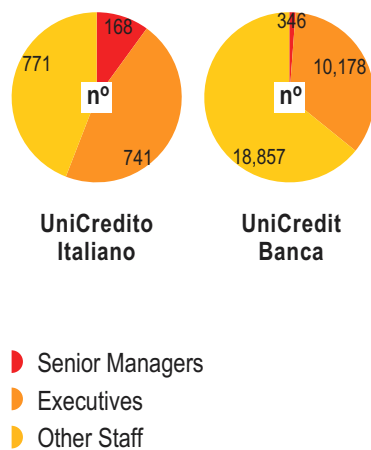
and 26.5% at UniCredit Banca) confirms the inclination to hire new professionals in line with the Group's mission. This fact is also substantiated by the percentage of employees under 40 (32.4% at the Parent Company and 42.5% at UniCredit Banca).

managers and executives) at both the Parent Company (54%) and UniCredit Banca (36%), which is evidence of the Group's focus on the professional qualifications of its employees. Furthermore, the significant percentage of employees with seniority of less than 10 years (29.5% at the Parent Company

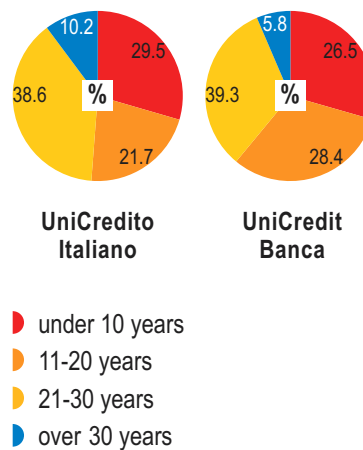
Net of transfers and moves between Group banks/companies, there were 73 new hires at the Parent Company in 2002 (88% of whom had regular contracts), and a decrease of 64 employees, of whom 33 were staff which had pension rights and retirement incentives.

Net of transfers and moves among Group banks/companies, there were 782 new hires at UniCredit Banca in 2002 (45% of whom had regular contracts), and a decrease of 1,386 employees, of whom 381 were staff which had pension rights and retirement incentives.

Staff by grade



Staff by seniority



More flexible forms of employment were also used in the hiring process (interim staff, temporary contracts and temporary job training contracts) to meet extraordinary requirements and to strengthen telephone banking operations.

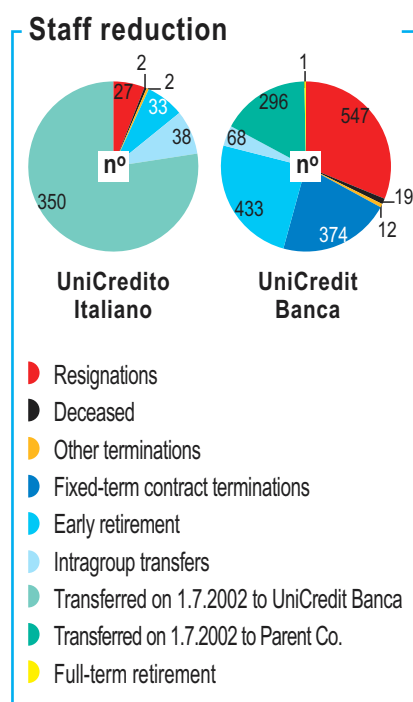
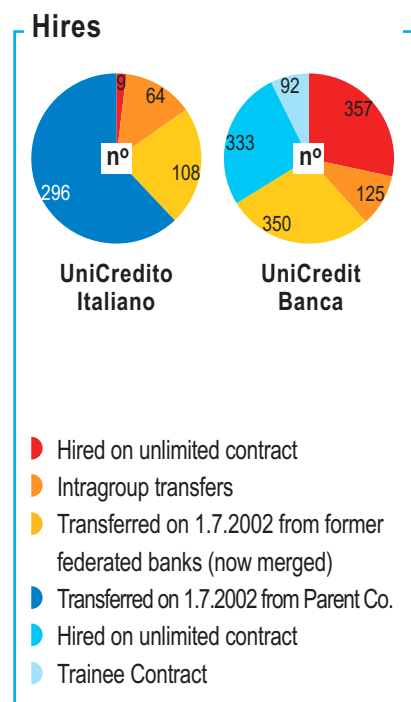
Compensation and career development schemes

The Group has a merit-based compensation scheme in line with the conditions set under national collective labour contracts.

In particular, the averages for 2002 for the Parent Company were largely the same as those for 2001 with slight adjustments within certain categories (up by 3.3% for senior managers, up by 2.1% for officers and up by 21% for remaining staff).

The latter was due to the sharp decrease in the proportion of part-time employees and the transfer of staff with low seniority to UniCredit Banca and the recruitment of staff, who on average were more senior.

Career development is a focal point of the human resource management as witnessed by the promotions during the year (5.4% at the Parent Company and 11.8% at UniCredit Banca). There was significant growth in the senior management category at the Parent Company (up by 10.50%), which



should be seen in the context of increasing positions of responsibility and coordination/planning.

The mechanism for additional hours worked has now been consolidated. It was introduced under the national collective labour contract of 11 July 1999 and supplied solely to full-time employees.

Use of the "hour bank" remained at 21 hours per person in the Parent Company (the same as in 2001) and was 29 hours per person for UniCredit Banca.

There was an overall increase of 5.13% in additional hours worked over net workable hours at the Parent Company (5.30% for UniCredit Banca), of which 4% was remunerated as overtime.

Group stock grant and stock option plan

In 2002 the medium-term incentive plan known as the "Group Value Growth Programme – Groupwide Action Plan" came to an end. It had been launched in May 2000 and was targeted at Parent Company, domestic bank and Group subsidiaries' staff. Throughout the year the following stock and options were allocated free of charge:

- UniCredito Italiano shares to approximately 34,000 Group employees, as part of the revision of the company bonus, in order to strengthen the sense of belonging and give tangible recognition for success achieved;
- UniCredito Italiano shares to approximately 2,200 of the Group's best performing middle managers, in

order to stress the correlation between the value of the individual and company results.

- Stock options to approximately 300 top managers with the purpose of fostering the growth and improvement of results over time, and ensuring that

employees who are particularly important to the Group remain with the Company.

The Groupwide Action Plan takes full advantage of the tax and social security benefits introduced in this area under Italian legislation.

Corporate services

The UniCredito Italiano Group meets the various needs of its employees by providing several services to staff and their family members.

The value of these services in 2002, which are grouped by type, is indicated below.

CORPORATE SERVICES

	UniCredito Italiano	UniCredit Banca
Supplemental health scheme	€ 925,817.61	€ 9,058,447.75
Accident insurance/all-inclusive insurance for non-work related losses		€ 550,090.92
Pension fund	€ 6,743,760.43	€ 62,639,838.06
Scholarships for children of staff	€ 45,339.81	€ 985,251.99
Financial contributions for children of staff	€ 114,163.80	€ 1,345,634.43
Financial contributions for disabled family members	€ 43,470.00	€ 363,213
Payments linked to seniority	€ 1,147,529.24	€ 8,673,820.01
Payments to former employees on their 75 th , 80 th , etc. birthdays		€ 536,857.04
Various payments for children of former employees		€ 180,185.15
Grants paid to employees in service		€ 96,834.99
Grants to retired personnel		€ 5,000
Number of loans/mortgages for the purchase of homes	157	1,279
Value of loans/mortgages for the purchase of homes	€ 17,650	€ 109,293
Number of loans for personal use	248	2,583
Value of loans for personal use	€ 2,484	€ 24,856

For the purposes of the Social and Environmental Report, data were restated by including in UniCredit Banca all charges related to the six banks that merged into UniCredito Italiano on 1 July 2002; for the first half of the year, these charges were included in Parent Company charges in the accounts of UniCredito Italiano.

Staff absence

In 2002 there was a decline in absences at the Parent Company to

12 days of absence per person

compared to 13 in 2001.

The number rose to 17 at

UniCredit Banca due to the

percentage of absences related to

maternity leave.

DAYS OF ABSENCE (FULL TIME EQUIVALENT) IN 2002

	UniCredito Italiano	UniCredit Banca
Illnesses, accidents and doctor visits	10,400	241,000
Maternity leave	3,200	103,700
Family and personal reasons	1,950	37,000
Union leave	1,700	55,500
Blood donation	150	2,800
Marriage leave	400	4,500
Other reasons	2,000	52,300
Total	19,800	496,800

Industrial relations

Based on a long standing tradition, industrial relations are characterised by open and constructive dialogue, which is essential in the current climate of major structural and organisational change at both the industry and Group level.

In light of the implementation of the S3 project, union meetings held in 2002 were particularly intense and took place behind closed doors. After periods of demanding union discussions, several significant agreements were signed, including:

- the Protocol regarding the Group's industrial relations, the management of employees involved in the S3 process and welfare and social security cover;
- the "economic agreement" regarding the standardisation of various compensation schemes and pre-existing regulations;
- year-end agreements that led to the specific launch of the three segment banks.

The rate of union membership among staff is approximately 25% at the Parent Company; at Group level it is substantially in line with the national average (about 70%).



Protection of minorities and equal opportunity

Women represent 34% of the total work force at the Parent Company and 37.8% of UniCredit Banca.

The percentage of women among management staff (24% for the Parent Company and 20% for UniCredit Banca) confirms the growing percentage of women holding positions of responsibility, which they are able to

reach more quickly, on the basis of age and seniority, than men.

The number of women among young employees (up to 30) is also significant: 54% at the Parent Company and 58% at UniCredit Banca.; this confirms the Group's focus on women in order to offer appropriate hiring and professional growth opportunities.

The proportion of individuals included in the protected categories defined in Law 68 of 1999 is indicated below (as at 31 December 2002).

PROTECTED CATEGORIES

	UniCredito Italiano	UniCredit Banca
Disabled (Art. 1 of Law 68/99)	69	1.496
Orphans, widows and refugees (Art. 18 of Law 68/99)	28	861
TOTAL	97	2.357

Giovanna Crivelli scholarship

As reported in the last edition of the Report, UniCredito Italiano announced a competitive exam for two scholarships to commemorate Giovanna Crivelli, a young colleague who died prematurely. The purpose of the scholarships is to train researchers in the area of political economics, financial market economics and economic policy.

Eighty-nine applicants, including 45 women, participated in the competition, which calls for awarding at least one of the two scholarships to a woman in order to commemorate

Giovanna Crivelli's substantial commitment to "equal opportunities" in her work.

The scholarships awarded in 2002 to a woman and man with degrees in economics and business, require the winners to enrol in and attend a university in the European Union or the United States in the first year of a specialisation course in line with their past studies for a period of at least 9 months on a renewable basis.

In 2003 the second year of the competition will be approved.

UniCredit Produzioni Accentrate day care centre

This year, with the opening of the new office premises in Cologno Monzese, an opportunity arose to carry out an initiative that confirms UPA's focus on its employees, i.e. the allocation of a space in the building for a day care centre.

The high proportion of female staff in the company on the one hand, and the recent hiring of young employees, on the other hand, led to this action, with the objective of supporting the complex mix of professional commitments and family needs.

The day care centre has a capacity of up to 26 children aged 1 to 3 years; part of the available space is set aside for residents of Cologno Monzese.

This initiative, which was approved by the city council, represented an innovation in the work environment and also made it possible to establish an important link with the local community.



Programmes to develop and enhance skills and knowledge

Key Resources project

This project was launched in 2000 with the identification of the Group's key positions and human resources. Specific management tools were developed in order to generate loyalty among highly valued employees.

The objective of the project is to support the Group's strategic and organisational development by safeguarding highly critical positions. As a result of the project, in 2002 the Group's best resources were identified and the "key positions" in the future three new specialised banks were secured.

Young Talent Project

In 2002 the training courses for the two series of the project proceeded. Since its inception in 2000, this project has involved about 180 young people with great potential throughout the Group's companies. The aim of the project is to quickly identify promising young employees and encourage their accelerated professional growth in a managerial environment.

This is a significant investment for the individuals involved and for the future of the company.

The project provides participants with a number of joint and individual training activities:

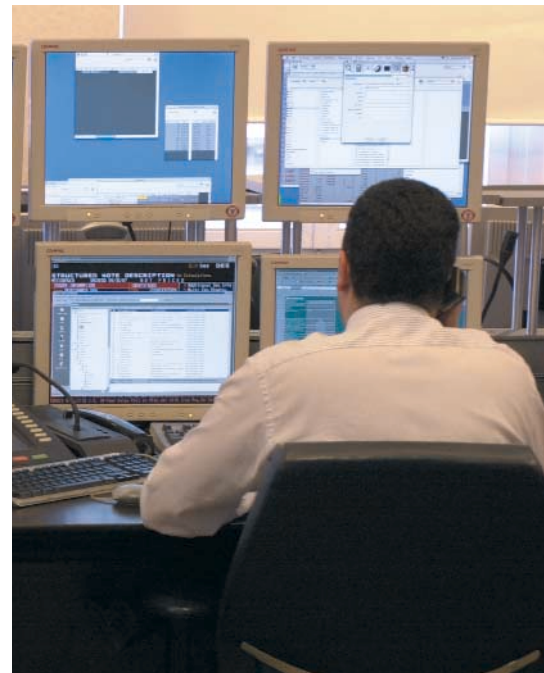
- the joint section is aimed at developing professional and managerial skills. To this end, a dedicated programme was developed in collaboration with the School of

sessions, professional experience and on-the-job training.

After the joint session of the first series of the project, plans for individual

development were created and implemented for course participants throughout 2002. These activities primarily involved training in both "technical" and managerial areas (e.g. finance, strategy, organisation, leadership, negotiation and employee management).

The second series of the project, which was launched in September 2001, brought to a close the joint training course.



Business Management at Bocconi University, based on the content of an MBA programme, enabling participants to acquire a complete strategic perspective of a business and new ways of approaching problems.

- individual activities are planned specifically for each person based on an indicative assessment, past experience and personal preferences. These are tailor-made courses and can include training

The subsequent phase of indicative assessment provided each participant



with a greater awareness of his capabilities and was used as the foundation for building individual development programmes.

Based on past experience and the Group's new organisational model, the third series of the project has been planned.

Young Talents Programme

A similar personal growth course, which was created specifically for the Group's banks in the New Europe and called the Young Talents project, was launched in October 2001 with the involvement of 50 young people with high potential. In 2002 the joint training course, indicative assessments and definition of individual development programmes were brought to a conclusion.

The Young Talents project was designed specifically, and the training course is adapted to the specific needs of the various countries concerned. The dedicated training sessions enabled participants to enhance their business knowledge and to deal with key issues for the New Europe market.

During the joint training course, participants had valuable opportunities to meet managers and to obtain in-depth knowledge of the Group's strategies.

On the basis of the pilot programme experience and the expansion of the scope of the New Europe banks, the planning for the second series of the project has begun.



Training

Training plays an important role within the Group as a way of furthering the continuous improvement of technical, professional and managerial skills.

In connection with the implementation of the S3 project, during the first half of the year it was necessary to standardise the technical and specialist knowledge base of employees working in the Group's seven banks. On the basis of a widespread effort to map and analyse training requirements, a number of

special measures were taken in order to properly train all employees involved in the project with respect to the requirements demanded by new professional roles and the various procedures introduced.

In addition, a remote platform was developed, called UCILearning, which was established in 2001 to meet the need to provide rapid and flexible updating of the skills of corporate staff. Several new functions were implemented such as the use of a toll-free number to allow all colleagues to



connect even after work hours and outside the workplace, thereby making it possible to fully implement the current national collective labour contract.

At the end of December there were over 21,000 subscriptions to the courses available on the platform for a total of about 116,000 training hours.

In the area of language training, in line with the Group's international expansion, there is an increased need for an adequate command of

the English language.

Thus, approximately 6,000 new, multi-year licenses were activated at three levels (beginner, intermediate and advanced) and also available on CD-ROM in order to provide staff with effective support to improve their knowledge of the language including in relation to their specific professional needs.

Training provided to all Group staff totalled 189,728 days.

New Europe

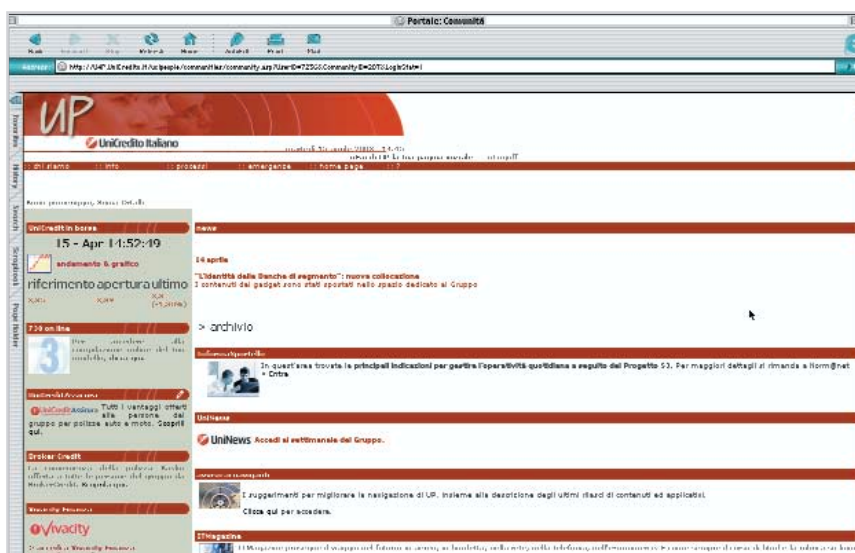
With regard to the foreign banks, significant investments in training were made to provide the necessary support to market new products in the areas of approaches and processes as well as sales techniques.

