



Listen,  
understand,  
respond.

**T**his report expresses UniCredit's approach to banking by telling everyday stories about our interactions with Customers, innovations in products and adaptability in services.

These brief but meaningful stories come directly from our colleagues. They are examples of the tangible benefits and concrete solutions offered by UniCredit, demonstrating how we make a difference in people's lives.

Our clear goal to improve everyday circumstances is rooted in our complete commitment to outcomes that ensure Customer satisfaction.

At UniCredit, listening to our Clients and engaging with them to offer simple, direct results lies at the heart of our commercial banking operations. It is part of our determined effort to contribute to the economic and social well-being of our Customers as well as the communities where we work.

We will continue with this commitment to all of you, every day.

# Report structure

This is the 13th edition of the UniCredit Sustainability Report (the “Report”), an annual publication that summarizes the relationships between our Group’s business strategies, the management of our stakeholder relationships, and our principal activities during the reporting period that ended on December 31, 2013.

As in previous years, the 2013 Sustainability Report is composed of two related sections: a main section, which primarily contains qualitative content, and the Supplement, which includes technical appendixes that relate to the main section.

The report was written in accordance with the *Sustainability Reporting Guidelines & Financial Services Sector Supplement* issued in 2008 and the *Sustainability Reporting Guidelines* (version 3.1) issued in 2011 by the Global Reporting Initiative (GRI). We declare our reporting status to be Application Level A+.

In 2012, our Group adopted a new data-collection process, substituting CSR cards for management software, with content in line with GRI requirements. The reporting boundaries include 15 countries where the Group has significant operations: Italy, Germany, Austria, Poland and some countries in CEE (Central Eastern Europe) - Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine. With respect to 2012 Report, we report that Kazakhstan exited the reporting boundaries, as a consequence of the sale of the companies operating in this country. As in previous reports, the final section of the Supplement summarizes our principal activities and sustainability performance in Turkey, which is not included in the reporting boundaries.

Unless otherwise noted, the data related to our workforce and to generated added value corresponds to information provided in our 2013 Consolidated Reports and Accounts. Any conditions that may limit the scope of this data are clearly disclosed throughout the report.

Data relating to previous years are presented for comparative purposes, in order to allow an evaluation on the Group’s performance over a period.

In order to ensure that the reported information is reliable, we have included relevant data directly and limited the use of estimates to the possible extent. The data is based either on the strongest information available or on sample analyses. Estimated figures and restatements of data published previously are clearly disclosed as such.

As in previous years, the process of defining the report’s content was based on the GRI’s reporting principles of materiality, stakeholder inclusiveness, sustainability context and completeness. During 2013, materiality analysis was updated on the basis of the methodology already applied in previous years in order to understand stakeholders’ expectations, given the changing environment, and in order to identify our response to these expectations with respect to our Mission. This report includes the topics identified in the analysis.

To make faster and easier access to UniCredit corporate website, we decided to use a QR code, included at the end of this report, which will deepen related topics. To read the QR code you must install a free application on your smartphone or tablet.

This report was subject to a limited review by Deloitte, which, on completion of the procedures performed, released the *Review Report on the Sustainability Report* – hereby enclosed - in accordance with the criteria established by the *International Standard on Assurance Engagements 3000 - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB).

# Index

CEO's Letter	4
Highlights	6
<b>Our Approach</b> 11	
A new challenge	12
Cultural change	13
Stakeholder engagement	15
<b>Valuing our Colleagues</b> 21	
Performance management	22
Employees' development	23
Diversity and inclusion	27
Work-life balance	29
<b>Serving Individuals and Families</b> 31	
Customer proximity	32
Dynamic bank	33
Simplicity and transparency	36
Quality and value	39
<b>Supporting Companies</b> 41	
Customer proximity	42
Dynamic bank	44
Simplicity and service quality	45
Support to business	46
<b>Informing Investors</b> 53	
Clear approach to markets	54
<b>Fostering Communities</b> 57	
Financial inclusion	59
Talent and innovation	61
Culture and sports	65
Teamwork	66
<b>Conserving Natural Resources</b> 71	
Reducing direct environmental impacts	72
Reducing indirect environmental impacts	74
Sustainable procurement	76
<b>GRI and UN Global Compact Indexes</b>	78
<b>Report of the External Auditors</b>	82

# CEO's Letter



**FEDERICO GHIZZONI**  
Chief Executive Officer

“Given UniCredit's solid position, we are well-equipped to confront future challenges.”

## Dear Stakeholders,

in 2013, as a result of a number of judicious choices, we continued to build UniCredit into one of the most solid banks in Europe. We have secured our capital position and adopted new measures to improve our operational efficiency. In recent years, we have significantly raised our core Tier 1 ratio, reduced our operating costs and trimmed our risk-weighted assets.

As planned, today we are a rock-solid commercial bank, able to lend our full support to the economy. Despite a challenging macroeconomic environment, our Group has evolved into an innovative and efficient bank that engages effectively with its customers.

Three years ago, we shifted our focus to our core business, anticipating a trend that has been gradually spreading across our industry. Wherever I travel throughout Europe, I hear our competitors saying that they must become more efficient and strengthen their efforts in traditional commercial banking. We have already done this. We have simplified our organization and processes and are providing our customers with better services. We have eliminated roughly 30 percent of our layers of bureaucracy to become a leaner bank that makes faster decisions. Our front-line bankers now have greater authority to complete transactions quickly.

At the same time, we are developing a fully integrated service model that enables our customers to access banking services through a wide range of channels. Driven by a clear understanding of customer preferences, our substantial investments in new technologies make it possible to communicate with clients in new ways.

We remain focused on strengthening relationships with our family and business customers.

To that end, we have devoted greater resources to advisory tools and services. For example, we developed the *Bilancio Familiare* spending analysis dashboard to help families make better choices. For businesses, we are making it easier to do business abroad and directly access capital markets.

Core to our strategy is to make more credit available to both families and enterprises, in line with the improving macroeconomic environment all of us expect for 2014. It may not yet be possible to expand our lending to pre-crisis levels, but we are doing everything possible to help our customers tap into a wide variety of funding sources.

We are now starting to realize the benefits of our work over the past three years. Notably, our customer satisfaction indexes are starting to rise again, climbing to levels not seen since before the crisis – even in countries including Italy where considerable difficulties have had to be addressed. These results justify our commitment and our investments, and we will continue to pursue the course we have taken.

Internally, we have been working to foster a culture that drives sound behavior, particularly through stronger risk management. We have reinforced cooperation between our risk personnel and our business staff to develop solutions that are fully consistent with the goals and needs of both our Group and our customers.

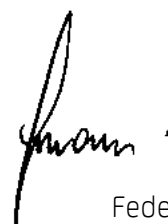
In 2013, through decisive action, UniCredit left a number of negative legacies behind. We can now fully focus on increasing our business and profitability. We are doing what needs to be done to orient ourselves more consistently toward retail and corporate customers in our core markets and to strengthen our traditional roots in commercial banking.

We are presently setting ambitious goals for the future. Among them, we are seeking to become the top-rated bank in Europe for quality of service. We intend to lead our industry in multichannel offerings – particularly in digital banking. To achieve this, we will invest robustly in IT over the next three years to further develop our innovative digital platform. We are also working to serve our corporate customers more effectively and to improve our standing as one of the primary corporate banks on the continent.

These advances are being executed against a backdrop of broader changes at the European level. Last year saw Europe make progress towards the formation of a genuine banking union. When this important work is complete, we will have successfully leveled the playing field. The union will enable the European banking sector to thrive once again, bringing substantial benefits to the European economy. With this in mind, I view the upcoming asset quality review as an important opportunity to increase transparency, which will help Europe's banks to reestablish their reputations and look to the future with confidence.

Given UniCredit's solid position, we are particularly well-equipped to confront future challenges. We are looking forward to reaping the benefits of what we have accomplished to date and to generating still greater positive momentum in 2014.

Sincerely,



Federico Ghizzoni  
Chief Executive Officer  
UniCredit SpA

**Our support for the UN Global Compact**

We reaffirm our support for the principles of the UN Global Compact.

They clearly express our commitment to human rights, fair working conditions, the environment and the fight against corruption.

# Highlights

UniCredit operates in 17 Countries with more than 147,000 employees and over 8,900 branches.

UniCredit benefits from a strong European identity, extensive international presence and broad customer base.

Its strategic position in Western and Eastern Europe gives the Group one of the region's highest market shares.

(currency amounts are shown in € million)

OPERATING INCOME	23,973	SHAREHOLDERS' EQUITY	46,841
OPERATING PROFIT (LOSS)	9,172	CORE TIER 1 RATIO**	10.57%
NET PROFIT (LOSS)	(13,965)	TIER 1 RATIO**	11.11%
		TOTAL ASSETS	845,838

1. Data as at December 31, 2013. FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionately, such as Kfz Financial Services Group employees.

2. Data as at December 31, 2013. Figures include all branches of subsidiaries consolidated proportionately, such as Kfz Financial Services Group branches.

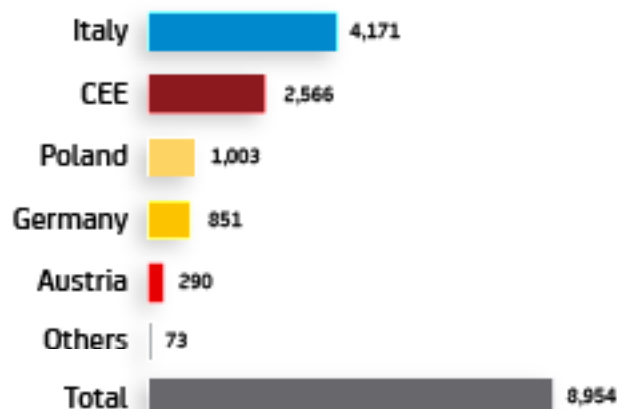
\* Data as at December 31, 2013.

\*\* Excluding the impact of Basel 1 floor.

EMPLOYEES<sup>1</sup>  
over 147,000

BRANCHES<sup>2</sup>  
over 8,900

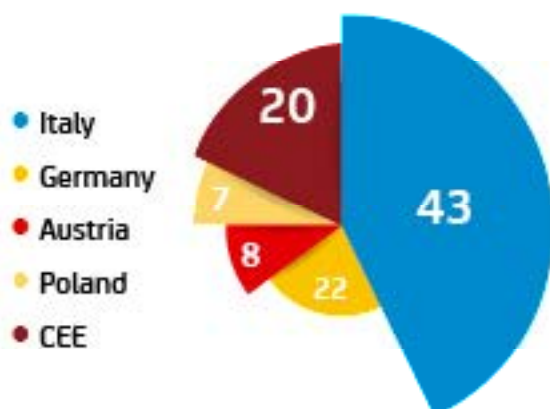
## Branches by Country<sup>2</sup>



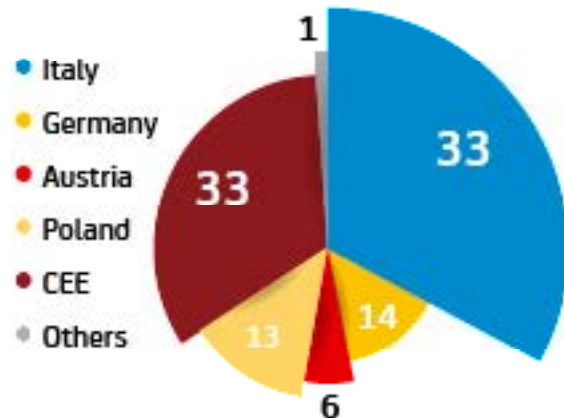




**Revenues by Region\* (%)**



**Employees by Country<sup>1</sup> (%)**





UniCredit occupies a strategic position in Italy, Germany and Austria. With about 4,171 branches in Italy, 851 in Germany and 290 in Austria, UniCredit comprises one of the largest banking networks in the heart of Europe.

Accounting for more than one-third of the GDP of the European Union, these three countries benefit from their close ties to the growing economies of Central and Eastern Europe.

Following the introduction of the ECB's Outright Monetary Transactions (OMT) program in the summer of 2012, markets' normalization process is enduring, with a gradual restoration of investors' risk appetite.

At the beginning of 2014, the growth recovery across the OECD area is gaining good momentum, while global trade is picking up quite nicely. We expect eurozone growth accelerate to an annual average of about 1.5% in 2014, from -0.4% in 2013. Germany is projected to be the engine of growth in 2014, on the wake of brighter export prospects, the unloading of pent-up demand in investment in machinery and equipment, and some strengthening of private consumption; the tight intra-European trade links will secure that the positive effect will be felt in the eurozone periphery as well as Central

Eastern Europe. In Italy, the recovery is underway, although the pace of GDP growth is likely to remain subdued at 0.7% in 2014. The main growth drivers will

## AUSTRIA, ITALY AND GERMANY

be a steady recovery in exports and a moderate pick-up in capital expenditures, amid still tight credit conditions, while private consumption is likely to be the weak spot.

Finally, while the recovery of export markets is kick-starting the domestic economy, domestic demand, mainly investment, will ultimately constitute the main pillar of economic growth in Austria in 2014.

In the medium-to-longer term, the OMT has helped to create a more favorable environment for politicians to implement structural reforms, while repairing the transmission mechanism of monetary policy remains the ECB's most daunting challenge. Pushing ahead with the structural reforms remains essential to achieving a sufficient degree of macroeconomic and fiscal convergence across the eurozone, while efforts continue to shape a credible pan-European architecture.

This process is vital to making the eurozone stronger and more competitive moving forward. In Italy, the sustainability of the recovery will largely depend on the effective implementation of reforms to restore long-term competitiveness and reduce public debt.

Taking into account the reforms that have already been implemented in Italy, we expect real economic growth to continue at an average annual rate of roughly 1% in Italy and 1.8%-1.9% in Austria and Germany from 2015 to 2018.



### Market share<sup>1</sup> (%)



1. Market share in terms of total Customer loans as at December 31, 2013.  
Source: UniCredit, National Central Banks.

## CENTRAL AND EASTERN EUROPE

UniCredit is a market leader in Central and Eastern Europe, it has a broad network of roughly 3,600 branches.\*

Its regional footprint is diverse, and include a direct presence in 14 countries. It is ranked in the top five in 10 of these countries\*. In fact the CEE now accounts for 28 percent of the Group's revenues.\*\*

Across the newer EU states, economic performance is expected to continue improve. A recovery was already visible over much of 2013. In part this improvement captures a stronger external environment, supporting industry and exports as EMU continues to use much of the region as a competitive production base.

Over 2014 this recovery should extend more visibly into domestic demand. Following a multi year period of fiscal consolidation, the drag to growth on this front should be much more muted going forward while some countries will enjoy a positive impulse. Public debt ratios remain considerably below the average for advanced economies. In many cases labour markets have stabilized.

Monetary policy is also exceptionally accommodative across the region while rate hikes are likely to materialize only gradually. Progress on banking union should also bring positive spillovers to the newer EU states while in many countries we see credit proving

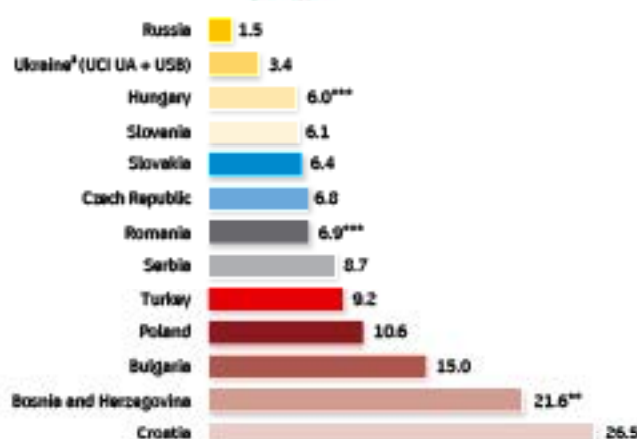
more supportive of domestic demand. In many of the newer EU states we expect GDP growth of above 2% this year.

Within Turkey and Russia the near term challenges are greater. Following a multi year period of strong growth, momentum will slow this year in Turkey. Political uncertainty plays a role. A slowdown in foreign capital inflows, prompted in part by Fed tapering, is also having an impact. In contrast, stronger industry and export performance brings benefits, as is the case in the newer EU states.

Russia continues to adjust to stable rather than consistently increasing energy prices. This adjustment is aided by increased currency flexibility, a large stock of foreign reserves and improvements in the inflation-targeting regime. Within this environment, real GDP growth over the coming 1-2 years will be more muted than in the past but remain positive.

From a medium- to long - term perspective, we believe that the majority of Central and Eastern Europe economies will continue to see an increase in living standards as growth is supported by competitive labor costs, flexible labor markets and a gradual recovery in foreign direct investment.

### Market share<sup>2</sup> (%)



\* as at 30 September, 2013.

\*\* as at 30 June, 2013.

\*\*\* as at 31<sup>st</sup> December 2012.

2. Market Share in terms of Total Assets as 30 September 2013.

Market share in Azerbaijan not available

3. Pro-forma (Jukotsbank + UniCredit Bank Ukraine)

Source: UniCredit Research, UniCredit CEE Strategic Analysis.



# Choose

The best way to bank.

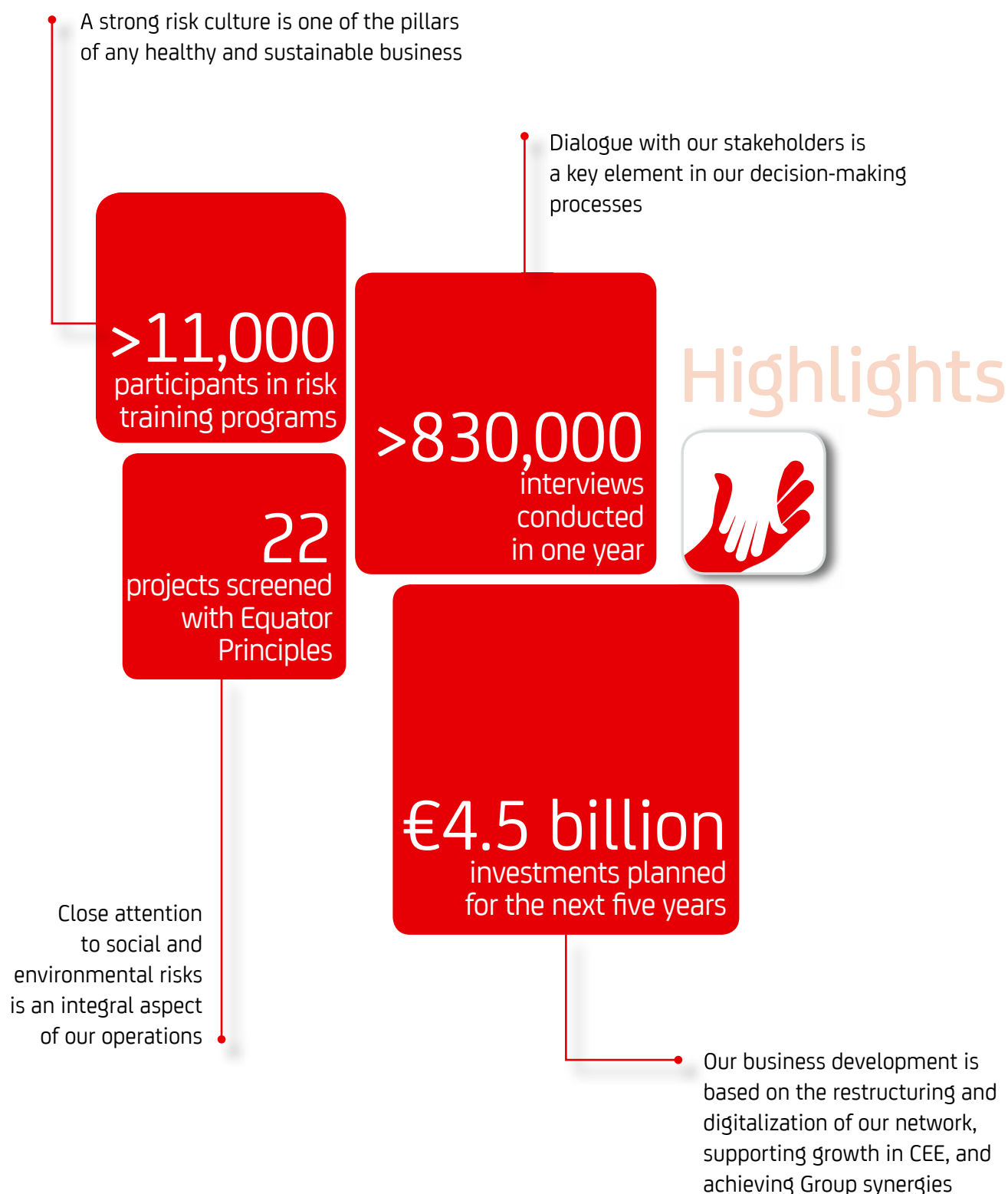
We are committed to addressing economic, social and environmental issues both in our strategic planning and in our day-to-day work. We believe this is the best way to **drive the real economy** forward and to meet the **demands of society** while **achieving sustainable management**.

UniCredit





# Our Approach



# Our Approach

## A new challenge

Today, three of the major factors affecting banking activities are:

- a difficult, albeit improving, economic situation
- growing regulatory pressure, motivated by the need to prevent future crises
- growing demand for banks to play a wider role that goes beyond credit provision<sup>1</sup>

This situation poses new challenges for the banking sector. It must remake itself as a driver of the real economy - and must be able to meet the demands of society while achieving sustainable management.

The decline in the sector's reputation in recent years calls for an objective investigation into how banking services should be provided. Public skepticism towards the financial sector has increased gradually, particularly in regards to its isolation from the real economy. These two spheres are now commonly thought to be distinct and mutually hostile.

At UniCredit, our response has been to adopt a strategy centered on developing a healthy and sustainable business. Achieving this starts with making judicious choices calculated to reinforce our Group's solid position. Our current activities demonstrate a renewed focus on risk management as well as on measures to grow our business. In fact, €4.5 billion will be invested in the next five years to enhance our commercial banking model.

## Integrating sustainability

The concept of sustainability is becoming increasingly integral to how we work at UniCredit.

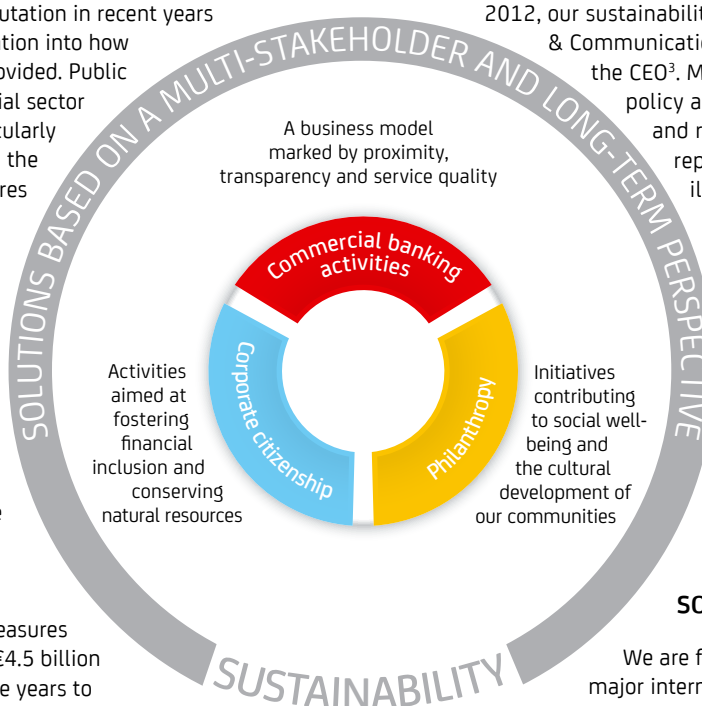
In the current climate, success requires that we address economic, social and environmental issues in both our strategic outlook and our day-to-day work. This commitment, which has now been applied throughout our bank, stems from stakeholders' legitimate expectations that we generate lasting value and support the development of the communities in which we operate.

With this in mind, we are developing solutions based on a multi-stakeholder and long-term perspective in each of the three areas where our bank operates<sup>2</sup>:

- commercial banking, by investing in improvements to our business model and our banking skills so we can work more closely with customers and differentiate our services
- corporate citizenship, by fostering financial inclusion, encouraging our customers to be better-informed and empowering citizens to participate more fully in the economic system; and by conserving natural resources to protect the environment
- philanthropy, by supporting initiatives outside of a bank's traditional functions to help society address a variety of important needs, particularly in times of crisis

This approach has been accompanied by a change in the corporate governance of our sustainability programs. Since 2012, our sustainability team - within Group Identity & Communications - has reported directly to the CEO<sup>3</sup>. Moreover, we are finalizing a policy aimed at defining principles and rules governing sustainability reporting. These adjustments illustrate how UniCredit has

increasingly integrated issues of sustainability into its strategic decision-making and communications with stakeholders. In this way, we are becoming a driver of the real economy, helping it emerge from the worst economic crisis of the post-war era.



## Investing to build a solid position

We are fully aware of the role that a major international bank such as UniCredit can and must play in the socioeconomic system.

That is why we increasingly follow a shared-value approach. By this, we mean that the criteria we apply to our strategic decisions increasingly take into account their potential impacts on the places where we operate.

Customers want to deal with a bank that is, above all, reliable and able to serve their needs. Building strong relationships with our customers is crucial to meeting these expectations. To this end, since 2011 we have invested in - and made significant progress towards implementing - the following strategies:

- simplification
- achieving greater efficiency
- improving our capital position
- focusing on our core commercial banking business

In terms of simplification, the project of bringing our bank into closer contact with customers was completed in 2013<sup>4</sup>.

1. Source: The role of financial services in society, briefing materials, IIF Board Meeting.  
2. Refer to the relevant chapters in this report for more information.

3. Refer to the 2012 Sustainability Report for more information.  
4. Refer to the 2012 Sustainability Report for more information.



We have greatly simplified our procedures, reduced organizational layers and delegated more decision-making powers to our national operations, enabling us to respond to customers' needs faster than ever before.

This process has been accompanied by an ongoing campaign to further improve operational efficiency. Today's competitive environment and new technological developments are changing how we interact with customers. We are obliged to take advantage of multi-channel communications to build innovative new relationships with customers. We are committed to freeing up resources to invest in this area. These investments are already yielding good results, and we will continue to focus on them.

Efforts to improve asset quality are also starting to pay off. We believe that the current signs of economic improvement herald the onset of a sustainable recovery. In recent years, we have gradually reduced our leverage ratio, and it is now one of the best in Europe. At the same time, despite economic headwinds, we have increased our capital by over €13 billion and achieved satisfactory results in terms of direct funding, which currently accounts for roughly 49% of Group assets - well above the average among our competitors.

Refocusing our core business - withdrawing from business areas and markets that no longer fit our profile - is producing good results, as shown by improvements in customer satisfaction. In the last quarter of 2013, operating performance reversed the previous trend. Revenues were up, thanks to strong income from fees, an improvement in net interest, and a positive contribution from trading income.

Through our actions, we have given ourselves every reason to have confidence in the future - and in our ability to achieve our mission of becoming one of the most solid commercial banks in Europe. We believe we have access to more opportunities now than ever before - thanks to a business model that is sharply focused on the real economy and on working closely with companies, individuals and families.

## Having courage to innovate

Innovation is a priority at UniCredit. More than ever before, a dynamic approach to banking is key to competing effectively. It is required by the financial markets and, above all, by our customers, as can be seen in the materiality analysis that we conducted<sup>5</sup>.

That is why we are building a fully integrated multichannel banking system that will combine traditional and digital channels. The physical branch remains the foundation of this model - and it is particularly necessary for times when personal relationships and direct interaction can make a difference. But it will be increasingly complemented by new channels.

So far, we have invested more than €2 billion in developing multichannel systems, and almost seven million customers are now using our online banking system, which is available in all of the countries where we have a direct presence.

In a mature industry such as banking, innovation means developing new services, solutions and products that can bring real benefits to our customers and improve their lives.

At UniCredit, any innovation begins with a major effort to assess a broad spectrum of ideas. Colleagues and customers are increasingly involved in this process, as their familiarity with our bank's day-to-day operations is indispensable. Next, we evaluate and prioritize their ideas in light of our bank's strategy and market trends before we decide how to realize the best proposals.

To maximize efficiency, we have created three specialized, highly skilled innovation units:

- Research & Development, a unit that reports directly to the CEO and is responsible for designing and delivering prototype products and services
- Business Innovation, a unit that assesses new technological solutions with the goal of improving the customer experience and enhancing business opportunities
- ICT Innovation, a unit that monitors technological trends and explores new solutions

The common denominator of these three units is their sharp focus on the business, i.e., our customers and colleagues, who will tangibly benefit from their innovations.

## Cultural change

The drive to innovate is a key component of the cultural change that is transforming our service model. This change cannot be effected without proper risk management, which puts the relationship between risk and profitability at the center of our work - along with the maintenance of high standards of conduct.

While accomplishing this shift will take time, we have made enormous progress over the past two years.

## Fostering a sound risk culture

UniCredit is continuously engaged in fostering a sound risk culture throughout our organization; this is a necessary condition for sustainable growth. All of our colleagues must recognize this goal as their personal responsibility, because it directly impacts our results.

In our organization, a sound risk culture takes the form of a set of behavioral norms, reflected in the daily thoughts and actions of all bank employees, that represent our collective and individual ability to identify, understand, discuss and make decisions regarding the organization's current and future risks.

5. Refer to the *Stakeholder Engagement* section of this chapter for more information.

# Our Approach

## FOCUS

### Social and environmental risks<sup>6</sup>

Screening systems that apply relevant Group policies have already been largely spread across our legal entities. In Bosnia and Herzegovina, for example, environmental risks are systematically monitored during the term of a loan, and relationship managers dedicate a section of their periodic reports to the measures taken to contain these risks. We are also investing in training programs related to this subject. In Slovakia, for example, most of our staff has completed a course on our procedures for guarding against these risks. Furthermore, we have reaffirmed our support for the Equator Principles - 22 projects screened according to these principles - and continued to invest in training on the social and environmental risks associated with project finance. Sixty-three colleagues from our risk, legal and other departments have been trained to integrate these factors into their business decisions.