In the area of managerial training, the major programme called "Business Academy of Bank Pekao SA" continued at Bank Pekao. This programme was created in collaboration with an outside consulting company and primarily targets the bank's managers.

Study and Research Network

This is the new specialised organisational unit established within UniCredit to carry out studies and research aimed at analysing variables in the credit sector and the financial sector in general, as well as individual phenomena and events, with a special emphasis on assessing their implications for the Group overall.

The purpose of this is to build an information platform to assist all Group units, and thus make it possible to expand and subsequently distribute a common knowledge base, which until recently was only available to direct points of reference.



Internal communications

UCI for People: a Web portal for individuals in the Group

To motivate its employees to achieve excellent results and to facilitate the creation of a better working environment, a dedicated web portal has been created.

This tool, which was initiated in July 2002, is available – on the Intranet, Internet and through wireless connections to all individuals that belong – to the Group's Italian companies.

Through the portal all users can:

- directly manage various aspects of their professional life, such as administrative (inquiries and instructions regarding vacation days, days present/absent, travel expenses, expense accounts and overtime) or developmental (online training, performance assessment, stock option plan conditions);
- access the main in-house computer tools in the employee's professional community;
- look up general information on: labour contracts, rules of conduct, benefits available to employees, internal regulations, operating procedures in case of emergencies;
- access internal communications tools such as "UniNews", "Strettamente Personale", and "Qui UniCredit", as well as corporate and professional publications;
- participate in theme-based forums by expressing opinions and offering suggestions;
- use all other general-purpose tools (internal phone directory, information on initiatives in corporate recreation circulars, information and operating conditions of business offers made to employees by Group companies, links to other sites, etc.).



UniNews

UniNews, the information newsletter dedicated to covering activities at UniCredit, continues to be successful by promoting the exchange of information internally and externally on the Internet.

The newsletter, which is distributed weekly online, targets external journalists, opinion makers, press offices of large companies, institutions, financial analysts, and anyone who would like information on the Group; this is in keeping with the aim of providing information in a simple and open manner.

All UniCredit staff have access to the newsletter through a direct link on the portal UCI for People, while people outside the company need to access the corporate website (www.unicredit.it).

The newsletter is made up of several

sections dedicated to traditional press releases, in depth coverage of news of particular interest, investigations, previews of new products and services, analysis and assessment of the performance of stocks of selected companies, comments on economic and market performance and information on important events affecting Group activities.

To support the implementation of the S3 project, specific measures were also taken in 2002 to evaluate the reactions and morale of staff through an in-depth survey in the seven organisational units involved; in addition, three road shows presented by top managers took place in order to get employees involved and inform them of the various steps in the reorganisation process (see also the section "Listening and dialogue" for a more detailed description).

Reporting to the business community and local entities

Market and territory

“

As evidence of our full acceptance of corporate responsibility, we are prepared to answer to our counterparts and partners for our actions and their impact. Our commitment is to steer our customers and partners towards conscious decisions, making them aware of all risk elements that we know of and can reasonably predict.

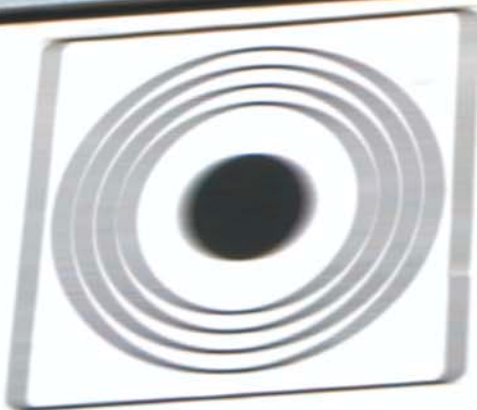
”



Chiesa Pa
S



Casto



m



The goal of the Group's reorganisation process is to improve service quality and increase customer satisfaction while remaining a key player in the regional entities that were historically operated by the Group's former federated banks (Cariverona Banca, Cassamarca, Banca CRT, CRTrieste, Caritro, Credito Italiano, Rolo Banca 1473).

This means committing to finding the best balance between business profitability and the relationship with local areas that has always been a distinctive feature of the Group banks' "way of banking".

Local Committees

Attributing the utmost importance to local development factors, the trust that businesses and households place in banks and the knowledge of the area and its various entities can only be seen as the challenge of being competitive in the international arena. And to a certain extent, it is also a condition of being competitive.

For this reason, Local Committees will be set up at an inter-provincial level. Their primary objective is to contribute to carrying out the S3 project by supporting the process of implementing the new segment banks (retail, corporate and private

banking), which commenced operations on 1 January 2003 in the areas where the seven banks operated. This is an important and delicate crossroads as the disappearance of these banks with their strong local presence makes listening to and understanding the needs and expectations of local entities a priority for UniCredit. The stated objective is to maintain vital contact with each local area, the history and values that each of the former federated banks represented, and to incorporate these in the new Group identity so that all the different roots and experiences can contribute productively to the implementation of the S3 project.

The Local Committees will be made up of a variable number of members divided between "internal" members, be selected from high profile managers at each of the three future segment banks in the provinces where the Committees are located, and "outside" members, who will be selected among



key figures from the business world, trade associations and public, non-profit and cultural organisations.

Local Committees will carry out the following functions:

- listen to and monitor regional communities to gather information on the changes resulting from the transformation and periodically observe significant socio-economic phenomena; at the same time, they will act as the driving force of the UniCredit Group's "local presence";
- analyse new opportunities in the area that "spring up" from local development;
- act as a special intermediary of the Group to move development in the area towards establishing relationships with operators and entities of other regional systems and countries.

In summary, the role of the Local Committees will be that of a link between the Group's new segment banks and the economic, institutional and social system; they will also serve as an important means of communication and exchange between local entities and UniCredit.



Local presence

Mission

Manage and develop the value of the Group's "local presence" through the creation and management of an organic system of institutional, socio-economic and cultural relationships at a local level.

Further reinforce the Group's role as a positive and responsible member of the local community, i.e. an active entity in the production of goods and services and the creation of "networks" for local development.

Objectives

- To reduce the risk of a weakening relationship with the area in which the former federated banks operated due to the implementation of the S3 project.
- Help the operating structures of the future retail, private and corporate banks to understand the economic and social dynamics and to maintain an ongoing discussion with other entities of the local community.
- Create networks to support and guide local development.

Itaca Project

Last year the Itaca project (Regional Initiative to Guide Local Entities, conceived by the Aaster consortium in collaboration with In Censis) was launched to help the Group's management redefine the Group's strategy for establishing and reorganising its local presence.

Operationally the project takes the shape of research conducted into the local UniCredit structures and the regional areas that are representative of particular socio-economic changes and is carried out by means of interviews and statistical computations.

The purpose of this programme is to link qualitative information based on the perception of internal managers and local entities (on the problems and outlook for regional development, the relationship between local entities and

banks and on the presence of the UniCredit Group in the area) to a systematic framework for representing the social and economic characteristics of each local area.

Regional forums were organised, during which the results of the research were presented to and discussed with the public, and to get a sense of how the changes, which are affecting local companies and economies in the areas, are viewed locally.

In this sense, Itaca turned out to be a research and action project with a wealth of implications for strengthening UniCredit's ties with its stakeholders at the local level. In order to act as their intermediary it is necessary to establish a local presence that inevitably must take a different shape than it had in the past. This is achieved, in particular, by strengthening and expanding discussions with individual communities

on issues of social responsibility and sustainable growth as goals that are compatible with achieving better economic results which will benefit the entire area and its development.

In 2003 the project will be carried forward in line with its original assumptions, and at the same time provide credible answers to local problems by:

- defining criteria for managing relationships with local entities;
- establishing procedures to coordinate between centralised and local "relationship" functions and operating relationships of the three segment banks, which became operational in 2003, in order to maximise support for local businesses;
- giving local structures the responsibility to manage local relationships based on a specific organisational model.

Summary of Itaca Project

Areas identified:

- Northwest (Turin, Alessandria, Cuneo and Valle d'Aosta);
- Northeast (Verona, Vicenza, Treviso, Padua, Trento and Trieste);
- Modena-Bologna-Ferri-Rimini corridor;
- Milan metropolitan area.

Local entities involved

One hundred local counterparts were interviewed for each area surveyed:

- **institutional entities:** public officials and members of ecclesiastical communities;
- **business entities:** owners and managers of the most significant businesses in the area, especially leading businesses and small and medium-sized consortia;
- **corporate entities:** managers of industrial delegations, artisans, small businesses and commerce;
- **self-governed organisations:** managers of agencies that administer the regional infrastructure, chambers of commerce, trade fairs, universities and other entities that provide public services to support local economies;

- **social and cultural entities:** operators in the service sector, volunteer workers and non-profit organisations in general, and cultural entities and opinion leaders.

Regional forums held

- 9 May 2002, VERONA,
- 14 May 2002, TURIN,
- 28 May 2002, BOLOGNA,
- 12 June 2002, TRIESTE,
- 12 June 2002, TREVISO,
- 13 June 2002, TRENTO,
- 18 June 2002, MILAN,
- 29 November 2002, PEDEMONTANA LOMBARDA.



UniCredito Italiano reconfirmed on DJSI and FTSE

The initiatives taken by UniCredit in the area of sustainable growth enabled it to be selected again in 2002 for the Dow Jones Sustainability Index, a worldwide benchmark promoted by the American Dow Jones and the Swiss company SAM (Sustainability Asset Management), which measures the level of social responsibility of a company, and by the FTSE4Good, the European index that accepts only "environmentally and socially correct" businesses, which was launched by the Financial Times and the London Stock Exchange.

These families of indices will influence the investment decisions of analysts and managers who increasingly select companies who take social responsibility seriously in the belief that this commitment is an important indicator of the ability to improve their competitive positions.

This recognition rewards decisions made in the area of sustainable growth by UniCredit: environmental impact management, business services, and support of nature protection projects.

Services and tools

In full compliance with its market growth targets, the Group is engaged in the search for a new approach for offering products and services to its customers, who increasingly place excellent economic performance alongside a proven enhancement of the local area and social and environmental aspects in the various target markets where it operates: households, businesses and large investors.

Genius Free

Genius Free is a current account package for young people under 30 who want to add Internet banking to a traditional teller service.

In addition to offering Internet banking services and entertainment, the website (www.geniusfree.com) provides sections dedicated to employment searches, universities, the economy and social issues.

More specially, in the Free Social section it is possible to follow an educational course on the principles and rules of ethical and responsible financing, analyse social issues through in-depth coverage, investigations and news and access two social campaigns called "To do something special, just click", and "Young & Free".

To do something special, just click

There are over 41,000 ways to support the non-profit projects of the programme called "To do something special, just click." This is a major success that rewards fund-raising and sensitivity to social issues.

During the period from 25 October to 20 December 2002, it was possible to click on the site to support one of the fund-raising projects proposed by the non-profit organisations

involved: Genius Free adopted all of them and supports them in proportion to web surfers' choices for a total of €16,000.

With this programme, Genius Free continues to remain close to the world of social issues. It is the ideal follow-up to the campaign entitled "Your account has big plans for the world" in which account holders supported other non-profit projects.

Young & Free

"Young & Free" is an initiative that was established by UniCredit Banca in collaboration with the municipality of Collegno to promote initiatives for young people that promote active citizenship.

It targets people between 18 and 28 years who have a project they want to carry out. The commitment is recognised in a tangible manner through economic compensation, training credits (including university) or through an apprenticeship or on-the-job training.

Imprendo

Imprendo (www.imprendo.it) is an account package created specifically for small businesses. It provides banking and other benefits for the entrepreneur, his family members and employees.

The features of Imprendo demonstrate a firmly rooted adherence to the sustainability policy that the Group wishes to follow. In fact, in 2002 the product took on an environmentally friendly appearance: starting 1 July, a number of environmentally friendly

brands will guarantee that the materials of the package are made only of recycled paper.

The benefits associated with the account also include special offers for those interested in health and safety issues, from medical services to a free check-up of corporate risks by a work safety consultant.

Formula A

Formula A, which was created in 2001, is a package of financial services dedicated to small and medium-sized

businesses that want to introduce an environmental management programme or be compatible with environmental requirements.

The product consists of a subsidised financing programme to cover expenses for the EMAS registration process or for ISO 14001 certification, in addition to consulting services and insurance coverage for environmental risks.

Vivacity

The Group's city-based portal has grown. Vivacity (www.vivacity.it) has expanded its mission: it now wishes to become the key local web portal for Group customers, and a simple and effective tool for the management of daily needs related to banking, the city, day-to-day life, and, of course, the Internet.

Recently there has been a special emphasis on improving the portal: in September, Vplus, an online reservation and payment service, was inaugurated; the content was enhanced with new regular features and sections as well as a more detailed coverage of existing sections, which continue to be focused on city-related issues.

Pioneer Investments Global Environmental & Ethical Fund

Pioneer Investments (www.pioneerinvestments.it), the brand of the Group's asset management companies, is the only global operator of Italian origin

that has a presence in more than 20 countries.

Pioneer's products include a stock fund called "Global Environmental & Ethical" with an international focus that selects companies that operate according to principles of socially and environmentally sustainable growth.

The selection criteria for the companies are established by an Ethics and Environmental Committee; it is made up of influential independent representatives from various professional areas and puts together binding guidelines for the operator's activities. These criteria cover two types of sectors: those to be excluded (spirits, firearms, pornography, tobacco and gambling) and those to be included (all non-excluded sectors). For a sector to be included in the investment pool certain measures identified by the Committee need to be met. One of the first results achieved by the Committee in 2002 was the study of the paper industry and its subsequent acceptance in the investment pool.

In 2002 the fund was down by 28.77% due to declining stock markets, but this drop was much lower than that reported by major indices, including the FTSE4Good,

the specific benchmark for socially responsible investments.

UniCredit ServiceLab

UniCredit ServiceLab (www.servicelab.it) is the vehicle that makes a new range of non-financial services available to customers (small and medium-sized businesses in all sectors), the purpose of which is improving corporate processes in addition to traditional banking products.

The type of services offered covers the requirements of several functional business areas, from human resource management services (recruitment and selection; interim staff, training and administration) to facility management services (designing, managing, providing and controlling services related to buildings, people and workspace), and from the management of energy expenses to the management of technological infrastructures (operating lease of hardware, connectivity).

Active services include the supply of utilities (electricity and gas) and the renovation and operation of equipment that makes it possible to reduce energy consumption (energy savings).

A consulting and assistance service will soon be launched covering the environment, hygiene, safety in the workplace, water drainage, atmospheric emissions and certifications.





The bank adopted a process for assessing the risk of providing lines of credit that also incorporate environmental aspects. It was formalised in a manual used in all credit processes. At present it is estimated that only 5% of total exposure has a higher-than-average environmental risk.

Credit policy is focused on limiting financial exposure to those activities that are directly or indirectly related to the production of alcoholic beverages, tobacco, weapons or ammunition.

In addition, Bank Pekao has structured financial products to assist companies that focus on environmental protection, and therefore have adopted policies to upgrade production facilities enabling them to use recycled products, reduce noise pollution, obtain energy savings and replace coal with gas.



The bank has a continued commitment not to provide loans to customers or for activities that violate environmental protection principles, or loans to companies that produce or sell weapons.

With regard to credit risk assessment, specific risk indices have been established that incorporate in the assessment process any actual or potential pollution problems and the

need to take preventative measures. This includes an assessment of the risk levels of the operations and production processes of the applicant business. Formal documentation issued by the appropriate authorities is required to certify the limited environmental impact of certain activities and their compliance with all health and environmental legal requirements.

In addition, all loan agreements, without exception, contain a representation made by the loan applicant stating there are no obligations connected with the application of current laws to hazardous waste that has not been properly treated and stored as required by law.

effective 1 July 2002 the Call Centre was transferred to UniCredit Banca.

In its new corporate location, the Call Centre has continued to represent a key resource for other Group companies that need telephone services, thereby providing improved economies of scale and scope.

Based on growing customer satisfaction, as evidenced by an increase in 2002 of 10.5% in customers that subscribe to the telephone banking service, the development of automated telephone services was launched. These services are based on new voice recognition technologies that make it possible to provide much more complex and detailed information.