In order to strengthen our risk culture, we have adopted a multiple-stage program, implemented progressively, that aims to change the mindset and behavior of all bank employees, across all organizational levels, while addressing the following areas:

- governance
- learning and development
- performance management
- communication

Over the past year, we have worked hard to improve cooperation between our business units and those functions with risk management responsibilities, in order to develop solutions that are coherent with the objectives, ambitions and needs of our Group and our customers.



Moreover, we have invested heavily in learning and development. The *Risk Academy*, our center of excellence for risk culture and risk training, was founded in 2010. Since its establishment, the *Risk Academy* has provided over 273,000 hours of training to more than 11,000 participants through multiple programs, both online and in-classroom, designed for all of the employees of UniCredit Group. Substantial training programs have also been deployed at the local level to strengthen awareness of the importance of better risk management<sup>7</sup>.

6. Refer to the *Supplement* for more information.

7. Refer to the *Valuing our Colleagues* chapter for more information.

8. Refer to the *Valuing our Colleagues* chapter for more information.

### More than 11,000 participants have received risk training



Learning on the job and cross-functional rotations, in which colleagues from the business units work in our credit departments and vice versa, have been extremely helpful. These experiences enable an exchange of expertise and perspectives that improves the ability of our people to analyze, discuss and understand the different situations they face on a daily basis.

An adequate system of performance management represents another important and necessary component of our efforts to enhance our risk culture. A range of financial and non-financial incentives currently reward those who serve the greater, long-term interests of our Group and our clients, including sustainable profitability, as opposed to short-term revenue generation<sup>8</sup>.

Finally, we have also made major investments in internal communications. These begin with the CEO, who spoke in 2013 on 13 occasions about the importance of risk management to our Group's development. The last meeting of our Group's senior executives was entirely dedicated to how to strengthen our risk culture and risk management. We have published in excess of 40 communications on this subject on our Group's intranet, using a balanced mix of formats, including web calls, interviews and articles. These reached 19,000 unique visitors. If we include colleagues who have read about our risk culture and risk management on local intranet sites, this number rises to 44,000.

## FOCUS

### Reputational risk

Safeguarding against reputational risks remains vital to UniCredit's risk management strategy. To this end, we launched a project to identify salient reputational risk events by analyzing external sources of information. The resulting reports will integrate data on internal events to make our risk management process more complete. As a key element in this process, the Group Operational and Reputational Risk Committee (GORRIC) met 10 times in 2013 to discuss new policies and guidelines, take corrective measures to limit our exposure, and approve assessment methods.

We also renewed our *Reputation Assessment Program*. Directly supervised by our general manager, it covers 10 of the countries where our Group operates. It collects and analyzes our stakeholders' views, which represent an important resource in our efforts to understand and prevent reputational risk events that could affect our business.





## Operating in line with high standards

The ongoing changes in European banking regulations will place UniCredit's activities - as well as its solidity - under increased scrutiny. All our stakeholders expect our Group - as a systemically important financial institution - to maintain conduct-and-control standards that are above and beyond the requirements imposed by individual markets<sup>9</sup>.

UniCredit has been investing in this area for some time<sup>10</sup>. Proper control functions are essential for the support they provide not only to management but also to the Board of Directors, our entire bank and the society in which we operate.

Over the past year, our compliance structures have been considerably strengthened at both the Group and local levels. We are strengthening controls and remain focused on implementing key projects related to selected regulatory concerns, i.e., market abuses, anti-corruption and conflicts of interest<sup>11</sup>. These projects also promote the adoption of common standards, a consistent approach and uniform mechanisms and tools across our Group to provide optimal support for control structures. They have led to a significant increase in the flows of information between Group companies, which has given us an opportunity to enhance our compliance risk management.



### Human rights

In accordance with our Human Rights Commitment, roughly 39,000 colleagues have taken advantage of our training programs related to human rights. We are planning to introduce further courses on our environmental and social policies, which will also raise awareness of the impact of our activities on human rights. To promote a constructive dialogue between banks and stakeholders in our sector, we contributed to a discussion paper on how our industry can apply the UN's Guiding Principles on Business and Human Rights. The paper was published in October 2013<sup>12</sup>.

We have taken steps to ensure that our standards of conduct - set forth in Group policies and the Integrity Charter - are taken to heart by colleagues. To this end, ongoing training programs remain a priority. In 2013, training on the Code of Conduct was provided to more than 39,000 colleagues, with a view to further spreading our culture of compliance and promoting the practical application of UniCredit's values on a daily basis. The conduct of our employees makes UniCredit stand out at the institutional level. Our conduct is expected always to be oriented towards generating value and advantages for our stakeholders. With this in mind, we have been actively engaged in the EU's

policy discussions relating to the proposed directive on the transparency and comparability of payment account fees, payment account switching and access to a basic payment account. This directive will bring clear benefits to customers with a reduction in operating and reputational risks for cross-border banks.

UniCredit is also actively engaged in the policy debate on the development of a regulatory framework for the supervision and management of banking crises. Such a framework will deliver clear benefits in terms of greater financial stability and more efficient allocation of capital. It will ultimately enable the banking sector to play a more supportive role in the real economy.



### East Forum 2013: EU Citizenship, Democratic Legitimacy and Economic Union<sup>13</sup>

UniCredit organizes East Forum to foster debate and contribute to the European agenda. The eighth annual East Forum gathering sought to define a policy agenda to build a stronger future for the European Union.

The forum concluded that the process of European integration, which has already yielded such significant results as the single currency, must continue. It is essential in enabling Europe to tackle the current and future challenges posed by globalization and to compete with the major emerging economies of Asia. As always, this year's forum benefitted from the participation of major institutions and prominent individuals.

## Stakeholder engagement

We incorporate interactions with stakeholders into decision-making processes at every level of our organization. These interactions strongly influence our decisions on how to operate and have become a key differentiating factor with the potential to generate significant competitive advantages.

The simple act of getting to know our stakeholders is vital. It calls for special skills and processes in which we are investing.

With this in mind, we have renewed our analysis of the issues deemed most important by our stakeholders. This was accomplished with assistance from our Group's departments that specialize in working with stakeholders. We classify our primary stakeholders according to economic dependency, influence and tension.

This initiative has leveraged the listening programs that we have built up over the years. In 2013, we carried out more than 830,000 interviews through customer satisfaction surveys, the People Survey and a study of our Group's reputation.

9. UniCredit has been designated a systemically important financial institution, or SIFI.

10. Refer to the 2012 *Sustainability Report* for more information.

11. Refer to the *Supplement* for more information.

12. The complete report is available at [www.business-humanrights.org](http://www.business-humanrights.org).

13. Refer to [www.eastforum.it](http://www.eastforum.it) for more information.

# Our Approach

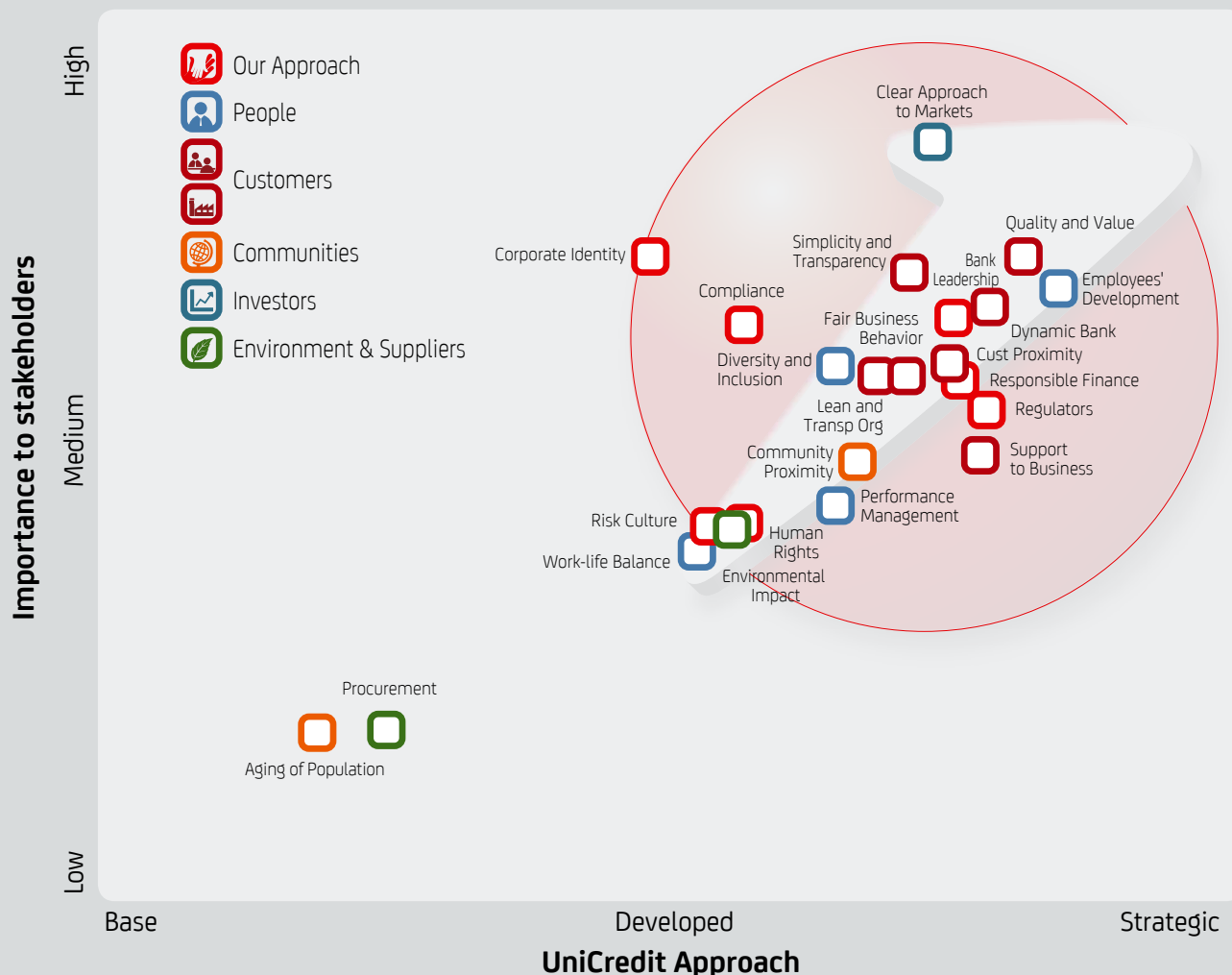
Other important resources included focus groups that were organized with customer representatives in connection with new product releases, roadshows with investors, and feedback from social media.

Due to factors such as the increasing importance of social media, we have developed a policy for social media outreach that is structured, consistent, coordinated and in line with

UniCredit's values and principles. It sets out standardized usage rules and calls for dedicated, cross-functional teams - Social Media Country Teams - to be established in 14 countries. These teams will be responsible for deploying our social media strategy in local markets.

Our Group currently utilizes 14 different social media channels, which enable us to adjust our messaging and direct information

## MATERIALITY MATRIX





to the stakeholders with the greatest interest in the issue in question. With more than 2 million online fans and growing, UniCredit has been established as an industry leader in the use of new channels. This is a key step in implementing our strategy to build a multichannel bank. The choice of which channel to use in a particular instance depends on the content and status of the stakeholder relationship<sup>14</sup>.

We increasingly prioritize direct forms of communication because they can build relationships more effectively - depending, of course, on which category of stakeholder is targeted.

## SOME ANSWERS TO MATERIAL NEEDS

	<b>Clear Approach to Markets</b>	We interact promptly and transparently with the financial markets. In 2013, we held a total of 545 meetings that provided details about our economic performance and strategy	Read more at page <b>&gt;&gt; 54</b>
	<b>Quality and Value</b>	We offer high-quality services and solutions for the needs of our customers - at any stage of their lives. <i>Lepeze Mogućnosti</i> belongs to a new range of financial products that are tailored to help answer individuals' needs in every stage of their lives	Read more at page <b>&gt;&gt; 39</b>
	<b>Simplicity and Transparency</b>	We continually simplify our products to meet the expectations of our customers. The simplified online banking platform <i>Subito Banca (Instant Banking)</i> was further simplified with feedback from customers who had previously considered our remote banking services too difficult to use	Read more at page <b>&gt;&gt; 36</b>
	<b>Customer Proximity</b>	We are constantly listening to our customers to strengthen our relationships with them and understand their changing needs. Our <i>Capital Structure Advisory</i> initiative establishes a strategic dialogue with corporate customers that provides customized, strategic and forward-looking solutions	Read more at page <b>&gt;&gt; 43</b>
	<b>Support to Business</b>	We support companies at every stage of their business cycle. <i>Nuove Imprese - Start Up (New Business - Start Up)</i> is an ad-hoc product to help entrepreneurs in the startup phase	Read more at page <b>&gt;&gt; 47</b>
	<b>Diversity and Inclusion</b>	In 2013, we approved our Global Policy on Gender Equality to ensure a level playing field for all colleagues as diversity is essential to generating value for our employees, customers, shareholders and communities	Read more at page <b>&gt;&gt; 27</b>
	<b>Employees' Development</b>	We invest in developing talent and leadership: the <i>Talent Job Fair</i> is an opportunity for high-potential employees to choose from a selection of challenging openings inside the Group	Read more at page <b>&gt;&gt; 24</b>
	<b>Community Proximity</b>	We understand the importance of financial literacy to our communities and strive to advance the kind of knowledge that enables successful participation in the economic system. To meet this objective, <i>In-Formati</i> , <i>EURO.DE</i> , and <i>Finanz-bildung</i> are some of the financial education initiatives that we carry out Groupwide	Read more at page <b>&gt;&gt; 60</b>
	<b>Environmental Impact</b>	We have invested for several years in the development of renewable energy sources - where our exposure is more than €8.5 billion because we strive to reduce our direct and indirect impacts on the environment	Read more at page <b>&gt;&gt; 75</b>

14. Refer to [www.unicreditgroup.eu/it/sustainability/our-vision-of-sustainable-bank/interactive-materiality-matrix.html](http://www.unicreditgroup.eu/it/sustainability/our-vision-of-sustainable-bank/interactive-materiality-matrix.html) for more informations.

# Our Approach

## GOALS

2013

## MAIN RESULTS

2013

## GOALS

2014



### Valuing our Colleagues

To further define our performance management and professional development processes (e.g., *Executive Development Plan*, *Talent Management Review*, *UniCredit Performance Management* and *Executive Incentive System*), while accounting for UniCredit's business needs and feedback from participants

To enhance our competitiveness by maintaining a balanced pursuit of both cost efficiency and business performance, fostering employee engagement and emphasizing professional development and talent retention

To increase individual accountability Groupwide regarding risk, compliance and controls, all of which impact our reputation and results

**Achieved:** we further refined our performance management processes, assuring their merit-based differentiation and full alignment with our business strategy, while establishing a Groupwide approach for enhancing our feedback skills and culture

**Achieved:** we maintained a high level of colleague engagement and continued investing in our critical skills and ability to attract talent with initiatives such as the *Impact Graduate Program*

**Achieved:** we focused on reinforcing risk awareness by further embedding risk-related items within our main processes, such as the *Executive Development Plan* and our executive incentive system

To maintain our balanced pursuit of both cost efficiency and excellence, further harmonizing our performance management processes and completing modifications to our learning and development offer to better foster professional opportunity and growth

To continue promoting gender balance at all levels Groupwide, strengthening our ability to measure the impact of relevant local initiatives by extending our gender balance monitoring dashboard to all main legal entities

To pursue our strategy of paying for performance and to further improve our merit-based differentiation by designing and implementing a new incentive system for executives



### Serving Individuals and Families

To maintain our customer-driven sales culture by understanding the customer perspectives and creating better tailored and even simpler proposals

To strengthen our multichannel value proposition by providing integrated and sophisticated products and services

To improve our capacity to communicate and invest in relationships introducing initiatives to continue simplifying our service model

**Achieved:** together with our customers, we developed new products and services. In Italy, we worked with elderly clients to create *Subito Banca*, a simplified online banking platform. In Croatia, we interviewed 800 *Lepeze Mogućnosti* users to determine how best to redesign the initiative

**Achieved:** across UniCredit, we have enhanced our digital capabilities to provide a more personalized, streamlined and robust experience. In Bulgaria, we launched *Your Financial Advisor* to help current and prospective clients clarify their financial needs and, subsequently, identify the best solutions this program recorded more than 53,500 users. Similar services were also introduced in Italy and Croatia

**Achieved:** we further simplified our documents and processes. In Italy, *FirmaMia* enables customers to sign documents such as contracts and other forms with an electronic signature pad in our branches. As of December 2013, 93,500 customers had signed up for *FirmaMia*

We will continue transforming our distribution model, integrating all channels and deploying innovative layouts in our branches to increase our effectiveness in order to create a superior customer experience

Progressively align UniCredit's multichannel strategy across the countries. This effort will focus on remote sales and the enhancement of our mobile and tablet offerings

Increase our instant feedback initiatives to remain attuned to the evolving needs of our customers



### Supporting Companies

To continue to support companies to internationalize their businesses, focusing on market and partner identification services, as well as tools to provide full process assistance

To implement strategic initiatives to improve customer service, by leveraging:

- cross-border team coordination
- unique senior-level interface
- a holistic approach to improve dialogue

To focus on cultivating SME customer relationships, by developing ways to simplify processes and procedures, and multichannel investing

**Achieved:** UniCredit's international service model was at the forefront of our efforts to support the internationalization of Italian businesses. Since its launch, more than 12,000 Italian SMEs have either initiated or expanded their international activities. In CEE, more than 19,000 international corporate clients operating in the region received support from UniCredit's International Centers Network

**Achieved:** in our CIB division, we have leveraged initiatives and processes – including the *Capital Structure Advisory project*, *Senior Bankers interface* and *Shared Goals* – to establish strategic dialogues with corporate customers and provide customized and forward-looking solutions

**Achieved:** we implemented simplified processes to speed up our responses to SMEs, particularly in relation to loan-processing times. *Fast Credit* in Italy, the *SME Workflow Tool* in Hungary and new customer relationship management systems in Romania, Russia and Serbia are among our key accomplishments

To continue to support companies throughout the key stages of their business cycle by facilitating credit access and by developing tailored and sector-specialized solutions to foster growth both at home and abroad

To invest resources in the development of leading-edge solutions that combine advanced technology with streamlined processes to meet the evolving preferences and needs of our customers



## GOALS

2013

## MAIN RESULTS

2013

## GOALS

2014



### Informing Investors

Achieving increased engagement with investors via face-to-face and remote meetings to strengthen and expand the reach of UniCredit's financial communication activities

**Achieved:** greater engagement with investors led to a rise in the number of meetings of 5.2% on 2012. Remote channels included a video roadshow with US investors and a two-day set of conference calls with worldwide investors

Expanding the geographical reach of UniCredit's financial communication activities for fixed income investors

**Achieved:** financial communication strategy was expanded to include fixed income investors in Asian emerging markets and to sharpen the focus on US investors

Targeting investors who incorporate ESG indicators into their investment strategies

**Achieved:** ad-hoc meetings were held with institutional investors interested in the non-financial performance of our Group

To improve the clarity of information provided to analysts and investors regarding UniCredit's underlying performance

To ensure that all communications of our Group's performance and strategy are consistent and aligned

To increase the number of investors we meet with who are interested in ESG indicators and UniCredit's sustainability story



### Fostering Communities

To support the economic and social development of our communities by pursuing the following goals:

- to promote financial literacy with enhanced financial education programs that leverage web channels and social media platforms

**Partially achieved:** we continued to build on our financial education programs in Italy, Germany, Austria and Romania, reaching more than 46,800 participants and providing roughly 129,600 training hours in 1,816 workshops. We also enhanced our web platforms in Germany and Austria to provide a more engaging educational experience. We are currently in a testing phase for social media initiatives

- to partner with the nonprofit sector on issues including unemployment, aging populations and health; and strengthening our employee engagement, primarily through the UniCredit Foundation's *Gift Matching Program* and related local projects

**Achieved:** we reaffirmed our commitment to nonprofit organizations, particularly in the form of fundraising, donating or facilitating roughly €19 million in contributions for main social projects supported and emergency relief. Additionally we renewed our *Gift Matching Program*, involving more than 14,500 colleagues throughout the Group and leading to a rise of nearly 10% on 2012

- to support the development of young talent with special awards, academic scholarships and other programs, including new internship opportunities within the UniCredit network, through the UniCredit & Universities Foscolo Foundation

**Achieved:** we continued to offer academic and career development opportunities to talented young people and, among others, with our *UniCredit Stage-Aboard Exchange Programme*, we provided 22 students with internships at Group companies

To continue to promote financial literacy through enhanced financial education programs, leveraging all available channels to favour inclusion

To build on our partnerships with nonprofit organizations and stimulate new solutions to social problems, such as youth unemployment, particularly by fostering social enterprises



### Conserving Natural Resources

Assess the possibility of setting a more ambitious GHG abatement target for 2020

**Partially achieved:** a specific target is in progress considering forecasted organizational developments

Promote a wider use of certified environmental management system across the Group

**Partially achieved:** in Germany a feasibility project is underway for extension to all the branches, a similar initiative is underway in Czech Republic

Increase commitment in understanding environmental impacts of our business

**Achieved:** we calculated externalities associated with our coal fired power plant portfolio

To conduct a review of our environmental strategy, including an in-depth analysis of the connections between climate change and the banking business

To reduce our paper consumption



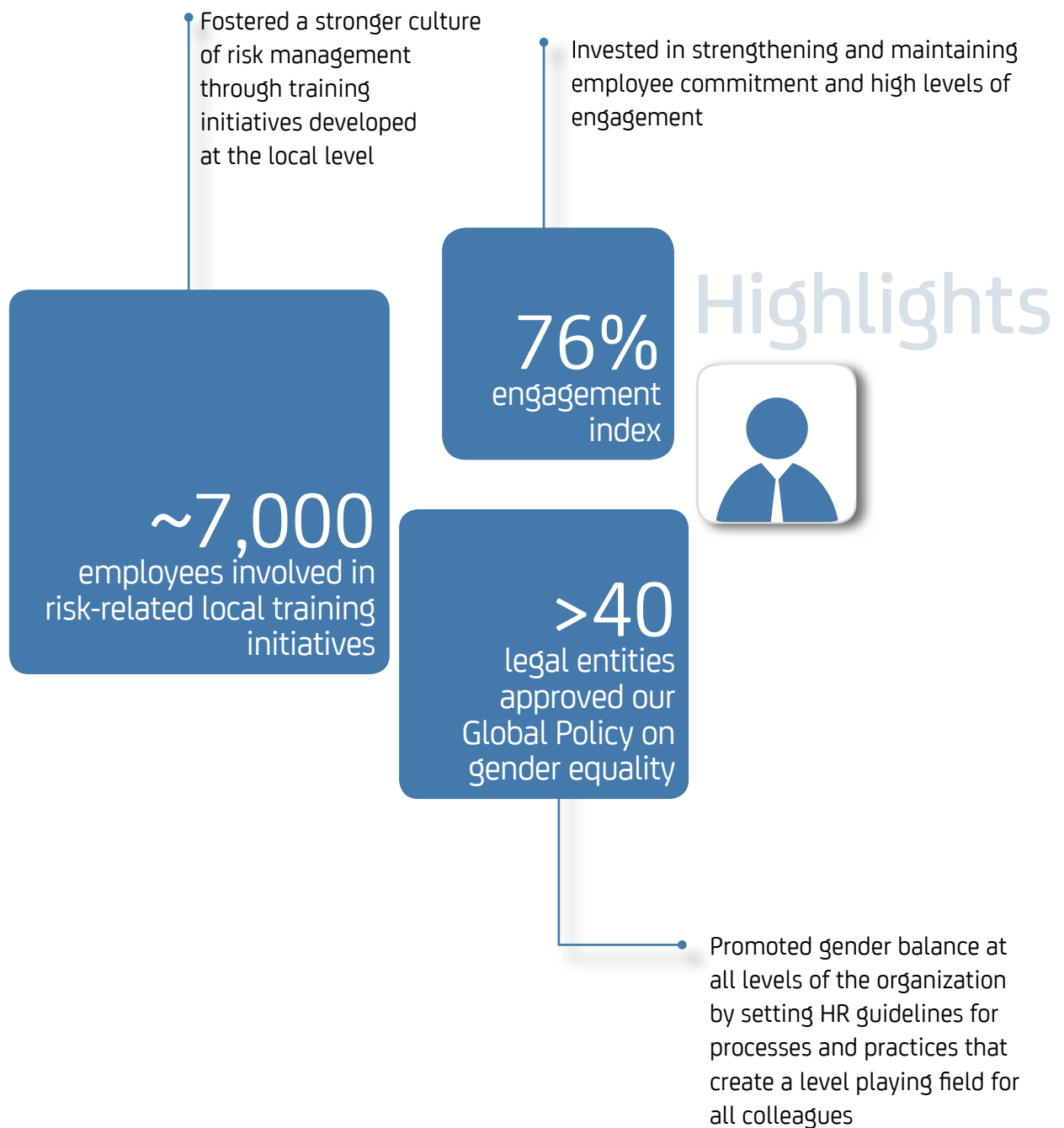
# Collaborate

In an efficient environment.

In 2013, we moved our headquarters to the new **UniCredit Tower** in Milan. Roughly 4,000 employees now work in this innovative, modern complex. Its extensive open plan includes a great number of common areas, meeting rooms and creative work spaces that **encourage sharing of information**, interaction and cooperation among our colleagues. The UniCredit Tower's state-of-the-art design has made it easier for us to work together, increasing efficiency throughout our operations.

UniCredit







# Valuing our Colleagues

Our HR strategy is designed to help our Group adapt to the current economic and regulatory environment, new competition and technological innovations that impact our business.

In 2013, we implemented several initiatives to increase the competitiveness and efficiency of our Group. This required a comprehensive review of our perimeter and overall workforce. Our efforts enabled us to better navigate the current environment and contribute to the overall sustainability of our business.

As of December 31, 2013, we employed nearly 148,000 full-time equivalents (FTEs), equally distributed across our operations. Approximately 78,000 of the FTEs were in Western Europe (Italy, Germany and Austria) and the remaining 70,000 FTEs worked in Central and Eastern Europe (CEE) and other emerging markets.

Year-on-year, FTEs declined by roughly 8,500, mainly due to the divestment of our Kazakhstan operations (a reduction of over 2,500 FTEs), the sale of our Turkish insurance business Yapi Kredi Sigorta (a reduction of roughly 1,800 FTEs), the creation of partnerships with other multinational corporations and other initiatives launched in Western Europe<sup>1</sup>.

Despite the overall downward trend, our Group made significant investments in new personnel, adding roughly 10,500 FTEs in 2013, nearly 2,000 of which were in Western Europe.

MATERIAL NEED	OUR APPROACH
Performance management	<ul style="list-style-type: none"> <li>• Encourage and reward desired behavior</li> </ul>
Employees' development	<ul style="list-style-type: none"> <li>• Attract and develop talent</li> <li>• Nurture competence and skills</li> <li>• Invest in communication and dialogue</li> </ul>
Diversity and inclusion	<ul style="list-style-type: none"> <li>• Promote gender balance in our leadership</li> <li>• Manage different generations</li> <li>• Support people with disabilities</li> </ul>
Work-life balance	<ul style="list-style-type: none"> <li>• Promote a work environment where individuals can successfully balance their personal and professional lives</li> </ul>

## Our KPI Bluebook categories of core drivers



## Performance management

Today's challenging business environment and increased complexity require us to take a proactive approach and run a dynamic, people-driven organization. So we develop and compensate our people with an eye to achieving sustainable performance.

## Encouraging and rewarding desired behavior

Our performance management framework ensures that our performance objectives are aligned with our business strategy, while encouraging and rewarding desired behavior and an appropriate risk orientation.

All UniCredit employees are measured against the goals and expected behaviors of our Global Job model as well as our Competency model. Together, these two models define the standards for employee performance<sup>2</sup>.

For Group executives, appropriate targets are selected from our KPI Bluebook, which details eight categories of core drivers. The KPI Bluebook defines operational and sustainability targets to reflect long-term considerations and stakeholder priorities. This approach guarantees that the sustainability of all actions is considered for leadership evaluations and compensation decisions.

Over the course of 2013 we worked to strengthen the alignment between our *Executive Development Plan* (EDP) outcome and the incentive system outcome for our Group's executives. The object was to maintain merit-based differentiation in how we reward and develop our best executives while ensuring compliance with current national and international regulatory requirements.

For our non-executive colleagues, incentive systems are in line with local market practices. They are reviewed annually to ensure their conformity with the Group Compensation Policy<sup>3</sup>, compliance guidelines and relevant regulations.

1. One of our partnerships led to the creation of VTS, which is the UniCredit Business Integrated Solutions ScpA's joint venture with IBM aimed at optimizing ICT infrastructure services. VTS' operational structures are located in Italy, Germany, Austria, Czech Republic, Hungary and Slovakia and employ about 700 FTEs from UniCredit.

2. Refer to the 2011 Sustainability Report for more information.  
3. Refer to the dedicated section in [www.unicreditgroup.eu](http://www.unicreditgroup.eu).



## FOCUS

### Reinforcing our culture of risk management, compliance and internal controls

Recognizing the need for a stronger culture of risk management and responding to input from regulators, stakeholders and society at large, we reaffirmed our commitment to increase accountability Groupwide regarding risk, compliance and internal controls.

Within our comprehensive program to strengthening UniCredit's risk management culture<sup>4</sup>, we focused on reinforcing risk awareness for our main processes. In particular, we:

- revised the risk management behaviors in our competency model
- introduced mandatory qualitative evaluation of sensitivity to matters of risk management, compliance and internal controls for every employee in our EDP
- introduced formal links between goals and risk in the executive incentive system. When setting goals, managers are asked to select at least one risk-adjusted KPI, or a KPI related to the *enhance risk and control culture* category, for each Group executive
- issued a global policy to identify common rules and guidelines to regulate the disciplinary process beyond regulations applicable in individual countries

We believe that feedback is a powerful tool to manage behavior and align performance with expectations. For this reason, in 2013 we developed a comprehensive plan to enhance the feedback skills of our people and institute a uniform feedback culture.

Some of the main initiatives that we put in place<sup>5</sup>, include:

- launched a communication campaign involving our CEO to disseminate key messages about feedback
- added the 360-degree feedback to our annual performance management process for Group executives in the form of our new *Internal Feedback* initiative, which supports performance reviews with contributions from peers and internal clients
- rolled out a new initiative on giving and receiving feedback for the management chain within our CFO competence line
- launched a change-management initiative in Italy involving roughly 130 HR business partners and all of the network's middle managers to implement a culture of transparent appraisal and feedback

### Over 600 Group executives involved in the *Internal Feedback* initiative



## Employees' development

Our ability to hire, develop and retain talent, ensure the quality and accountability of our leadership, and hone the professional skills of our employees is critical to achieving sustainable results. At the same time, it is essential for us to invest in communication and dialogue in order to maintain a high level of engagement among our colleagues.

### Implementing a new learning and development framework

In 2013, we continued to invest in our learning and development framework. Our goals are to increase the accountability of our managers for the development of their people and to promote the

#### Framework for learning and development initiatives



4. Refer to *Our Approach* chapter for more information.

5. Refer to *Employees' development* section for more information.

# Valuing our Colleagues

behaviors we consider critical to achieving business objectives, with a focus on collaboration, synergies and risk management. To support these goals, we implemented a new framework for learning and development initiatives based on the 70:20:10 approach: 70% of all learning and development is expected to come from experience; 20% from exposure to mentoring and feedback; and 10% from education.

With this in mind, we sharpened our focus on career planning, job assignments and rotations to foster the work experiences and behaviors that are at the center of a fully developed portfolio of skills. To leverage our exposure and feedback programs, we began to reshape our Group's approach to 360-degree feedback, coaching and mentoring, linking them more closely to our business needs. With respect to formal training, we initiated a review of our Group's leadership learning programs.

## Attracting and developing talent

Our approach to talent management attracts the most promising new graduates and develops talent and leadership.

Our hiring programs for new graduates aim to attract the best talent and provide them with unique development experiences that reflect their educational backgrounds, individual aspirations and the needs of our business. In 2013, we:

- rolled out a new edition of our *Corporate and Investment Banking International Graduate Program*. 58 new hires were enrolled in this year-long program, which provides tailored learning opportunities, on-the-job training and international exposure
- launched the new *Impact Graduate Program* in Italy. This two-year rotational program provides 18 outstanding new graduates with a customized development experience that guides them

through various areas within the bank. The program alternates on-the-job learning with traditional classroom training

We strive to maintain a vital leadership pipeline, and we have further refined our talent selection criteria.

We have invested in additional development opportunities to help our people unlock their full potential.

We continue to operate development centers at both the Group and local levels, to raise self-awareness among our people so that they can better plan their careers. To foster experience across different parts of our Group, in 2013 we set up *Talent Job Fair* events where high potential employees can choose from a selection of challenging openings. Moreover, we enrolled 84 new participants in our Group-open-mentoring program – which comprises 12 mentors and 72 mentees – and 88 new participants in our Group coaching program.

Our local initiatives confirm how we continue to invest in the growth of our future leaders. For example:

- In Italy, more than 2,300 staff under 33 years old were assessed to better identify their strengths and development needs and to create action plans
- In Germany, a new program, *Explore*, now contributes to the self-analysis, professional growth and career planning of high-potential talents. In 2013, we ran a pilot session for 17 individuals. A new edition is planned for 2014
- In Romania, we enrolled 123 new staff members in our development centers to provide insights into their individual strengths and areas for development, and to create comprehensive development plans



## UniCredit's approach to employer branding

In 2013, we continued to invest in initiatives designed to make us a European employer of choice and to attract the best talent.

In addition to participating in career days, workshops and lectures at academic institutions, we continued to encourage students to pursue their interests in the academic study of finance and economics and to support their learning and professional development. Beside consolidated programs such as the *New Europe Master in Banking and Entrepreneurship* – a post-graduate program for students and young professionals mainly from CEE countries – we launched the *UniCredit Stage-Aboard Exchange Program* in cooperation with the UniCredit & Universities Foscolo Foundation<sup>6</sup>. This competition awarded 22 undergraduates - selected from among over 2,000 applicants - a three-month internship abroad at UniCredit.

Because a healthy system of higher education is vital to our long-term human resources needs, we are constantly seeking to develop mutually beneficial relationships with academic institutions in a shared pursuit of understanding and excellence. At Group level we cooperate with organizations such as CEMS, ESCP Europe and AIESEC. We also cooperate with many more academic institutions at the local level.

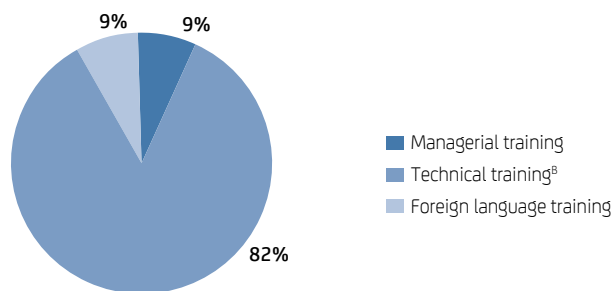
6. Refer to *Fostering Communities* chapter for more information.



## Nurturing competence and skills

Maintaining a balance between cost and quality remained a priority in 2013 and guided our approach to training programs. Our attention to cost efficiency resulted in an overall decrease in training hours per capita, to roughly 28, even as we maintained a sharp focus on excellence and effectiveness. We concentrated our efforts on developing critical skills, offering mixed solutions involving online and classroom training, both for technical and behavioral training programs.

Percentage of training hours, breakdown by type of training, 2013<sup>A</sup>



A. This data is based on 80% of the total Head Count. Training hours include e-learning, classroom training and training on the job.

B. Our technical trainings focus on areas including new system implementation, core banking skill certification, and sales and relationship management skills.

As in previous years, we invested heavily in building our **capacity to support customers** by increasing employees' product knowledge, improving their understanding of customer needs and expectations and strengthening their sales and relationship skills<sup>7</sup>.

In line with our efforts to increase our managers' accountability and to encourage their reliance on feedback to boost their performance and personal development, we invested in programs that stressed **people management skills**.

In Croatia, special programs for managers and employees were implemented in tandem with the launch of the performance management process. All managers were invited to take part in workshops together with HR business partners to improve their ability to appraise their teams and foster professional development. An e-learning module designed to support individual accountability in defining development needs was completed by most employees.

In Hungary, a transformation program for retail network managers taught them how to better guide the development of their employees. Specific attention was given to building a culture of feedback and promoting cooperation among divisions and teams<sup>8</sup>.

As part of our strategy to foster a stronger risk culture, we invested in programs to hone **risk management skills**. Among these efforts, we extended our core training program, the UniCredit Risk Academy<sup>9</sup>. Meanwhile, in Italy, 2,915 employees completed a credit certification course that focused on credit risk. And within UniCredit Business Integrated Solutions, our Group's global services company, an online training course to provide all employees with basic knowledge of operational risk management concepts, instruments and objectives was launched across all countries. Nearly 3,650 colleagues in seven countries completed the course in 2013.

Risk culture is also reinforced through local initiatives. For example in Bosnia and Herzegovina, a series of workshops were held for credit risk and sales employees. The workshops aimed to expand the sensitivity of front-line colleagues to risk and to further promote effective dialogue between our credit risk office and the sales department. The workshops were attended by 288 employees in 2013 – 72% of the target population. New editions are planned in 2014 to reach the rest of the target population.

**Nearly 3,650 colleagues completed an online training course in operational risk management within UniCredit Business Integrated Solutions**



Following the course we set in 2012, we continued to invest in developing **learning opportunities for our competence lines**. We completed our learning catalogues for Human Resources and Group Identity and Communications and are working on defining the offerings for our Group Risk Management competence line. Additionally, we enhanced our Group learning programs by developing learning labs that specifically target colleagues in different competence lines. For example, we offered a customized edition of the strategic finance learning lab to CFO, CIB and HR. Approximately 130 people participated in these initiatives.

7. Refer to *Serving Individuals and Families* and *Supporting Companies* chapters for more information.

8. Refer to *Serving Individuals and Families* chapter for more information.

9. Refer to *Our Approach* chapter for more information.

# Valuing our Colleagues

## Investing in communication and dialogue

Engaging our people in our strategy is essential to achieving our objectives.

### 2013 People Survey highlights

**MORE THAN  
94,000  
COLLEAGUES**

completed the 2013  
**People Survey**: a response  
rate of 65%

**ENGAGEMENT  
INDEX AT 76%**

Our engagement index is very  
strong. It has experienced  
a **steady positive trend**,  
**increasing** each year since 2009

**MAJOR  
ELEMENTS**

Key areas for this positive  
trend include a strong **sense of  
belonging** to our organization  
and a firm **belief in Group goals  
and values**

We invest in **internally communicating** our strategy to all organizational levels, with key involvement by our senior management.

In 2013, main Group messages focused on the need to grow a healthy business. We successfully broadcast a dozen web calls, four of which were communications from the CEO. To ensure the most important messages were spread Groupwide, Executive Management Committee members also participated in the web calls, which reached thousands of colleagues. All managers in our Group organized public viewings of these live web calls with their teams; during these events, colleagues were often given the opportunity to ask questions via a dedicated channel.

We also invested in internal communication campaigns across all countries to describe the local developments of our multichannel offer<sup>11</sup>.

Additionally, we continued to increase awareness of the importance of achieving a positive customer impact. To that end, UniCredit Day 2013 focused on how our behavior can improve our interactions with our customers. Team meetings addressed potential gaps between our service and the expectations of our customers, and colleagues shared stories and best practices that illustrated the right attitude toward customers. We collected nearly 1,200 of these stories to analyze colleague behavior for the creation of a *UniCredit Attitude Toolkit*. The best stories, as voted by our colleagues, will receive the *UniCredit Up* award in 2014.

To improve the effectiveness of our internal communications and to facilitate access to information, we released the new OneGate Group intranet in 2013. This digital platform is now the sole online point of access for Group information throughout UniCredit. The intranet reaches nearly all UniCredit employees. It provides user-friendly editorial formats in five languages, with tools and widgets

## The new UniCredit headquarters

In 2013, roughly 4,000 employees moved into the UniCredit Tower, our new headquarters in Milan. It is a distinctive and modern complex that accommodates a large number of employees. This vital and dynamic work environment promotes a sustainable approach to work by bringing staff together efficiently and reducing our cumulative environmental footprint<sup>10</sup>.

Our new headquarter promotes a healthy work-life balance with amenities such as an information point on welfare and UniCredit benefits, in-house laundry facilities and special discount agreements with local vendors.

The UniCredit Tower has quickly become the defining landmark of Milan's skyline, and its innovative design and organization of space allows for:

- a high degree of flexibility in extensive open workspaces, which reduce hierarchical distance and increase communication and the sharing of information
- teamwork and collaboration, with a large number of common areas and meeting rooms that facilitate interactions and the cooperation of teams across functions
- creativity inspired by innovative work areas

These features have increased the engagement of our people, as well as their pride and sense of belonging in our Group.



10. Refer to *Conserving Natural Resources* chapter for more information.

11. Refer to *Serving Individuals and Families* chapter for more information.



that support the daily information needs of our colleagues. The new intranet has been created with the user experience in mind, involving more than 3,000 colleagues to tailor the design to individual user needs.

### Our new Group intranet reaches nearly all UniCredit employees



In the current challenging economic environment, we believe that constructive dialogue between our company and our employees is vital to generating a suitable level of involvement and to disseminating information and awareness regarding Group strategies.

To manage structural changes within our organization and their impacts on our colleagues in a responsible manner, we conduct a productive **social dialogue** with employee representatives at both the European and local levels. In particular, we support social dialogue at the European level by upholding the right to information and the consultation of employees through the European Works Council (EWC), which periodically holds ordinary meetings with our senior management as well as select committee meetings. All of our transnational projects are managed to minimize their impacts on our employees and are subject to information and consultation sessions with the EWC whenever employees are significantly affected. During these sessions, a straightforward exchange of views respecting the positions of the different parties is ensured.

In 2013, to increase awareness of the types of information that must be communicated to the EWC, we issued a global policy governing the flow of information between the parent company and any parties responsible for transnational Group initiatives that significantly affect the interests of our employees; the policy specifies procedures to follow when the information in question is germane to the EWC.

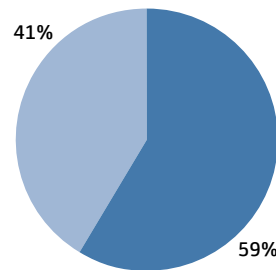
One example of fruitful negotiations between our bank and our employee representatives at local level is the health insurance program that was established in 2013 for a number of our employees in Ukraine. This healthcare coverage is jointly financed: 75-percent by the company and 25-percent by trade unions. We are planning to extend this program to more colleagues in the future.

## Diversity and inclusion

At UniCredit, we believe that diversity at all levels of our organization is essential to generating value for our employees, customers, communities and shareholders. Our diversified workforce enables us to better understand different cultures, business opportunities and client needs.

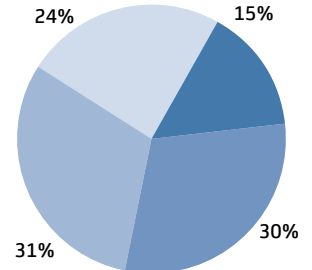
That is why we continue to invest in building a culture of inclusion. In particular, we strive to promote gender balance at all levels of our organization, to value age and facilitate collaboration across generations and to offer support to people with disabilities.

Total workforce by gender, 2013



Female  
Male

Total workforce by age, 2013



up to 30 years  
31-40 years  
41-50 years  
51 years and above

## Promoting gender balance

Achieving greater gender balance in our leadership pipeline remained a priority in 2013. During the year, we approved our Global Policy on Gender Equality, which is in line with the *Joint Declaration on Equal Opportunities and Non Discrimination* signed by our Group and the EWC in 2009. This global policy specifically addresses gender equality by setting guidelines for HR processes and practices that create a level playing field for all employees.

To date, this policy has been approved<sup>12</sup> in 11 countries<sup>13</sup>, representing nearly 75% of Group operations covered by this report, and by more than 40 legal entities.

Following its approval, a diversity manager was nominated to serve in each of our main legal entities and a monitoring system was implemented. This gender balance dashboard includes a set of static and dynamic KPIs that measure progress in each country and legal entity. Eight countries (Italy, Germany, Austria, Poland, Bulgaria, Croatia, Hungary and Romania) and 10 legal entities were monitored through 2013. All other countries set up their monitoring dashboards and will start collecting data in 2014.

A strong Group- and local-level communication plan was launched to raise awareness of gender issues and to support a culture of inclusion. Among the many initiatives that were implemented, a video featuring top managers affirming their commitment to this topic was produced. We also continued to leverage the UniCredit Women's International Network (UWIN) to strengthen our female leadership<sup>14</sup>.

We are aware that the benefits from this gender balance initiative will materialize over time, and it has already produced tangible results. The percentage of open senior management positions for which candidates of both genders were considered has doubled, and the appointment rate for women approached 50% for those positions<sup>15</sup>. In line with these Group-level efforts, we continued to invest in local-level gender balance initiatives.

12. Approved by local management board.

13. The policy has been approved in Italy, Germany, Austria, Poland, Bulgaria, Croatia, Hungary, Romania, Russia, Serbia, Slovenia.

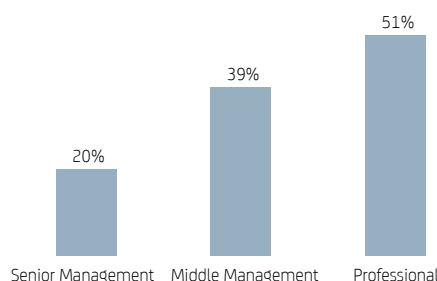
14. Refer to the 2012 Sustainability Report for more information.

15. Source: 2013 Gender Balance KPI Dashboard.



# Valuing our Colleagues

## Female presence by tier, 2013



Source: Gender Balance KPI Dashboard

In Italy, we have worked to increase the percentage of women in leadership positions. We have identified 116 colleagues with high potential, and we are monitoring their progress to ensure they enter our leadership pipeline. We also launched initiatives to raise awareness of the value of diversity and to foster cultural change. In particular, we organized a number of *Leadership Lab for Inclusion* sessions for roughly 150 male and female managers. Further, a learning module that was designed at Group level for local implementation, *Inclusion@work*, addresses gender differences and their implications for our business. It is our intention to continue these initiatives in 2014.

In Germany, we are committed to increasing the number of women in managerial positions to 30% by 2017. To that end, we launched the *Shared Future Officer program*. In this program, officers are nominated by each board member to serve as sounding boards for their respective divisions or competence lines. They are charged with being role models and with helping board members set realistic goals in the field of gender balance and identify the actions needed to achieve them.

To raise awareness of this topic and demonstrate the CEO's commitment to it, we organized a series of outreach activities, including meetings with senior managers, town hall meetings and regional management meetings. We also continued to offer mentoring opportunities to female colleagues involving members of the board, senior managers and the HVB Women's Council.

In Bulgaria, we organized a one-day event for talent management review participants called *Leadership Through Diversity and Agility*. At this event, successful Group leaders delivered inspiring career stories and discussed the value of fielding diverse teams at different levels of the organization. Of the 79 employees who participated in this event, many will join *Inclusion@work* workshops in 2014.

## Managing different generations

At the beginning of 2013, we launched our first *Diversity and Inclusion Survey*, which involved almost 8,000 people in seven countries. Survey results indicated that age is a pressing relevant issue in all of these countries.

The survey confirmed the importance of managing different generations at work. Our Group's population is distributed across three generations. This affects our development strategies, management styles, teamwork and welfare policies. It is also why we launched a series of initiatives in 2012 to solicit our colleagues' input on generational issues. We began to respond with appropriate initiatives in 2013.

In Italy, we surveyed colleagues aged 55 and above to better understand their perceptions and needs and to develop initiatives to increase their level of engagement. More than 5,500 people, representing 56% of those over the age of 55, completed the survey.

**Over 5,500 colleagues responded to the over-55 survey in Italy**



## HVB Women's Council



The HVB Women's Council, established in 2010, is a committee composed of nearly 30 female entrepreneurs. This council advises the bank's management board on economic and social topics, providing an external point of view on issues related to the role of women in society. The council is active in the following three areas:

- consulting – through customer-focused programs such as *Women as Clients* and financial education programs
- communication – through initiatives such as networking dinners
- coaching – through mentoring initiatives for young female entrepreneurs and internal mentoring for female HVB employees. Of the 58 female participants from HVB, 66% subsequently received promotions or made significant horizontal moves

Our strategic approach to generational issues includes a program to promote cultural change within our organization. Related initiatives include communication and awareness activities, training programs and organizational and cross-generational activities. Most of these initiatives will be implemented within the next two years.

ACTIVITY	DESCRIPTION
<i>Leadership courses</i>	Enable managers to better leverage the skills and experience of senior colleagues
<i>Learning Gym</i>	Uses the ability and experience of senior colleagues to conduct train-the-trainer sessions
<i>Temporary Managers</i>	Identifies senior colleagues qualified to manage a branch, so that they can substitute for those who are absent for long periods (e.g., on maternity leave)





In Hungary, we followed up on the analysis we carried out in 2012<sup>16</sup> to understand the needs of the roughly 10% of our colleagues who are over 50. Workshops were organized and priorities for future initiatives defined. New initiatives will focus on recognizing the contributions and knowledge of senior colleagues and on helping them better manage their careers. In addition, we created a roster of volunteer diversity ambassadors, who will take part in diversity and inclusion activities. They will run workshops across the bank to promote dialogue, exchange experiences and address critical topics such as how needs and priorities change at different stages of life.

## Supporting people with disabilities

We have continued to work to minimize the barriers that disabled people face. Our object is to make their daily life at work easier and to unlock their full potential.

In Italy, we continued to provide learning opportunities to our colleagues with visual and hearing impairments:

TITLE	DESCRIPTION	2013 PARTICIPANTS
<i>Beyond Sight</i>	Workshop provides technical training to blind colleagues and serves as a forum for them to express their needs both as employees and as customers	86 people
<i>If You Look at Me I Can Hear You</i>	Workshop provides special training to deaf colleagues and serves as a forum for their experiences as employees	43 people

We also have a new *Disability Management* workshop to help managers build better relationships with the hearing impaired. In addition, we made eight new online modules accessible to visually and hearing-impaired colleagues and began to offer new professional opportunities to blind colleagues after they complete special training sessions. We are currently designing an online training module to raise awareness of the need to minimize barriers for mobility-disabled people.

In Germany, we will begin work in 2014 to make HVB a 100-percent barrier-free bank. The project will include training personnel to better serve the needs of disabled customers, barrier-free access to banking services, cooperation with associations for the disabled, and financial education for the hearing-impaired.

In Austria, we continued to remove physical barriers for our employees and customers and to ensure that our website and ATMs are barrier-free for the visually and hearing-impaired. To monitor our progress, we have established non-financial KPIs, such as the proportion of barrier-free branches and of ATMs with amenities for the visually impaired.

## Work-life balance

We believe that a work environment that facilitates a healthy work-life balance has a positive impact on employee well-being, motivation and productivity. Thus we strive to offer family services and flexible working arrangements.

### Offering flexible solutions

In Italy, we invested in services to help our colleagues better manage their personal and family needs. We expanded the scope of special loans available to them to encompass a wider range of needs, including child and elder care. We also increased the range of discount offers and expanded their geographical coverage. These specifically included discounts on family services, such as kindergartens and nursing homes, but also on shopping, fitness and leisure activities. The *90 Days* pilot project in Milan – which provided childcare in special facilities within UniCredit buildings during the summer and school holidays – met with a positive reception and was extended to Bologna in December 2013.

In Germany, we concentrated on providing support for childcare and on creating conditions in which becoming a parent will not impact one's professional development. To that end:

- we launched a new daycare center in Munich, the HVB Kulturkindergarten, hosting 36 children aged six months to three years
- we improved the HVB family website that allows colleagues on leave to keep in touch with their work environments
- we organized *Eltern-Info-Börsen 2* workshops with regional managers and HR, enabling colleagues on parental leave to bring their children with them to their offices so they can receive updates on bank strategies and engage in networking

These initiatives earned us second place in the *Frauen Karriere Index* (FKI) awards in the area of work-life balance.

In Austria, we participated in *Work and Family Audit*, a quality management certification for family-friendly enterprises promoted by the Austrian Federal Ministry of Economy, Family and Youth. Among our family-friendly initiatives, we organized summer and holiday camps for children, extended teleworking opportunities and provided healthcare services to our employees. These services include mental and physical fitness initiatives, stress evaluations and stress management sessions, and psychological support.

In Slovenia, our attention to work-life balance issues was recognized with a Family-Friendly Enterprise Certificate. Our initiatives included flexible working hours, additional parental leave (a paid day off on the first day of school when children enter first grade and flexible working hours for the first week when children enter kindergarten), inclusion activities for employees (after long leaves of absence), teleworking, and attractive financial offers for employees and their family members.

16. Refer to the 2012 Sustainability Report for more information.



# Simplify

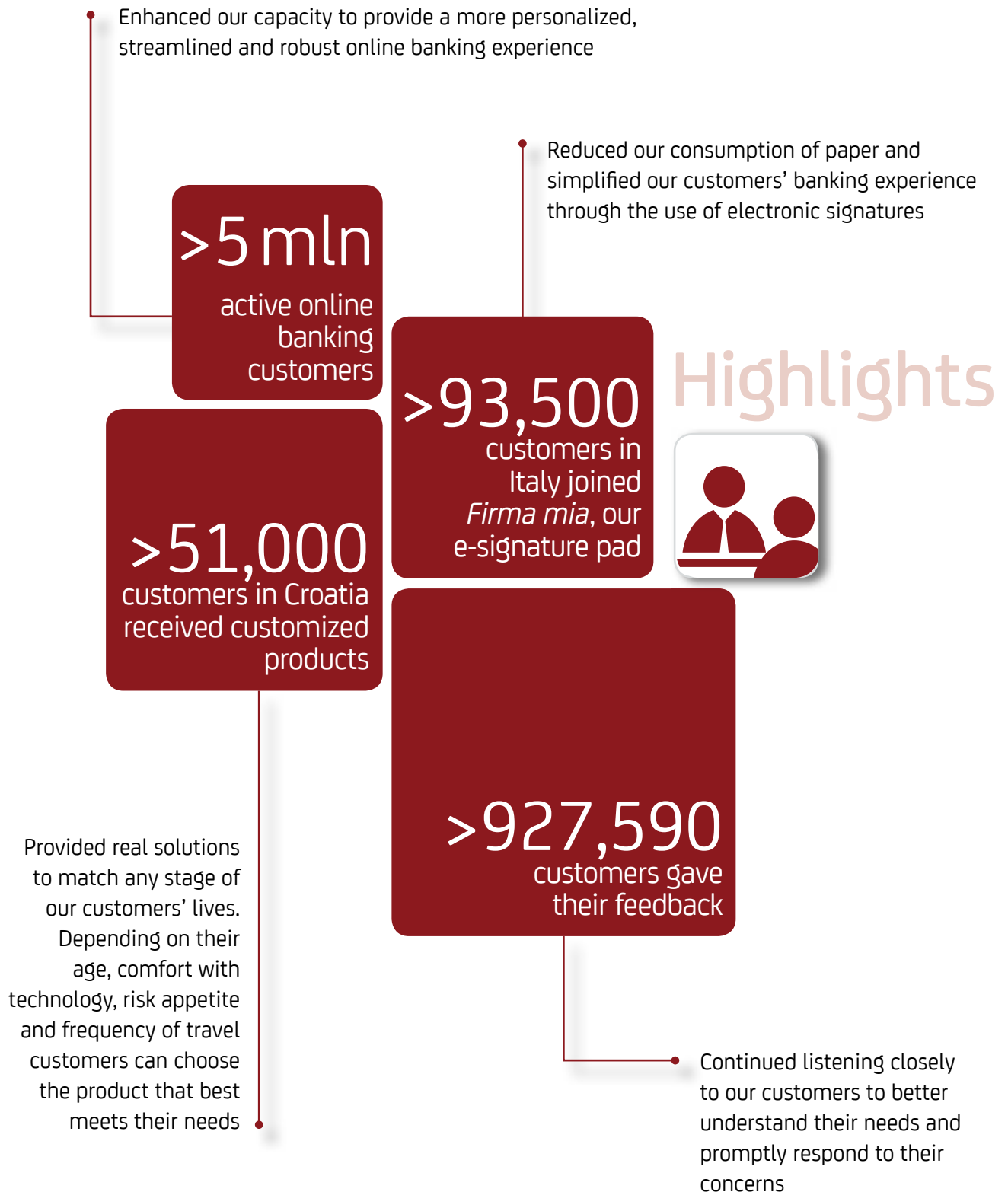
The bank within easy reach.

Today's Customers have less time to go to the branch, even though their needs are the same as ever. They need high-tech ways to access their bank services at any time, in any place.

The answer to their needs?

**Subito Banca**, which includes an app **designed with input from our Customers**. That facilitates a wide range of online banking processes.

UniCredit - ITALY



# Serving Individuals and Families

This is the age of the empowered consumer. Armed with multiple devices, consumers use a wide range of channels to connect with businesses. They can easily hop from one point of contact to another to complete a single transaction.

To address this new reality, a few years ago we began to transform our business model. Our efforts have begun to deliver clear results. We are staying closer to our customers by combining personal relationships in our branches with expanded access to digital channels always delivering quality and value.

MATERIAL NEED	OUR APPROACH
Customer proximity	<ul style="list-style-type: none"> <li>Understand customers' evolving needs so we can adapt promptly to their expectations</li> </ul>
Dynamic Bank	<ul style="list-style-type: none"> <li>Transform our distribution model by integrating all channels to create a superior customer experience and increasing effectiveness of our branch network</li> <li>Improve our digital services to provide a more personalized, streamlined and robust online banking experience</li> </ul>
Simplicity and transparency	<ul style="list-style-type: none"> <li>Expand our social media presence to engage our customers wherever they are active</li> <li>Innovate our products and processes and follow through on our promise of being easy to deal with</li> </ul>
Quality and value	<ul style="list-style-type: none"> <li>Strengthen our professional skills, ensuring that our relationship managers provide high-quality advice and timely assistance</li> <li>Provide appropriate solutions according to customers' stage of life</li> </ul>

## Customer proximity

We know that our customers' needs are evolving. Now more than ever, we must communicate regularly with current and prospective customers in order to adapt our products and services to their changing expectations and needs.

## Understanding customers' evolving needs

The more time we spend with our customers, the more we know about their habits and their needs. When we meet new customers, we lay the foundation for a long-lasting relationship. Our onboarding programs help us understand their needs and expectations, enabling us to begin our relationship properly.

In Italy, we started accomplishing this in a standardized process for welcoming new clients in the first year of our relationship. During this time, we connect with them through e-mail, our online banking support and call centers. We send them a welcome message when they open their account, recommend a financial check-up between their fourth to sixth month with us, and extend special promotions from their seventh to ninth month.

In Poland, our contact center calls customers within the first six months of our relationship to assess their level of satisfaction and conduct financial needs profiling. This interaction is used as

an opportunity to suggest products and services suited to the customer's circumstances.

In Croatia, our new clients receive a welcome letter via their preferred channel within the first two weeks of our relationship. After one to two months, we follow up to ensure their satisfaction and that our services are tailored to their preferences. In 2013, we onboarded 35,000 individuals in this way. Similar onboarding processes were implemented in Hungary, Romania, Russia and Slovenia.

Our listening practices (e.g., customer satisfaction surveys, instant feedback initiatives, complaint management surveys) strengthen our capacity to understand our customers' needs, and to promptly respond to their concerns, including any problems for which we may be responsible.<sup>1</sup>

In 2013, we also continued our regular monitoring of customer satisfaction across our network. In the majority of our banks, we posted better performance scores than our competitors<sup>2</sup>.