Customer relations

Call Centre

As a result of the reorganisation programme linked to the S3 project,

During the year, these systems handled 64.6% of total incoming telephone calls (compared to 56.7% in 2001), and in November two new, high-quality services commenced operation to provide the prices for all mutual funds managed by Pioneer Investments and UniCredit Fondi.

CALL CENTRE

	2001	2002
Total employees	182	156
Telephone calls handled	3,450,000	3,812,000
Calls received	2,100,000	2,152,000
Calls made	1,350,000	1,660,000
Customers enrolled in the telephone banking service	376,326	415,700
Average response time		1.5 seconds

Customer satisfaction

In the current highly evolved market, and in light of the specific reorganisation process that the Group is undergoing, it is particularly



important from a strategic standpoint to clearly determine the level of satisfaction of current and potential customers by determining their needs and desires.

Customer satisfaction represents one of the bank's guiding principles.

In order to create the foundation for a quality improvement process that has a combined impact over the short and medium term, the Group confirmed programmes aimed at enhancing customer satisfaction in an analytical and systematic manner in line with the previous period (survey on customers' reasons for leaving the bank, ABI/Eurisko Survey).

In addition to providing customer care and monitoring the level of service

offered to Imprendo subscribers, a new programme was launched called "Progetto Cliente" [Customer Project] aimed at increasing the intrinsic value of the retail business by increasing customer satisfaction and the motivation

and professionalism of employees.

One of the project's main goals is to define a system for the strategic and operational measurement of quality that can be used to guide decisions and corporate activities at the headquarters and front line by:

- determining current customer satisfaction levels with respect to the most significant factors (drivers);
- conducting a joint assessment of quality drivers and related operating parameters;
- carrying out a systematic review of the gap between the level of service expected and the level as perceived by customers.

In this context, an extensive research

phase was launched through two Call Centres located in Milan and Palermo.

The research, during which great care was taken to ensure that the interview would generate a positive customer experience, is unique in terms of its sample size: 90,000 UniCredit customers and 30,000 customers of other banks will be interviewed. The research process has already covered 50,000 individuals with an average of about 2,300 usable interviews per day.

A further goal of the Customer Project is to define a three-year programme for the structural improvement of quality in order to support UniCredit Banca's strategic repositioning as the "quality brand for providing financial services to households in Italy".

Complaints

In 2002 the impact of the Group's reorganisation process was felt with a total of 9,510 customer complaints concerning mainly current accounts and investments.

This figure also includes those complaints covering matters that must be recorded in the "complaint book" created in accordance with legal requirements and regulations governing securities brokerage activities (commonly known as "CONSOB complaints").

In 2003 complaint offices in the three segment banks will become operational. However, for those

complaints addressed by customers directly to the Parent Company or its senior representatives, the Chairman and Managing Director/CEO will personally intervene to stress the importance of listening, mediating and focusing on the customer.

The idea is that even a critical situation, if properly addressed, can serve as an opportunity to contact and discuss matters with a customer and to enhance the service provided.

Investor relations

In 2002 there was a further strengthening of the relationship between Investor Relations and institutional investors, who are essential partners for the growth of the Group's operations and significant counterparts for promoting corporate social responsibility.

In addition to the usual communications channels used (presentations, Investor's Day, conferences, individual meetings and road shows), in 2002

there was an interesting development in financial communications over the Internet: this year, under the Investor Relations section of the UniCredito Italiano website, market consensus data were included for the profit and loss account.

In addition, all presentations made by top management were published; those on operating results were broadcast live, while video recordings of events are available on the website.

The greater use of the Internet to communicate is, on the one hand, a response to the need to provide information on the Group quickly and simultaneously to all stakeholders; on the other hand, it is a commitment to reduce consumption – in this case, consumption of paper – to protect the environment.

In 2002 the Investor Relations area was particularly active in corporate governance. Aware of the importance that this issue is gaining in the economic community, Investor Relations promoted the sponsorship of the 8th ICGN (International Corporate Governance



Network) Annual Conference, which brought international experts on this topic to Milan last July. In order to provide information on our corporate governance to all stakeholders, the creation of a dedicated area on our website was planned, which will be developed in early 2003.

In 2002 issues related to corporate social responsibility became an increasingly important aspect of Investor Relations; it also participated in a study conducted by CSR Europe on the relevance of sustainable growth topics from the standpoint of investor relations officers.

Presentations to the financial community 2002

7	institutional presentations, including 6 on Group and Division results and 1 on New Europe
1	Investor Day focused on the Group's banks in New Europe
18	Industry conferences
17	road shows including 12 in Europe, 3 in the United States, 1 in Canada and 1 in Japan
350	one-on-one meetings with investors and analysts, 18% of which were held at the headquarters of UniCredito Italiano, and 82% abroad

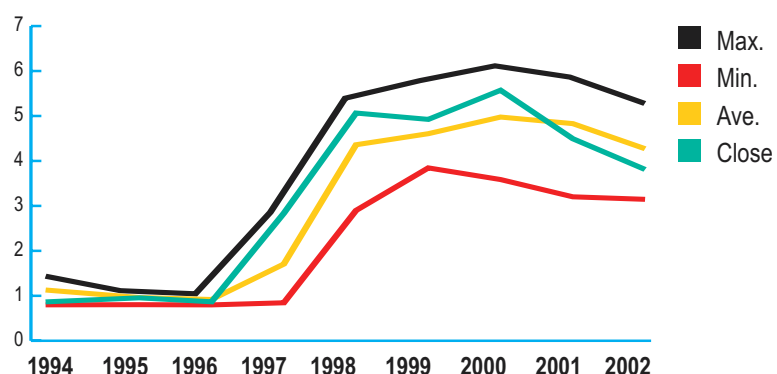
Shareholder return

The proposal for distribution of profits for 2002 calls for a dividend of €0.158 per common share and €0.173 per savings share representing an increase of €0.017 (12.06%) and €0.017 (10.90%) respectively over the 2001 dividend.

After its conversion to euros and following capital increases during the period, the bank's capital stock totalled €3,148,070,110.00 made up of 6,296,140,220 shares of €0.50 each, including 6,274,433,668 common shares and 21,706,552 savings shares.

As at 31 December 2002 the composition of the shareholder base was as follows:

Ordinary share price: 1994-2002



• there were approximately 187,150 **shareholders**;

• **resident shareholders** held approximately 62% of the capital and **foreign shareholders** the

remaining 38%;

• **institutional investors** held over 55% of ordinary capital stock.

As at the same date, the main shareholders were as follows:

MAIN SHAREHOLDERS AS AT 31.12.2002

	% owned ¹
Fondazione C.R. Verona, Vicenza, Belluno e Ancona	13.239%
Fondazione Cassa di Risparmio di Torino	11.235%
Carimonte Holding S.p.A.	7.100%
Allianz Group	4.928%
Fondazione Cassamarca C.R. della Marca Trevigiana	2.154%

1. Of ordinary capital; the bylaws set a limitation on voting rights at 5% of capital.



The policy of transparent transactions was continued by Bank Pekao in accordance with related Polish financial market standards. In 2002 this bank attempted to build its relationship with investors: in addition to the traditional meetings held on the occasion of quarterly reports, other events were organised, including the Capital Market Day.

The bank also announced its intention to adopt corporate governance standards supported by the Warsaw Stock Exchange in order to increase market credibility, and stressing that these standards should be the benchmark for all listed companies.

This decision is in keeping with the bank's policy of building its credibility in order to attract new investors and increase its market capitalisation.

In appreciation of these initiatives, Investor Relations Magazine gave Bank Pekao awards such as best Corporate Governance Company in Central Eastern Europe, best Investor Relations Company in Poland and best Investment Community Meetings.



Encouraging innovation and striving for ecological efficiency

Environment, health and safety

“

Don't fall into a rut or be limited to "the known", take the opportunities offered by change to identify new ideas and solutions and provide fast, dynamic responses. Be curious, open and ready to embrace new ideas.

”



Protecting nature, an healthy working environment and the health and safety of its employees have been a priority and serious commitment for the Group for some time. This is in full compliance with standards set internally under social, environmental and safety policies.

The Parent Company follows and carries out these standards through the application of the environmental and safety management system; in 2002 it was awarded the ISO 14001 environmental certification and registration pursuant to EMAS Regulation No. 761/2001, which is the most important recognition in the European Union for environmental management.

This significant result is described in the Environmental Declaration (available on the attached CD-ROM, on the website www.unicredit.it and as paper copy), in which all environmental aspects connected with the Group's activities are reported.

The Environmental Declaration is the first step towards improving the management of aspects related to the environment and prevention of pollution; this will require a systematic, ongoing and effective process and efficient decision-making, fact-finding, planning and monitoring.

For these reasons, the management system approach, which has been used

for years by UniCredito Italiano, should be extended throughout the Group, starting with the future retail bank, which has the greatest regional presence.

In 2003 an important aim will be the definition of a common procedure for gathering and analysing data in the areas of environment, health and safety for other Group companies; this will provide a

common foundation for planning measures to improve, consolidate and compare environmental data. This was not possible in 2002 since data was collected on the basis of different procedures in effect at the former federated banks.

The results of the management of direct and indirect aspects for 2002 are described below.

EMAS (Eco Management and Audit Scheme) Regulation EC 761/01

This regulation is one of the voluntary instruments implemented by the European Union to carry out the Fifth Action Plan for the environment.

This programme encompasses statements made in 1992 during the Rio de Janeiro Conference on the Environment and Development.

For companies to comply with EMAS, there are certain things they must do. Some of these are considered a priority for implementing the Scheme's objectives:

- introducing and putting into place environmental policies and programmes through the design and implementation of environmental management systems that meet ISO 14001 standards;
- completing systematic, objective



- and periodic audits of the efficiency of environmental management policies, programmes and systems;
- providing information to the public regarding the company's efficiency in environmental protection.

Direct Environmental Aspects

The most significant direct aspects connected with banking operations are energy and paper consumption.

The first aspect was dealt with by using equipment with low consumption levels and energy saving features in order to reduce consumption, and by obtaining supplies from renewable energy sources on the open market.

Based on current applicable regulations, in 2002, 205 users were supplied through Idroenergia (consortium for the self-production of electric power from renewable sources) for an overall

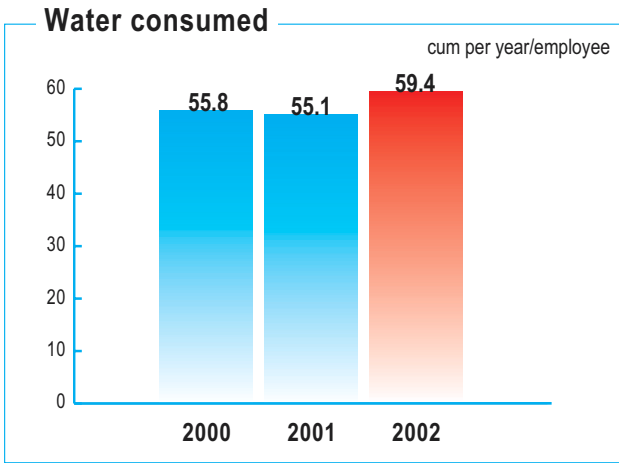
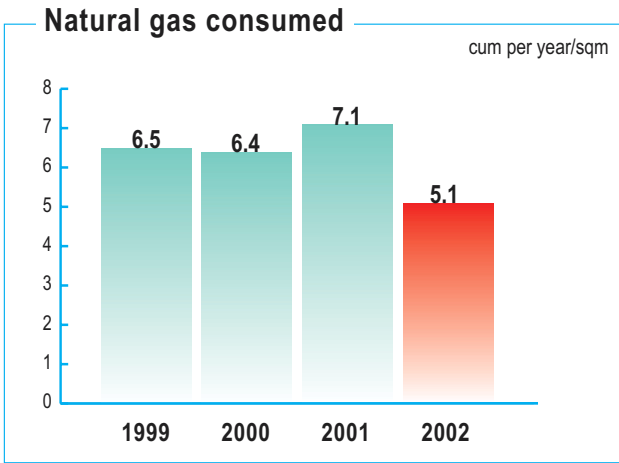
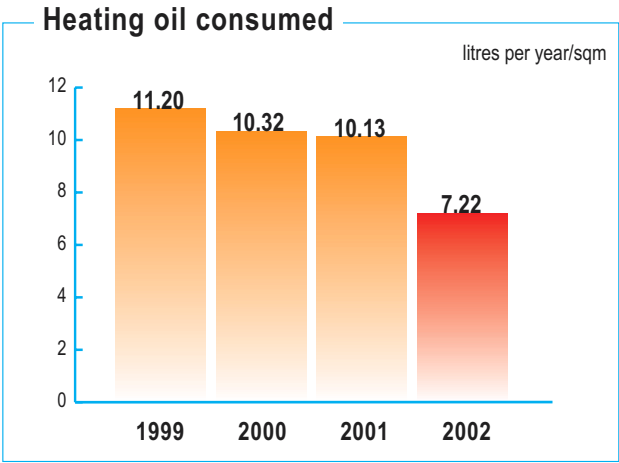
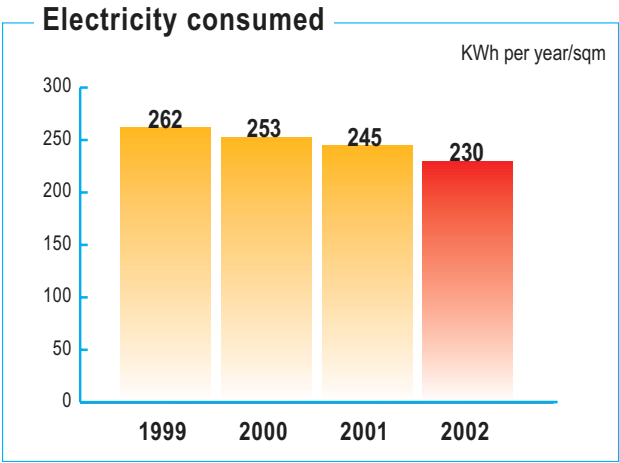
Results related to objectives announced in the Social and Environmental Report for 2001

OBJECTIVE	RESULT
Energy consumption	51% reduction in energy consumption Annual KWh measure/square meter dropped from 245 to 230 (down by 6.1%)
Elimination of Freon 12	Project approval, competitive bidding pending for awarding contract
Purchase of recycled paper	100%
Completion of supplier list	All suppliers that participated in competitive bidding in 2002 are qualified based on environmental and safety criteria

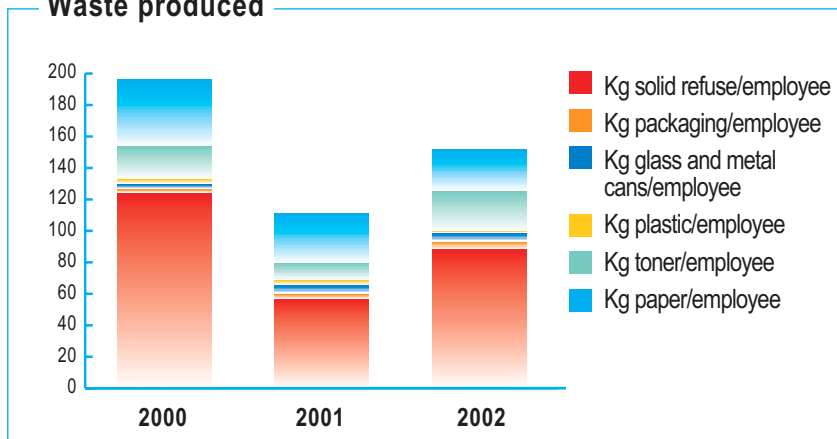
consumption of about 75.5 million KWh divided among the various Group companies.

Of the Parent Company's total consumption, 33% comes from renewable sources.

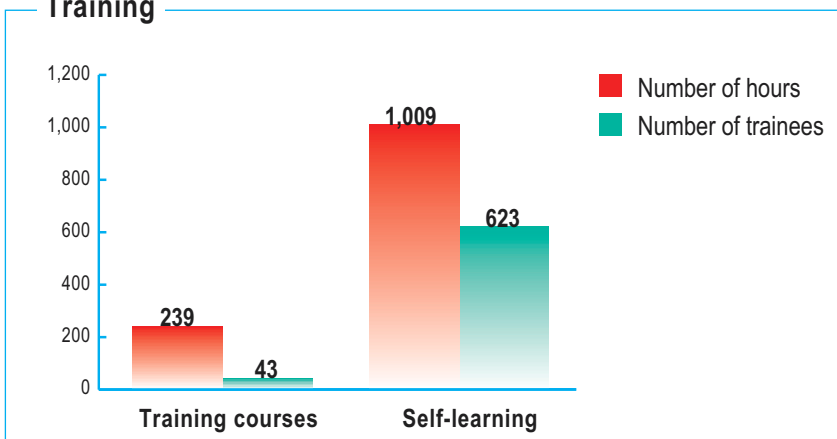
UniCredito Italiano: Environmental statistics



Waste produced



Training



In 2003, UniCredit will also expand this method of supply to new users: the supply of about 20 million more KWh has already been negotiated with the Consortium. This will be used to supply UniCredit Banca locations with unit consumption of between 50,000 and 100,000 KWh per year.