### Main listening practices

	Customers that gave feedback in 2013 <sup>A</sup>
Customer satisfaction	365,931
Instant feedback	561,660

A. Data include individual customers and small and medium enterprises

We make it a practice to use customer feedback in the development of new products and services, as well as to improve the existing ones.

In Italy, we collaborated with elderly customers to create *Subito Banca (Instant Banking)* an online banking platform<sup>3</sup>. We engaged customers across the country and invited them to participate in our living labs, where we collected data on their expectations and devised new ideas for simplifying our home banking system.

In Croatia, two years after the introduction of *Lepeze Mogućnosti (Fan of Possibilities)*, a set of financial products, we researched relevant drivers in order to carry out a redesign of the initiative<sup>4</sup>. The research included face-to-face interviews with 800 *Lepeze Mogućnosti* users, and ultimately gave our personal bankers further insights into their clients' needs.

The same approach to involve our customers for product development is followed in all of the countries where our bank works to improve our services and initiatives.

1. Refer to the *2011 Sustainability Report* and *2012 Sustainability Report* for more information on our listening approach.

2. Refer to the *Supplement* for more information on our customer satisfaction (TRI\*MI Index) performance and trends.

3. Refer to the section on *Innovating our products and processes* for more information.

4. Refer to the section on *Providing appropriate solutions according to customers' stage of life* for more information on *Lepeze Mogućnosti*.



## FOCUS

### ConfirmIT: our tool to manage client feedback

In Russia, we use *ConfirmIT* to manage customer feedback. After customers contact frontline colleagues in our branches or call centers, they are invited to take a short survey on their experience and our performance. Completed surveys are immediately processed; any dissatisfied customer is contacted within 48 hours by a branch manager and offered a feasible, convenient solution to their grievance. After a solution is implemented, the customer is surveyed a second time. This ensures that all issues are handled properly and we have done everything we can to retain the loyalty of our customers. All survey data is accessible online via the *ConfirmIT* analytical portal. There, we can see the customer satisfaction index of each client, branch and call center, among other such information.

More than 8,500 customers participated in the survey over the course of six months, with 15% of them requiring follow-up care by branch or hub managers. Of this 15%, all were handled successfully.

### Dynamic bank

UniCredit's network and offerings have changed greatly over the past few years. Today, in all 15 countries where we operate as retail bankers, we have more than 5 million customers who make extensive use of our internet banking services. We know that as our customers continue to use a mix of channels, they also will increasingly rely on non-branch options for complex banking transactions.

Our Global Multichannel Strategy strives to seamlessly integrate UniCredit's physical and digital channels by:

- transforming our distribution model by integrating all channels to create a superior customer experience and increasing effectiveness of our branch networks
- improving our digital services with the aim to:
  - deliver greater convenience through new services and enhanced interfaces
  - create full capacity to conduct daily banking and payment operations via mobile

Our digital approach provides customers with a complete suite of products and services across all channels. This means our customers can enjoy a consistent banking experience on their preferred channel, easily review their transactions with us, and can shift at will (e.g. from mobile to online). We provide the assistance customers need, including 24-hour online support, to interact with us as they prefer.

Country	Active online banking users <sup>A</sup>
Italy	2,042,024
Germany	478,789
Austria	408,832
Poland	1,352,042
Bosnia and Herzegovina	20,446
Bulgaria	78,910
Croatia	312,446
Czech Republic	96,659
Hungary	142,599
Romania	47,283
Russia	127,018
Serbia	24,265
Slovakia	71,930
Slovenia	24,018
Ukraine	37,095

A. Definition of online banking and tracking methods are not yet fully aligned Groupwide.

### Transforming our distribution model

We have been transforming our distribution model with innovative new branch layouts, we are improving our customer experiences and differentiating ourselves from the competition.

The architecture of our new branches will promote:

- transparency and accessibility
- modularity and flexibility
- cost-efficiency

Customer experiences will also be enhanced thanks to our new customer managers, who will greet clients and use straightforward yet innovative technology to assist them with basic services.

In 2013, two Italian branches in Verona and Palermo were upgraded to make them easy to use, transparent, multichannel-oriented, technologically advanced and focused on offering higher-quality consulting services. In February 2014, our new flagship branch opened in Milan with the same upgrades. All of these branches have the advanced technology and processes necessary to fully integrate branch services, including:

- new welcoming process with a queue manager that identifies clients when they enter the branch and a tablet supporting the customer manager
- interactive video walls with in-store communication
- tables equipped with surface computing technology to provide information, educational materials and entertainment
- internet banking points with computer tablets and banking applications
- touch screen ATMs to support branch automation and faster client service
- video conferencing meeting rooms for remote customer consultations

This integrated model is also being upgraded in Germany, where we have developed a number of multichannel branches in line with our *traditional values, modern banking* concept. A special area for smartphones and tablets has been set up in six of our German branches. In these designated areas, our bankers will show clients how to use UniCredit Bank AG's app.



# Serving Individuals and Families



UniCredit, Milano Garibaldi Branch.

Meanwhile in Austria, with our forward-looking multichannel strategy (*SmartBanking*), we are modernizing our existing branch network and developing close connections between our traditional branches and our newly created virtual branch.

This distribution approach is similarly being implemented across Central and Eastern Europe (CEE) thanks to the *Branch of the Future* project. The first such branch was opened in Bulgaria, designed with a self-service area and the branch manager's desk in a central position to ensure easy access for customers. The new branch also uses video screens and an interactive video wall for communications, instead of posters and leaflets.



[www.yourfinancialadvisor.bg](http://www.yourfinancialadvisor.bg)

## Improving our digital services

Across UniCredit, we have enhanced our digital capabilities to provide a more personalized, streamlined and robust online banking experience. This includes **educational tools and simulators** that better address the needs of self-service customers.

In Italy, we introduced a new internet banking service, *Bilancio Familiare (Personal Financial Management)*, which identifies and categorizes personal spending online with the aim to increase awareness of the personal cashflow. This integrated system enables customers to more precisely manage their credit card, debit card, prepaid card and internet banking transactions. We will continue to enhance this service through greater customization and specification, real-time spending alerts, as well as options to set goals and access the service on mobile or tablet devices.

To develop this service, we studied data from customer interviews and focus groups. We also analyzed tool and methods clients use to manage expenses, such as Microsoft Excel and accounting books.

By the end of 2013 (since launch the 23rd of October 2013), roughly 220,000 unique customers have used the *Bilancio Familiare* and this service represents a significant achievement for UniCredit's internet banking channel, which recently received Osservatorio Finanziario's *2013 Best Home Banking* prize in Italy.

**UniCredit was awarded  
Osservatorio Finanziario's  
2013 Best Home Banking  
prize in Italy**



In Bulgaria, we launched *Your Financial Advisor* service to help current and potential clients clarify their financial needs and identify their best financial solutions. By filling out a short questionnaire, customers receive tailored product suggestions. If interested, they may request that one of our advisors contact them. More than 53,500 individuals have used this service since its launch in June 2013.

Similarly, in Croatia we improved our e-branch offerings by introducing *Financial Planner*, a personal finance management service that gives a graphical overview of one's finances, including categories of transactions (e.g. costs, income, investments). This service helps our Croatian customers better manage their cashflow and liabilities while they set investment targets. An estimated 13,200 customers have used the service to the 2nd April 2014, and we hope to add 20,000 active users in 2014.

We continue to develop and deliver **remote advisory services** throughout our Group.

In Germany, as experienced in 2012, customers can use *Videoadvisory@Home* to video-call their bank advisors via our online banking or public website, from 8:00 a.m. to 10:00 p.m. In 2013, an estimated more than 1,350 customers consulted with advisors this way.



In Slovakia we launched *You@Bank – Branch Around the Clock* that provides services via remote relationship managers (RRMs). Participating customers are assigned their personal RRM, with whom they can communicate via video call, telephone, e-mail or chat. There are roughly 1,440 active *You@Bank* users, and we aim to add 5,000 more in 2014.

**Mobile banking** remains at the core of our multichannel strategy. Our goal is to enable all of our customers, regardless of their technological proficiency, to easily access our services via tablets and smartphones. Throughout our Group, we are strengthening our mobile banking capabilities to cater to the *anytime, anywhere* attitude of today's smartphone users.

**In Italy we have roughly 300,000 active mobile users and in average we record 4 logins per week per active smartphone user**



In Italy, we relaunched our smartphone app and launched a new tablet app. The UniCredit mobile banking app, available on the iOS and Android platforms, is improving the experience of our customers on the move, while our tablet banking app for iOS is among the most complete app available on the Italian market today.

Our mobile apps have been downloaded more than 810,000 times in Italy since they were first launched in 2012. As of December 2013, roughly 440,000 Mobile customers, including roughly 300,000 active mobile users. These active users account for roughly 733,760 smartphone app logins per week (in average four logins per week per active smartphone user) or 33 million logins annually.

We also continue to improve our mobile banking services in Germany. Today, our customers are able to transfer money with their smartphones without using iTANs (printed lists of passcodes) or electronic tokens. With a smartphone, a customer can carry out most transactions.

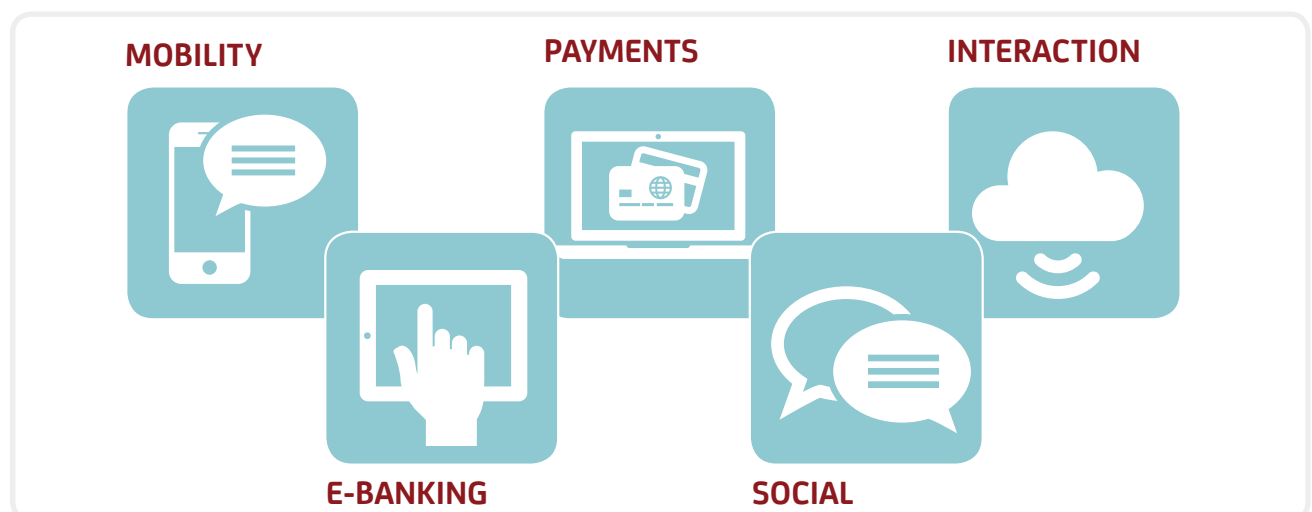
Similarly in Austria, we launched an innovative and user-friendly mobile banking app for smartphones. It has an enhanced modern design that provides an account overview, mobile site access, an ATM locator, QR code payment functionality and an account manager contact feature.

In Poland, our *Pekao24* mobile app enables customers to, among other things, make payments from their accounts by scanning QR codes on invoices, search for bank branches, and record transactions in their calendars. In 2013, *Pekao24* was ranked the best mobile banking application in Poland by *mobirank.pl*, confirming the value of Bank Pekao's investments in high-quality mobile services.

Additionally in Poland, we introduced the *PekaoToken* app for both Windows Phone devices and the iPhone 5, and launched the *Mobile Shopping Planner* that allows customers to track refunds, view participating merchants' special promotions, make shopping lists and map out their shopping routes.

At Group level, we are leveraging on our global platforms to be more efficient and to bring innovative services to market more quickly. By sharing best practices Groupwide, we continue to upgrade our services as a multichannel bank.

In 2014, we will see the coordination of western countries' Agenda (Italy, Germany and Austria), in line with the Group Multichannel Strategy, with strong focus on remote sales enablement, enhancement of mobile and tablet offer and introduction of new services, banking and non-banking.





# Serving Individuals and Families

## Simplicity and transparency

At UniCredit, one of our most important objectives is to provide clear information to our customers. As they rapidly adopt new technologies and change the ways they use them, we continue to look for new ways to connect with them and to transparently communicate our approach.

In order to increase the transparency and to assure simplicity of our approach, in 2013 we focused on:

- expand our social media presence to engage our customers wherever they are active
- innovate our products and processes and follow through on our promise of being easy to deal with

## Expanding our social media presence

At UniCredit, we believe our social media presence is a powerful means to establish and leverage our brand promise. Our emphasis on social media does not stem from a simple need to have a presence, but rather from our aspiration to change the way we communicate, exchange ideas and collect feedback on UniCredit's products and services.

As a result, our Group carried out a number of social media initiatives in 2013, several of which are described here.

In Italy, the launch of the UniCredit Italia Facebook fan page garnered more than 227,880 *likes* as of 31<sup>st</sup> December 2013, due in large part to an editorial approach structured around compelling, clear themes. The UniCredit YouTube channel and the PR Online channel managed by Media Relations on Twitter are also active.

In Romania, at UniCredit Țiriac Bank SA, we asked those who did not *like* the bank's Facebook page to share their reasons why. Drawing on 200 responses in the first week that underscored a lack of special offers and cost transparency, we were able to conduct a micro-analysis of customer satisfaction.

Also at Pioneer Investments, we enhanced our online presence through internet, mobile and social media initiatives that provided customers with insights into our investment thinking and product management services. We have also developed a global company profile on the LinkedIn website, which garnered more than 10,000 followers as of December 2013.

## FOCUS

### Diario di Bordo (Logbook)

We work to alleviate any information asymmetries between us and our clients and to help bridge gaps in financial knowledge. At Pioneer Investments, we have also published a special online newsletter since the beginning of 2013. The newsletter is regularly e-mailed to roughly 57,000 Italian clients and covers a variety of subjects, including market overviews, asset allocation, industry trends, products and financial literacy. Changing the way we communicate with our retail clients, this publication is written in easy-to-understand language and uses simple concepts. It has also helped to increase traffic on our Italian website, which posts full articles from the newsletter.

## Innovating our products and processes

Innovation can be as simple as reinterpreting something that already exists to make daily life better. At UniCredit, we strive to find new ways to simplify, to make our processes more flexible and to create products and services that perfectly fit the expectations of our current and prospective customers.

In Italy, we developed *Subito Banca*, the simplified online banking platform, with feedback from customers who had previously considered our remote banking services too difficult to use. Through *Subito Banca* and other online services (such as special conditions to purchase Samsung smartphones, tablets, laptops and other devices loaded with our simplified banking app), UniCredit is offering its customers a simple, complete banking experience that can be accessed through numerous channels. These efforts have boosted our online banking penetration rate in Italy to 31% year-on-year.

**11**  
SOCIAL  
NETWORKS

where UniCredit  
is present

**1,2**  
mln  
FANS

Joined our  
Facebook profiles

**1**  
SOCIAL  
MEDIA LAB

interfunctional  
team for the governance

**14**  
SOCIAL MEDIA  
COUNTRY  
TEAMS

set up in one year  
over 100 colleagues involved



## FOCUS

### Consumer protection engagement

In 2013, our partnership program in Italy, *Noi&UniCredit*, worked with 12 consumer associations (CAs) to focus on the following areas:

- **Transparency.** 4 new sets of guidelines, that each identified 10 pitfalls to avoid regarding banking products (personal loans, revolving cards, payday loans), services (multichannel bank) and simplified contracts for the above mentioned products
- **Financial inclusion and innovation.** Preview sharing of six new products and services and gather feedback and to cooperate to create simpler documentation and communication for consumers
- **Financial education.** *Facile&Sicuro – La Banca Multicanale (Easy&Secure – The Multichannel Bank)* program in collaboration with three CAs (MDC, Adiconsum and Codacons) to inform citizens about the benefits of a multichannel bank

This initiative realized:

- a relevant information guide, a web page ([www.facilesicuro.it](http://www.facilesicuro.it)), a Facebook page, an interactive app and a web series
- meetings in four cities with 140 local CA representatives and meetings in 19 cities attended by 390 citizens. These meetings outlined necessary precautions regarding multichannel banking services
- **Territorial network.** 87 meetings to strengthen our local relationships with CAs. These meetings focused on the selection of joint consumer protection initiatives (e.g., financial education courses) for implementation in different territories and to solve critical issue

Similarly in Bulgaria, as for 2012 experience, we continue to maintain an active dialogue with state institutions and non-governmental organizations to increase clarity and transparency of our communications, contracts, account statements and general conditions.

Also in Italy, we launched in November 2013 *UniCrediCard Flexia* that offers improved transparency and flexibility by allowing cardholders to choose their preferred payment method. In addition to traditional direct debit payments for the entire balance or partial repayments, the cardholder can also identify a single purchase from their monthly statement (in a range between €300 and €2,000) to repay in installments over a period of three, six or 10 months, depending on the amount. In order to ensure maximum transparency, we apply a fixed commission that is charged on a monthly basis and spread out over the term of repayment. Roughly 57,000 cards were approved within the first two months of the initiative.

We also work for our documents and processes simplification thus deliver a range of benefits to our customers, and the environment.

In Italy, the new *FirmaMia (MySignature)* service enables customers in our branches to electronically sign contracts, receipts and other forms with a signature pad. As of December 2013, 93,500 customers had joined *FirmaMia* and 27,000 contracts had been signed electronically through the service<sup>5</sup>.

**In Italy 93,500 customers have joined *FirmaMia* and 27,000 contracts have been electronically signed through this service**



In Austria, we are developing the *Paperless* program to eliminate brochures and folders in our branches. Should they require hard copies, our customers can print any information in the self-service area, or request any document be mailed to their home or business address. All of our documents have a QR code, so customers can scan the code and save the document to their smartphone or tablet.

In Poland, we launched a new loan application and credit calculator on the *Pekao24* website. These make it possible to conclude agreements and disburse funds to customers entirely online. Finally, the launch of *PeoPay* made us the first bank in Poland to offer complete mobile solutions both for making payments (*PeoPay*) and receiving them (*PeoPay mPOS*).

Simplification also means reducing our credit response time. For our busy customers, we are streamlining these procedures in the majority of our banks.

In Bulgaria, we decreased paper-based consumer loan documentation by 60%. We used the Lean Six Sigma managerial concept to simplify consumer lending, mortgages and overdrafts by increasing transparency while reducing our response time and the number of required documents.

In the Czech Republic, we launched the *Easy Going Mortgage* system to shorten response times for mortgage refinancing. In Hungary, we reduced our credit response times by centralizing loan decision-making processes. In Ukraine, we created a special unit to improve our credit response procedures, reducing our mortgage loan response time to one day.

5. Refer to the *Conserving Natural Resources* chapter for more information.

# Serving Individuals and Families

## Quality and value

At UniCredit, our relationships with customers come first. Our challenge is to maintain a strong rapport with them in today's increasingly complex, multichannel banking environment. To achieve this, we regularly train our relationship managers to offer high-quality services and solutions that will meet our customers' needs at any stage of their lives.

## Strengthening our professional skills

The current complex environment demands new managerial skills. New banking channels are becoming increasingly important to our operations, and our network managers must adapt and become true multichannel directors. For the foreseeable future, banking will require a special blend of soft and hard skills. That is why, in 2013, we focused on building the knowledge and soft skills necessary to improve customer satisfaction.

In Italy, we foster **soft skills** through our *Comunicazione Efficace* (*Effective Communication*) training program, which reviews the basic rules of interpersonal communication. At the end of the course, participants better understand the communication processes and actions that either limit or facilitate effective communication and relationships. In 2013, 395 colleagues completed this program.

In Poland, several training activities focused on developing skills related to customer service standards, relationship management, negotiations and cooperation. In 2013, more than 10,150 employees participated in these courses.

To further grow soft skills, in Bulgaria, 1,200 colleagues from our retail network participated in the *Client Obsession Business Simulation* training initiative. The goal of the simulations was to enhance their customer orientation and to demonstrate the relationships between core retail KPIs (e.g., risk, customer satisfaction, revenue, number of customers, cross-selling).

In Romania, 120 relationship managers participated in our *Steps to Excellence* program, which used real customers in role-play training sessions.

We understand that also the behaviors of our managers has a substantial direct impact on the work environment and, in turn, on customer satisfaction. That is why we invest in the **leadership skills** of our managers

For example, in Hungary, the *Behavior Change Management Development Program* has been implemented for colleagues in leadership positions (e.g., branch managers, retail market heads, regional managers). The program seeks to build their leadership awareness on such issues as supporting the development of their subordinates. Crucially, the program stresses the importance of creating a culture of feedback and improved communication and cooperation within the division. In 2013, 125 employees participated in this program.



### UniCredit CEE Private Banking and Morningstar

UniCredit believes that the right information and the right advice at the right time is what consistently help clients. Above all, clients appreciate the value of advisory and expertise in identifying new opportunities and mitigating risk.

UniCredit CEE Private Banking has entered into an agreement with the investment research firm Morningstar to give our Private Banking advisors and clients in Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Slovakia and Slovenia access to the firm's research, market analysis, presentations and educational modules. UniCredit's decision to obtain access to the leading provider of independent investment research was based on surveys demonstrating the extent to which time-strapped private investors make investment decisions on superficial considerations.

Finally, we have also reinforced the **technical knowledge** of our colleagues by investing in strengthening the skills of our relationship managers in specific issues such as real estate, tax law and bank assurance.

In Germany, for example, we launched a training program to qualify our relationship managers in real estate finance. Real estate finance expertise is now available in every single branch. Roughly 2,100 relationship managers attended 181 of these training sessions.

Meanwhile, in Bulgaria we are working to provide our personal banking advisors with specialized training in local tax laws.



### Vele Spiegata (Full sail)

At Pioneer Investments, we share information on our principal funds through a monthly online newsletter e-mailed to 2,000 Fineco financial advisors. Every edition concentrates on two funds and features video interviews with their portfolio managers. Additional content includes updates on funds and asset classes that are not addressed in the video interviews.



We started with a pilot group of 10 people from one region. In 2014, we will extend this training throughout all regions.

And the technical knowledge of more than 170 branch and relationship managers in Romania was bolstered with bancassurance sales training that was officially certified by the Romanian Insurance Management Institute (IMA). Similar training programs for insurance products were conducted in Serbia for 54 colleagues.

## Providing appropriate solutions according to customers' stage of life

Our goal is to provide concrete solutions at every stage of our customers' lives.

To this end in Croatia, we introduced *Lepeze Mogućnosti* (*Fan of Possibilities*), presenting an array of financial products. Each of these fans includes products and services that are tailored to a specific stage of life. Depending on their age, preferences, comfort with technology, cautiousness, frequency of travel or need for short-term financing, customers can choose the version of the fan that suits them best. More than 51,000 customers selected a *Lepeze Mogućnosti*.

We focus on **young people**, offering them good terms on products that suit their needs and enable them to take charge of their futures.

In Croatia, Zagrebačka Banka DD in March 2013 launched its first charge card designed exclusively for students. The *MasterCard Student* card is included in a student banking package for free, but can also be issued separately. Thanks to this initiative, students can better manage their own finances and make their own decisions. To date, we have issued more than 2,600 of these cards.

We also help **adults** realize their goals by addressing their concrete needs.

In Italy, we launched a new range of mortgage products that help families realize their dreams of buying a home. *Mutuo Valore Italia* (*Mortgage Value Italy*) lets them customize their mortgages based on their present and future needs through our *Flessibilità* (*Flexibility*) and *Sicurezza* (*Safety*) options.

The *Flessibilità* option allows mortgage clients to change their payment plans as needed. Two years into their mortgage, they can also activate one or more of the following services:

- *Riduci Rata* (*Reduce Payment*), to extend the mortgage term by up to four years
- *Sposta Rata* (*Move Payment*), to defer payments up to a maximum of three non-consecutive times
- *Taglia Rata* (*Shorten Payment*), to defer all or part of their payments for up to a year

The *Sicurezza* option allows customers to protect themselves from any major changes in the market.

We provide financial services to vulnerable groups facing financial difficulties with more sustainable products that help increasing financial inclusion.

In Austria, we developed *Habenkonto* for people in need who might not normally open a bank account. Not having an account can perpetuate the cycle of poverty, because in Austria one cannot get a job or rent a home without a bank account.

We also support immigrants with our service model that offers them a range of financial products and services. We promote financial inclusion not only through our accounts and services, but also through our lending products and educational programs.

In Italy, we continue to strengthen *Agenzia Tu*. This tailored service model offers concrete support to immigrants with account packages that include six free remittances transacted online. It also provides insurance for up to three payments, amounting to a maximum of €1,000 each year, to cover either travel to the customer's home country or the travel of relatives from their home country, in the event of injury or death.

In Romania, we introduced *Familia Ta* (*My Family*) to help people who live abroad. With this current account package, customers can make sure their utilities and other bills are paid while they are away, thus lending support to their families in Romania.

Moreover in line with our commitment in fostering financial inclusion we also promote several non commercial initiatives<sup>6</sup>.

We also work to meet the needs of our **elderly customers** with products and services tailored to them.

In Bulgaria, we designed a loan exclusively for retirees, while in Croatia, we launched a full set of new products, *Senior lepeza* (*Senior Fan*), for retirees that represent roughly 40% of our Croatian *Lepeze Mogućnosti* customers.

## FOCUS

### Tailored Solutions

Our CEE Private Banking division launched also in the Czech Republic *My.onemarkets*, a service of personalized structured products for individual clients. With a minimum investment of €10,000, clients can create their ideal product from a predefined list of categories. *My.onemarkets* was named Innovation of the Year by the German certificate industry's leading media outlets.

6. Refer to the *Fostering Communities* chapter for more information.



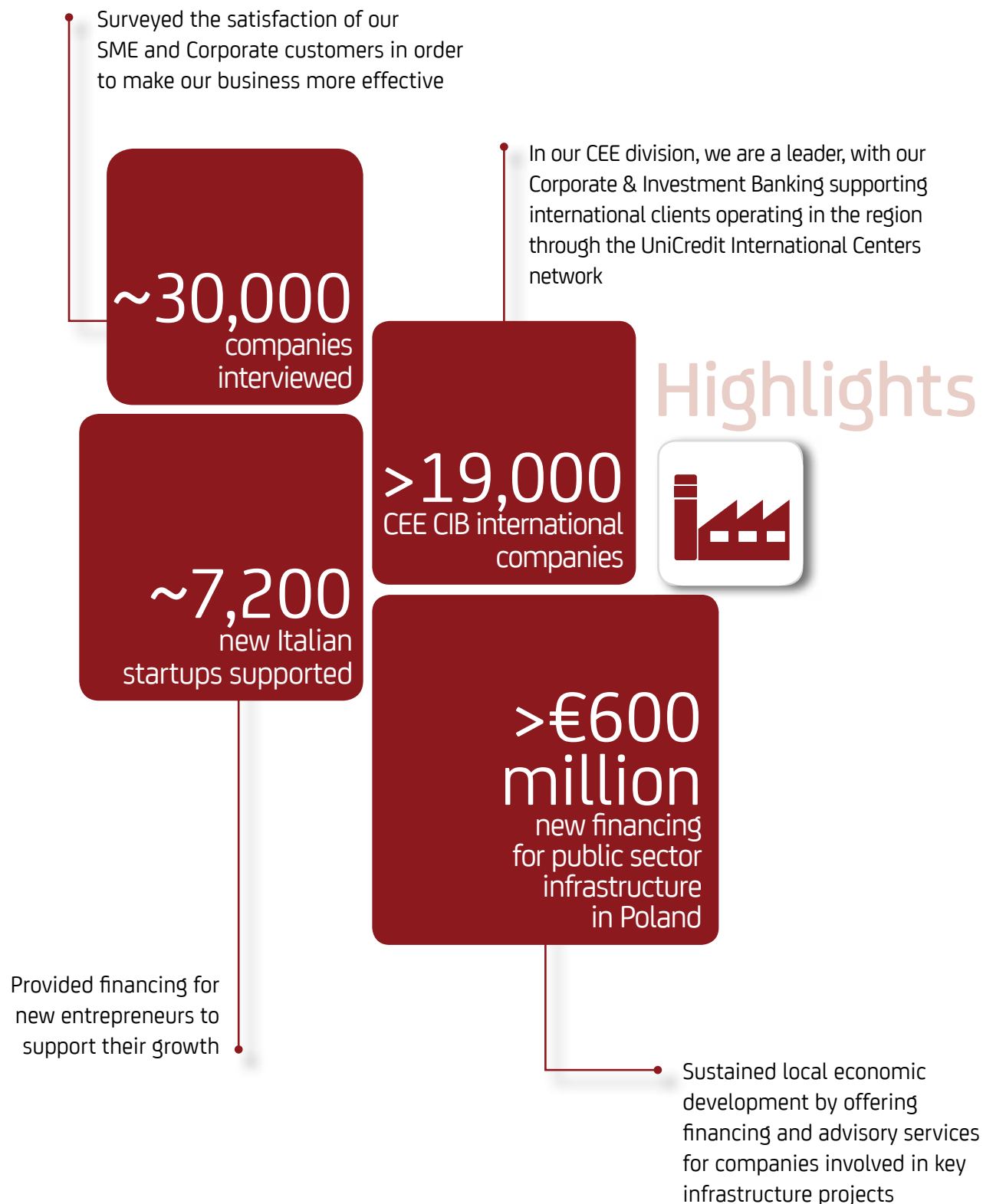
# Innovate

Service models and processes  
that serve companies' goals.

Thanks to us, farmers can now get faster access to funds. In Bosnia and Herzegovina, the RS Ministry of Agriculture acted on a proposal from our bank, developing a quicker way to process state incentive payments. Customers who meet certain requirements can now obtain their funds through a **fast-track loan from our bank**. This innovation, which **meets a real need** for local farmers, has been widely welcomed.