With regard to paper consumption, it was decided to introduce recycled paper for all corporate needs with the dual objective of reducing the consumption of non-recycled white paper and providing

incentives for consuming paper produced with recycled materials, thereby adding real value to the waste disposal procedures used at the Group's various sites and offices. The Parent Company now uses 100% recycled paper.

In 2003 sorting and waste disposal procedures will be standardised for all Group banks in accordance with current regulations, and based on the application of the best past practices of the federated banks.

Environmental training

Using the UCILearning platform, a self-study training course on environmental and safety issues in the workplace was offered. The purpose of the course was to provide all staff with useful information to understand the direct and indirect environmental impact from banking operations and the reasons why UniCredit chose to adopt a dedicated management system.

To disseminate and improve skills on environmental issues, an intensive training programme specifically geared towards those areas directly involved in the Management System. This training was provided internally and externally at specialised centres.

In addition, two internal environmental auditors were trained who fall under the area that prepares the Social and Environmental Report. They took a CEPAS (Certification of Professionalism and Training) certified course and will conduct internal audits on the effectiveness and efficiency of the management system.

Indirect environmental aspects

The commitment to protect the environment goes beyond the management of the direct impact of activities on the ecosystem. The concrete and specific contribution that a

bank can and wants to offer for sustainable growth can translate into processes to promote and share values and environmentally correct conduct by the bank's counterparts and partners.

Financial products and credit policies

The Group is seriously committed to creating and promoting financial products and services that provide ad hoc solutions and that encourage its customers to promote environmentally responsible policies and conduct.

These include the Global Environmental & Ethical Fund (mutual fund created by Pioneer Investments), the Formula A financial package and environmental services offered by UniCredit Service Lab, which are described in greater detail in the area dedicated to the market.

On the other hand, the Green Bond, whose purpose was to provide subsidised financing to small and medium-sized businesses that want to obtain environmental certification, did not enjoy sufficient popularity to justify its launch, and thus was not developed further in 2002.

A second important area that UniCredito Italiano works on is the implementation of credit policies linked to an increasing consideration of the environmental variable as an assessment element.

Measures currently being taken include:

- the issuance of credit policy guidelines for all Italian and foreign banks in order

to introduce the environmental variable in their customer assessment process;

- the use of qualitative analysis questionnaires for corporate and large corporate customers that provide the following variables:
 - impact of environmental standards and regulations on the competitiveness of business and the market;
 - the environmental factor as a specific business risk;
 - the existence of any legal or tax disputes.



- monitoring the "interest-bearing asset" loan portfolio of the Group's Italian banks in sectors with high environmental risk by establishing an indicator for the percentage of the "performing asset" portfolio.

In 2002 the commitment to a greater focus on environmental issues in the area of assessing creditworthiness was strengthened.

A proposal is being studied to launch a procedure for the proper assessment of counterparts with respect to environmental risk, emphasising excellence in the area of ecology.

This decision is based on an approach

aimed at favouring economic activities that provide reliable assurances of their commitment in the environmental area, and not just protecting themselves from the impact that the risk of pollution can have on companies financed using risk hedging instruments.

The benchmark is the "environmental risk management manual" prepared by the EBRD (European Bank for Reconstruction and Development). By analysing and classifying various production activities, it developed guidelines to support the activity of defining environmental risk in lending processes.

To enhance its knowledge and discuss these issues with entities in the financial world that have already gone down this path, in 2002 UniCredit participated in a study promoted by ISIS Asset Management that assessed the potential impact of environmental risk assessment practices on the bank's profitability and the creation of value for shareholders.

The research, which involved ten of the largest European banks and whose results were recently published, was conducted in collaboration with the University of Strathclyde (Glasgow, UK). During 18 months of meetings and in-depth studies, the methods used in credit assessment by leading banks to manage potential risk associated with environmental factors, were analysed.

The aims concentrated on were the identification of problems, an overall

improvement in understanding the phenomena, and sharing experiences and skills among participants.

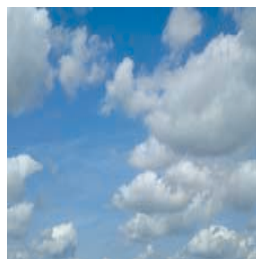
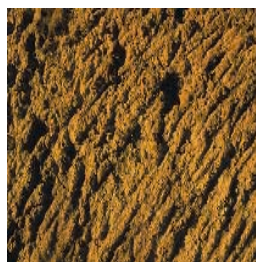
The ten banks were divided into three groups based on their degree of experience and the complexity of procedures for assessing environmental risk in the credit assessment processes. Although the banks in the study only recently focused on this issue, based on this rating, UniCredit was among the banks that demonstrated a strong commitment to social responsibility through the development of specific procedures for environmental assessment in the credit assessment process and procedures for the accurate review of its portfolio in terms of environmental risk.

In light of the assessments of the study's results, the next steps will be planned with a view to expanding the analysis to the foreign portfolio and all those countries where, as a result of efforts to achieve rapid improvements in the economy, there is a higher risk that environmental problems are not being handled properly.

Suppliers

The commitment to raise awareness among suppliers was stepped up in 2002 by strengthening the approach proposed the prior year to make them aware of the

impact of their activities and the measures necessary to minimise it. Thus, specific requirements were included in contracts with outside plant maintenance/operation companies regarding the close management of environmental issues; audits of their operations were also stipulated.



As part of the procedure to assess and select suppliers based on environmental and safety criteria, a score was developed, based on data synthesis, to measure the supplier's environmental "competitiveness" and safety practices. This enabled the company in 2002 to assess all suppliers that participated in competitive bidding for the award of contracts during the year and simultaneously create a list of environmentally qualified suppliers.

The selection of suppliers, which is performed at the Parent Company level by Purchasing, will also be carried out (effective January 2003) on behalf of

the Group's future retail, corporate and private banks.

The process of raising awareness among suppliers will continue through direct meetings and discussions as a part of the process of consulting with stakeholders. During these meetings UniCredit's policies will be presented, and suppliers will be requested to share the principles underlying the Group's environmental strategies. In addition, strategies to achieve excellence in this area will be proposed, e.g. the certification of management systems and products supplied or the innovation of production processes.

In the long term, the aim is to maintain business relationships only with those suppliers who make an active commitment to pursue environmentally conscious and sustainable growth.



Member of UniCredit Italiano Group

New Europe

Bulbank assigned a member of the board of directors and a manager to ensure that environmental policies are applied to financial activities, to provide a more systematic structure to the management of environmental aspects of their operations and to introduce a true environmental management system in the near future.



In 2002 Zagrebačka Banka adopted the Group's policy on environmental protection and sustainable growth.

There was a strong incentive to adopt this vision because of general international trends, Croatia's process of joining the European Union, the bank's experience in the constant promotion of ecologically sound credit policies, its role as a major entity in society and its influence over several business customers.

In addition, the more efficient management of reporting operations through the centralisation of all office activities resulted in significant savings of paper and electricity consumption with a resulting economic benefit. Environmental protection is a long-term policy, which can also take the form of paper recycling and the collection and separation of waste disposal.

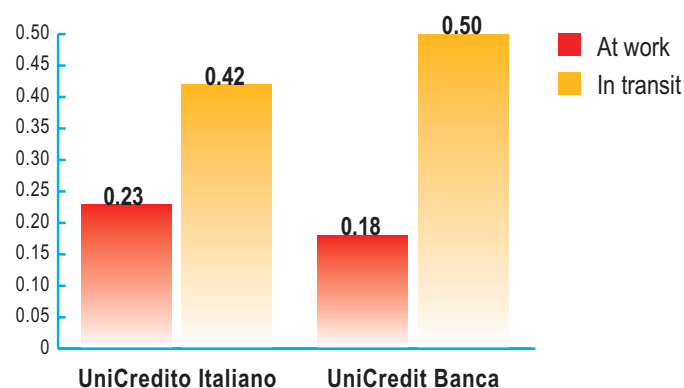
Managing work safety

Measures to protect employee health and safety are in effect, and are integrated into daily operating procedures in all Group companies.

Every company prepared a risk assessment and takes all steps necessary to minimise risks.

At the Parent Company, safety-related

Accident frequency



Accident frequency = Total accidents x 100,000 / number of hours worked.

activities are also regulated by specific procedures of the Environmental and Safety Management System, which were implemented by the Prevention and Protection Department. This department is responsible for performing the functions required by law and regulations, and is responsible for planning work safety for the entire Group.

In accordance with the training procedure, in 2002 eighteen individuals took part in fire prevention courses held by the Fire Department (four took courses for high risks, twelve for medium risks and two for low risks), while three individuals participated in first aid courses at the Red Cross. The aim of these courses was to have staff capable of performing first aid in those buildings that do not have a nursing staff.

In all Group companies the anti-smoking campaign continued in both internal offices (where a ban on smoking is in effect) and those open to the public.



Specific measures were taken in order to assure the highest level of safety, protection and healthcare for employees.

Work safety systems were structured and refined in light of differing international experiences, and especially to prevent work-related accidents.

These measures include training courses for employees, caring for and focusing on protected categories of workers and equipment tests, as well as the ongoing development of accident prevention methods in keeping with current technology.

Employees also have regular medical check-ups for preventative purposes and to check their general health.

A constant search for the best,
rather than the easiest solution

Security and privacy

“

For customers, employees, shareholders
and the community. And, once found, it is
always possible to find an even better
solution.

”



UniCredit is concerned about protecting people, assets and information from illegal acts that can occur within the organisation or in corporate activities. The main objective is to ensure that employees can peacefully carry out their work activities, customers can have an untroubled relationship with the bank, and that corporate assets, customer assets in custody and employees' personal assets are protected.

The crime prevention strategy is based on the application of a number of internal regulations and organisational procedures, the gathering and analysis of data on existing security measures and on past crimes, and monitoring the actual risk of crime in the areas where the Group's branches are located.

Risk mapping

In an attempt to develop more precise systems to measure the risk of robberies, a theoretical model for risk mapping was created. This model was presented at the Bancasicura 2002 conference, and was considered a major success by the Italian Banking Association, which promoted a special work group to study it in depth.

After integrating the results from the in-depth study, the model will be applied to all branches, and will serve as the foundation for decisions regarding all security measures to be taken.

Security systems

In 2002 a new security system was tested in 46 branches. This system uses a biometric device to read the fingerprints of individuals who enter the branch. It encrypts and stores (for up to one week) the fingerprint in a special "black box". The black box can only be accessed by the police in the event of a crime, using special software.

Video surveillance of branches has



introduced changes in the traditional system by creating a link for the real-time transmission of images of what is occurring at the branch to the operations centre of the surveillance company, which, in case of danger, can request the immediate involvement of the police.

ATM security standards

In 2002 a special security catalogue was prepared, on the basis of which

500 ATM units were purchased with a high degree of European protection standards. This catalogue is now the standard reference for all purchases, including for the Group's foreign companies.

In addition, the rules dictating the security standards to be adopted to protect ATM's, and indicating defensive countermeasures against fraud from tampering with ATM's,

were updated.

These standards include physical as well as logical defensive measures to protect user transactions by making use of equipment at all the Group's banks.

Business continuity

A work group has been established to manage any risks resulting from natural

disasters or terrorist acts, and to ensure the continuity of business operations in emergency situations using appropriate security plans.

The Group is responsible for developing a plan on business continuity aspects to which all Group companies, which have identified critical processes, will contribute.

The analysis of processes will be completed at the beginning of 2003, and the overall security plan will be prepared.

Theft and robbery statistics

In 2002 in Italy there were approximately 2,257 bank robberies, a situation that has resulted in our country being awarded an unenviable distinction in Europe: in fact, 52% of robberies committed in Europe occur in Italy despite the fact that only 10% of the area's branches are located there. The international overview points out the gravity of the situation: 2002 ended with a 6% increase in the overall number of robberies in Italy.

In light of this serious situation, it is particularly significant to note that the number of robberies at the Group's branches was down slightly, but significantly, for the fourth year in a row. If this data is compared to the number of Group branches in Italy, the downward trend is confirmed (see graph).

Information privacy and security

The information and data handled within the Group are considered a resource of strategic value. Hence, in 2002 it was considered a priority to issue general policies for the security of information; this constituted a first step in complying with a common security standard throughout the Group in order to provide standard means to protect corporate assets, information and automated telecommunications systems from assaults and/or alterations, including computer fraud.

In addition, a special website is being completed, where all Group entities can assess their security level in comparison to the established minimum, and find special tools and/or information, including in specific data bases, that make it possible to use appropriate defensive countermeasures against any computer crimes.

Remote banking security

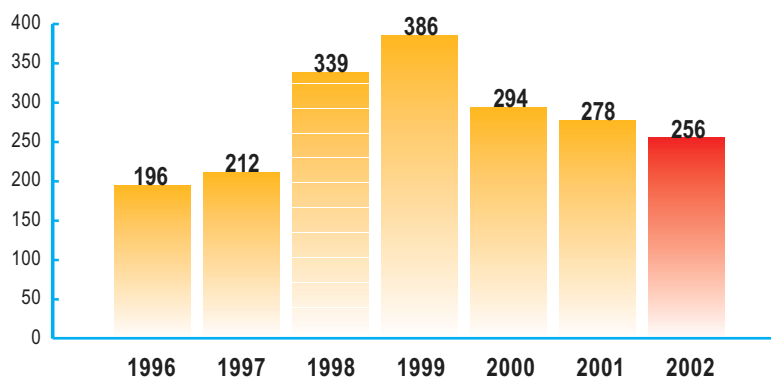
With the creation of remote banking

services, the need has arisen to adhere to high levels of security in order to make these new channels as reliable as a bank branch.

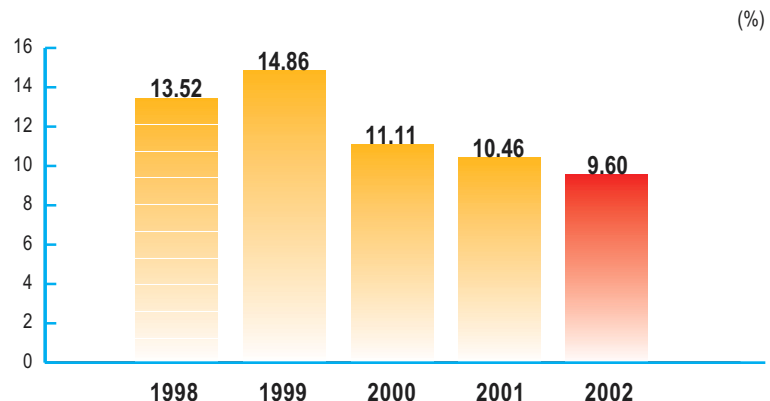
The security requirement was reflected in the guarantee of privacy and the recognition of parties and the certainty of proper execution of the transactions performed.

UniCredit guarantees secure transactions for its customers by using sophisticated identification procedures at all levels with access codes that provide a high degree of security.

Robberies at domestic branches of Group banks



Theft and robbery statistics (percent branches involved)



P r o m o t i n g d i a l o g u e

Listening and dialogue

“

Many benefits are derived from discussing things at all levels with all counterparts. Internally, both up and down the organisational hierarchy. Externally, with customers and members of society to share success and build long-lasting relationships. The objective for all concerned is that of continuous improvement.

In order to make this happen, methods and tools must be provided that encourage the flow of information and the exchange of ideas and opinions.

Let's have the courage to express our own ideas, especially when we are sure we have the best interests of the people and company at heart.

”



"Promoting social responsibility essentially means voluntarily contributing to social progress and environmental protection by integrating social and ecological concerns in corporate transactions and relationships with stakeholders." – From the Green Book on corporate social responsibility, COM (2001) 366. Thus, a company can consider itself socially responsible when it aims to satisfy the legitimate economic and non-economic expectations of all stakeholders by establishing a constructive dialogue and a relationship of mutual trust with its internal and external counterparts.

Given the importance of dialogue with stakeholders and the importance of corporate governance, UniCredit has planned an innovative strategy aimed at developing relationships with greater mutual benefits. It attempts to identify the expectations and needs of various counterparts, assess the impact and repercussions of pending and future initiatives on sustainability, and most importantly, foster the development of new ideas and proposals.

Internal listening and discussing

In 2002 internal programmes to encourage listening and dialogue focused specifically on understanding employees' opinions and problems in the various organisational units involved in the S3 project, and to clearly and effectively communicate aspects of the reorganisation.

In order to ascertain the atmosphere in the seven different banking units, an internal survey was carried out.