UniCredit Bank AD Banja Luka - BOSNIA AND HERZEGOVINA

# Supporting Companies





# Supporting Companies

UniCredit serves a wide range of businesses from small start-up ventures with a few employees to the largest global corporations. We strive to support the domestic and international growth of both small and large companies, thus contributing to economic development and job creation in the countries where we operate.

MATERIAL NEED	OUR APPROACH
Customer proximity	<ul style="list-style-type: none"><li>• Understanding customers through listening and dialogue thus making our business more effective</li><li>• Improving our service models to become closer to our customers</li></ul>
Dynamic bank	<ul style="list-style-type: none"><li>• Improving the accessibility of our products and services through innovation to take advantage of new technological developments</li></ul>
Simplicity and service quality	<ul style="list-style-type: none"><li>• Shortening our response times by simplifying processes and procedures</li><li>• Offering superior professional skills and expertise to provide distinctive service</li></ul>
Support to business	<ul style="list-style-type: none"><li>• Supporting startups to boost new entrepreneurship</li><li>• Fostering growth of companies and countries</li><li>• Accompanying businesses as they expand to compete both locally and internationally</li></ul>

## Customer proximity

At UniCredit, we are working to get closer to our customers by enhancing the way we listen and speak to them. This enables us to stay attuned to their changing needs in this evolving, competitive commercial banking environment. We also work to appeal to customers by establishing consistent standards for quality and excellence in our service models across all divisions and in the countries in which we operate.

## Understanding through listening and dialogue

Business success requires more than just great products and services. It is also necessary to provide great customer experiences. We achieve this through our professional conduct. At UniCredit, we value our ability to recognize any gaps between our customers' expectations and their actual experiences. To better identify these gaps, over the past few years our Group has continued to invest in a comprehensive range of channels that collect customer feedback and deliver prompt responses.

Among these efforts, we survey the satisfaction of our SME and corporate customers. In 2013, we interviewed roughly 30,000 companies, using the TRI\*M index<sup>1</sup>. We track the quality and stability of the relationship, our response times, the simplicity of our products and other key indicators.

1. Refer to the *Supplement* for more information on our customer satisfaction (TRI\*M Index) performance and trends.

2. Refer to the *2011 Sustainability Report* for details concerning our *Global Compliance Guidelines – Complaint Management*.

In some of our core countries, including Italy, Germany and Poland, overall scores for this survey increased compared to 2012. We did, however, record a decline in our TRI\*M index scores in Austria in 2013. This was partly due to a changeover to the new *EuroSIG* core banking system. To address concerns raised by this process, we have taken up further measures such as proactive internal and external communication and an enhancement of complaint management processes.

In UniCredit's CEE countries, consolidated results for our corporate segment show an upward trend in TRI\*M index score, from 76 in 2012 to 78 in 2013, maintaining our lead over our peers (+8 in 2013), while in our small business segment, results and trends vary across the region<sup>1</sup>.

**Roughly 30,000  
companies interviewed**



The Greenwich Associates survey is the most important independent assessment of the quality of client relationships in our Group's Corporate and Investment Banking Division (CIB) in Italy, Germany and Austria. We use this research to better understand client needs, UniCredit's relative market position and the quality of the services we provide. Our clients' estimation of our services is based on the caliber of our relationship managers and the usability of our products and services. The survey also provided key insights into specific products. 2013 results indicate that UniCredit has maintained or improved its overall relationship quality, either by retaining the gains achieved in the previous year or improving its positioning vis-à-vis major competitors. Our Greenwich Quality Index (GQI) score remains above the average of competitors in Germany, Austria and Italy both in 2012 and 2013. Additionally, our GQI score has further improved since last year in Italy and Austria.

Several other listening programs that were reported on in 2012, were continued through 2013. Our *Mystery Shopping* initiative, for example, helps us evaluate the quality of *customer service*; in 2013, more than 900 of our CEE branches received over 2,300 such visits in order to monitor our service to small businesses.

We also continued to invest in handling customer complaints swiftly and effectively to maintain trust in us and our business. Our complaint management procedures and processes can be accessed via telephone, e-mail, our online banking platform or directly through a branch-based relationship manager<sup>2</sup>. Post-complaint surveys assess the effectiveness of proposed solutions. In Croatia, for example, we conducted surveys year-round to monitor perceptions of both the services provided by our bankers and the resolution processes implemented for our small-business clients. Roughly 1,750 questionnaires were submitted, and the results showed that clients were very satisfied with our complaint management process, resolution times, quality of solutions and quality of staff services.

To better understand the business conditions faced by our SME clients, we also regularly invest in ad-hoc studies and surveys of the challenges and opportunities they face.



In Poland in 2013, the fourth edition of the *Report on the Situation of Micro and Small Companies* focused on the business challenges and status of these firms, which comprise 99% of all Polish companies and are responsible for almost 40% of Poland's GDP. The report featured data from roughly 7,000 interviews with business owners about their experiences with loan advisory and other services. The 2013 report included also a special focus on exports by micro and small enterprises<sup>3</sup>.

To enhance dialogue with companies and support their business, our CIB division holds a series of events that strengthen the direct relationships of our Corporate customers with our senior management while simultaneously introducing them to potential new business partners.

In 2013, the *Italian Investment Conference* provided listed Italian companies with the opportunity to share experiences, learn about opportunities in other markets and meet international institutional investors. This event, which is jointly hosted by UniCredit and Kepler Cheuvreux, has become the premier cross-sector conference in Italy for the equity capital markets segment. It provides excellent opportunities for side events that build client relationships. More than 200 participants attended the conference, including roughly 30 corporations and more than 100 international institutional investors. The average satisfaction level expressed by participants in post-conference surveys improved to *very high*, from *high* the previous year.

In Germany, we organized similar investment conferences in cities such as Munich and Frankfurt. At the *11th German Investment Conference* in Munich, roughly 100 German corporate issuers met with over 400 equity and fixed income investors for one-on-one meetings, public sessions and, for the first time, expert panel discussions on topics such as *The Impact of Regulation on Corporate Treasurers*, *Investment Trends in a Historically Low Interest Rate Environment*, and *ESG 2.0 – State-of-the-Art Integration of Environmental, Social and Governance Issues in Investment Decision-Making*.

Listening programs and dialogue opportunities with our customers will continue in 2014 to stay attuned to their changing needs in an evolving, competitive environment.

## Becoming closer to our customers

The client service model for our Corporate and Investment Banking division integrates our approach, processes and tools for developing and strengthening relationships with large customers.

The *Capital Structure Advisory* initiative is part of our approach to establishing focused strategic dialogues with corporate customers by providing customized, strategic and forward-looking solutions. Clients receive tailored advice based on balance sheet analyses, which serves as a foundation for long-term dialogues with CEOs and CFOs. Under this initiative, in 2013 more than 100 pitches were made in Italy, Germany, Austria and CEE, leading to more than 20 successful mandates and closed deals.

Our *Shared Goals* process was introduced internally in 2012 to provide a 360-degree view of client needs, thereby solidifying and expanding relationships with large customers. In 2013, we fine-tuned our annual *Shared Goals* meetings to enhance cooperation within our Group and to support internal planning processes. The commitments made at these internal meetings are followed up with mid-year-reviews. By formalizing the *Shared Goals* process, we have improved accountability across our organization.

A further tool to improve our service model is the *Pitch Matrix*, which facilitates regular contact by cataloging all relevant client-related activities (e.g., pitches, visits and calls). In 2013, the matrix improved transparency and synergies within our bank, particularly between product lines and UniCredit's country-level organizations.

Regular contact with clients is key to building a trust-based, strategic relationship that generates stable and sustainable revenue. CIB's 14 senior bankers are responsible for improving our strategic dialogue with our large corporate customers' senior leadership



## eVolution – the better solution program

Through this program developed in Germany, we aim to stay in regular, direct contact with our core customers, enabling them to speak directly with our product experts and to discuss current challenges with other customers as well as external cooperation partners. Organized by our Global Transaction Banking unit, the symposium was held in November 2013 with roughly 500 corporate customers from Munich and Hamburg. The centerpiece of the event this year was a timely topic: *SEPA*, the pan-European project to harmonize payment systems. UniCredit specialists delivered presentations, while eight workshops addressed topics such as software solutions for the changeover to *SEPA* and the new secure payment instrument, the bank payment obligation, BPO. Other subjects of discussion included the potential of innovative mobile payment systems and corporate financing in foreign trade for companies and their subsidiaries. This event will also be held in 2014.

3. Refer to the 2012 Sustainability Report for more information regarding the *SMEs Business Annual Report* published in Italy and the *UnternehmerReport* published in Germany.

# Supporting Companies

teams. As experienced professionals with direct ties to the CEOs and CFOs of large corporations, our senior bankers develop the customer relationship and are accountable for overall client profitability, risk and capital consumption. In 2013 we formalized the process of holding quarterly meetings for senior bankers and CIB's senior managers to discuss current issues and share experiences and best practices. 2013 marked also the year we implemented new SME service models in our CEE territories in order to better serve local needs.

In the Czech Republic, our new freelancer service model features dedicated relationship managers and tailor-made products for freelancers. To further enhance our service, two small business hubs were established in Prague and Ostrava to centralize expertise and enhance the skills and knowledge of our relationship managers.

In Bulgaria, our updated service model now includes new customer segmentation portfolios thanks to the creation of a new category of relationship manager responsible for developing business clients. As a result, this segment saw a 6% year-on-year increase – up to roughly 69,500 customers – and a 10% year-on-year increase in the size of our total loan portfolio.

In Hungary, 10 SME centers were established in alignment with the new network structure. The new model, which is based on a detailed analysis of our SME customers' portfolios, aims to speed up service times and provide more targeted support from our experts.

Our service models successfully brought us closer to our customers in 2013; we will continue to improve standards in customer service across our network in 2014.

## Dynamic bank

We leverage technological developments to meet the evolving preferences and needs of our customers, whether they are businesses or consumers. To support the new connectivity between companies and banks, we are developing state-of-the-art products and services and offering end-to-end solutions that promote business growth.

## Improving the accessibility of our products and services through innovation

In 2013, we continued our efforts to constantly improve the functionality and performance of our online banking platforms.

*UniWeb*, our web-based electronic banking system for corporate customers in Germany and Italy, was upgraded in 2013 to support the transition to *SEPA* payment systems. New functions such as *SEPA Direct Debit*, *SEPA Credit Transfer*, and *SEDA (SEPA Electronic Database Alignment)* demonstrate our capacity to provide advanced solutions in step with the ongoing evolution of the market and customers' needs. *UniWeb* also provides several utilities to help customers migrate to *SEPA*, such as templates, standing orders, format converters and ERP (Enterprise Resource Planning) integration tools.

In Poland, the *PekaoBIZNES<sup>24</sup>* internet banking platform for corporate customers was also redesigned in 2013 to optimize its functionality to meet changing client needs. It now integrates more than 100 financial

products and functions and is the first bank-owned leasing platform in Poland. Intuitive, user-friendly navigation facilitates complex transactions. More than 15,000 corporations in Poland are now using this system.

**The new *PekaoBIZNES<sup>24</sup>*  
internet banking platform  
received the 2013  
*Quality International*  
Award in Poland**



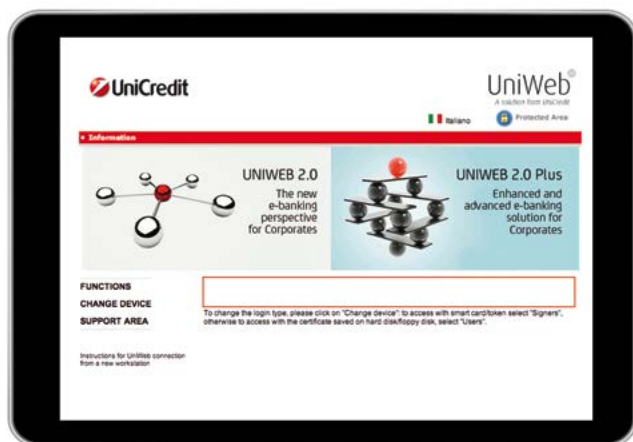
In Russia, roughly 90% of our corporate and investment banking clients use e-banking for payments, with paper-based payment instructions now serving only as a backup solution. In 2013 we were the first bank to develop and implement host-to-host solutions based on *SWIFT FileAct technology* and new *ISO 20022 XML* message standard formats for our corporate customers. These solutions are designed to support modern global transaction services and anticipate local market regulations. *ISO 20022* standards are expected to become the only local accepted standard for bank-client financial services messaging by 2016, according to the Central Bank of the Russian Federation.

We also take advantage of the new technology to develop innovative tailored solutions that increase the effectiveness of the services we offer.

In 2013, we launched *Virtual Account*, a new global service dedicated to companies that face difficulties in associating large numbers of incoming payments with single debtors or invoices. The first of its kind in Italy, this service allows companies to create and monitor individual *virtual IBAN* accounts for each debtor or invoice. Incoming flows of domestic and international payments through these virtual accounts are then credited by our bank to their ordinary customer account, and a detailed account statement report is provided. Such automated and simplified processes reduce time, effort and potential errors in our customers' administrative and treasury departments, allowing them to structure information efficiently according to their needs. At the 2014 Italian Banking Association (ABI) Lab Forum, *Virtual Account* received an award for innovation in the ABI's Innovate to Grow category.

We also offer a range of e-commerce solutions to our customers. Thanks to a special partnership, *UniCredit E-Commerce* helps Italian SMEs create and maintain their own websites and manage cash and payments at the same time. Our specialized e-commerce and digital media advisory services help merchants expand their online presence. Additionally, through *Acquiring UniCredit*, we offer a complete set of services and products to integrate merchants' collection solutions. We provide secure and innovative solutions for all sales channels, from in-store to virtual, covering various domestic and international card-payment acceptance schemes. Similar solutions have been implemented in Poland and Serbia.

We constantly strive to share best practices within our Group, thereby upholding consistent and innovative standards that support our customers' businesses.



<https://online.unicreditcorporate.it>

## Simplicity and service quality

We want to be a bank that is easy to deal with and a source of superior professional service. To this end, we strive to:

- simplify processes and procedures in order to shorten response times
- expand the professional knowledge of our relationship managers and product specialists, thus offering a distinctive service

## Reducing response time

In 2013, we implemented procedures and systems to analyze and improve credit response times across all UniCredit countries.

In Italy, for example, our *Credit Dashboard and Monitor Credit Response Time (CRT)* for UniCredit Corporate customers initiatives gave us tighter control of the ongoing credit response time reduction process. *Credit Dashboard* allows us constantly to monitor our CRT, credit proposal stock and backlog, and internal flows. This helps us support the network and headquarters in identifying critical issues impacting our decision-making processes. We clearly monitor the gap between client expectations and our performance, and work to reduce our response time vis-à-vis our competitors.

Additionally, across our territories, we have enhanced our commercial offerings and carried out numerous activities to make our bank easier to deal with and to speed up our responses to SMEs.

With *Fast Credit* in Italy, maximum loan amounts are preapproved based on customers' financial positions, while product activation and disbursement is fully automated. Documentation has been considerably simplified, and the application process is paperless, thanks to the use of electronic signature pads. Roughly 20,000 Fast Credit loans were made in 2013.

To simplify matters for our corporate customers in Poland, we have consolidated paper forms for all services with electronic forms that are user-friendly and easy to fill out<sup>4</sup>.

We also work to simplify processes and improve response times in CEE by creating more sophisticated tools and improving related procedures.

In Hungary, the new *SME Workflow Tool* supports the entire lending process. Three separate internal systems were merged into a single system that went live in December 2013, reducing loan processing times.

In Russia, Romania and Serbia, we have updated the customer relationship management system. The revamped system gives us a complete view of our clients, including data on their contact history, product information and reports. Client and sales interactions are now simpler, thanks to better operational efficiency and effectiveness in processing applications for our customers.

In Russia, the processes for originating and drafting loan contracts are now fully automated. In 2014, we plan to fully automate credit analyses and decisions to improve further on these results. We have also strengthened the teamwork among our relationship managers and product specialists and increased support for end-to-end sales processes. Additional internal training sessions support our ability to build and maintain customer relationships.

In Slovenia, 2013 saw the testing of a simplified approval procedure for small-business customers. By standardizing the small loan approval process, it is now possible to provide clients who meet a pre-established short list of criteria with an immediate decision right there in the branch. In Romania, the small business loan approval process has also been significantly simplified; in April 2013, pre-approvals were implemented for a number of steps, such as evaluation reports and legal opinions. Average response time in this segment has consequently been reduced to 1.8 days.

Finally, with *SME Micro Lending* in Bulgaria, we aimed not only to expand credit access for small and micro enterprises, but also to speed up the approval process. The procedure for granting loans can now be finalized rapidly because decision-making authority is delegated to local branches. In 2013, roughly 1,000 loans worth a total of more than €8.8 million were made.

## Offering superior professional skills and expertise

In 2013, we continued to invest in the professional development of our relationship managers, providing them with the training and industry knowledge they need to stay at the top of their field<sup>5</sup>.

In Italy and Germany, we have developed tools that help our relationship managers master the finer points of the industries they serve.

In Italy, *The Industry Monitor* provides relationship managers with a clear overview of 16 industries and 41 sub-sectors.

At the same time, our *Industry Management Knowledge Portal* enables relationship managers in Germany to stay on top of the industries they

4. Refer to the *Conserving Natural Resources* chapter for more information on our approach to optimizing paper consumption and related projects Groupwide.

5. Refer to the *Valuing our Colleagues* chapter for more information on internal training courses.



# Supporting Companies

cover. Under this initiative, industry-specific meetings and calls are held on a rolling basis to share knowledge and discuss developments and trends with internal and external experts. The platform helps relationship managers prepare for upcoming client appointments and stay up to speed on their current challenges. In 2013, we held eight industry-specific meetings and three industry-specific calls with more than 500 participants. In 2014, we plan to continue these meetings and share our expertise at several events for customers.

In all countries where UniCredit operates, we continue to upgrade our training centers and educational programs so that our employees can attend advanced technical and professional seminars and workshops.

Mixed teams of relationship managers from different CEE countries can now train at our new center in Vienna. Training programs cover technical skills in risk management and corporate and investment banking, as well as soft skills in areas such as leadership and sales. In 2013, more than 780 employees from different parts of our Group attended sessions at the center.

*CIB Academy* is an ongoing internal educational project that aims to augment product knowledge, strengthen sales skills and encourage professional development. In 2013, more than 100 employees attended 6 *CIB Academy* modules in Slovenia. In 2014, this program will be extended to the rest of the bank.

**In Slovenia, all Corporate and Investment Banking employees take courses at our *CIB Academy***



Additionally, in Romania, a number of training programs sharpen our colleagues' professional skills. In 2013, we hosted road shows of mixed teams on such topics as compliance, monitoring and commercial strategy. And at our *Business Monitoring Cycle* and *Code of Conduct* workshops, roughly 150 relationship managers met with representatives from relevant departments to discuss frequently encountered business topics, including security, fraud prevention, and operational risk avoidance. These are key aspects of our sustainability culture<sup>6</sup>.

Across our Group, our efforts to combine advanced technology, streamline processes and implement high-level training will continue in 2014.

## Support to business

Running a business is never easy. That is why we work hard to support companies throughout the key stages of the business cycle, ensuring the sustainability of their operations. To do this, we:

- help set up new businesses
- promote business growth and consolidation by facilitating credit access and developing customized solutions
- support business expansion and competitiveness

In this way, we also contribute to the competitiveness and economic development of the countries where we operate.

## Supporting startups

We support startup companies by investing in programs that make space for innovative ideas and provide professional guidance and visibility to young entrepreneurs and by offering concrete financial support through customized products and services.

In recent years, through initiatives such as *Il Talento delle Idee* (*The Talent of Ideas*) in Italy or the *Mentoring Program for New Female Entrepreneurs* developed by the HVB Women's Council in Germany, we aim to offer the right mix of professional assistance, coaching and encouragement to individuals seeking to start their own businesses<sup>7</sup>.

Through *UniCredit Start Lab*, developed in 2013 and launched in Italy at the beginning of 2014, we have taken further steps to support the development of entrepreneurship, innovation and new technologies. This new open platform is designed for highly innovative startups in a range of sectors. Selected companies can take advantage of training and mentoring programs, opportunities to meet with potential partners and investors, and tailor-made banking products and services. Suitable projects will also be eligible for co-investments of up to €250,000 by UniCredit and several other partners.

As part of *UniCredit Start Lab*, we have also launched *FinTech Accelerator*. This project seeks out and then accelerates the growth and time-to-market of financial technology startups that we believe may offer synergies for our own core business. Selected startups will also receive mentoring services, technical coaching, a coworking space in a redesigned former UniCredit branch, and additional funding.

***"We innovate to compete more effectively and to grow. The market demands it, and our customers even more so. That is why we are investing resources in the development of leading-edge solutions able to deliver new products and services".***

**UniCredit CEO Federico Ghizzoni**

While we launched this new program in Italy, we continued the *UniCredit per l'Italia* initiative that supports the real economy – including startups<sup>8</sup>. In 2013, we provided roughly 7,200 new Italian startups with approximately €415 million in medium- to long-term financing and more than €470 million in short-term financing.

**In 2013, we supported roughly 7,200 new Italian startups**



6. Refer to the *Our Approach* chapter for more information on how UniCredit fosters a strong risk culture.

7. Refer to the *Fostering Communities* chapter for more information about such initiatives.

8. Refer to the *2012 Sustainability Report* for more information on this initiative.





We have also created ad-hoc products for new entrepreneurs in their startup phase.

Through *Nuove Imprese – Start Up (New Businesses – Start Up)*, companies that have been registered with the Italian Chamber of Commerce for less than 21 months can apply for a loan of up to €100,000 with a maturity date of up to seven years. This loan partly relies on a guarantee provided by the Confidi credit associations. Qualifying customers can apply for either fixed or variable interest rates, while payments can be made in monthly, quarterly or biannual installments.

Similarly, in Romania, the new *Easy Basic Start-Up Package* provides affordable banking solutions for startup SMEs. It has been positively received by Romanian SMEs; since 2012 we have distributed more than 2,500 of these packages.

Meanwhile we also continued to invest in our *Banka – Partner i Savjetnik (The Bank – Partner and Advisor)* educational program for SMEs in Croatia that provides training and workshops for startups and craftsmen. We teach new entrepreneurs the basics, from setting up and leading a business to writing a business plan to apply for funding. The project has been launched in cooperation with development agencies, local chambers of commerce, craft organizations and universities. Since 2012, our employees have held more than 30 workshops throughout Croatia; 17 were held in 2013, with roughly 250 participants.

## Fostering the growth of companies and countries

In 2013, UniCredit rolled out a number of solutions designed to mitigate the impact of the current economic downturn and support the growth of companies in their countries, thus contributing to local economic development.

**We partnered with major European institutions** to improve access to credit, particularly for SMEs, which are the backbone of the European economy. We also sustain local economic development by offering concrete support that meets the real needs of our customers. We accomplish this by leveraging our knowledge of the unique characteristics of the territories where we operate, as well as our Group's best practices.

In Italy, two new agreements were signed with the European Investment Bank (EIB) to provide medium- and long-term financing totaling roughly €800 million to Italian SMEs to counteract the effects of the financial crisis and help kick-start the recovery.

These credit lines will be distributed as follows:

- roughly €400 million for new or ongoing investments by SMEs
- €250 million for mid-cap companies
- €100 million for environmental protection programs and renewable energy
- €30 million for co-financing research and development projects as part of the *Industria 2015* program, which was jointly developed by Confindustria and the Italian Ministry for Economic Development

We have also signed agreements with the European Investment Fund (EIF), an entity within the EIB, in order to facilitate access to credit for SMEs in Italy and Austria, among other countries.

Through *AmpiaCredito* in Italy, together with the EIF and FederAscomfidi (an Italian federation of Confidi, which are credit associations that make it possible for businesses to provide stronger loan guarantees), we have reached a new agreement to release €35 million in Confidi guarantees. This will enable us to provide €60 million in new funding for associated enterprises. Such initiatives help SMEs meet their liquidity needs on the market.

### In Austria we were the first to directly offer *Risk Sharing Instrument-backed loans*



In 2013, our guarantee agreement in Austria with the EIF to support lending to SMEs under the *Risk Sharing Instrument (RSI)* program, a joint initiative of the EIF and the European Commission, was extended to 2015 and increased from €120 million to €160 million. SMEs benefit in two ways from this agreement. First, they receive additional collateral from the EIF at very low cost. Second, they benefit from more attractive terms, because we can pass on all of the guarantee-related cost advantages to our customers. Now UniCredit Bank Austria AG can offer additional loans at attractive terms to innovative companies over the next two years, giving entrepreneurs easier access to credit. In 2013, we have provided roughly €50 million in loans under this agreement.



### KMU-Info-Tage (SME Info Days) in Austria

This successful series of events helps entrepreneurs access subsidized loans. These events are organized with local partners such as chambers of commerce and guarantee agencies in all of Austria's major regional capitals. In 2013, roughly 450 customers and 240 non-customers attended our *SME Info Days*. Largely thanks to these informational events, UniCredit Bank Austria AG was able to provide more than €77 million in subsidized loans in 2013, a 17% increase over 2012, despite market headwinds.

# Supporting Companies

A similar promotional lending program exists in Germany. Supported by government-subsidized lenders like KfW, a German development bank, or the EIB, this offer primarily helps SMEs make new investments or secure financing through low, fixed-rate long-term loans and risk-sharing arrangements if collateral cannot be provided. These instruments are designed to foster startups, corporate growth, innovation and energy efficiency, among other activities. In 2013, more than 4,000 new promotional loans were made. The total volume of loans made under this program amounted to €6.4 billion as of December 2013.

In CEE, UniCredit is a **leader in the EU funds business**. For example, in Romania we are among the leading banks that offer specific products and services to help companies access EU funding programs. These funds represent an important opportunity for local businesses, particularly in light of crisis-induced budget constraints. They present Romania with one of the best available opportunities to strengthen social and economic development, improve living standards and bridge the gap with more developed countries. Specialized products such as guarantee letters help Romanian companies meet the requirements and complete the administrative procedures needed to access EU funding programs. As of December 2013, approximately €380 million in loan facilities had been approved by our bank in this category; roughly 16% of these loan facilities were approved in 2013 alone.

In Croatia, we are actively identifying qualified business customers and informing them about their ability to access EU funds and other subsidies through the *EU Fond vodič (EU Funds Guide*

*Initiative)*, which we launched in December 2013. We have retained external experts to create an exhaustive database of opportunities for co-financing and grants available from both national and EU sources, along with the criteria that must be met. We encourage customers and non-customers alike who meet the criteria to benefit from these opportunities. Additionally in Croatia, we have a long track record of participating in incentive programs for financing small and medium-sized enterprises.

At local levels across Europe, we **cooperate with ministries and other local authorities** to provide entrepreneurs with favorable terms, usually through interest rate subsidies.

For example, through our *Local Development Project for Small Entrepreneurs* and *Micro Loans* programs, we finance investments and meet the working capital needs of local craftsmen and small and medium-sized companies. These programs resulted from cooperation between our local bank and the Croatian Ministry of Entrepreneurship and Crafts. As of December 2013, we have made roughly €70 million in loans through the two programs. Since 2000, we have made almost €500 million in loans through various incentive programs in cooperation with the Ministry of Entrepreneurship and Crafts.

We also understand that many business sectors such as tourism, construction and nonprofits, have their own dynamics and regional characteristics that often call for tailored local solutions.

## Examples of sector-specific support in Italy

Sector	Tailored solution	Description/recent developments
Tourism	Agreement with Confindustria to finance the development and renovation of Italian hotels	<ul style="list-style-type: none"> <li>• Backed by a special €300 million credit line</li> <li>• Includes sector-specific loan assessment methodology and products</li> <li>• Maturity dates of up to 22 years and payment schedules that reflect the seasonal nature of the sector</li> </ul>
Construction	<i>Ripresa Cantieri</i>	<ul style="list-style-type: none"> <li>• Helps Italian builders complete and sell residential projects</li> <li>• Offers favorable mortgages to potential buyers</li> <li>• Selected 59 projects in 13 Italian regions in 2013</li> </ul>
Non-profit	<i>Universo Non Profit (Non-Profit Universe)</i>	<ul style="list-style-type: none"> <li>• Serving non-profit groups since 2009 through a sector-specific service model with tailored financial products and services, including a special credit rating system</li> <li>• As of December 2013, serving roughly 32,700 non profits across Italy</li> <li>• More than 4,500 new non profit clients in 2013</li> <li>• Made roughly €81.9 million in new loans to non profits in 2013</li> </ul>



## FOCUS

### Helping grow infrastructure

We support companies that seek counsel and funding to develop or improve infrastructure, including social infrastructure, such as facilities for public institutions.

In Germany, our *Project Finance & Capital advisory* team was set up to support clients in infrastructure projects from the moment the project gets under way. We provide financial advisory services during the bidding phase for a project, help clients evaluate different funding routes, such as bank loans and capital market solutions, and support them in raising the funds. Furthermore, we have enhanced our ability to finance social infrastructure projects, such as schools, hospitals and government buildings. These types of projects are commonly developed by public-private partnerships in Europe. In 2013, UniCredit was the top-ranked *Mandated Lead Arranger (MLA)* for European Project Finance Loans<sup>9</sup>.

As one of the major lenders in Poland, we support key infrastructure projects, such as public transportation, water supply, waste management and athletic facilities, among others. We do so by financing municipalities or public utility companies through customized bond issues and long-term loans. SMEs that execute infrastructure projects under the tenders made by municipalities also benefit from our services. In 2013 we provided more than €600 million in public sector financing for infrastructure to Toruń, Gdansk, and Łódź, among other cities.

### Accompanying businesses as they expand and compete

**Internationalization** is vital for our customers, particularly during the current economic recovery.

Offering **products and services for business to expand beyond** national borders comes naturally to us, given UniCredit's strategic position in Europe. Our Group's core markets of Italy, Germany and Austria are home to one of the world's most important banking networks. As international trade powerhouses, these markets are traditionally friendly to international businesses and are attractive locations for investments.