Meanwhile, top management organised several road shows to encourage involvement and provide information on the implementation of the project.

A survey to ascertain the impact of current changes on individuals and their future expectations was carried out in July by means of a questionnaire targeting all Group employees involved in the S3 project.

The response rate was 43.60%, which was considered high since it took place in the summer.



The most important information that came out of the survey regarding the creation of specialised banks (the S3 project) was a widespread expectation of improvement, ranging from professionalism and skills to product quality and variety, service efficiency and a more significant local presence.

Most people are aware that the change will lead to new opportunities and a greater market focus.

This information serves as important tool for overcoming the inevitable difficulties and concerns that are a part of any restructuring process, and is further confirmation of the positive assimilation and contribution of all the unique cultural and organisational aspects within the Group.

In 2002 the company's senior management also carried out three significant briefings on the S3 project. These road shows were aimed at managers and involved a total of about 9,000 people.

During the first road show, which was held at the beginning of the year, a description was given of the strategic value of the S3 project, the features of the new specialised segment banks and the related implementation strategy, as well as the value of human resources in the new UniCredito Italiano.

The second road show coincided with the completion of the second phase of the implementation of the project - the temporary unification of the seven banks - and provided an exhaustive description of innovative elements in the new organisational model.

Before the launch of the three new banks (UniCredit Banca, UniCredit Banca d'Impresa and UniCredit Private Banking) scheduled for January 2003, a third meeting was held at the time of the start-up of the "new way of banking" based on specialisation, a strong local presence and customer satisfaction as the three key elements of the S3 project.

Stakeholder dialogue

In 2002 a work programme was launched for Stakeholder Dialogue through dedicated meetings. The first in a series of meetings to encourage interactive, shared and open communications with all partners and counterparts was with the Group's suppliers.

On the basis of UniCredit's best international experience of green

purchasing and the guidelines of our environmental and safety management system, we decided to meet suppliers to share goals and involve them in the process of improving environmental performance.

This first meeting was mostly an occasion to initiate an approach dialogue based on direct discussion. The meeting made it possible to present and clarify the "new way of banking" and the Group's mission and values, to understand more thoroughly how suppliers view social responsibility and what measures they have taken in this regard. During the meeting, progress on establishing a "selected suppliers list" was also discussed. This list was created in 2001 and based on a reclassification of suppliers using environmental and safety criteria.

This programme resulted in considerable support: nearly all those invited (over thirty of the Group's main suppliers) attended the meeting, demonstrating their interest and focus on social responsibility and their respect for the environment and work safety. These are areas where participants stressed their commitment and their intention to create a new common growth strategy.

UniCredit's commitment consists not only of listening to problems and expectations within its organisation (talking to customers and employees, communicating with shareholders and creating awareness among suppliers) but also meeting with all those (volunteers, social cooperatives, public organisations and non-profit organisations in general) who work to encourage socially responsible and

environmentally sustainable growth on a daily basis.

In this context, UniCredit has initiated a strategy of listening to and holding discussions with local entities in areas where it has a presence to determine their various opinions of the actions taken by the Group.

Based on the mapping of areas where the Group has the most significant presence, in the second half of 2002 the first two meetings were held on the



subject of the social and environmental report in the area of Trento and Treviso. The main participants were non-governmental volunteer environmental organisations, associations, social institutions, etc.

This dialogue had a dual purpose: on the one hand, to involve individuals of private non-profit institutions in sharing the growth strategy taken by the Group and focusing on a shared social report, and on the other hand, to carry out a survey on the perception of UniCredit's social responsibility profile through a questionnaire. The final results of the questionnaire will be analysed and discussed at the end of the programme. Several important results were taken from an initial analysis of meetings held

and questionnaires received:

- A high level of approval of the proposed dialogue programme;
- A strong interest in and certain curiosity about the socially responsible role demonstrated by financial institutions, and by the UniCredit Group in this case;
- There was a perception, on average, that the bank's social commitment was sufficient given that this commitment is often interpreted as an expression of interest regarding solely economic issues;
- A need to search for new forms of cooperation among different entities (the market, charitable organisations and non-profit organisations and local governments) and a consensus on practices to show commitment to community development;
- High expectations of UniCredito's role in the region.

The programme of meetings with local stakeholders will continue throughout 2003 and will involve other local areas in which the Group operates.



New Europe

In Poland the bank has created a vast network for discussions with its stakeholders at the regional level in order to ascertain and respond with specific action in an increasingly precise manner to the many needs and expectations of various local communities. In 2002 some of the programmes carried out by local structures of the bank included funding for an orphanage, the support of widows of police officers who were killed in the line of duty and the sponsoring of hospitals.

The importance of taking the initiative, connecting with society and being active citizens

Corporate citizenship

“

Use rules and procedures as a tool to overcome obstacles and not as an excuse or barrier against problem solving. Do what we are called to do, but also try to do “something more” with the awareness and the will to live our role actively and fully involved. Put something of ourselves and our ideas in our work.

”



The UniCredit Group is taking on a new ethical and social role in providing financial services focused on sustainable growth, social responsibility, and the spread and fair distribution of prosperity in the community.



The establishment by UniCredito Italiano of its non-profit foundation, Unidea is partly the result of the need to address the question of redefining the relationships between ethics and business by reflecting on its duties and roles, and thus, on the expectations that society has of it. And partly it is the need to contribute to the solution of serious problems and fill the obvious social and economic gaps brought about by globalisation.

The challenge that the foundation wants to take on is to make the most significant contribution possible to the war on poverty and destitution in the conviction that they can be fought through a process of economic growth; however, they cannot be eliminated as an automatic outcome of this process.

The decision to take action to alleviate social hardship and to deal with international emergencies is based on the conviction that moderating the imbalance caused by globalisation is our moral imperative. At present, a non-profit foundation must be able to get

To act as a socially responsible entity means, on the one hand, acting directly within the social fabric with a maximum focus on the weakest social strata and continual support of organisations dedicated to fund-raising programmes;

involved in building and strengthening those elements that make it possible to independently address the occurrence of similar emergencies on site. This means that there will be a growing interrelationship among financial aid (especially in the areas of health, nutrition, hygiene and basic education), structural action and the development of a culture based on rights and human dignity. In the current era of rapid globalisation, social responsibility must primarily deal with the situations with the greatest imbalance and the inequality that accompanies them.

A foundation of this sort must have a clear awareness of its duties: the selection, direction, control and reporting of humanitarian projects. This means not only selecting the issues to be covered and the geographic areas where action will be focused, but also selecting partners for the various programmes.

The foundation has identified geographic areas where it will concentrate its activities:

- a) Developing countries that lack the main basic services, in particular in social and health areas (African and Latin American countries);
- b) Countries in Central and Eastern

and on the other hand, promoting and sharing the culture of corporate responsibility and citizenship through the creation of solid, profitable relationships with entities that have always had a commitment to these areas.

Europe, with a focus on those where the UniCredito Italiano Group has a local presence;

- c) Areas whose people are at risk due to natural disasters.

The broad issues of underdevelopment and the resulting daily suffering will be the foundation's priority area of involvement.

In particular, the foundation supports those projects that:

- a) Promote the fight against underdevelopment and extreme poverty, and especially programmes that promote human development, dietary and economic self-sufficiency, the treatment of endemic diseases, and provide support to those with illnesses, children, and in general, all those suffering hardship;
- b) Promote the creation and improvement of basic health and social services;
- c) Promote the development of human resources through basic education and training;
- d) Strengthen democratic structures and the growth of human society;
- e) Call for socio-economic measures to assist emigrants and refugees to

This is the spirit that led UniCredito in 2002 to create a fund of €7.5 million to support fund-raising, cooperation and human development programmes in southern countries of the world and in Central and Eastern Europe, which will

subsequently be the focus of the mission of the Unidea non-profit foundation that will be created at the beginning of 2003. The decision to support the culture of corporate responsibility and citizenship has encouraged the Group over time to

strengthen its ties with CSR Europe, Cittadinanzattiva, Sodalitas, the Forum for Sustainable Finance, the Kyoto Club, Bocconi Observatory of Environmental Management Systems, Legambiente and QRES - University of Castellanza.

return to and be reintegrated into their country of origin;

- f) Promote and encourage cultural activities in the Balkans and in Central Europe where the Group has a presence, by assisting in the growth and transition phase with measures that can be extended beyond social services to provide assistance with cleaning up the environment;
- g) Support the promotion of the non-profit and voluntary service culture among Group staff.

One of the first programmes of the foundation was the collaboration with the Community of Sant'Egidio, a secular movement to protect human rights and raise funds for the poor at an international level with over 40,000 members worldwide. Over the last decade, this organisation distinguished itself in its commitment to peace to such a degree that it won the UNESCO Peace Prize in order to start a major programme known as D.R.E.A.M. (Drug Resources Enhancement against AIDS in Mozambique). The programme is being

developed with a unique, innovative philosophy and approach: to establish a partnership structure with the local government and health workers by initiating a collaboration mechanism to reform the health system so that it is able to intervene.

D.R.E.A.M. operates through a network



of hospitals, health centres, laboratories and research centres in the Mozambique health system and offers free treatment based on standards comparable to western medicine.

D.R.E.A.M. has already reported its first results as regards treatment and the economic and technical sustainability and personnel: two molecular biology labs were put into service in the General Hospitals of Maputo (the

capital) and Beira, as were two maternity centres, two health care centre and a home healthcare service in Maputo and Beira, with the capacity to screen 1,500 people. Of these, 350 were HIV positive, and all are currently receiving treatment at various centres depending on their category.

An important success story was the fact that the first 15 babies born to HIV-positive mothers were HIV-negative one month after birth.

Each year the Unidea Foundation will identify priority areas for intervention and support related projects. Remaining funds will be reserved for special programmes linked to

promoting the foundation within the Group and involving employees by offering them the opportunity to put their professional skills to use for various programmes and by supporting other outside programmes by matching contributions made by an employee or group of employees. The foundation may also participate in projects of other organisations in which employees were already involved.

Social responsibility marathon

UniCredit participated in and sponsored the Italian leg of the European campaign, which was promoted by Sodalitas (www.sodalitas.it) together with Isvi and Impronta Etica, on corporate social responsibility to promote sustainable growth among companies throughout Europe, in response to the challenge stated during the Lisbon Summit in March 2001 to transform Europe into an economic area “capable of sustainable growth”.



Frascati group

In response to a proposal made by Cittadinanzattiva

(www.cittadinanzattiva.it), in December 1999, a group of private companies operating in Italy decided to launch a programme to focus the country's attention on “corporate citizenship”. The “Frascati Group for corporate social responsibility” was formed, which arranges annual international conferences in Frascati. In 2002, the event, which was held 11 and 12 October, had the following theme: “Corporate Citizenship: strategies and actions for implementation”.

Corporate citizenship means the ongoing commitment of a company to place market requirements and new social responsibilities at the centre of its strategies and actions.

The companies promoting the Frascati Group have accumulated, or are accumulating innovative partnership and alliance experiences with civic organisations to promote programmes with a high social content. The innovation stems from the fact that these companies are moving from mere sponsorship or a one-time intervention to the assumption of a committed partnership on issues, programmes and policies related to the dissemination of innovative practices in the service management, youth training, development and strengthening of public participation and environmental protection.

This commitment represents a means for making corporate citizenship not only a moral obligation, but also a growth factor for the company.

Because of its overall influence, the global

economy cannot avoid dealing with the problem of social responsibility. It is no longer sufficient for companies to merely act within and obey the laws. They must start doing voluntary work with greater responsibility to society. They not only answer to shareholders, but also to new “investors” who have specific interests in companies (customers, employees, local communities, suppliers) regarding regional development, environmental conservation and the use of resources, the increase and distribution of wealth, work quality, well-being and the prosperity of the community where they work. It is for this reason that UniCredit's collaboration with Cittadinanzattiva also grew by following the work plan aimed at re-examining the various aspects of the bank-customer relationship in terms of transparency and service quality.

UniCredit is a supporter of the “Manifesto of Corporate Citizenship,” the basic principles of which are summarised below:

- *Adopt a global approach that makes it possible to promote social development programmes in the framework of the company's general strategies and mission;*
- *Establish a partnership with civic organisations, and with the general agreement of the counterparts concerned in order to be actively involved in the preparation of projects and programmes aimed at providing greater protection of citizen's rights;*
- *Adopt an integrated approach aimed at establishing cohesion between decisions on social investments and corporate policies regarding issues such as commercial correctness, product quality,*

management of internal human resources, respect for the environment and investments in research;

- *Promote medium-term investments in order to encourage an ongoing commitment to projects and programmes that solve the problems being considered or give long-lasting results;*
- *Invest not only in financial, but also, human, technological and organisational resources in order to create a synergy between the company's potential and the project to be supported;*
- *Focus on innovation, in the sense of favouring projects whose added value is the development of new services and new opportunities related to welfare reform, education, the protection of weaker strata of society, the promotion of health, etc.*

Programmes for fund-raising and the protection of environmental and cultural assets

UniCredit has allocated over €3,000,000 in its commitment to the enhancement of programmes for fund-raising and the protection of cultural assets.

AIRC

Once again, this year the close collaboration between the Group and AIRC (www.airc.it) culminated on national cancer research day, which is now in its fifth year.

This programme, which was held on 10 November 2002, was dedicated to the issue of research in the post-genome era. This is a new area that has created a true revolution in the field of life sciences. The impact of this monumental change is most important in the health field where new selective and individual diagnostic and therapeutic techniques will be introduced.

Again in 2002, the Group asked its customers to support cancer research through fund collections at its network of over 2,800 branches in order to sponsor a fund aimed at providing 60 training scholarships for young researchers.

UniCredit and Friends for the Insieme Intelligenti Association

In 2002 the Group chose to support the Insieme Intelligenti Association for

children with learning disabilities through a number of concerts in several cities in Italy. The centrepiece of this event was a band made up of the Group's senior managers, and all proceeds raised (over €20,000) were donated to charity.

Italian Environmental Fund – FAI

In 2002, in partnership with the Italian Environmental Fund (www.fondoambiente.it), a significant programme was carried out: the restoration of the Bay of Ieranto, a 47-hectare area on the Sorrento peninsula, to its original beauty.

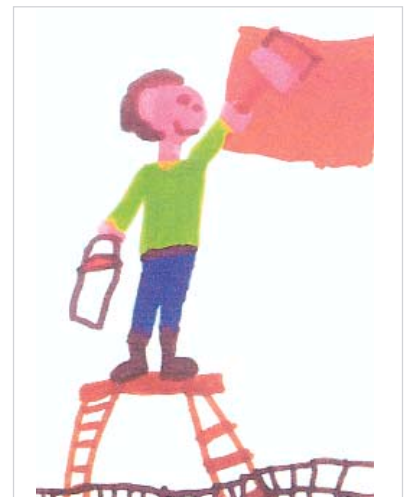
The restoration (concluded and inaugurated 1 June 2002 with a solemn ceremony, which was attended by, among others, Romano Prodi, chairman of the European Commission), required an investment of over €2 million, a large part of which was provided by the Region of Campania through financing provided by the European Union and UniCredito Italiano, which acted as the main sponsor. UniCredit has already announced that it wishes to renew its support for FAI in 2003 for a project to restore the nineteenth century Villa Gregoriana in Tivoli. This nature reserve, which is currently closed to the public and in a poor state of conservation, will be restored to its original splendour. The project requires an overall outlay of €2 million. UniCredit's willingness to finance nearly the entire project makes it possible to start work immediately and complete work by the end of 2004.

Legambiente

There was continued support for the campaign called "Clean up the world", which was promoted in Italy by Legambiente (www.legambiente.com). In its ninth year, this programme is part of the worldwide "Clean up the world" campaign promoted by UNEP, and has become one of the largest environmental campaigns in the world. UniCredit contributed with sponsorship of over €49,000 to prepare the kits given to participants.

Cartegioco Arti & Mestieri

The goal of the project called "Cartegioco Arti & Mestieri" is to give children a better understanding of work activities through games. This project was promoted by the European Union and backed by the Ministry of Public Education with the participation of UniCredit as a sponsor. In 2002, this project, which was created and carried out by the Catholic University in Milan, involved about 400 teachers and 13,000 children.



Programmes of the seven banks

During the first half of 2002, i.e. prior to the creation of the single bank, traditional support was continued for the most active social and cultural organisations and associations in local areas by the Group's seven former Italian banks (Credito Italiano, Rolo Banca 1473, Cariverona, Banca CRT, Cassamarca, Caritro, CRTrieste). These were joined by another significant Group company, Banca Agricola Commerciale of the Republic of San Marino, which, for the first time, published its social report in conjunction with its annual accounts.



Below we provide a selection of some of the more interesting programmes.

Invitation to the palace

At the initiative of the Italian Banking Association, on 21 September 2002, the Italian banks simultaneously opened their historical and artistic buildings to the public.

The invitation was sent to thousands of people, who took the opportunity to take a close look at gems of the Baroque and Neoclassical periods including historical palaces, frescoes, marble and decorations.

As a part of this patronage programme in the Italian banking industry, about 5,000

Amani Project

In keeping with the Group's social responsibility policies, UniCredit Produzioni Accentrate (UPA) supported a fund-raising project in Zambia.

It did so through AMANI, which means "peace" in the Kiswahili. This is a non-government organisation recognised by the Ministry of Foreign Affairs, which focuses primarily on African populations with a number of educational projects promoting long-lasting development, peace and justice.

Among the broad range of projects managed by this organisation, UPA supported the remote adoption of 41 street children taken in by the Mthunzi Centre near the capital, Lusaka, which was built and managed by families in a rural

community called Koinonia.

The contribution will provide children with food, educational and health aid throughout 2003.



visitors toured the rooms of several of the Group's buildings where cultural performances were being staged.

To be specific, the following historical buildings were open to the public: Perrone Palace (Turin, Banca CRT), Firmian Palace (Trento, Caritro), Monte di Pietà (Treviso, Cassamarca), Magnani Palace (Bologna, Rolo Banca 1473), Verospi Palace (Rome, Credito Italiano).

Credito Italiano and Touring Club Italiano

Among the numerous programmes carried out by Credito Italiano, the now historic collaboration with Touring Club Italiano deserves particular mention. The private banking division was involved in preparing an event to present the guide for the Capodimonte Museum in Naples.

Oltre le Vette

The sixth annual show called "Oltre le Vette: metafore, uomini, luoghi della montagna" (Beyond the Peaks: Metaphors, Men and Places in the Mountains) was held from 11 to 26 October in Belluno thanks to the support of Cariverona.

This programme was a mix of cultural events including conventions, conferences, a film festival, theatrical performances, concerts, meetings with famous mountaineers, presentations of books and CD-ROMs and shows. One of the most prominent events was a retrospective on Dino Buzzati, a writer from Belluno.



International Track and Field Event in Rovereto

This year, Rovereto was again in the spotlight of international track and field at the Palio of the city of Quercia, an event sponsored by Caritro and held on 28 August.

The track meet, which is the oldest Italian track and field event and one of the longest running in Europe, was included for the twelfth consecutive time in the Grand Prix of the European Federation due to its technical value and high organisational standards.

Barcolana Young

The under-15 series of the third Barcolana Young competition, which is Trieste's world-renowned regatta, saw the participation of a fleet of over 500 young sailors from all over Europe.

The event, which was held on 5 and 6 October on the shores of the Gulf of Trieste, was organised by the Sailing Society of Barcola and Grignano and by Promo Sail thanks to the support of CRTrieste and Fondazione CRTrieste, which confirmed their interest in promoting events that involve young people and educate them about sports in a festive environment.



New Europe programmes



In 2002 the bank sponsored several cultural and artistic programmes including: the International Dance Festival in Lodz, the International Competition for Soloists, the Shakespeare Festival, various concerts of the Warsaw Philharmonic Orchestra, the Lubiana Theatre Festival and the EuroDrama 2002 show.



The main museums and art galleries to which Pekao contributes funding include the Royal Castle Museum, the Warsaw National Museum, the Krakow National Museum, the Lodz Museum of Art and the Zacheta Gallery in Warsaw. The continually growing support for the Doctor Kanton Foundation, which was created by the bank to provide economic assistance to children in difficulty, reached about €336,000 in 2002.

The bank is currently the main sponsor of the Grand Orchestra for Festive Aid (WOSP), which in 2002 collected about €100,000 for the purchase of medical equipment to assist children with deformities and hereditary diseases.



Bulbank funds various charitable programmes to provide assistance to children in need of specific medical treatments. It has also embraced the programme promoted by the Swedish Embassy and Ministry of the Interior to provide financial support for orphans of police officers killed in the line of duty. In 2002, the bank's significant social



involvement was also recognised by the United Nations Development Programme, which invited Bulbank to participate in the UN Secretary General Global Compact, a programme that strives to motivate social responsibility and active citizenship programmes of companies.

In the cultural area, several programmes were funded such as the Andre Shenie Opera, the Bulgarka National Civil Forum and the National and International Economy University in Sofia, and

in the area of sports, the Bulgarian Challenger 2002 tennis tournament and two events organised by the Bulgarian Equestrian Foundation: the Nations' Cup and the FEI World Cup.



In the healthcare area, the bank's commitment primarily focused on funding medical equipment for the hospital of the Ministry of Defence in Bratislava, and collaboration, for the fifth year in a row, with the Anti-Drug Fund, an institution mandated by the government to conduct drug prevention and information campaigns on issues related to drug addiction.

The bank carried out a number of development programmes in the Nove Mesto neighbourhood in

Bratislava where it has its headquarters, and it also supports the organisation of several cultural events for children in the summer.

In collaboration with the Parent Company, UniBanka contributed to promoting Italian opera in Slovakia by sponsoring two events: a concert of the SND Opera in Bratislava and a concert of the Arena Orchestra of Verona, which was held in the concert hall of the Slovak Philharmonic Orchestra in Bratislava.



In 2002 UniCredit Romania funded the Christmas Charity Bazaar organised by the International Women's Association in Bucharest. In addition, the bank worked with the Romanian stock exchange to organise celebrations tied to its 120th anniversary.



In 2002, which was declared the "year of the mountain" by the United Nations, the bank organised the largest project in its history: "Zagrebačka Banka for Velebit".

The programme called for the replanting of the Velebit Botanical Garden in the National Park of the same name, and the creation of a protected area dedicated to the reintroduction of bears. At the same time, the "Croatia without Mines" project was initiated in collaboration with the Foundation for



Humanitarian Demining of Croatia, to raise funds for removing mines in the southern section of Velebit.

Throughout the year, funding support continued for Vatroslav Lisinski Concert Hall, the most majestic theatre in the country, for which the bank planned to restore a special organ dating back to the foundation of the theatre.

The most significant events included the first concert held in Zagreb by the Philharmonic of La Scala on 26 February 2002.



Koç Bank is one of the main financial sponsors of the Çatalhöyük archaeological campaign in Anatolia. The work, which began in 1993, will allow anthropologists to enhance their knowledge on the origins of agriculture and farming in Anatolia during the Neolithic period, and to explain the differences in civilisation among various geographic areas.

The bank also sponsors the Istanbul Foundation for Culture and Arts and the Istanbul Festival, and is a permanent member of the European Festivals Association. These institutions promote the development and awareness of all forms of national and international artistic discipline.

The Vehbi Koç Foundation, which is the largest private foundation in Turkey, is dedicated to funding programmes in

the area of education, the arts, medical treatments and other basic human rights.

The foundation contributed to the construction of schools, dormitories and clinics and provided scholarships for the best students with economic difficulties in order to guarantee equal opportunity in education.

Schedule to the 2002 Social and Environmental Report

CALCULATION AND DISTRIBUTION OF VALUE ADDED

Reclassified Balance Sheet

(amounts in thousands of euro)

ASSETS	31.12.2002	31.12.2001
1. Cash and deposits with central banks and post offices	1,609,848	1,825,629
2 Due from:		
– customers	113,824,110	117,622,315
– banks	28,098,561	24,980,924
3 Trading securities	17,091,514	16,379,697
4 Fixed assets:		
– investment securities	13,338,324	16,597,632
– equity investments	2,404,125	2,291,552
– intangible and tangible fixed assets	4,782,862	4,809,140
– positive differences arising from consolidation and net equity	1,018,654	792,372
5 Other assets items	31,181,328	23,088,843
Total assets	213,349,326	208,388,104

LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.2002	31.12.2001
1 Deposit:		
– Due to customers	93,571,701	91,452,292
– Securities in issue	33,173,457	35,868,149
– Due to banks	31,990,884	34,030,396
2 Specific reserves	4,601,440	4,578,534
3 Other liability items	29,332,778	22,778,804
4 Reserve fund for possible loan losses	93,791	148,246
5 Subordinated debt	7,088,478	7,071,017
6 Negative difference arising on consolidation and in net equity	64,306	56,465
7 Minority portion of shareholders' equity	1,171,598	2,869,583
8 Shareholders' equity:		
– capital, reserves and fund for general bank risks	10,459,751	8,080,899
– net profit for the period	1,801,142	1,453,719
Total liabilities and shareholders' equity	213,349,326	208,388,104

Reclassified income statement

(amounts in thousands of euro)

	2002	2001
Net interest	4,911,184	4,970,503
Dividends and other income from investments	216,267	78,480
Interest margin	5,127,451	5,048,983
Net commissions	3,189,628	3,290,911
Profits (Losses) from financial operations	1,049,345	933,114
Other operating income	732,621	715,711
Income from brokerage and other services	4,971,594	4,939,736
BROKERAGE MARGIN	10,099,045	9,988,719
Payroll costs	(3,159,657)	(3,044,556)
Other administrative expenses	(1,862,912)	(1,813,421)
Writedowns of intangible and tangible fixed assets	(459,994)	(404,747)
Operating costs	(5,482,563)	(5,262,724)
OPERATING PROFIT	4,616,482	4,725,995
Amortisation of goodwill	(244,574)	(277,153)
Provisions for risks and charges	(163,690)	(256,545)
Net writedowns of loans and provisions for guarantees and commitments	(979,270)	(795,464)
Provision for possible loan losses	(9,767)	(57,367)
Net writedowns of financial investments	(294,609)	(126,829)
Total writedowns and provisions	(1,691,910)	(1,513,358)
PROFIT ON ORDINARY ASSETS	2,924,572	3,212,637
Extraordinary income (charge) - net	358,537	231,329
Changes in fund for general bank risks	(3,836)	(4,810)
PRE-TAX INCOME	3,279,273	3,439,156
Income tax for the period	(1,316,923)	(1,484,562)
NET INCOME BEFORE TAXES	1,962,350	1,954,594
Net income of minority interests	(161,208)	(500,875)
NET INCOME OF THE GROUP	1,801,142	1,453,719

Analytical statement determining the value added

(amounts in thousands of euro)

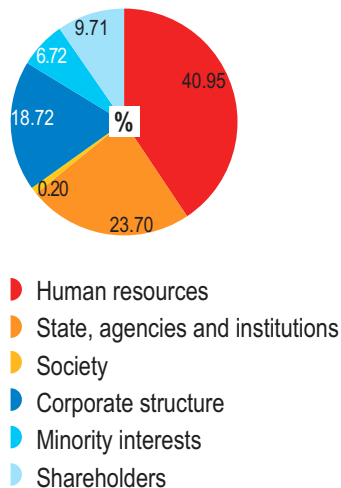
	2002	2001
REVENUES		
Interest income and similar revenues	9,926,722	11,717,282
Commissions received	3,719,968	3,837,430
Other revenues		
– dividends and other net operating income	230,604	78,058
– profits (losses) from financing transactions	1,049,345	933,114
– income (losses) from investment valued at net equity	(14,336)	422
– other operating income	988,849	1,067,483
1. TOTAL GROSS INCOME	15,901,152	17,633,789
CONSUMPTIONS		
Interest paid and similar charges	(5,015,538)	(6,746,779)
Commissions paid	(530,340)	(546,519)
Other operating costs	(256,228)	(351,772)
Other administrative costs	(1,577,614)	(1,527,130)
Provisions for risks and charges	(163,690)	(256,545)
Net writedowns of loans and provisions for guarantees and commitments	(979,270)	(795,464)
Provision for possible loan loss	(9,767)	(57,367)
Net writedowns of financial investments	(294,609)	(126,829)
2. TOTAL CONSUMPTIONS	(8,827,056)	(10,408,405)
3. GROSS CHARACTERISTIC VALUE ADDED	7,074,096	7,225,384
Extraordinary revenues	603,592	417,315
Extraordinary charges	(245,055)	(185,986)
NET EXTRAORDINARY INCOME (CHARGE)	358,537	231,329
4. GROSS GLOBAL VALUE ADDED	7,432,633	7,456,713
Adjustments/value increases of tangible and intangible assets	(704,568)	(681,900)
5. NET GLOBAL VALUE ADDED	6,728,065	6,774,813
Cost of work:		
– direct	(2,246,909)	(2,151,868)
– indirect	(912,749)	(892,688)
Donations and gifts	(5,063)	(3,871)
Direct, indirect and capital taxes	(280,235)	(282,420)
6. PROFIT BEFORE TAXES	3,283,109	3,443,966
Changes in fund for general bank risks	(3,836)	(4,810)
Income tax for the year	(1,316,923)	(1,484,562)
Income of minority interests	(161,208)	(500,875)
7. NET INCOME FOR THE YEAR	1,801,142	1,453,719

Schedule of distribution of gross global value added

(amounts in thousands of euro)

	2002	2001
REVENUES	15,901,152	17,633,789
CONSUMPTIONS	(8,827,056)	(10,408,405)
NET EXTRAORDINARY COMPONENTS	358,537	231,329
GROSS GLOBAL VALUE ADDED	7,432,633	7,456,713
Divided between:		
THIRD PARTIES – minority interest in consolidated profits	161,208	500,875
SHAREHOLDERS – Dividends distributed to Shareholders	995,116	723,811
HUMAN RESOURCES	3,174,658	3,053,556
Cost of labor:		
- direct	2,246,909	2,151,868
- indirect	912,749	892,688
Portion of income for the period earmarked for the reserve relating to the medium-term incentive scheme for the Group's employees	15,000	9,000
STATE, AGENCIES AND INSTITUTIONS	1,597,158	1,766,982
Indirect and property taxes and duties	280,235	282,420
Income tax for period	1,316,923	1,484,562
SOCIETY	15,063	15,231
Donations and gifts	15,063	15,231
CORPORATE STRUCTURE	1,489,430	1,396,258
Adjustments to value of non-current assets	704,568	681,900
Allocation to undistributed profits reserve and changes in fund for general banking risks	784,862	714,358
GROSS GLOBAL VALUE ADDED	7,432,633	7,456,713

Distribution of the gross global value added 2001



Distribution of the gross global value added 2002

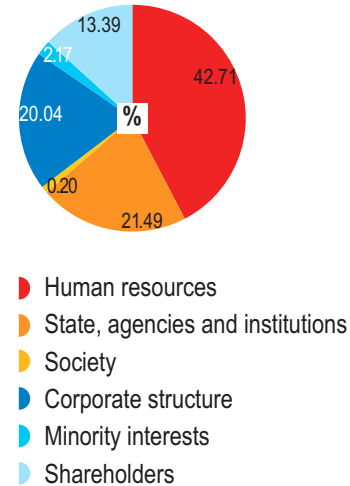


Chart of the Group as at 31 December 2002

Italian Banking Division

Wholesale Banking Division

Foreign Banks and New Growth Division

- ◆ Registered outside Italy
- ★ Pekao Group company
- ▲ Pioneer USA Group company
- Pioneer Global Asset Management Group company
- Zagrebacka Group company
- ❖ Momentum Group company

Commercial Banks based in Italy

UNICREDIT BANCA S.p.A.
(formerly CREDITO ITALIANO S.p.A.)
Registered office: Genoa

ADALYA BANCA IMMOBILIARE S.p.A.
Main office: Milan

BANCA DELL'UMBRIA 1462 S.p.A.
Main office: Perugia

CASSA RISPARMIO DI CARPI S.p.A.
Main office: Carpi

BANCA MEDIO CREDITO S.p.A.
Main office: Turin

UNICREDITO GESTIONE CREDITI S.p.A.
(formerly MEDIOVENEZIA BANCA S.p.A.)
Main office: Verona

UNICREDIT ROMANIA S.A.
Main office: Bucharest ◆

ZAGREBACKA BANKA D.D.
Main office: Zagreb ◆ ■

PRVA STAMBENA STEDIONICA D.D.
Main office: Zagreb ◆ ■

UNIVERSAL BANKA D.D.
Main office: Sarajevo ◆ ■

VARAZDINSKA BANKA D.D.
Main office: Varazdin ◆ ■

ZAGREBACKA BANKA BH D.D.
Main office: Mostar ◆ ■

Other commercial banks

BANCA AGRICOLA COMMERCIALE
S. MARINO S.A. - Main office: Borgo
Maggiore (San Marino) ◆