Thanks to our distinctly European footprint, we are able to meet many of our customers' international business needs, no matter how complex. Few financial institutions in Europe are able to match the full range of coverage we provide. Our Corporate & Investment Banking is a leader in CEE, with more than 19,000 international clients operating in the region. These clients are fully supported by the *UniCredit International Centers network*.

We support international business through specialized service models. For example, *UniCredit International*, which was launched in 2012, provides a portfolio of products and services for Italian enterprises that seek to carry out business and trade abroad. Since its launch, more than 12,000 companies have either started or increased their international activities through *UniCredit International*.

CEE CIB international clients: more than 19,000 international clients operating in CEE are supported by the *UniCredit International Centers network*



9. Source: Dealogic Project Finance Review, 1H 2013 Final Results, July 2013.

# Supporting Companies



## UniCredit International

In 2013, the UniCredit International service model spearheaded our efforts to support the internationalization of Italian businesses. This service is based on four pillars: market knowledge, partner identification, products and services catering to international business and specialized consultancy<sup>10</sup>.

### Achievements in 2013:



#### Market knowledge

- Connected our customers with potential international markets and increased their export competitiveness through events such as *East Gate* and *Destination China*. *Destination China* events were held in Florence, Rome and Naples, with a focus on the food and beverage, fashion and luxury, and tourism sectors. More than 400 entrepreneurs participated. Post-event surveys revealed average satisfaction rates of 3.8 on a scale from 1 (worst) to 5 (best)
- More than 400 companies attended our 5 editions of *Export Business School* in 2013, a six day training program to help companies plan their international strategies



#### Partner identification

- Tallied more than 150,000 users' visits on the *UniCredit International* website ([www.unicreditinternational.eu](http://www.unicreditinternational.eu)), a dedicated, user-friendly web platform providing guidance and tools for directly exploring potential export opportunities online
- Organized 13 new business-to-business events between Italian firms and potential overseas buyers. Roughly 200 buyers and more than 800 companies attended from specific "Made in Italy" sectors, such as food and beverage, footwear and accessories, and furniture and home textiles



#### Products and services catering to international business

- Supported more than 12,000 SMEs in their export activities with the complete range of dedicated products and services we launched in 2012 for international business. These included *Imprendo PMI Europa* and *Imprendo PMI International*, as well as financing products with guarantees from *SACE Group* and credit lines for specific investment projects abroad
- Strengthened our collaboration with *SACE*, a provider of export credit services, through a new agreement to support the competitiveness of Italian companies, and particularly SMEs, abroad. The agreement provides three different credit lines, totaling €650 million, dedicated to short-, medium- and long-term loans made by UniCredit, with *SACE* guarantees that improve SME access to credit, support SME development projects, and boost SME competitiveness in international tenders and contracts



#### Specialized consultancy in Italy and abroad

- More than 200 UniCredit International specialists are available at 50 international centers across Italy
- The international desks at our 22 local banks and additional branches and representative offices ensure our direct presence in 50 countries

<sup>10</sup>. Refer to the 2012 Sustainability Report for more information on UniCredit International's pillars.



We also implemented **specialized solutions** that provide our customers opportunities to develop their own businesses **in order to compete** both locally and internationally.

In Italy, the *Forward Stars* program supports the growth and competitiveness of our corporate customers. After analyzing a firm's industry, shareholder base, management quality, track record and internationalization, among other variables, we invite selected companies to join the program. Participants benefit from a tailored service model that includes advisory services and technical skills training (e.g., accounting & control, capital structure advisory, commodity and FX hedging, IPO simulations). We also facilitate their access to capital markets and institutional investors, to help them diversify their funding sources. In 2013, the program's inaugural year, six companies joined its roster.

Supply Chain Finance solutions provide support for the up to 85% of world trade that is handled on open-account payment terms. They help ease the burdens imposed by late payments from buyers, improve balance sheet ratios, reduce payment risks, and increase companies' competitiveness as well as their ability to access new markets.

That is why, at UniCredit, we offer a comprehensive suite of global trade management services and solutions. For example, our *Supply Chain Finance* products help optimize the working capital of companies. Among these, our innovative online *Trade Purchase* tool helps customers meet their liquidity needs in a sustainable way, manage supply chain risk and improve key balance sheet ratios such as days payable outstanding or days of sales outstanding. *Trade Purchase for Suppliers* allows suppliers to sell their trade receivables and gain access to additional liquidity without drawing on their credit lines. On their balance sheets, they can also convert accounts receivable into cash. *Trade Purchase for Buyers* allows buyers to extend their payment terms to reduce their working capital requirements. At the same time, this opens up new liquidity opportunities for their suppliers, thus strengthening the buyer-supplier relationship.

## FOCUS

### Premio Ok Italia

In Italy, our *Premio Ok Italia* initiative has been in place for many years. The program offers visibility to strong entrepreneurs, facilitating their development and access to credit. Each year, it focuses on a specific theme. In 2013, the theme was generational change and business continuity. Generational handover at family-owned companies is a salient topic in Italy, where it is estimated that roughly 80% of all enterprises are family-owned. In 2013, we highlighted handover success stories at seven SMEs<sup>11</sup>.

11. Refer to our website ([www.unicredit.it](http://www.unicredit.it)) for more information on this initiative.



# Respond

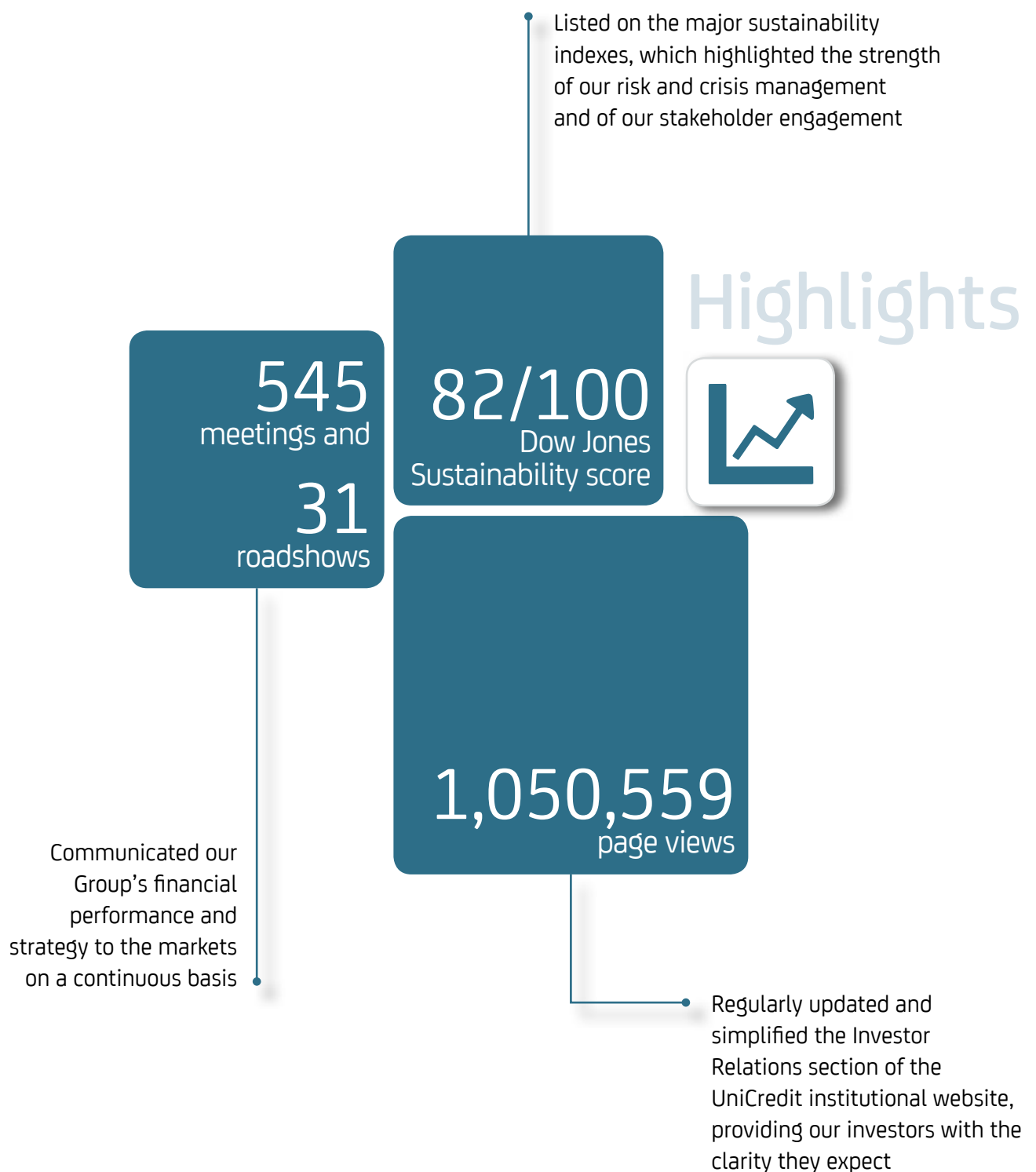
Providing answers quickly and accurately.

Responding to institutional investors, financial analysts, rating agencies and retail investors quickly, transparently and with close attention to detail is a necessity. The financial markets are always active and require constant, timely updates on our financial performance and strategy.

That is why UniCredit has a team of specialists who are dedicated to engaging with these stakeholders and who have, in recent years, developed **a range of useful ways to interact** with them, including remote meetings. These methods leverage new technology to facilitate the exchange of information and also reduce our reliance on air travel as a sign of our respect for the environment.

UniCredit





## Clear approach to markets

UniCredit has both an Investor Relations (IR) department, which maintains close communications with institutions that invest in UniCredit shares and debt instruments, and a Shareholder Relations department, which serves our retail investors. This arrangement customizes our shareholder services while emphasizing transparency, as outlined in the UniCredit Code of Conduct.

The IR team had a staff of 13 people as of December 2013. Its central objective is the communication of our Group's financial performance and market strategy. The team monitors shareholders' needs and quickly provides clear responses via multiple communication channels.

In 2013, IR continued to improve its transparency, accuracy and material while creating opportunities to engage with stakeholders, who included:

- institutional investors (buy-side, equity & debt)
- sell-side analysts
- rating agencies (Fitch, Moody's and Standard & Poor's)

### IR Meetings in 2013

Participants	
Rating agencies	53
Buy-side	453
Sell-side	39
<b>Total</b>	<b>545</b>

### IR Engagement Activities

Our shareholder engagement includes roadshows as well as meetings and conference calls. Other major initiatives include the Annual General Meeting (AGM) and the Investors section of our Group's website.

## Specific issues identified

- New developments relating to asset quality trends
- In Italy, cost-efficiency measures and prospects for long-term profitability in the post-crisis environment

### Activity

- Shareholder identification
- One-on-one and group meetings with analysts and institutions
- Presentation of results to analysts and the investor community, and the release of additional information
- Annual General Meeting

### Targeted responses

- Shareholder identification is a key activity in improving IR communications
- Among other initiatives, the IR team conducted a number of relevant meetings in 2013 with investors, analysts and rating agencies
- Financial presentations to the market via live audio webcasts and conference calls. Content included divisional figures on:
  - asset quality of our Italian portfolio
  - our 2015 cost targets and long-term return on tangible equity (ROTE)
- Engagement with major UniCredit investors regarding the voting process

In the course of the year, IR conducted 453 meetings with institutional investors (up from 413 in 2012), 78 of which were either video or conference calls.

IR's activities included 31 roadshows (up from 28 in 2012), with a dedicated team tailoring eight roadshows to fixed-income investors. The use of remote channels included a video roadshow with US investors and a set of global two-day conference calls with investors.

The IR team is committed to providing a timely, continuous stream of information in response to external inquiries. In 2013, this entailed making improvements in transparency to our corporate website's Investors section to:

- give investors and analysts more user-friendly access to financial data, with the number of sub-sections streamlined from 16 to 12
- provide more financial data through new content such as the divisional reporting ad-hoc chart, which provides quarterly updates of our Group's divisional results

Once again, in 2013 the KWD Webranking<sup>1</sup> Awards named UniCredit's institutional website as the best among Italian banks. Our Investor Relations section generated 1,050,559 page views and received 174,844 unique visitors.

### Rating Agencies' Assessments (as of March 31, 2014)

	Fitch Ratings	Moody's	Standard & Poor's
Short-term debt	F2	P-2	A-2
Medium-/long-term debt	BBB+	Baa2	BBB
Outlook	Negative	Stable	Negative
Standalone rating	bbb+	D+	bbb

1. KWD Webranking is Europe's leading survey of corporate websites that is based on stakeholder demands. For more information visit [www.kw-digital.com](http://www.kw-digital.com)



## Share information

	2013	2012
<b>Share price (€)</b>		
- maximum	5.630	4.478
- minimum	3.238	2.286
- average	4.399	3.292
- end of period	5.380	3.706
<b>Number of outstanding shares (mln)</b>		
- at period end <sup>A</sup>	5,792	5,789
- shares cum dividend	5,695	5,693
- of which: saving shares	2.42	2.42
- average <sup>A</sup>	5,791	5,473
<b>Dividend</b>		
- total dividends (€ million)	<sup>B</sup>	512
- dividend per ordinary share	<sup>B</sup>	0.090
- dividend per savings share	<sup>B</sup>	0.090

A. The number of shares is net of Treasury shares and included 96.76 million of shares held under a contract of usufruct.

B. For the proposals to the Shareholders' Meeting on the distribution to shareholders please refer to the specific Board of Directors' reports in relation.

## Major Shareholders<sup>A</sup> (as of March 31, 2014)

Major Shareholders	% of Ordinary Capital
BlackRock Inc.	5.238
Aabar Luxembourg S.a.r.l.	5.081
PGFF Luxembourg S.a.r.l.	5.002
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	3.527
Delfin S.a.r.l.	2.996
Central Bank of Libya Group	2.907
Capital Research and Management Company <sup>B</sup>	2.727
Fondazione Cassa di Risparmio di Torino <sup>C</sup>	2.503
Carimonte Holding S.p.A.	2.263
Allianz Group	2.182

A. Some institutional investors can take advantage of the option not to communicate the overall shareholding if below 5%.

B. Right of vote for discretionary asset management.

C. Which is lender for 21,152,127 ordinary shares, equal to 0.365% of ordinary capital.

## FOCUS

### Sustainability performance

In 2013, UniCredit continued to be listed in the major stock market indexes analyzing the sustainability of companies, including the Dow Jones Sustainability World and Europe indexes (in which our overall score of 82/100 was in line with the previous year's 83/100), the FTSE4Good Index series and the Ethibel Sustainability Indexes.

The DJSI specifically highlighted the following as being among UniCredit's strengths: *risk and crisis management*, described as being vital to long-term financial planning and organizational flexibility; *stakeholder engagement*, valuable in minimizing reputational risks and building respectability and credibility; and *labor practice indicators and human*

*rights*, which are significant because employees represent a major asset at any company.

Our sustainability performance was also assessed by rating agencies that measure the environmental, social and governance (ESG) practices of companies, such as Sustainalytics, Oekom Research and Standard Ethics.

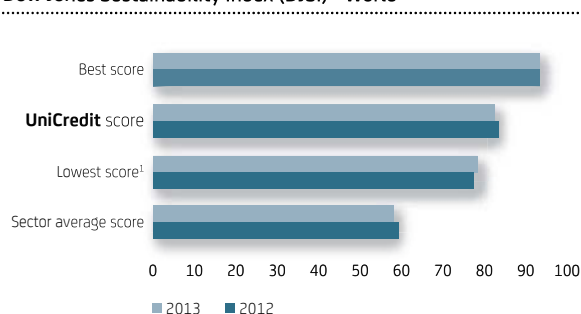
In light of the growing interest among asset owners and investment managers in ESG investments, inquiries from those interested in information beyond our bank's financials receive prompt responses.

In 2013, roughly 20 institutional investors and financial analysts contacted UniCredit for information about our environmental, social and governance achievements. Our Corporate Law department launched, in particular, a structured engagement with foreign institutional investors (representing approximately 12.5% of total capital) specifically interested in corporate governance. This provided us with a better understanding of their views on the issue and enabled a dialogue on such topics as the role of statutory auditors, voting by slates, and other features of Italian corporate governance.

Additionally, colleagues from HR participated in 18 meetings (half of them via conference call) addressing executive compensation – another topic of interest to investors.

In order to make information on our ESG performance more readily available to investors, we created an internal on line dashboard that incorporates relevant non-financial indicators. Many of these indicators will be updated quarterly.

### Dow Jones Sustainability Index (DJSI) - World



1. Lowest scoring company within the top 10% best performing companies in the industry in terms of sustainability

# Understand

The importance of our communities' well-being.

Helping people better understand financial issues not only improves their lives but strengthens the economic prosperity of their communities. Since 2009, at UniCredit we have promoted **financial education programs**, with a special focus on innovative uses of technology. In Austria, for instance, we have provided over **16,250 hours** of financial literacy training at more than **500 workshops** attended by over **10,000 students and teachers**.

UniCredit Bank Austria AG - AUSTRIA





# Fostering Communities



Engaged colleagues  
in our community initiatives

**>180,000**  
hours dedicated  
to communities

Offered training to improve financial  
literacy among citizens

**~129,600**  
hours of financial  
education

## Highlights



**>733,000**  
participants to main  
culture and sports  
initiatives supported

Promoted inclusion  
through the  
universal languages  
of culture and sport

**~€49.6  
million**  
contributions to  
communities

Provided support to  
communities to foster financial  
and social inclusion

# Fostering Communities

We are living in an era of profound economic and social change. Private citizens, the business community, governments and civil society must join forces to meet new challenges and seize new opportunities. The depletion of natural resources, rising unemployment – particularly among youth – and massive demographic shifts that include ageing populations and increased migration, should not just be thought of as problems. We must also view them as a collective call to action.

Today more than ever before, an understanding of individual and collective needs is prerequisite to enhancing the well-being of our communities.

At UniCredit, proximity means understanding the needs of the territories we serve. This understanding allows us to carry out traditional banking activities effectively and to implement corporate citizenship and philanthropic initiatives that support financial and social inclusion, by cooperating with institutions and organizations at both the local and international levels.

MATERIAL NEED	OUR APPROACH
Community proximity	<ul style="list-style-type: none"> <li>Increasing financial inclusion by helping citizens become better-informed thus facilitating their participation in the global financial system</li> </ul>
	<ul style="list-style-type: none"> <li>Fostering talent and innovation in all its forms and applications</li> </ul>
	<ul style="list-style-type: none"> <li>Promoting the universal language and values of culture and sports</li> </ul>
	<ul style="list-style-type: none"> <li>Stimulating teamwork by engaging colleagues, customers and communities for social inclusion and emergency response initiatives</li> </ul>

We are a major financial institution with operations in 17 countries across Europe. While the diverse traditions, values and identities of those countries make our Group stronger, they also require our full commitment and ongoing attention to their different priorities and needs. We leverage typical banking expertise and resources in support of their development and growth by:

- promoting Group initiatives, creating synergies among our local banks, institutions and organizations, particularly in the nonprofit sector
  - encouraging a culture of individual commitment and a spirit of collaboration among our stakeholders
- and our overriding objective is to provide concrete solutions in response to real needs by teaming up with colleagues, customers and communities.

We are aware that a lack of resources can seriously limit efforts to support local communities. That is why we believe efficiency and transparency are essential to all community development initiatives.

In 2011, we adopted the *London Benchmarking Group (LBG)* model to measure our overall contribution to the community, taking account of cash, time and in-kind contributions, as well as management costs. To date, the model covers roughly 86% of our contributions Groupwide<sup>2</sup>. We are currently working to apply this model progressively across our countries.

In 2013, we distributed roughly €49.6 million in contributions to communities, confirming our commitment to provide concrete support in the places where we work. With a decrease of roughly 12% compared to 2012, our efforts were rationalized and focused to be more efficient, maximizing our best competencies and relationships. Among our contributions, we enacted initiatives that enabled us to employ our banking skills and resources (e.g., financial education offerings). Thanks to our strong local presence and reputation, we were able to more effectively attract resources from third parties

## FOCUS

### Dialogue and listening to territories

In 2013, following our reorganization in Italy, UniCredit launched a range of initiatives to ensure closer links with our territories and to strengthen our dialogue with stakeholders. Among these initiatives, we renewed our *Advisory Board Italy and Territorial Boards*. Appointed by the UniCredit Board of Directors, these boards are composed of entrepreneurs, trade association representatives, representatives of other organizations, volunteers, opinion leaders and prominent cultural figures, expressing the many different voices of Italy's territories.

The *Advisory Board Italy* provides timely analysis and monitoring of the macroeconomic scenario so that our management can make optimal decisions on UniCredit's strategy to serve as a business partner to Italy. The *Advisory Board Italy*, chaired by our Country Chairman Italy and composed of 19 members, represents a key conduit for stakeholder-listening activities and operates in synergy with the *Territorial Boards*.

The seven *Territorial Boards* each consist of 15 members. They serve as advisory bodies and think tanks that enable us to develop innovative forums for dialogue and participation, such as the *Forum dei Territori (Territorial Forums)* and *Forum delle Economie (Forums for Economics)*. The forums provide platforms to discuss the characteristics of local markets and development opportunities with experts and representatives from a variety of local and national business sectors. In 2013, 25 forums were held. Over 1,200 people participated in important debates on issues related to Italy's recovery and competitiveness, such as innovation and internationalization.

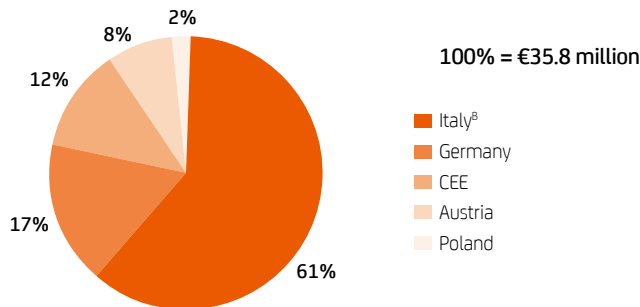
1. 2013 data are based on internal cost management data sources. Total contributions include cash contributions Groupwide, in addition to the value of employees' time, in-kind resources and management costs referring to Italy, Germany and Austria only. Aside from contributions tracked using the LBG model, total contributions to communities include an additional roughly €1.6 million for business initiatives that foster economic development in our territories and for the support of local professional sports.

2. Data refers to cash contributions only.



such colleagues and customers through volunteering and fundraising campaigns, among others. In general, we effectively distributed available monetary resources as well as non-monetary ones, including time and in-kind contributions.

Percentage of Group community contributions by geography, 2013<sup>A</sup>



A. Data refers to cash contributions only. CEE includes UniCredit's six divisionalized countries - Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia - in addition to Bosnia and Herzegovina, Serbia, Slovakia, Slovenia, Turkey and Ukraine.

B. Includes also UniCredit Foundation and UniCredit & Universities Foscato Foundation.

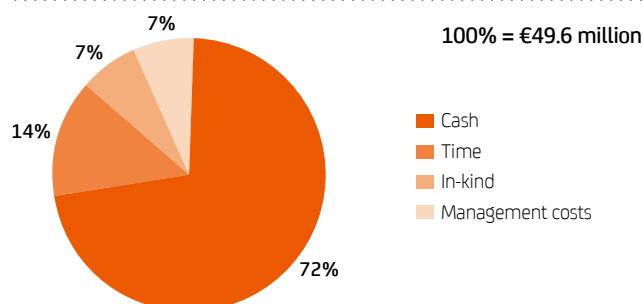
We want to contribute to communities in diverse ways. In 2013 the majority of our contributions were made in cash, amounting to €35.8 million, or 72% of our Group's total contributions. An additional €13.8 million was contributed in time, in-kind contributions and management costs associated with our community initiatives.

**Roughly €49.6 million  
to communities**



The engagement of our colleagues increases the quality and value of our efforts. UniCredit's people play an active role in developing our initiatives and are provided with many opportunities to put their diverse skills and experiences to work for our local partner organizations and enrich our relations with communities. In 2013, our colleagues donated over 180,000 working hours – or more than 22,500 working days – in support of various community initiatives, while our Group also provided roughly €3.1 million in in-kind contributions.

Percentage of Group community contributions by type, 2013<sup>A</sup>



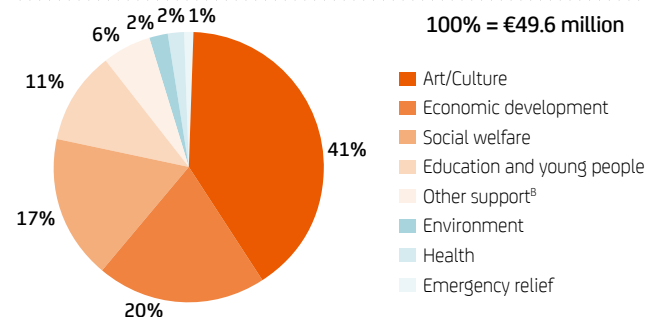
A. Includes Group cash contributions and - for Italy, Germany and Austria only - time, in-kind resources and management costs.

In 2013, we continued to favor long-term initiatives and partnerships. We contributed:

- 76% to “community investments”, in long-term strategic initiatives and partnerships (e.g., art and culture)
- 20% to “charitable gifts”, addressing specific needs and appeals (e.g., emergency relief)
- 4% to “commercial initiatives”, supporting social causes while promoting our brand and business (e.g., charitable initiatives linked to ethical credit cards)

Nearly 51% of UniCredit contributions supported initiatives for economic development, social welfare, education and young people, health and emergency relief.

Percentage of Group community contributions by focus, 2013<sup>A</sup>



A. Includes Group cash contributions and - for Italy, Germany and Austria only - time, in-kind resources and management costs. Management costs are attributed proportionally based on contributions by focus.

B. “Other” refers primarily to local athletic initiatives and does not include main professional ones.

In addition to UniCredit's direct contributions, we also helped attract additional resources from third parties (leverage), for instance, by engaging our colleagues, customers and communities in fundraising campaigns. These efforts generated approximately €5 million (over €4 million in cash and the equivalent of over roughly 85,500 hours of volunteer work), rising by 9% compared to 2012.

## Financial inclusion

According to recent statistics<sup>3</sup>, 20% of the European Union's working-age population has low literacy and mathematical skills, while 25% lacks the ability to use new technologies effectively. These percentages are notably worse among the unemployed. These statistics have highlighted the importance of lifelong learning programs to provide people with the knowledge and skills they need to succeed. The social and economic benefits of an educated population are widely acknowledged.

## Building basic skills

Today, the magnitude and socioeconomic impacts of migration have focused attention on the need for new measures to foster the inclusion of immigrants. Basic linguistic and financial skills are vital to facilitating their integration.

3. Source: OECD, Programme for the International Assessment of Adult Competencies, 2011/2012 data. The survey assessed a sample population of 5,000 adults aged 16 to 65 years in 17 EU countries.

# Fostering Communities

This need is especially visible in Italy, which has roughly 4.4 million new immigrants, representing 7.4% of its population<sup>4</sup>.

Through *Agenzia Tu*<sup>5</sup>, we have for many years offered customized banking products and services to immigrants in Italy, along with the financial education courses of our national *In-formati* program. We also provide, among others, courses that focus on language skills and other basics.

In 2013, we launched *La settimana dell'italiano in Agenzia Tu* (*Italian Language Week at Agenzia Tu*), and, in collaboration with the Territorial Center of Modena and Province (CTP), we gave immigrants an opportunity to take the mandatory Italian proficiency exam, which they must pass to receive a long-term residence permit. At the end of *Italian Language Week*, the program's sample test was also made available online. In total, 964 tests were taken.

## Improving financial literacy

We support efforts to teach responsible financial habits because they are fundamental to stimulating real cultural change and community development.

Since 2009, we have carried out a number of financial education programs to promote the development of basic knowledge and skills in Italy, Germany and Austria, with additional pilot programs in CEE. These programs address a range of topics (e.g., general financial concepts, personal financial planning, savings and investments, banking products and tools), with a special focus on innovative digital solutions.

At UniCredit, our approach to financial literacy is based on listening to stakeholders' needs. Our programs address different demographic groups, such as the young, the elderly, families and immigrants, as well as cultural mediators, nonprofit organizations and SMEs. We develop customized programs that involve experts, institutions and organizations at both the local and international

levels. Our training modules are multi-disciplinary and scalable over time. They make use of various channels (e.g., classrooms and web courses) and tools to improve the learning experience.

Volunteer colleagues serve as educators, contributing their time and their banking expertise to help meet people's need for information. These volunteers attend special training programs and adhere to a code of conduct based on fairness and transparency to ensure that product information is not provided with the intent to increase sales.

The results of these programs are measured in terms of financial literacy improvements and participant evaluations.

**Financial education: in 2013 roughly 129,600 training hours to over 46,800 people in 1,816 workshops**



Also in 2013, **financial education workshops** have been part of our corporate citizenship approach. In Italy, we have extended the *In-formati* financial education program, launched in 2011 targeting young people, the elderly, nonprofits and SMEs. In 2013, increasing the number of participants to more than 35,000 over the whole year, with 98% of these being non-customers. Through this program, we provided more than 111,300 hours of education. A group of 376 colleagues volunteered 5,750 hours of their personal time to lead 1,258 classes.