BANQUE MONEGASQUE DE GESTION S.A.
Main office: Monaco (Montecarlo) ◆

CASSA DI RISPARMIO
DI TRIESTE BANCA D.D.
Main office: Zagreb ◆

UNICREDIT (SUISSE) BANK S.A.
Main office: Lugano ◆

Other banks

UNICREDITO ITALIANO BANK
(IRELAND) Plc - Main office: Dublin ◆

CLARIMA BANCA S.p.A.
Main office: Milan

XELION BANCA S.p.A.
Main office: Milan

Investment banking

UNICREDIT BANCA MOBILIARE S.p.A.
Main office: Milan

TRADINGLAB BANCA S.p.A.
Main office: Milan

Banks based outside Italy

New Europe Banking

BANK PEKAO S.A. - Main office: Warsaw ◆ ★

BANK PEKAO (UKRAINA) Ltd
Main office: Luck ◆ ★

BANK POLSKA KASA OPIEKI TEL-AVIV Ltd
Main office: Tel Aviv ◆ ★

BULBANK A.D. - Main office: Sofia ◆

UNIBANKA A.S. (formerly POL'NOBANKA A.S.)
Main office: Bratislava ◆

Asset management

PIONEER GLOBAL ASSET
MANAGEMENT S.p.A. - Main office: Milan ●

PIONEER INVESTMENT MANAGEMENT Ltd
Main office: Dublin ◆ ●

PIONEER INVESTMENT MANAGEMENT
S.G.R. p.A. - Main office: Milan ●

PIONEER ALTERNATIVE INVESTMENT
MANAGEMENT Ltd - Main office: Dublin ◆ ●

PIONEER ALTERNATIVE INVESTMENT
MANAGEMENT S.G.R.p.A. - Main office: Milan ●

PIONEER FONDS MARKETING GMBH
Main office: Munich ◆ ●

PIONEER INVESTMENT MANAGEMENT USA Inc.
Main office: Delaware ◆ ●

PIONEER PEKAO INVESTMENT MANAGEMENT
S.A. Main office: Warsaw ◆ ●

PIONEER CZECH FINANCIAL COMPANY Sro
Main office: Prague ◆ ●

PIONEER CZECH INVESTMENT COMPANY A.S.
Main office: Prague ◆ ●

PIONEER INVESTMENT MANAGEMENT Inc.
Main office: Wilmington ◆ ▲

PIONEER PEKAO TFI S.A. - Main office: Warsaw ◆ ●

PIONEER INVESTMENT MANAGEMENT SHAREHOLDER
SERVICES Inc. - Main office: Boston ◆ ▲

PIONEER FUNDS DISTRIBUTOR Inc.
Main office: Boston ◆ ▲

PIONEER GLOBAL FUNDS DISTRIBUTOR Ltd
Main office: Hamilton ◆ ●

PIONEER GLOBAL INVESTMENTS Ltd
Main office: Dublin ◆ ●

Fully consolidated



CREDIT INSTITUTIONS

FINANCIAL AND
INSURANCE COMPANIESCommercial Banks
based in Italy

BANCA C.R. SAVIGLIANO S.p.A.
Main office: Savigliano

CASSA DI RISPARMIO
DI BRA S.p.A.
Main office: Bra

CASSA DI RISPARMIO
DI FOSSANO S.p.A.
Main office: Fossano

CASSA DI RISPARMIO
DI SALUZZO S.p.A.
Main office: Saluzzo

Asset management

OLD CITY FINANCIAL SERVICES LTD
Main office: Raanan ◆ ❖

OT FINANCIAL SERVICES NOMINEES LTD
Main office: London ◆ ❖

PIONEER CONSULTING SERVICES S.A.
Main office: Warsaw ◆ ▲

TRINITY MANAGEMENT Sp.zo.o
Main office: Warsaw ◆ ★

Leasing

LISEURO S.p.A. - Main office: Udine

DEMIR ROMLEASE S.A..
Main office: Bucharest ◆

LOCAT LEASING d.o.o.
Main office: Zagreb ◆

Tax collection

S.F.E.T. S.p.A. Società Friulana
Esazione Tributi - Main office: Udine

Insurance companies

BROKER CREDIT S.p.A.
Main office: Milan

COMMERCIAL UNION VITA S.p.A.
Main office: Milan

CREDITRAS ASSICURAZIONI S.p.A.
Main office: Milan

CREDITRAS VITA S.p.A.
Main office: Milan

GRIFO INSURANCE BROKERS S.r.l.
Main office: Perugia

ON INVESTMENT SERVICES S.r.l.
Main office: Milan

UNICREDITASSICURA S.r.l.
Main office: Milan

ALLIANZ ZAGREB DIONICKO DRUSTVO
ZA OSIGURANJE
Main office: Zagreb ◆ ■

Other financial companies

FIDIA S.G.R. S.p.A. - Main office:
Milan

MILANO INNOVAZIONE
S.G.R. S.p.A. - Main office: Milan

CENTRAL POLAND FUND LLC
Main office: Wilmington ◆ ★

SVILUPPO NORD-OVEST S.G.R.p.A.
Main office: Turin

VENTURA FINANCE S.p.A.
Main office: Turin

Consolidated by net equity method

MOMENTUM HOLDINGS LIMITED
Main office: Bermuda ◆◆

MOMENTUM ADVISORY LIMITED
Main office: Bermuda ◆◆

MOMENTUM ASIA LIMITED
Main office: Bermuda ◆◆

MOMENTUM MARKETING LIMITED
Main office: Bermuda ◆◆

MOMENTUM ASSET MANAGEMENT
LIMITED - Main office: Bermuda ◆◆

SPECIAL FUND MARKETING ISRAEL
LIMITED - Main office: Raanan ◆◆

MOMENTUM AUSTRALIA (PTY) LIMITED
Main office: Melbourne ◆◆

MOMENTUM ASIA (HONG KONG) LIMITED
Main office: Hong Kong ◆◆

KI7 (7) LIMITED - Main office: London ◆◆

MOMENTUM UK LIMITED - Main office: London ◆◆

MOMENTUM NEW YORK LIMITED
Main office: Dover ◆◆

MORIAH S.A. - Main office: Liberia ◆◆

ORBIT ASSET MANAGEMENT LTD
Main office: Bermuda ◆◆✓

UNICREDIT CAPITAL ITALIA ADVISORY
COMPANY S.A. - Main office: Luxembourg ◆

Asset management distribution

ROLO PIONEER S.G.R.p.A. Main office: Bologna

UNICREDIT FONDI S.G.R.p.A.
Main office: Milan

PIONEER INVESTMENT MANAGEMENT S.A.
Main office: Luxembourg ◆

PIONEER INSTITUTIONAL INVESTMENT
MANAGEMENT S.A.
Main office: Luxembourg ◆●

ROLO PIONEER LUXEMBOURG S.A.
Main office: Luxembourg ◆

ZB INVEST D.O.O. - Main office: Zagreb ◆■

Financial companies

CORDUSIO Società Fiduciaria per Azioni
Main office: Milan

S+R Investimenti e Gestioni S.G.R.p.A.
Main office: Milan

FIDA SIM S.p.A. - Main office: Turin

F.R.T. FIDUCIARIA RISPARMIO TORINO
SIM S.p.A. - Main office: Turin

BAC FIDUCIARIA S.p.A. - Main office:
Dogana Repubblica di San Marino ◆

ZB BROKERI D.O.O. - Main office: Zagreb ◆■

Leasing

LOCAT S.p.A. - Main office: Bologna

LEASING FABRYCZNY Sp.zo.o.
Main office: Lublin ◆★

PEKAO LEASING Sp.zo.o. - Main office: Warsaw ◆★

Factoring

UNICREDIT FACTORING S.p.A.
Main office: Milan

GRIFOFACOR S.p.A. - Main office: Perugia

PEKAO FAKTORING Sp.zo.o.
Main office: Lublin ◆★

Tax collection

UNIRISCOSSIONI S.p.A. - Main office: Turin

Preferred Shares Issuers

UNICREDITO ITALIANO - CAPITAL TRUST I
Main office: Newark ◆

UNICREDITO ITALIANO - CAPITAL TRUST II
Main office: Newark ◆

UNICREDITO ITALIANO - FUNDING LLC I
Main office: Dover ◆

UNICREDITO ITALIANO FUNDING LLC II
Main office: Dover ◆

Other financial companies

CREDITRAS PREVIDENZA SIM S.p.A.
Main office: Milan

QUERCIA FUNDING S.r.l. - Main office: Verona

CARIVERONA IRELAND Plc - Main office: Dublin ◆

C.R. TRIESTE IRELAND Ltd
Main office: Dublin ◆

EURO CAPITAL STRUCTURES Ltd
Main office: Dublin ◆

DRUKBANK Sp.zo.o.
Main office: Zamosc ◆★

TYRERESCOM Ltd
Main office: Dublin ◆

UNICREDIT DELAWARE Inc.
Main office: Dover ◆

CDM GRUPY PEKAO S.A.
Main office: Warsaw ◆★

PEKAO FUNDUSZ KAPITALOWY Sp.zo.o.
Main office: Lodz ◆★

PEKAO PIONEER PTE S.A.
Main office: Warsaw ◆★

Ancillary companies

QUERCIA SOFTWARE S.p.A.
Main office: Verona

TRIVIMM S.p.A.
Main office: Verona

UNICREDIT PRODUZIONI
ACCENTRATE S.p.A.
Main office: Milan

UNICREDIT SERVIZI
INFORMATIVI S.p.A.
Main office: Milan

POMINVEST D.D.
Main office: Split ◆■

ZAGREB NEKRETNINE D.O.O.
Main office: Zagreb ◆■

✓ = CONSOLIDATED USING THE PROPORTIONAL METHOD

SERVICE COMPANIES

ANCILLARY COMPANIES

Service companies

UNICREDIT SERVIZI PRIVATE S.p.A.
Main office: Milan

UNICREDIT SERVIZI CORPORATE S.p.A.
Main office: Milan

ACCESS Sp.zo.o.
Main office: Warsaw ◆★

DEMIR SECURITIES ROMANIA S.A.
Main office: Bucharest ◆

JUPITER NFI S.A.
Main office: Warsaw ◆★

TRADINGLAB INC.
Main office: New York ◆

ALLIANZ ZB D.O.O. DRUSTVO
ZA UPRAVLJANJE OBVEZNIM
MIROVINSKIM FONDOM
Main office: Zagreb ◆■

ALLIANZ ZB D.O.O. DRUSTVO
ZA UPRAVLJANJE DOBROVOLJNIM
MIROVINSKIM FONDOM
Main office: Zagreb ◆■

KOÇ FINANSAL HIZMETLER
Main office: Istanbul ◆

CONSORZIO CA.RI.CE.SE.
Main office: Bologna

I-FABER S.p.A. - Main office: Milan

IMMOBILIARE LOMBARDA S.p.A.
Main office: Milan

LOCAT RENT S.p.A. - Main office: Milan

SELEZIONE TERZA S.r.l.
Main office: Milan

S.T.T. S.p.A. - Main office: Verona

TLX S.p.A. - Main office: Milan

UNICREDIT AUDIT S.p.A.
Main office: Milan

UNICREDIT CONSULTING S.r.l.
Main office: Milan

UNICREDIT ENERGIA S.c.r.l.
Main office: Milan

UNICREDIT INTERNATIONAL SERVICES
(UNICIIS) S.r.l.
Main office: Rome

UNICREDIT SERVICELAB S.p.A.
Main office: Milan

VIVACITY S.p.A. - Main office: Rome

AGROCONS CENTRUM A.S.
Main office: Bratislava ◆

PEKAO DEVELOPMENT Sp.zo.o.
Main office: Warsaw ◆★

BDK CONSULTING - Main office: Luck ◆★

E2E INFOTECH Ltd.
Main office: London ◆

PEKAO FINANCIAL SERVICES Sp.zo.o.
Main office: Warsaw ◆★

PEKAO INFORMATYKA Sp.zo.o.
Main office: Lodz ◆★

S.S.I.S. SOCIETÀ SERVIZI INFORMATICI
SAMMARINESE S.p.A.
Main office: Borgo Maggiore
(S. Marino) ◆

CENTAR GRADSKI PODRUM D.O.O.
Main office: Zagreb ◆■

CENTAR KAPTOL D.O.O.
Main office: Zagreb ◆■

ISTRATURIST UMAG HOTELIJERSTVO
I TURIZAM D.D. - Main office: Umag ◆■

LIPA D.D.
Main office: Novi Marof ◆■

MARKETING ZAGREBACKE
BANKE D.O.O.
Main office: Zagreb ◆■

ZABA TURIZAM D.O.O.
Main office: Zagreb ◆■

ZANE BH D.O.O.
Main office: Sarajevo ◆■

UPI POSLOVNI SISTEM D.O.O.
Main office: Sarajevo ◆■

GRUPA INWESTYCYNIA
NYWING S.A.
Main office: Warsaw ◆★

HOTEL JAN III SOBIESKI Sp.zo.o.
Main office: Warsaw ◆★

KRAJOWA IZBA ROZLI
CZENIOWA S.A.
Main office: Warsaw ◆★

QUALITY OF THE WORK

UniCredito Italiano

General Background

Composition by category, as at 31 December 2002

	MEN		WOMEN		Total
	Full time	Part time	Full time	Part time	
Senior Managers	153		15		168
Managers	540		194	7	741
Other employees	413	4	261	93	771
Total employees of the Parent Company	1,106	4	470	100	1,680
Workers with temporary - - work contract as at 31.12.2002					16
Total as at 31.12.2002 including temporary work					1,696

Composition by seniority grade

	MEN		WOMEN		TOTAL	
	Number	%	Number	%	Number	%
up to 10 years	309	18.4%	187	11.1%	496	29.5%
from 11 to 20 years	262	15.6%	102	6.1%	364	21.7%
from 21 to 30 years	421	25.1%	227	13.5%	648	38.6%
over 30 years	118	7.0%	54	3.2%	172	10.2%
Total	1,110		570		1,680	

Composition by age bracket

	MEN		WOMEN		TOTAL	
	Number	%	Number	%	Number	%
up to 30 years	51	3.1%	59	3.5%	110	6.6%
from 31 to 40 years	262	15.6%	172	10.2%	434	25.8%
from 41 to 50 years	463	27.5%	266	15.8%	729	43.3%
over 50 years	334	19.9%	73	4.4%	407	24.3%
Total	1,110		570		1,680	

Average seniority of service, and average age by category

	AVERAGE SENIORITY		AVERAGE AGE	
	Men	Women	Men	Women
Senior Managers	17	12	47	44
Managers	17	18	44	42
Other employees	17	14	42	37
General average	17	16	45	41

Hires/entries

	Senior Managers	Managers	Other staff	Total
Hires with no time limit	19	88	65	172
– including by other companies of the Group	11	66	31	108
Effected 1.07.02 by ex merged banks	8	96	192	296
Fixed-term hires				
Work training contract			9	9
Total hires/entries in Parent Company	27	184	266	477
Entries with temporary-work contract				20
Grand total				497

Reductions

	Senior Managers	Managers	Other employees	Total
Voluntary resignations		12	15	27
Deaths		2		2
Exceeding of grace limits				
Dismissals			2	2
Terminations with pension right (<i>also by means of incentive measures</i>)	8	8	17	33
Resignations by move to other banks/companies of the Group	3	19	16	38
Effected 1.07.02 at UniCredit Banca	20	130	200	350
Total reductions at Parent Company	31	171	250	452
Departures due to expiry of temporary labor contract				14
Grand total				466

Remuneration arrangements and career development

Career development

	Men	Women	Total
Promotions within professional areas	19	21	40
Staff within professional areas promoted to Management	9	9	18
Promotions within the Manager category	7	6	13
Managers promoted to Senior Managers	19	1	20
Total	54	37	91

Gross average compensation per category

	Amount €
Senior Managers	122,790
Managers	54,382
Other employees	28,942

Additional services rendered in 2002 by employees belonging to the professional areas

	Men	Women	Total
Time sheets of the hours lodged with the bank and then recovered	7,176	6,490	13,666
Hours compensated as overtime	38,055	10,434	48,489
Total additional services	45,231	16,924	62,155

Average composition in 2002 of employees belonging to the professional areas

	Full time	Part time	Total f.t. + p.t.	Total f.t. equivalent	Net annual working hours
Men	364	30	394	384	640,000
Women	267	120	387	346	570,000
Total	631	150	781	730	1,210,000

Days of absence (full time equivalent) during 2002

Illnesses, accidents and doctor's visits	10,400
Maternity leave	3,200
Family and personal reasons	1,950
Union leave	1,700
Blood donation	150
Marriage leave	400
Other reasons	2,000
Total	19,800

Average composition in 2002 of employees of the Parent Group

	Full time	Part time	Total f.t. + p.t.	Total f.t. equivalent	Net annual working days (f.t.e.)
Men	1,046	30	1,076	1,066	237,000
Women	480	128	608	564	125,000
Total	1,526	158	1,684	1,630	362,000

Credentials

	Senior Managers		Managers		Other employees		Total		Overall total
	Men	Women	Men	Women	Men	Women	Men	Women	
Degree	94	10	226	83	53	42	373	135	508
Diploma	59	5	295	109	218	237	572	351	923
Average certificate			19	9	129	73	148	82	230
Elementary certificate					17	2	17	2	19
Total	153	15	540	201	417	354	1,110	570	1,680