Once again, *In-formati* achieved dramatic results:

- the UniCredit Financial Literacy Index, which measures the level of understanding before and after courses, increased by an average 20%, particularly with regard to key issues such as consumer credit (e.g., credit cards, personal loans and mortgages)
- participants expressed an average satisfaction score of 3.1, on a scale of 1 to 4

### The *In-formati* program in Italy: main focus in 2013

Focus	Target	Initiatives and results
<b>New entrepreneurship</b>	High schools and universities students	More than 800 young students received over 3,000 hours of training over the course of the 20 workshops that comprised the test phase of the <i>Da una buona idea a una buona impresa</i> ( <i>From a good idea to a good enterprise</i> ) training module. This program was conceived to promote new entrepreneurial insight vision among young people and provide them an overview of the main tools they need analyze markets, develop and present their business ideas and access funding to create new enterprises.
<b>Digitalization</b>	Senior citizens	The two editions of <i>Il mese della digitalizzazione per i senior</i> ( <i>Digitalization Month for Seniors</i> ) we engaged more than 1,900 people in 60 cities. This program's classes demonstrated how new banking services could offer clients greater autonomy and facilitate closer banking relationships.
<b>Inclusion and integration</b>	Hearing impaired and foreign citizens	We delivered 320 hours of instruction in sign language in 4 sessions attended by 160 hearing-impaired people. Our hearing-impaired trainers also participated in our <i>Se mi guardi ti sento</i> ( <i>Look at me and I'll hear you</i> ) <sup>6</sup> project, and were trained to better manage classroom interactions with participants.  Moreover the 17 sessions for 579 foreign citizens provided more than 1,500 hours of training.
<b>Internationalization</b>	Small and medium-sized enterprises	By offering roughly 6,000 hours of instruction to approximately 1,400 participants through our <i>UniCredit International</i> <sup>7</sup> platform we supported processes of internazionalization that are vital for the development of companies and territories.

4. Source: National Institute of Statistics of Italy (ISTAT), as of January 1, 2013.

5. Refer to the *Serving Individuals and Families* chapter for more information.

6. Refer to the *Valuing our Colleagues* chapter for more information.

7. Refer to the *Supporting Companies* chapter for more information.



## FOCUS

### *Economia... Ti diamo noi una lezione!*

Since school year 2012/2013 UniCredit supports an award competition held by the Permanent Observatory for Young Editors entitled *Economia... Ti diamo noi una lezione! (Economics... We'll give you a lesson!)*. The program is part of the *Il Quotidiano in Classe (Newspaper in the Classroom)* initiative for high school students and is intended to foster interest in current topics in economics among young people, representing an important way to promote financial literacy of citizens. Each year, participating students analyze one of five topics related to the present situation in Italian and European economics. They then design and develop lessons about their chosen topics using formats that appeal to younger children, such as fliers, videos and comics. A jury selects a winner for each topic, and they receive their awards in a public ceremony – at which UniCredit provides them with a year's subscription to a financial newspaper. Since 2012, 5,818 classrooms and over 151,200 students participated in the contests.

We are committed to support the contest for three academic years, until 2015.

In Germany, 28 UniCredit Bank AG colleagues held 55 branch-based workshops for 979 participants, who received almost 1,960 hours of instruction. During the year, new sessions for people with disabilities, particularly deaf people, were organized with the support of colleagues with sign-language skills. In 2014, we will train another 100 colleagues to lead such workshops. Our goal is to attract 1,500 participants to the 100 workshops we have planned.

In Austria, we continued to partner with the Austrian National Museum of Social and Economic Affairs, which offers classroom workshops for students aged 14 to 19 and their teachers. In 2013, we delivered over 16,250 hours of education through 503 classroom workshops to 10,835 students and roughly 500 teachers supported by some UniCredit Bank Austria AG colleagues. In their questionnaire responses, teachers gave high ratings to the content, quality and impact of the workshops: Among pupils who responded to assessment questionnaires, 67% evaluated the training as "good" to "very good" and 73% declared they received benefit from training. The program will be repeated in 2014, and 400 new workshops will be organized.

In line with our financial education idea and **multichannel approach**<sup>8</sup>, we also employed new technologies and complemented our traditional classroom sessions by providing financial education programs on our dedicated web platforms.

In Germany, the *EURO.DE* portal was upgraded, receiving new content and new functionality. Most notably, it now includes a family budget planning widget, a currency converter, an interactive map that charts key financial concepts, and several animated videos on topics such as investing and retirement planning. In 2013, *EURO.DE* registered about 9,800<sup>9</sup> unique visitors.

In 2014, we will work to make it more user-friendly and we will add content for young people working in their first jobs by using social media to provide financial education and information.

In Austria, following the positive reception of the *Managing My Money* section of the UniCredit Bank Austria AG website, we launched a new portal called *Finanz-bildung (Financial Education)*. In 2014, we will add new content and tools and improve the site's interactivity via social media, among other channels.

In Romania, UniCredit Țiriac Bank SA and five other local banks joined forces with Visa Europe to develop *BaniIQ (MoneyIQ)*, a national financial literacy program, which also receives support from the Romanian Ministry of Education, Research, Youth and Sports, the United Nations Development Programme and Romania's National Authority for Consumer Protection. The program, begun as a pilot project in 2012 in 102 cities, was expanded in 2013 to 152 cities. The training sessions, held at local high schools and universities, include advice from professionals in finance and banking. The *BaniIQ* program also offers an interactive e-learning web platform featuring free interactive courses have been accessed by more than 48,000 unique viewers, including over 22,000 in 2013 alone. Since 2012 the *BaniIQ* program provided instruction to approximately 167,000 people through its workshops and online courses.

In 2014, we will work to further shape our financial education programs to meet our stakeholders' needs. We believe this is the best way to support individual development and increase people's knowledge and independence.

## Talent and innovation

We support the transformation of winning ideas into successful economic activities. For this reason, we foster the development of the talent and skills of individuals, offering them opportunities to develop new types of entrepreneurship in diverse fields, while keeping an eye on social inclusion.

### Encouraging new ideas

Innovative thinking stimulate winning ideas that open up opportunities for economic recovery and, today more than ever, also to respond to emerging social issues. With this in mind we foster **creativity** and **entrepreneurship**, particularly when it comes to turning good business plans into tangible for-profit or nonprofit activities. For this reason, we support several initiatives that solicit proposals, and we hold a number of competitions for new ideas, today among which are very frequently promoted also at international level.

8. Refer to the *Serving Individuals and Families* chapter for more information.

9. This data cannot be compared directly to the figures from the 2012 Sustainability Report, which referred instead to total annual visits to the website.



# Fostering Communities

In Italy in 2013, we leveraged our experience from the successful *Il Talento delle Idee*<sup>10</sup> contest. Launched in 2010, this initiative allowed us to provide support to an overall 39 new entrepreneurs. Selected with the help of innovation experts, members of UniCredit's *Territorial Boards* and Confindustria representatives, these new entrepreneurs received targeted financial and organizational support and other benefits, such as:

- the *Startup Academy*, which offers an advanced managerial training curriculum plus industry-specific workshops and orientation meetings to help new business ventures start off on a sound footing
- a personal Relationship Manager and a mentor from among UniCredit's partners
- meetings with potential investors, partners and customers

In the spirit of the *Il Talento delle Idee* contest, in 2013 we created the new *Il Talento delle Idee Special Award* for promising new entrepreneurs. This new award is connected with three different national competitions UniCredit partnered with:

- the *Premio Gaetano Marzotto (Gaetano Marzotto Award)* given to a number of innovative ideas: UniCredit selected seven of those projects which support in the life-science, clean-tech and "Made in Italy" sectors
- the *Premio Start Up dell'Anno (Startup of the Year Award)*, organized by PNICube, an Italian association of university incubators, awarding the developers of a biomedical software program that improves cancer diagnoses and offers support for patients during the diagnosis and therapy stages, while reducing medical costs
- the *360by360 Competition*, prizing an innovative platform for fundraising auctions that secures the participation of celebrity entertainers

In early 2014, we launched *UniCredit Start Lab* as a follow up to *Il Talento delle Idee*. This new open platform is designed for business accelerators, incubators, mentors and corporate stakeholders who wish to contribute to entrepreneurial development and promote innovation. It will support young entrepreneurs by leveraging new technologies and facilitating interaction between innovative new businesses and the corporate world<sup>11</sup>.

Promoting talent also means paying attention to gender balance, which ranks among most the important issues in the world today. That is why we foster **female entrepreneurship**.

Based on the success of the *HVB Women's Council*<sup>12</sup>, in 2013 we continued a mentoring initiative in Germany in which experienced business women provide support to a group of new female entrepreneurs for a six-month period. In 2013, a competition selected six innovative female entrepreneurs from a pool of roughly 180 applicants. To support her startup, one of the winners participated in an intensive coaching program at the German Silicon Valley Accelerator in San Francisco. In 2014, we plan to continue this initiative. Our goal for 2014 is to renew the initiative and promote female leadership by expanding this entrepreneurs network.

10. Refer to the 2012 Sustainability Report for more information.

11. Refer to the *Supporting Companies* chapter for more information.

12. Refer to the *Valuing our Colleagues* chapter and also 2012 Sustainability Report for more information.

The shortcomings of traditional welfare systems in the face of new trends such as aging populations and growing unemployment, particularly among young people, confirm the necessity of encouraging individuals to take action and identify innovative solutions.

At UniCredit, we support a range of innovation-related competitions and awards. In this way, we promote the growth of new businesses and support social welfare organizations such as **social enterprises**.

Today, the social enterprise model is particularly important because it utilizes strategies typical of the private sector, creating networks that engage public and private players in finding new ways to address social challenges.

In 2013, UniCredit Bank Austria AG and the UniCredit Foundation launched the *Social Innovation Award* and also supported the fourth edition of the *Social Award*. These awards engage citizens, institutions and organizations across Austria's nine states to develop innovative solutions to major issues such as youth vulnerability, disabilities and immigrant integration. Among the main accomplishments:

- the founding of the *Social Innovation Award*. Twelve submissions were received and the winning project was awarded a €30,000 prize and will be implemented in 2014
- more than 24,700 votes were cast for the eligible submissions at the fourth edition of the *Social Award* – a substantial increase from the previous edition. An initial fund of €90,000 was divided among the nine winning projects, which were pre-selected by a jury of experts and representatives from local organizations and elected by public voting. Additional economic support will be secured through a variety of online and offline fundraising activities

## FOCUS

### Awarding social innovation

In 2013, the European Commission launched the second edition of the *European Social Innovation Competition*. Promoted in collaboration with the UniCredit Foundation, it encourages individuals and organizations to propose innovative ways to create job opportunities and to improve working conditions for young people, the elderly, the disabled and parents in distress. Three projects chosen from the 1,254 submitted will each receive a €30,000 prize.

In Bulgaria, UniCredit Bulbank AD and the UniCredit Foundation, supported the Bulgarian Center for Not-for-Profit Law (BCNL) that promoted the third edition of a national competition that rewards the best social entrepreneurship programs in fields such as education and social services. Experts from our Group contributed to these projects' startup phases, offering training and vocational guidance. The best three project ideas selected from among the 55 applications received cumulative funding of €70,000 for startup activities. The involvement of our colleagues was proved by the high participation rate (52%) in online voting to attribute a further UniCredit Foundation award. Our collaboration with BCNL will continue until 2016.



In Croatia, Zagrebačka Banka DD launched *My Zaba Start*, a networking platform for entrepreneurs, innovation experts, startups, craftsmen and nonprofits. In 2013, we allocated roughly €157,000 to the 14 projects selected from the 420 applications received in the following categories:

- *My Community*: through a collaboration between the UniCredit Foundation and NESST and under the patronage of the Croatian Ministry of Labor and Welfare, selected the five best business plans in the field of social inclusion.
- *My Opportunity*: supported innovative startup projects involving young people in the fields of electronical and mechanical engineering, computer science and telecommunications
- *My Motif*: together with the Croatian Chamber of Commerce and Crafts, supported local manufacturing and crafts as a way of preserving local culture and traditions
- *My Green Zone*: together with the Northwest Croatia Regional Energy Agency, supported projects that promoted renewable energy and the efficient use of resources

## FOCUS

### CLOUD4CARE: innovation and research

*Cloud4CancerREsearch (CLOUD4CARE)* supports cancer research by providing secure and efficient network infrastructure and IT systems. An innovative solution that generates tangible benefits, *CLOUD4CARE* is the first cloud computing project in Italy to provide scientific researchers with access to the powerful IT infrastructure utilized by today's banks. With support from UniCredit Business Integrated Solutions<sup>13</sup>, we provided access to 34 servers to the Mario Negri Pharmacological Research Institute in Milan. The processing power of our computer systems makes it possible to increase the institute's analytical capacity, reducing processing times by up to 90%.

## Supporting the creative energy of youth

We stand up for young people and help them develop their talents and unlock their potential. One of the ways we do this at UniCredit is by offering training programs and financial support to **students**.

The UniCredit & Universities Foscolo Foundation<sup>14</sup> promotes excellence in studies and research in economics, finance, law, politics and the social sciences. By leveraging its network of partnerships with leading universities in Europe and the United States, the UniCredit & Universities Foscolo Foundation offers scholarships, fellowships and grants to the best European talent. UniCredit has contributed more than €6.5 million<sup>15</sup> to the foundation's programs since 2009. These funds have been used to provide support to 198 talented students and researchers. In 2013, 66 of them received funding from 14 competitions held in the countries where our Group operates.

The UniCredit & Universities Foscolo Foundation helps European students and researchers enroll in master's and PhD programs internationally and facilitates the return of top researchers to their home countries, thanks to such initiatives as:

- the *Masterscholarships*, which offers scholarships for master's degrees in economics or finance at some of the most prestigious universities in Europe, including the Barcelona Graduate School of Economics, Bocconi University in Milan, the London School of Economics and Political Science, the University of Mannheim, the Stockholm School of Economics, the Toulouse School of Economics and – new in 2013 – Oxford University
- the *US PhD Scholarship*, which offers scholarships to attend a PhD program in economics or finance in the United States at the University of Chicago Booth School of Business, Harvard University, the Massachusetts Institute of Technology, Princeton University or Stanford University
- the *Foscolo Europe* fellowship, which provides funding to European researchers who are working at non-European universities and wish to return and continue their research at a university in one of the countries within UniCredit's network

In 2013, the Foundation launched an important new initiative, the *UniCredit Stage-Abroad Exchange Programme*<sup>16</sup>. This program provided to selected students the chance to participate in internships at some UniCredit companies.

UniCredit attention to young people at their first work experience and the development of their skillsets is also represented by numerous other initiatives promoted by our local banks.

In Germany, we provide targeted experiential learning programs. Our *Real Life Learning Workshops* provide an opportunity to experience daily workplace situations. In 2013, 20 young people attended these workshops at the University of Cologne and the Munich UniCredit Bank AG headquarters.

13. UniCredit Business Integrated Solutions is our Group's IT services company.

14. Refer to the Foundation website [www.unicreditanduniversities.eu](http://www.unicreditanduniversities.eu) for more information.

15. UniCredit & Universities Foscolo Foundation received funds also from the Marco Fanno Association and thus the total investments in its initiatives amount at more than €6.6 million at the end of 2013.

16. Refer to the *Valuing our Colleagues* chapter for more information.

# Fostering Communities

UniCredit Bank Austria AG works with the Vienna University of Economics and Business to run the *UniCredit CEE Student Circle* initiative. Providing training and guidance to build students' interest in CEE-based careers, in 2013 the program engaged more than 900 students in lessons, workshops and other special events.

Bank Pekao SA supports the *Marian Kanton Bank Foundation* in Poland. In addition to providing 50 scholarships for economic, legal and management studies for disadvantaged young people, the foundation also offers financial support for study visits and the purchase of computer equipment and materials for local libraries.

Building a more dynamic society means contributing to the personal growth of individuals. With this in mind we support the development of talented **young artists** and their expressions. We believe that by empowering them to express their artistic visions, we are helping them realize their full potential and launch their careers, while also contributing to countries development.

In 2013, we also supported *Jugend Kulturell* rewarding talented young individuals from the worlds of entertainment and culture in Germany. This initiative features competitions and events that permit artists to perform in front of audiences of prominent figures from the media, institutions, culture and business. Since its launch in 1981, over 2,200 events have been staged for about 9,400 artists and were attended by 350,000 spectators. In the latest edition of this initiative, four artists received awards for their performances.

With the *Bank Austria Art Prize 2013*, we recognized the four most innovative submissions from among more than 300 applications. With €218,000 in prize money, the competition provided awards in the following categories: regional, international, artistic, and cultural journalism.

Along the same lines, we organized the *Bank Pekao SA Project Room* in Poland and the *UniCredit Studio Modern Art Gallery* in Bulgaria providing support to a total of 28 young artists.

## FOCUS

### Initiatives within the UniCredit Tower

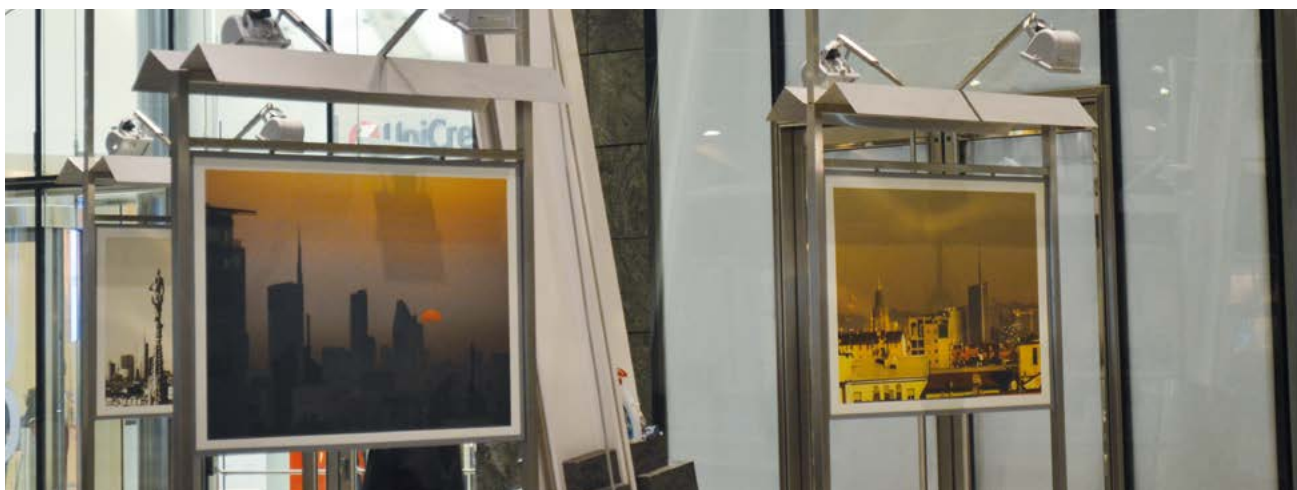
UniCredit Tower, which became our new headquarters in 2013, represents the culmination of the recently completed work in Porta Nuova, Milan's largest area of urban requalification, and a model of innovative design for the rest of Europe.

With the *PinTower* photographic contest we invited passionate photographers to document the ongoing architectural transformation of Milan. Our jury of experts in photography and communications selected 24 winning photos from the over 1,400 pictures submitted by 500 photographers. The winning images were displayed for one month in Piazza Gae Aulenti.

Over the course of 2013 – to show our UniCredit Tower to the citizens – we provided a series of guided tours and 30 colleagues volunteered to welcome approximately 10,000 visitors to the building and acted as tour guides for four special openings.

For years now UniCredit Bank Czech Republic As has been a partner in two major contemporary art fairs, *Art Prague* and *Prague Photo*. In 2013, these events recorded their largest numbers of participating artists. In connection with these events, the *UniCredit Prague Photo Award* is given each year to the best photographer under 35. Moreover UniCredit Bank Czech Republic As intermediates the so-called *Art Banking* service offering professional advisory to private clients for investments in art and in particular in young artists, giving them the opportunity to realize their talent and potential.

In 2013, we supported more than 1,000 talented young people through these initiatives. We acknowledged their potential by providing funding through competitions and prizes, as well as by offering important opportunities to increase their visibility at major cultural events.



*PinTower: The City Grows* exhibition – Photo by Salvatore De Cristofaro.



## Culture and sports

We have a long tradition of supporting culture and sports at UniCredit. We believe that business, culture and sport can together promote social cohesion by facilitating an exchange of perspectives and the development of relationships in a more inclusive society.

## Sharing the value of music and art

We have always worked to make our cultural initiatives accessible to a large and diverse audience, and to foster young artists and their ideas. We do so by supporting the universal languages of **classical music** and **contemporary art** through a network of partnerships with major cultural institutions, which we provide with financial and organizational support.

### 2013 main cultural initiatives supported

Focus	Country	Initiatives and results
Music	Italy	<p>Through our enduring partnership with the Filarmonica della Scala, since 2000 UniCredit has supported the orchestra's regular concert season, national and international tours, and special projects. Nearly 20,000 people attended 10 concerts during the 2013 season at the Teatro alla Scala. In addition, in the course of its national and international tours, the orchestra held 10 concerts for a combined audience of roughly 15,000 people.</p> <p>We have also continued to run a range of popular initiatives together with the Filarmonica, including:</p> <ul style="list-style-type: none"> <li>• <i>Filarmonica della Scala Meets the City (La Filarmonica della Scala incontra la Città)</i>: held in cooperation with the UniCredit Foundation, this series of open rehearsals at the Teatro alla Scala in Milan was attended by roughly 9,600 people. Proceeds from the series went to four local nonprofit organizations that provide support to the poor</li> <li>• <i>Music Emotion</i>: new in 2013, this initiative featured live broadcasts of four of the orchestra's concerts in 70 movie theaters across Italy and abroad</li> <li>• <i>Sound, Music!</i>: this educational program introduces children to the classical music experience. Since its inception in 2010, roughly 3,000 children from Milan's schools have participated in the program, including 1,000 in 2013 alone</li> </ul> <p>In June 2013, we also supported a spectacular free concert in Milan's Piazza del Duomo that was attended by more than 50,000 people.</p>
		<p>In 2013, we also maintained our longstanding collaboration with the Arena di Verona Foundation for the <i>Festival Lirico</i>. For the 100th anniversary of the arena's prestigious opera festival and the 20th anniversary of its partnership with UniCredit, 58 performances were staged for over 480,000 attendees from around the world. In addition, the nine <i>Invito all'Opera</i> events we organized hosted roughly 3,000 guests.</p>
	Germany	<p>UniCredit Bank AG supports some of Germany's most prestigious music festivals. For example, <i>UniCredit Festival Night</i> is held every summer in Munich. In 2013, roughly 15,000 people attended a full schedule of concerts and lectures involving artists from the Bavarian State Opera.</p>
	Austria	<p>In 2013, UniCredit Bank Austria AG once again teamed up with the Wiener Philharmoniker for its annual outdoor <i>Summer Night Concert</i> at the Schönbrunn Palace. Hailed as one of the finest orchestral events in the world, the concert is attended by roughly 100,000 people each year, while some 800,000 more experience it on television in Austria, Germany and Switzerland. Moreover members of the Wiener Philharmoniker also lead the annual <i>Trenta Master Class</i> in Slovenia. These master classes provide professional training to young string musicians mainly from Central and Eastern Europe.</p>
Art exhibitions	Croatia	<p>Zagrebačka Banka DD is a longstanding partner of the Zagreb Philharmonic, which is committed to attracting a broad, diverse audience, and young people in particular. Founded in 1871, the orchestra is a symbol of Croatian culture. Most recently, it has expanded its repertoire to include creative crossovers and multimedia musical projects, among others.</p>
	Italy	<p>The <i>UniCredit Art Collection</i>, comprising roughly 60,000 works of art from the collections of the Group's, is one of the finest corporate collections in Europe and expresses our identity and commitment to value the cultural heritage of the places in which we operate. The most important collections are those from Italy, Germany, Austria, Poland, Russia and Turkey. From October 2013 to February 2014, <i>The Great Magic. Selected artworks from the UniCredit Art Collection</i> was held in cooperation with the MAMbo - Museum of Modern Art of Bologna. Showcasing 93 notable works from the Collection, the exhibition represented the role of magic in art from the 16th century to the present, including the technological advances of the 19th century, such as photography and cinema. From its opening the exhibition was attended by a total of 23,000 visitors.</p>
	Germany	<p>Each year, UniCredit Bank AG organizes several open houses to display the <i>HVB Art Collection</i> to the public. In 2013, over 50 works of art were loaned to 10 German museums. At the first edition of <i>Add Art</i>, held in Hamburg, roughly 1,200 visitors participated in more than 70 guided tours in the course of two days, experiencing works of art from 18 different corporate collections, including that of UniCredit Bank AG. Since early 2014, the new <i>HVB Collection Art App</i> allows people to take a virtual tour of over 400 works of art by roughly 300 artists. These works, representing a cross section of art history, are currently on display at a hundred locations around Germany. Users also receive periodic notices about UniCredit Bank AG cultural events.</p>

# Fostering Communities

## Bringing people together through sports

The positive values of sports encourage people to cooperate and share experiences, contributing to the growth of a healthy and inclusive society.

In Italy, we continued to support major competitive and non-competitive marathons in 2013. These large public events promote healthy lifestyles and add life to historic city centers while fostering local development. The *UniCredit Run Tune Up* in Bologna, major marathons in Palermo, Rome and Turin and related side events drew more than 18,000 participants and a significant number of international athletes.

**Over 733,000 participants  
in major cultural and sports  
initiatives that we supported**



In Germany, *Buntkicktgut (Football Integrates)* is an educational program for disadvantaged children, supported by UniCredit Bank AG and the UniCredit Foundation. Inaugurated in 2006 to involve young people living in the streets of Munich, the initiative has become nationally recognized as a model for social assistance. In 2013, approximately 2,500 youths in Berlin, Dortmund, Munich and Würzburg participated in the initiative; the year also witnessed the launch of the second phase of the program. This entailed a plan to create a franchise across Germany and Europe and to transform *Buntkicktgut* into a full-fledged social enterprise by the end of 2015. Cooperation between the Social Entrepreneurship Akademie (SEA) and UniCredit Bank AG will generate synergies in Austria, Poland and Serbia and result in the creation of a European championship.

In 2013, UniCredit Bulbank AD and UniCredit Țiriac Bank SA continued to support the *1000 km Balkan Charity Challenge*, a long-distance race that passes through the cities of Sofia and Bucharest. In cooperation with the Bulgarian Charities Aid Foundation and the HOSPICE Casa Sperantei in Romania, we contributed to the organization of the race and to a series of side events that promoted solidarity with environmental awareness. Athletes planted trees along the race's route and made personal donations in support of numerous aid projects. A dedicated website enabled people to donate to selected organizations, bringing more than €20,000 in support of 18 projects in Bulgaria and Romania in 2013.

## Teamwork

Our capability to network with each other and people outside our Group enables us to bring more value to the territories where we live and work. Working with our colleagues, customers and communities, we leverage our relationships to identify significant needs and respond effectively. In this way, we increase the social welfare of our communities by:

- promoting a culture of commitment and volunteer service among colleagues
- supporting fundraising campaigns in the nonprofit sector
- mobilizing support for emergency response and recovery efforts

In 2013, through our initiatives and through support to organizations collaborating with us, we lent approximately €19 million<sup>17</sup> to boost social welfare, education and young people, health and emergency relief.

## Building a culture of solidarity

The UniCredit Foundation has always been our Group's center of expertise for employee engagement. It promotes Groupwide initiatives that are deeply rooted in our territories. These initiatives primarily address social welfare and solidarity issues.

The foundation's two main employee engagement programs are the *Gift Matching Program* – in its 11th edition in 2013 – and the *Your Choice, Your Project* program, launched in 2011.

The *Gift Matching Program* multiplies the value of employees' donations to nonprofit organizations that are matched by the UniCredit Foundation. In 2013, more than 14,500 colleagues in 16 countries took part in the program, supporting over 400 organizations and donating roughly €4 million, including matching contributions from the UniCredit Foundation. Since the program's launch in 2003, roughly €35.7 million has been given to supported organizations. Each year, the number of colleagues participating in the program has increased. In the last two editions, in 2012 and 2013, the participation rate increased by approximately 10%.



17. Data refers to UniCredit direct contributions and also contributions from third parties (leverage).





The *Your Choice, Your Project* program invites colleagues to vote online for their preferred initiatives by selecting from a list of projects supported by the UniCredit Foundation. The projects that receive the most votes receive an additional grant from the Foundation. Where possible, colleagues are also encouraged to volunteer for our partners' local projects. In the first two years of the program, with voting campaigns launched in Italy, Poland, Bulgaria, Croatia, Romania, Serbia, Slovakia, Slovenia and Ukraine, about 38,000 colleagues were involved. In 2013, more than 10,000 colleagues awarded 4 projects.

In a collaboration that was first launched through the *Your Choice, Your Project* initiative, in 2013 the UniCredit Foundation and UniCredit Factoring continued to support the activities of four *Alzheimer's Cafés* in Italy. The Café model is common in Europe, where over a third of the population is over 60 years of age. It provides healthcare to people with Alzheimer's through cognitive exercises and recreational activities. In 2013, an estimated 85 families received help through the *Alzheimer's Cafés* we support. In addition, some of our colleagues volunteered in support of these cafés.

In the framework of the *Your Choice, Your Project* program, in Romania in 2013, we continued our partnership with the NESST Foundation. Through the joint efforts of the UniCredit Foundation, UniCredit Țiriac Bank SA and UniCredit Business Integrated Solutions, we offered capacity-building, training and consulting services to 11 new social enterprises. These enterprises will create jobs in the food, agricultural and crafts sectors for young people at risk of social exclusion, such as those with disabilities, members of the Roma community and youths from low-income families. Notably, colleagues from UniCredit Business Integrated Solutions participated in drafting the local call for proposals and also served as evaluators of candidate projects. Roughly 62% of our Romanian colleagues cast votes as part of this initiative.