Type of degree

	Number	%
Economic and banking disciplines	220	43.31%
Law	87	17.13%
Political sciences	39	7.68%
Engineering	26	5.12%
Languages	10	1.97%
Mathematics, statistics, economic statistics	10	1.97%
Other degrees	116	22.83%

UniCredit Banca

General Background

Composition by category as at 31 December 2002

	MEN		WOMEN		Total
	Full time	Part time	Full time	Part time	
Senior Managers	332		14		346
Managers	8,088	10	1,978	102	10,178
Other employees	9,646	211	6,379	2,621	18,857
Total employees of UniCredit Banca	18,066	221	8,371	2,723	29,381
Workers with temporary labor contract as at 31.12.2002					6
Total as at 31.12.2002 including temporary workers					29,387

Composition by seniority grade

	MEN		WOMEN		TOTAL	
	Number	%	Number	%	Number	%
up to 10 years	4,190	14.3%	3,607	12.2%	7,797	26.5%
from 11 to 20 years	4,975	16.9%	3,383	11.5%	8,358	28.4%
from 21 to 30 years	7,742	26.4%	3,795	12.9%	11,537	39.3%
over 30 years	1,380	4.7%	309	1.1%	1,689	5.8%
Totale	18,287		11,094		29,381	

Composition by age bracket

	MEN		WOMEN		TOTAL	
	Number	%	Number	%	Number	%
up to 30 years	1,408	4.8%	1,958	6.7%	3,366	11.5%
from 31 to 40 years	4,967	16.9%	4,167	14.1%	9,134	31.0%
from 41 to 50 years	7,505	25.6%	4,103	14.0%	11,608	39.6%
over 50 years	4,407	15.0%	866	2.9%	5,273	17.9%
Total	18,287		11,094		29,381	

Average service seniority and average age by category

	AVERAGE SENIORITY		AVERAGE AGE	
	Men	Women	Men	Women
Senior Managers	22	20	48	46
Managers	19	18	44	42
Other employees	17	14	42	37
General average	18	15	43	38

Hires/entries

	Senior Managers	Managers	Other staff	Total
Hires with no time limit	10	51	421	482
– including other banks/companies of the Group	5	34	86	125
Effected 1.07.02 by the Parent Company	20	130	200	350
Fixed term hires			333	333
Work training contract			92	92
Total hires/entries at UniCredit Banca	30	181	1,046	1,257
Entries with temporary work contract				40
Grand total				1,297

Reductions

	Senior Managers	Managers	Other staff	Total
Voluntary resignations	18	207	322	547
Deaths		5	14	19
Exceeding of grace limits			1	1
Dismissals		3	9	12
Termination of fixed-term contracts	1		373	374
Terminations with pension right (also by means of incentive measures)	16	190	227	433
Resignations by move to other banks/companies of Group	5	44	19	68
Effected 1.07.02 at Parent Group	8	96	192	296
Total reductions at UniCredit Banca	48	545	1,157	1,750
Departures due to expiry of temporary labor contract				117
Grand total				1,867

Remuneration arrangements and career development

Development of careers

	Men	Women	Total
Promotions within the professional areas	879	726	1,605
Staff in the professional areas promoted to Management	499	280	779
Promotions within the category of Manager	742	311	1,053
Managers promoted to Senior Managers	44	20	64
Total	2,164	1,337	3,501

Gross average compensations by category

	Amount €
Senior Managers	106,246
Managers	47,390
Other employees	29,577

Additional services rendered in 2002 by employees of the professional areas

	Men	Women	Total
Time sheets of the hours lodged with the bank then recovered	283,264	208,768	492,032
Hours compensated as overtime	659,125	466,650	1,125,775
Total additional services	942,389	675,418	1,617,807

Average composition in 2002 of employees belonging to the professional areas

	Full time	Part time	Total f.t. + p.t.	Total f.t. equivalent	Annual net working hours
Men	10,048	188	10,236	10,172	17,000,000
Women	6,531	2,509	9,040	8,187	13,500,000
Total	16,579	2,697	19,276	18,359	30,500,000

Days of absence (full time equivalent) during 2002

Illnesses, accidents and doctor's visits	241,000
Maternity leave	103,700
Family and personal reasons	37,000
Union leave	55,500
Blood donation	2,800
Marriage leave	4,500
Other reasons	52,300
Total	496,800

Average composition in 2002 of the staff of UniCredit Banca

	Full time	Part time	Total f.t. + p.t.	Total f.t. equivalent	Net Annual Working days (f.t.e.)
Men	18,412	195	18,607	18,541	4,130,000
Women	8,431	2,598	11,029	10,146	2,235,000
Total	26,843	2,793	29,636	28,687	6,365,000

Credentials

	Senior Managers		Managers		Other employees		Totals		Grand total
	Men	Women	Men	Women	Men	Women	Men	Women	
Degree	132	4	2,229	476	1,893	1,763	4,254	2,243	6,497
Diploma	200	10	5,766	1,543	6,376	6,492	12,342	8,045	20,387
Average certificate			101	61	1,472	740	1,573	801	2,374
Elementary certificate			2		116	5	118	5	123
Total	332	14	8,098	2,080	9,857	9,000	18,287	11,094	29,381

Type of degree

	Number	%
Economic and banking disciplines	3,528	54.30%
Law	1,486	22.87%
Political sciences	667	10.27%
Engineering	45	0.69%
Languages	211	3.25%
Mathematics, statistics, economic statistics	139	2.14%
Other degrees	421	6.48%

Group's stock-ownership plan

Free stock allotment to employees generally

	2002	2001
Number of recipients	33,976 (a)	26,018 (b)
Number of shares allotted	16,020,884 (c)	10,518,062 (d)
Percentage of authorized capital	0.25	0.17

NOTE: the data in the table includes shares allotted to the Managing Director, Mr Profumo as an employee.

(a) including 1,313 staff of UniCredito Italiano S.p.A and 32,663 staff of the banks and the Group.

(b) including 2,427 staff of UniCredito Italiano S.p.A and 23,591 staff of the banks and the Group.

(c) including 623,634 allotted to staff of UniCredito Italiano S.p.A and 15,397,250 allotted to staff of the banks and the Group.

(d) including 979,758 allotted to staff of UniCredito Italiano S.p.A and 9,538,304 allotted to staff of the banks and the Group.

Free stock allotment to middle management

	2002	2001
Number of recipients	2,217 (a)	1,970 (b)
Number of shares allotted	2,742,638 (c)	1,956,250 (d)
Percentage of authorized capital	0.04	0.03

(a) including 106 staff of UniCredito Italiano S.p.A and 2,111 staff of the banks and of Italian companies of the Group.

(b) including 84 staff of UniCredito Italiano S.p.A and 1,886 staff of the banks and of Italian companies of the Group.

(c) including 191,080 allotted to staff of UniCredito Italiano S.p.A and 2,551,558 allotted to staff of the banks and of Italian companies of the Group.

(d) including 98,000 allotted to staff of UniCredito Italiano S.p.A and 1,858,250 allotted to staff of the banks and of Italian companies of the Group.

MARKET AND TERRITORY

Customers relation

Complaints broken down by type of product/service/activity

	Semester I 2002	Semester 2002 II	absolute Delta	Total 2002
C/C and savings deposits	1,614	1,122	- 492	2,736
Purchase and sale of securities	591	502	- 89	1,093
Mutual fund	141	165	24	306
Asset Management	67	80	13	147
Other investment products	32	11	- 21	43
Opening of credit	205	207	2	412
Consumer credit and personal loans	79	78	- 1	157
Loans	376	230	- 146	606
Special receivables	13	25	12	38
Other forms of financing	43	41	- 2	84
Transfers	94	78	- 16	172
Remunerations and pensions	25	49	24	74
Credit cards	386	384	- 2	770
Automated teller machines	351	310	- 41	661
POS	121	93	- 28	214
Checks	217	185	- 32	402
Bills	49	50	1	99
Other collection and payments services	82	71	- 11	153
Insurance policies damage/injury branch	4	12	8	16
Insurance policies life branch	125	160	35	285
Other products and services	342	312	- 30	654
Organization in general	239	149	- 90	388
Total	5,196	4,314	- 882	9,510

ENVIRONMENT, HEALTH AND SAFETY

Direct environmental aspects

UniCredito Italiano waste

	2000	2001	2002
Kg RSU/employee	42.82	31.68	26.68
Kg packaging/employee	20.99	10.92	25.52
Kg glass and tin/employee	3.01	3.016	1.27
Kg plastic/employee	2.89	5.62	5.59
Kg toner/employee	3.09	3.09	4.96
Kg paper/employee	123.77	56.65	88.03

Management of safety at work

Number of accidents

Società	Accidents on premises	Accidents on trips
UCI	6	11
UniCredit Banca	83	226
Total	89	237



PricewaterhouseCoopers SpA

REPORT ON THE "SOCIAL AND ENVIRONMENTAL REPORT 2002" OF UNICREDITO ITALIANO GROUP

To the Shareholders of
UniCredito Italiano SpA

We have performed the agreed-upon verification procedures in order to express an opinion on the Social and Environmental Report 2002 (the "Report") of UniCredito Italiano Group with respect to:

- The reliability of the data reported therein.
- The completeness and clarity of expression of the data and the information disclosed therein.

Our engagement was carried out by performing the agreed-upon procedures summarized below:

1. Testing, on a sample basis, of the correspondence of the economic and financial data reported in the Report with the same data disclosed in the consolidated financial statements that will be submitted in the Shareholders' Meeting and of the correspondence of other data and information with management reports or other supporting documentation.
2. Evaluation of the completeness and clarity of the Report with respect to the information generally included in the social and environmental reports already published and to the stakeholder identified.

This report refers to the results of the application of the aforementioned procedures and we cannot exclude that, had we performed additional procedures, other matters might have come to our attention that should have been disclosed in addition to those already reported in the following paragraph.



The results of the application of the agreed-upon verification procedures show that the economic and financial data included in the Report correspond to those included in the consolidated financial statements that will be submitted in the Shareholders' Meeting and that the other data and information disclosed in the Report are adequately documented by management reports or other supporting documentation.

Regarding the evaluation of the completeness and clarity of the Report, we base our professional opinion on our experience, on the benchmarking of national and international best practices and on PricewaterhouseCoopers guidelines developed on the basis of the information requirements deriving from:

- Sustainability Reporting Guidelines (Global Reporting Initiative)
- ABI Guidelines (Modello di redazione del Bilancio Sociale per il settore del credito)
- GBS Guidelines (Gruppo di studio per il Bilancio Sociale)

In this respect the Report is complete and well-structured compared to the best social and environmental reports published to date and the data and the information are clearly stated.

This is the first Social and Environmental Report issued by UniCredito Italiano as a Group. It exposes in an innovative way the sustainability reporting topics and its data and information reflect the S3 restructuring project that is currently involving the UniCredito Italiano Group as a whole.

Considering that the Report is the result of an improvement process undertaken so far, there are some reporting areas that should be developed in the future, with particular reference to the inclusion of specific targets related to the social and environmental effects of the Group activity and to the definition of adequate performance indicators to measure their achievement.

Milan 15 April 2003

PricewaterhouseCoopers SpA

Signed by: Antonio Taverna
(Partner)

This report has been translated from the original which was issued in Italian. We have not performed any control on the Social and Environmental Report 2002 translation.

Glossary

ABI

Italian Banking Association.

Assessment

An evaluation based on an appraisal.

Asset management

The activity of managing financial investments of third parties.

Auditors

Properly qualified staff that carry out auditing activities, and who are independent of the activities to be audited.

Benchmark

Objective reference parameter for financial investments, which may also consist of well-known indices (MIB 30, Dow Jones, etc.) or other indices deemed representative of the investment's risk/return profile.

Corporate

The customer segment consisting of medium and large companies.

Corporate citizenship

The constant commitment of a company to integrate market requirements and new social responsibilities into its strategies and actions.

Corporate Governance

The set of criteria and processes for administering a company, which are aimed at creating economic value for shareholders and benefits for other stakeholders.

Correspondent banking

On-going relationship with a bank in another market where we are not represented by a branch of our own.

Customer care

In general, all actions performed for a customer of the company in order to provide advice in the selection and purchase of goods and services and to provide after-sales assistance. It also includes making information available through call centres and the repair and replacement of defective products.

Customer satisfaction

Developing a high-quality relationship with customers.

EMAS

EcoManagement and Audit Scheme – European Council Regulation 761/2001 on the voluntary compliance by industrial companies and services with a European Community ecological management and audit system.

Environmental analysis

Exhaustive initial analysis of environmental problems, environmental impact and performance connected with the operations of an organisation.

Environmental aspect

Element of the activities, products and services of an organisation that have an impact on the environment.

Environmental audit

Management tool including a systematic,

documented, periodic and objective assessment of the organisation's performance, management system and processes to protect the environment in order to facilitate management controls over conduct that could have an impact on the environment, and to assess compliance with environmental policy including the organisation's environmental goals and targets.

Environmental impact

Any positive or negative change to the environment resulting in whole or in part from the activities, products or services of an organisation.

Global reporting initiative

Institution whose objective is to expand and spread the application of guidelines for social and environmental reporting.

Green purchasing

Ecological management of purchases.

Home banking

Telephone or Internet connection to perform transactions on a current account and/or check its status.

Hour bank

Contractual mechanism covering additional service that is recovered and/or compensated as overtime work.

Information Technology (IT)

Abbreviation used to indicate all aspects of the management and processing of information using computers in a business.

Intangible resources

Intangible assets on which an economic value can be placed and have a separate asset value, that are able to generate economic benefits (patents, trademarks, reputation, organisational structure).

Intranet

Internet network with access limited to the company's staff.

ISO 14001

Standard regarding environmental management systems enacted by the International Standard Organisation.

Management system

A part of the overall corporate management system comprising the organisational structure, responsibilities, practices, procedures, processes and resources for developing and implementing policy in the areas of the environment and employee health and safety.

Private Banking

Customer segment consisting of high net worth individuals.

Rating

Assessment of the default risk of a specific debtor, company or public agency. This assessment is expressed by means of a classification of the debtor's standing.

Retail

Customer segment that primarily

includes individuals, professionals, shopkeepers and artisans.

Stakeholder

Parties that have an interest in a company, who, for various reasons interact with the company's operations by sharing in profits, influencing its performance, and assessing its economic, social and environmental impact.

Stock options

Contracts, which provide the option to purchase a company's shares and are issued with dedicated capital increases, and which grant the right to purchase underlying shares within a pre-established term at a pre-set price. They are used as a form of supplementary compensation to provide incentives and gain the loyalty of individual employees, specific employee categories or all employees.

Sustainable growth

"Development that satisfies current needs without compromising the ability of future generations to satisfy their needs" (Brundtland Report – WCED – World Commission for Economic Development, 1987).

UNEP

United Nations Environmental Programme

Environmental programme of the United Nations aimed at promoting sustainable growth with companies and citizens.

Value added

Represents the wealth produced by the company during the period, which is calculated as the difference between gross production and the consumption of goods and services.

The preparation of the 2002 Social and Environmental Report was made possible due to the passion and priceless contribution of our colleagues, who were actively involved in gathering information and analysing the data provided.

This edition is also available at www.unicredit.it and can be requested from:

UniCredito Italiano – Staff Bilancio Sociale & Ambiente

Direzione Corporate Identity

Via San Protaso, 1/3 - 20121 Milan

Fax +39 02.88623924

E-mail: bilanciosociale@unicredit.it

Prepared by the Social and Environmental Report staff of the Corporate Identity Department

Work group: Coordinated by Riccardo Della Valle, Franziska Cuter, Lucio Del Rio, Valentina D'Intino,

Sonia Ortalli, Marcello Pellini, Ferruccio Torboli (photographs)

With the collaboration of units of UniCredito Italiano, UniCredit Banca, UniCredit Banca d'Impresa, UniCredit Private Banking and the other Group companies.

Support provided by EHS Gestione s.r.l., Milan

Questionnaire

Dear reader,

We ask you to kindly devote a minute or two to completing the following questionnaire, to help us to draft a document more and more responsive to your expectations and requirements.

You can print this version and send it by fax or mail it to our contacts. Alternatively, the electronic version is available at the www.unicredit.it website.

Thank you for your kind cooperation.

Give your assessment of the following, assigning to each item a mark from 1 (poor) to 4 (very good):

clarity of the structure	1	2	3	4
clarity of the exposition	1	2	3	4
completeness of the information	1	2	3	4
completeness of the data	1	2	3	4

Express one or more opinions on the following subjects:

	Innovative	Interesting	Superficial
mission, values, conduct guidelines			
corporate governance			
calculation and breakdown of value added			
quality of labour			
market and territory			
environment, health and safety			
security and privacy			
listening and dialogue			
corporate citizenship			

Comments and suggestions

Graphic design and typesetting by: Mercurio srl - Studi di promozione pubblicitaria - Milan

Printed by: Istituto Grafico Bertieri - Monza

July 2003



Printed on certified recycled
chlorine-free paper.