**In 2013 roughly €19 million  
for social projects and  
emergency relief support**



## Highlights of our colleagues' engagement in main local projects

Initiative (Country)	Initiatives and results
<b>We for the Region and other local projects (Germany)</b>	<p>The <i>We for the Region</i> program includes several regional projects that support nonprofit organizations in the fields of social welfare, the environment and culture. These projects receive donations from our colleagues, who also have the option of serving as volunteers. In 2013, 975 colleagues volunteered roughly 15,600 hours of their time to participate in the activities of 163 organizations.</p> <p>Other important initiatives promoted by UniCredit Bank AG include:</p> <ul style="list-style-type: none"> <li>• <i>Point of Honor!</i>: colleagues receive up to two days of special paid leave every year for nonprofit volunteer activities. In 2013, nearly 300 colleagues used this opportunity</li> <li>• <i>Youth Mentoring Program</i>: through the <i>Joblinge</i> vocational program, 85 colleagues mentored unemployed young people from the ages of 15 to 25</li> <li>• <i>Rest-Cent-Initiative</i>: colleagues can donate the extra cents from their paychecks to organizations selected through <i>Your Choice, Your Project</i>. Donations are then matched by the UniCredit Foundation's <i>Gift Matching Program</i>. In 2013 an average of 4,796 colleagues participated each month, providing support to four nonprofits</li> </ul>
<b>Bank Austria Volunteer (Austria)</b>	<p>UniCredit Bank Austria AG, together with Caritas, offers our colleagues opportunities to do volunteer work. In 2013, 57 colleagues participated in the initiative, contributing a total of 285 hours to 11 social inclusion projects for children, elderly people and the homeless.</p>
<b>Great Orchestra of Christmas Charity Foundation (Poland)</b>	<p>Since 1999, Bank Pekao SA has been cooperating with Great Orchestra of Christmas Charity Foundation (Wielka Orkiestra Świątecznej Pomocy), the largest non-governmental charity in Poland. The charity, known by the acronym WOŚP, aims to advance healthcare initiatives, with particular focus on children and the elderly. Bank Pekao SA, as the <i>Great Orchestra's Banker</i>, supports WOŚP in the organization of national fundraising events that culminate in its annual <i>Grand Finale</i>. For the 22<sup>nd</sup> Finale, held in January 2014, about 2,100 bank employees volunteered in support of fundraising events throughout the country. Bank Pekao SA also donated over €470,000 to the foundation. As in the past, many of employees donated their own money, and the UniCredit Foundation matched their contributions under the <i>Gift Matching Program</i>.</p>
<b>Green Day of UniCredit Bulbank and Charity Bazaar (Bulgaria)</b>	<p>In 2013, more than 150 colleagues and their families took part in the second edition of the <i>Green Day of UniCredit Bulbank</i>, helping clean up a number of urban areas and repair street furniture. In addition, for the <i>Charity Bazaar</i> initiative held during the holidays, colleagues made and sold a range of handicrafts. The proceeds went to social causes such as hospital care for needy patients and projects for children in need. In 2013, for the second year in a row, UniCredit Bulbank AD received the <i>Biggest Corporate Donor Annual Award</i> in recognition of the major contributions made by our colleagues to corporate volunteer initiatives that support solidarity and environmental causes.</p>
<b>Light for Ursici Village (Romania)</b>	<p>In the town of Ursici, 450 kilometers from Bucharest, we supported the Free Miorita Association in installing solar panels to supply electricity to 15 families in need. Some 15 colleagues were actively engaged in this initiative.</p>

# Fostering Communities

## Supporting fundraising

The nonprofit sector is playing an increasingly important role in European social welfare systems, but also worldwide. As nonprofits' activities mostly rely on donations, fundraising is vital to their ability to meet pressing social needs. For years, we have been collaborating with nonprofits and supported their fundraising efforts with our expertise, customized products and services and special initiatives.

In Italy, as part of our range of *Universo Non Profit*<sup>18</sup> banking services we also provide special fundraising tools.

For instance, *Conto Donazioni* allows organizations that bank with us to collect donations from UniCredit customers and non-customers at our branches, at no cost. At the end of 2013, over €6.7 million was raised through 1,070 *Conto Donazioni* accounts.

We also encourage nonprofits to use our *ilMioDono.it* web platform to promote their activities and collect donations free of charge. In total, 750<sup>19</sup> organizations are using *ilMioDono.it*, 78% of which work in the healthcare sector, a number that almost doubled from 2012 and steadily growing since the initiative's launch. In 2013, roughly €97,000 in donations were processed and the website registered a total of more than 296,000 unique visitors, a rate that was increased by the launch of the *Un voto, 100.000 aiuti concreti* (One Vote, 100,000 Ways to Help) and *Un voto, 200.000 aiuti concreti*<sup>20</sup> (One Vote, 200,000 Ways to Help) voting campaigns. In 2014, we will launch an app to make the website more easily accessible from smartphones and tablets.

In keeping with our strong local presence, during the year we have promoted six editions of the *Settimana della Solidarietà* (Solidarity Week) initiative. Through our commercial network in

Italy, *ilMioDono.it* website and special banner ads on our ATMs, we promoted territorial fundraising campaigns, which raised over €179,000 in donations for healthcare projects throughout Italy.

Other than *Universo Non Profit* initiatives, in 2013, we also offered our Italian customers an opportunity to make donations through *UniCreditCard Classic E*. This credit card allows customers to donate 0.2% of each transaction to a special fund for social projects without incurring any additional fees. In 2013, through the roughly 180,000 cards in circulation, about €1.6 million was collected and will be distributed in 2014. Since 2005, these cards have enabled contributions of more than €10 million to local communities in support of:

- families in need, in cooperation with local institutions
- local and national nonprofit organizations
- social inclusion projects for vulnerable groups as part of the annual *UniCreditCard Classic E Call for Proposals*

The 2013 edition of the *UniCreditCard Classic E Call for Proposals*, entitled *Social Cohesion Strategies for the Third Age*, invited participants to submit proposals for projects supporting health, participation and security for the elderly and generally intended to enhance the quality of life as people age. In early 2014, the seven winners were announced. Selected from among 348 projects reviewed by a scientific committee coordinated by the UniCredit Foundation in cooperation with Bocconi University. The winning projects – one for each of the seven regions that make up UniCredit's retail network in Italy – will receive €500,000 in proportion of votes received by colleagues and customers. Over the past three years, through the *UniCreditCard Classic E Call for Proposals*, we have provided €1.5 million to 25 solidarity projects in Italy.

## FOCUS

### Let's Multiply Solidarity!

Following the success of *Un voto, 100.000 aiuti concreti* (One Vote, 100,000 Ways to Help), in 2013 we launched two new campaigns to encourage customers and non-customers alike to cast their votes for nonprofits listed on *ilMioDono.it*. In the course of two editions – one in the summer and the other during the 2013/2014 Christmas season – over 148,000 votes were cast via *Carta per il Mio Dono*, e-mail and, for the latest edition, Facebook. Facebook alone accounted for about 35% of the votes recorded during the end-of-year campaign which was a tremendous success, with twice the number of votes cast in the previous edition and roughly 218,000 unique visitors for the dedicated webpage between December 2013 and January 2014. Since the initiative was launched in 2011 – under the name of *Il nostro dono, il tuo dono* (Our gift, your gift), we have donated nearly €500,000 to organizations present on the website in proportion to the number of votes they received.

18. Refer to the *Serving Individuals and Families* chapter for more information.

19. Data as of March 2014.

20. The initiative in 2012 was launched as *Un voto, 100.000 aiuti concreti* (One vote, 100,000 ways to help). Refer to the 2012 Sustainability Report for more information.



## FOCUS

### Generosity regenerates

UniCredit supports projects that combine social inclusion with environmental concerns. Our commitment to making IT equipments more available to needy people and organizations and our attention to the responsible disposal of electronics are demonstrated by a long-term collaboration between UniCredit Business Integrated Solutions and Re-Tech Life onlus. In this program, disadvantaged persons, including prison detainees and people with disabilities, are employed in refurbishing computer equipment and redistributing it to the territories as part of a labor inclusion program.

In 2013, roughly 2,700 of our computers, printers and other electronic items were refurbished and donated to more than 200 organizations, including schools, hospitals and nonprofits. And starting in 2014, in collaboration with *Libera.Associazioni, nomi e numeri contro le mafie* (an anti-mafia organization), we will distribute 2,300 refurbished computers to more than 130 cooperatives, associations, schools and organizations in Italy, part of the *Libera* network and all working to promote respect for the law.

### Staying close in times of need

In times of crisis, particularly during emergencies, we demonstrate our commitment to the territories where we are present by responding swiftly and consistently to support the recovery of affected areas, working closely with our local stakeholders. This is an example of our way to ensure proximity by leveraging our experiences and expertise to act both as a bank and as partner for territories and by working to:

- offer special lines of credit in the immediate aftermath of emergencies, temporarily suspend mortgage and loan payments, offer subsidized credit to encourage recovery-related investments, and facilitate redundancy payments for employees of affected companies
- engage in solidarity initiatives in cooperation with local organizations and institutions

In Italy, we established a special committee to work at the regional level in coordination with the *Laboratori di Crisi*, committees comprised of UniCredit management members, entrepreneurs and representatives of local institutions. The *Laboratori* monitor the needs of affected territories and, importantly, promote both immediate actions and secure support to address those needs. Through the work of these bodies in 2013, we continued to support the populations of Emilia Romagna and Lombardy who were affected by an earthquake in 2012<sup>21</sup>, and we assisted those in Sardinia who were hit by damaging floods.

Between 2012 and 2013, in Emilia Romagna and Lombardy we donated more than €830,000 collected through fundraising initiatives. Among those initiatives, a special bank account and the *Dai il tuo contributo* (Make Your Contribution) program facilitated a one-time donation from colleagues' paychecks. A significant percentage of these donations supported projects that we developed along with local institutions to help young people, the elderly and families in difficulty.

Among other initiatives, through the *Saper Essere Saper Fare* pilot program we allocated €345,000 in favor of 48 projects. These projects engaged over 1,200 students and teachers in educational and recreational programs to ensure that students continued to attend school. In 2014 – we will work with schools to decide on best practices that could be replicated in other emergency situations. We also supported projects like those promoted by the ANT Foundation and the Local Health Agency of Modena-Carpi, which seek to provide adequate healthcare and home care for cancer patients living in affected areas. As our fundraising campaign for these regions is still ongoing, we were still making contributions to support the territories hit by the earthquake when they were affected by flooding at the beginning of 2014.

We worked with communities in recovery efforts related to other calamities that struck Italy in 2013. In Sardinia, for instance, we launched a fundraising campaign with AVIS Sardinia and set up a joint committee to identify initiatives to support. As of February 2014, we allocated €327,000 out of the approximately €340,000 in funds collected to support nine projects and the rebuilding of several schools, among other initiatives.

In Germany and Austria, we also offered special products and services in those areas most heavily hit by the flooding that affected Europe in mid-2013. These included mortgages with special terms and conditions, opportunities to make donations through dedicated bank accounts and the promotion of volunteer activities for colleagues. Most notably, in Germany 16 colleagues volunteered roughly 480 hours of their time in support of flood-relief efforts. And in Austria, we worked with the Red Cross to set up a fund that collected roughly €600,000 in donations, thanks to an outpouring of support from our colleagues and customers.

Following the devastating Hayan typhoon in the Philippines, we responded to provide immediate support. We set up a special fund in Italy to accept donations from colleagues and through this UniCredit Foundation initiative we collected €30,000. An additional €20,000 was provided by our partners Cesvi and Aiutare i Bambini (Help the Children). With these donations we were able to fund the reconstruction of 10 schools in 17 villages, enabling almost 2,000 children to return to school. Through the *Gift Matching Program*, we worked to leverage our support for those affected by the natural disasters that hit both Europe and Philippines. We gave colleagues across our Group additional opportunities to donate to relief projects and we were able to support international disaster relief organizations such as Médecins Sans Frontières, Caritas, the Red Cross and UNICEF, among others.

21. Refer to the 2012 Sustainability Report for more information.

# Support

Eco-efficient solutions.

At UniCredit, we work to lower our direct environmental impact by **using fewer natural resources and minimizing waste.**

Our FirmaMia e-signature solution reduces paperwork by allowing our customers to digitally sign forms. The **446 branches**, that will use FirmaMia in 2014 will save 30% of paper per year.

UniCredit - ITALY





Remained committed to reducing our electric power consumption

**-4%**  
electricity  
consumption

Supported renewable energy sources as a powerful mean of mitigating climate change

**€8.5  
billion**  
in renewables

## Highlights



**-700,000**  
square meters by 2018

Continued to optimize our use of space by promoting innovative office designs, thus reducing the need for business travel



# Conserving Natural Resources

At UniCredit, we understand the importance of identifying, measuring and mitigating the environmental impacts of our activities. To this end, our environmental management system takes a precautionary approach, in keeping with our Environmental Policy.<sup>1</sup> As a financial institution, our business has both direct and indirect impacts on the environment, through our operations and through the entities with which we do business and which we can influence through our commercial decisions. Although our indirect impacts are greater in scale, we also feel strongly about our responsibility to measurably reduce our direct impacts.

MATERIAL NEED	OUR APPROACH
Reducing direct environmental impacts	<ul style="list-style-type: none"><li>• Reducing our carbon footprint, by monitoring our consumption, rationalizing space utilization, promoting sustainable mobility</li><li>• Measuring the carbon footprint of our products and evaluating eco-friendly new solutions</li><li>• Reducing paper consumption</li></ul>
Reducing indirect environmental impacts	<ul style="list-style-type: none"><li>• Measuring the negative externalities associated with our lending portfolio</li><li>• Embedding natural capital considerations into our products and services</li><li>• Financing renewable energy sources</li></ul>
Sustainable procurement	<ul style="list-style-type: none"><li>• Screening our suppliers according to strict criteria</li></ul>

## Reducing direct environmental impacts

Our environmental impact reduction efforts include projects and programs to reduce our carbon footprint and our paper consumption.

### Reducing our carbon footprint

During 2013 we have partially corrected the GHG emission reduction trend experienced for many years. The recorded reduction of 21% from our 2008 base year is largely above our intermediate target of 15% by 2012, but it represents an emission increase compared to the level observed at the end of the same year (-24%). Due to a delay in billing over the last five years from our gas supplier in Italy, which remains subject to a thorough verification of both absolute cost and timeline, we must register an abnormal increase in the consumption of natural gas in Italy and of the associated emissions as a precautionary measure. Besides the increase in natural gas consumption, emissions from other sources decreased mainly due to:

- paying closer attention to our electricity consumption
- optimizing space through our City Plans initiative
- promoting sustainable mobility initiatives

In particular, the redesign and redevelopment of UniCredit's country-level headquarters in 10 countries has and will generate additional **energy savings**. For example, UniCredit Bank AG headquarters on

Arabellastrasse in Munich is now under redevelopment. When the project is completed in 2018, the building will feature advanced energy-saving technology compliant with *Leadership in Energy & Environmental Design (LEED)* guidelines.

The building's facades will be refaced according to the latest thermal insulation standards, and its water and energy systems will be more efficient. Further energy savings will be achieved through space efficiency measures, including flexible workstations that meet new requirements associated with advances in technology.

In Reggio Emilia in 2013, we inaugurated the first zero-emission branch in Italy. Renovated according to bioarchitectural principles, it minimizes energy consumption, self-generates the energy it does need from renewable energy sources, and uses recycled natural materials for furnishings. The branch uses 50% less energy than a conventional branch. This pilot project's purpose was to assess the effectiveness of technologies and solutions that could be rolled out on a large scale throughout UniCredit's network.



### UniCredit turns off the lights for WWF Earth Hour

On Saturday, March 29, 2014, UniCredit took part in the global WWF Earth Hour, by switching off the lights from 8:30 p.m. to 9:30 p.m. at 73 of its buildings in 10 countries. Over the years, the WWF Earth Hour has engaged people from around the world in special events that spotlight the urgent need to address the climate-change challenge and to change our collective behavior. The event was designed to send a strong message to governments around the world, inviting them to take action against climate change. Our Group participated in this annual event for the seventh consecutive year to demonstrate our commitment to environmental sustainability.

Our Group's City Plans initiative involves a total of 20 cities and covers both large buildings and cutting-edge branches. Its purpose is to curb our energy consumption by **optimizing our use of space**, which will be reduced by an estimated 700,000 square meters by 2018. The initiative also aims to concentrate our workforce in modern buildings near key transport hubs to make commuting easier. As part of this effort, in 2013 we moved roughly 4,000 Milan-based employees to our new Porta Garibaldi office complex, which provides ample bicycle parking and is adjacent to a major railway station.<sup>2</sup>

Other initiatives involved making the **travel activities** of our employees **increasingly sustainable**. These included recommending train travel for business trips of up to four hours for Group employees, recommending train travel between Munich and Frankfurt – resulting in 15% less air travel for this route in 2013 than in 2012 – and upgrading our car fleet in Poland from the Euro 4 to the Euro 5 standard.

1. Refer to [www.unicreditgroup.eu/en/sustainability/environment---suppliers/management-system.html](http://www.unicreditgroup.eu/en/sustainability/environment---suppliers/management-system.html) for more information.

2. Refer to the *Valuing Colleagues* chapter for more information.



### In Germany air travel between Munich and Frankfurt was cut by 15% compared to 2012



Among our local initiatives in 2013, UniCredit Bank AG came to an agreement with a local railway company to offset its mobility emissions, building on its continuing use of offsets for infrastructure-related emissions. While our primary goal is to cut emissions by reducing carbon-intensive activities and processes, we have purchased offset certificates on a voluntary basis when this has not been possible.

We are currently engaged in quantifying a new and more ambitious emissions target for 2020. It will take into account progress already made, as well as technological advances and renewable energy sources that can reduce emission factors and the resulting quantity of emissions. Given the significant technological advances of the past five years, however, it will be a challenge to make an accurate forecast of our network's consumption of renewable energy over the medium term.

### Measuring the carbon footprint of our products

In 2012, UniCredit was the first bank to sign an agreement with the Italian Ministry of the Environment concerning the Italian Environmental Footprint Program, which involves a number of companies in different industries.

As part of the joint activities outlined in this agreement, an ad-hoc carbon management team, made up of UniCredit staff and specialists from the ministry, was created to develop a methodology to determine the carbon footprint of a financial product such as a bank account. While there are straightforward ways to measure emissions from data centers and the electricity and paper used by our branches and general services, measuring the emissions of something intangible like a financial product requires additional analysis.

To accomplish this, we used the Bank of Italy's assessment of the set of transactions associated with a typical bank account as the basis of our analysis. The process required a series of approximations, such as calculating the space occupied by the employees who would perform all transactions related to a hypothetical account. In May 2014, we will publish the results of this analysis, including a theoretical comparison between opening a bank account at the branch versus opening one online; while both operations trigger similar automated steps, it is expected that opening an account online will be shown to create fewer carbon emissions.

### Reducing paper consumption

In 2013, UniCredit launched *FirmaMia*, which allows contracts and other bank forms to be signed electronically.<sup>3</sup> This initiative will save paper and reduce waste.

UniCredit is the first Italian bank to use secure e-signature pads. According to a sectoral analysis by ABI<sup>4</sup>, average paper consumption per bank employee is 89.3 kilograms per year in Italy. Our Group's average consumption of paper in Italy is already well below this value, at 77.6 kilograms. We expect our consumption to decrease further once the program is fully implemented.

*FirmaMia* utilizes a graphometric signature mechanism that saves a series of biometric characteristics on a secure server (rhythm, speed, pressure, acceleration and movement). This makes it possible to authenticate signatures reliably at any time. The pilot phase of this project ran from June to September 2013 in 64 branches. By the end of 2013, 446 branches were participating.

To date, the project has reached its intermediate target for branch implementation, and, with 93,500 customers participating, it has exceeded its customer adoption target of 75,500. It is also yielding results in terms of paper consumption, which will be cut by an estimated two-thirds at full rollout. The project is expected to save more than 1,700 tons of paper a year and will be extended across UniCredit's Italian network by October 2014.

Reducing paper consumption is a Groupwide priority. In order to reduce the number of documents we print, over 5,000 staff at the new UniCredit headquarters in Milan and in Russia now have the capacity to use a badge authentication system that tracks and limits printer use. Printers are set by default to print on both sides of the page, and any documents in the printer queue that have not been printed are deleted during the night.

3. Refer to the *Serving Individuals and Families* chapter for more information.

4. Source: ABI Lab 2013.

# Conserving Natural Resources

## Reducing indirect environmental impacts

Curbing direct environmental impacts is the cornerstone of any sound environmental strategy. However, because of their greater magnitude, the mitigation of indirect impacts is also extremely important for financial institutions. Quantifying these impacts can be challenging, due to difficulties in methodology and in determining the proper scope of analysis.

To better manage our indirect impacts, UniCredit has decided to take action on two fronts: we have launched internal initiatives to assess the impact of our company's commercial activities, and we are cooperating with other financial institutions to launch a joint effort. Our object is to develop ways to integrate ecological risk considerations into our business.

## Measuring negative external factors linked to financing

At UniCredit, we prioritize the measurement of pollutants generated in connection with our loan portfolio.

The financial resources that we allocate to the economic system drive production processes and despite national and international regulations, these processes may negatively impact human health, ecosystems, climate change, and reserves of natural resources. That is why lenders must take responsibility for their loan portfolios and enter into a dialogue with public organizations and affected populations. This dialogue should result in targeted credit policies designed to minimize negative externalities.

Over the years, UniCredit has issued a series of special credit policies to regulate its financing of the nuclear energy, mining and water infrastructure sectors<sup>5</sup>. Although these policies provide a self-regulatory framework that reduces the overall impact of our portfolio, they do not integrate environmental risks into a comprehensive commercial strategy.

With this in mind, we launched a pilot project to quantify, in monetary terms, the impacts of the pollutants generated by the construction and operation of all of the coal-fired power plants financed by UniCredit. After identifying all the coal-fired power plants and power generation companies that received project financing or other loans from us, we created an emission inventory and estimated financed emissions. These calculations followed the GHG Protocol, developed by the World Resources Institute and the World Business Council for Sustainable Development. Each pollutant was then assessed for impact on human health, ecosystems, climate change and reserves of natural resources. Finally, a monetary value was assigned to each impact indicator, using a peer reviewed budget constrained valuation model<sup>6</sup>.

This project aims to develop a methodology to analyze external costs of investments not captured in traditional profitability assessments. Quantitative factors that can be incorporated into corporate investment allocation calculations will deliver better results than adherence to less rigorous voluntary guidelines for mitigating indirect impacts.

Of these indirect impacts, climate change is a particularly important issue for UniCredit. We are also participating in a multi-stakeholder project launched by UNEP FI (of which we are a member) and the GHG Protocol<sup>7</sup> to review the methodology used to calculate financed emissions.

## Conserving natural capital

At UniCredit, we believe it is vitally important to maintain and enhance natural capital, which comprise Earth's natural assets (e.g., soil, air, water, flora and fauna) and the ecosystem services resulting from them which make human life possible. Ecosystem goods and services from natural capital constitute food, water, health, energy, climate security and other essentials that are vital for everyone.

For this reason, in 2012 we were among the first banks to sign the Natural Capital Declaration<sup>8</sup>. This is a voluntary pledge, made by members of the financial sector, to integrate natural capital considerations into their products and services.

It contains four commitments:

1. to build an understanding of the impacts and dependencies of natural capital relevant to our operations, risk profiles, customer portfolios, supply chains and business opportunities
2. to support the development of methodologies designed to integrate natural capital considerations into the decision-making processes of all financial products and services
3. to collaborate as necessary with the International Integrated Reporting Committee and other stakeholders in order to build a global consensus around the development of Integrated Reporting, which includes natural capital as part of the wider definition of the resources and relationships that are key to an organization's success
4. to work towards building a global consensus for the integration of natural capital into private-sector accounting and decision-making

In 2013, a number of working groups were set up to develop each of these commitments. UniCredit is participating in the work of the group on the development of methodologies to integrate natural capital considerations into financial products and services. Within the context of this work, our Group is engaged in a pilot project entitled *Understanding natural capital risks for financial institutions and embedding them in credit risk assessment*. Its object is to incorporate natural capital into lending practices. The project, under the supervision of the Natural Capital Declaration Secretariat and with the strong support of the International Finance Corporation, a World Bank

5. Refer to the *Supplement* for more information.

6. Refer to the article, B. Weidema, Using the budget constraint to monetarise impact assessment results, *Ecological Economics*, vol. 68, pp 1591-1598, 2009 for more information on the monetization model.

7. Refer to [www.ghgprotocol.org/feature/financed-emissions-initiative-financial-sector-guidance-ghg-accounting-and-ghg-risk-manageme](http://www.ghgprotocol.org/feature/financed-emissions-initiative-financial-sector-guidance-ghg-accounting-and-ghg-risk-manageme) for more information.

8. Refer to [www.naturalcapitaldeclaration.org](http://www.naturalcapitaldeclaration.org) for more information.



agency, is divided into two sections, one considering the needs of credit institutions and the other of investors.

Once the project is completed, they will be followed by an experimental phase, in which each participating company will make use of the results to develop its own strategy based on its own needs and methodologies.

## FOCUS

### Supporting the WWF Oasis system

In 2013, we continued to support Italy's largest nature conservation program, the WWF Italy Oasis system. Covering more than 30,000 hectares of woods, coastline, rivers, lakes and mountains at more than 100 sites, the program's biodiversity preservation projects were supported by roughly €247,600 raised through the more than 31,300 WWF banking cards in circulation. In 2013, the WWF Genius Card, a prepaid card with IBAN codes that customers can use to carry out all their major banking transactions, was launched in Italy. The fees for issuing these cards are donated to the WWF. The *UniCreditCardFlexia WWF* credit card (known as the *WWF UniCreditCard* until 2013), which was launched in 2009, allows users to donate 0.3% of what they spend on the card to the WWF for no extra fee. Funds collected in 2013 were used to maintain hiking and nature trails and to promote sustainable tourism, including guided tours, educational workshops and summer camps for children and families. In addition, the WWF was able to develop over 30 training programs and to provide legal consulting on poaching and land abuse issues.

### Financing renewable energy

In February 2014, UniCredit presented its second report on infrastructure and energy, entitled *Another Kind of Green*. The report provides an overview of the current and future outlook for the energy industry, with specific reference to renewable energy.

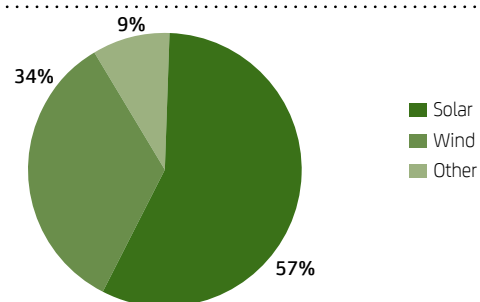


In view of the profound changes taking place in the energy industry, the development of renewable energy sources is one of the key pillars of European energy policy.

Today, the financing of renewable energy projects appears to be increasingly linked to the differentiation of financing instruments and to the potential role of institutional investors in financing green infrastructures.

For several years, we have been investing in the development of renewable energy sources. At year-end 2013, our Group's portfolio of loans for projects in this sector amounted to a total exposure of more than €8.5 billion, up from €8.3 billion in 2012 (+2%). In a breakdown of our portfolio by renewable energy source, solar power still ranks first, at 57%, followed by wind power at 34%, with other sources accounting for the remaining 9%. Despite uncertainties tied to the regulatory frameworks in many countries, the scenario for renewable energy is still positive, and the long-term trend remains favorable.

Portfolio of loans for the renewable energy projects, 2013  
(100% = €8.5 billion)



In 2013, *Officinae Verdi*, a joint venture company we formed with the *WWF Italy Foundation*<sup>9</sup>, developed an interesting energy-efficiency model that uses cutting-edge technology to deliver a cost of energy equal to that of conventional sources under certain conditions. *Officinae Verdi* is also participating in the European project *R2CITIES*<sup>10</sup> as a technical and financial advisor, with a focus on developing business models to enable energy-saving renovation programs in the social housing sector. In 2013, *Officinae Verdi* signed contracts delivering a total of 590 kWp to households, 470 kWp to small and medium-sized enterprises, and 3,190 kWp to large industries, in addition to signing 9,200 kWp agreements for consulting services. *Officinae Verdi* is also collaborating with UniCredit on an energy-efficiency project for our Group's buildings.

In addition to its financing activities, UniCredit supports the development of renewable energy in a variety of ways. Through its subsidiary UniCredit Bank AG, UniCredit owns *Bard Offshore 1*, also known as *Ocean Breeze Energy*, an offshore wind farm with 400 megawatts of installed capacity in the North Sea. The facility has been connected to the grid since 2010 and was completed in 2013. It is currently the largest wind farm in Germany's exclusive economic zone. When fully operational, the turbines generate 1,600 GWh of electricity a year – about one-third of the production of a nuclear power plant – meeting the electrical needs of about 400,000 households. The electricity generated by the wind farm currently exceeds the electrical needs of UniCredit Bank AG.

The wind farm is designed to respect the surrounding ecosystem and is located about 100 kilometers off the coast.

9. Refer to the 2011 Sustainability Report for more information about the project.

10. Residential Renovation towards nearly zero energy CITIES is a project of the EU that aims to develop a new model of sustainable building for urban areas.

# Conserving Natural Resources

## Sustainable procurement

At UniCredit, procurement management is based on sustainable models. Our suppliers are qualified only if they meet certain minimum sustainability requirements. Supplier selection is carried out in compliance with the standards of various conventions of the International Labour Organization (nos. 29, 87, 98, 100, 105, 111, 138 and 182), relating to fundamental human rights, child labor, freedom of association, working conditions, equal pay, health, safety and business ethics. Suppliers must also comply with a set of minimum standards based on our environmental policy. Under UniCredit SpA's environmental management system, in 2013 it was decided to begin conducting second-party audits of our suppliers and tours of their facilities; this program was initiated in early 2014. The supplier management system is currently in force in Italy, Germany, Austria.

In 2013, the Humus procurement platform was implemented in Italy. It includes training programs designed to make procurement staff more aware of the importance of green criteria, and it provides thorough supplier assessments, detailed product selection sheets and a green company performance rating system. Through Humus, UniCredit offered training to 57 staff members registered in Italy in the first quarter of 2013.

Finally, in keeping with our Environmental Policy and our *Green and Social Procurement Policy*, we have adopted new product sheets for ICT supplies, which must meet high energy-efficiency standards<sup>11</sup>. In 2013, we also continued our *Green Buyer Award* program, which raises awareness among our buyers.



### Social Commissioning initiative

In 2013, UniCredit Bank AG launched its *Social Commissioning* initiative to develop and implement procurement systems that encourage the employment of people with disabilities or from disadvantaged groups.

The project is founded on four pillars:

1. developing a procurement management system that promotes the involvement of qualifying entities at a national level through cooperation with partner companies
2. offering no-term and temporary employment opportunities within the company, where possible
3. cooperating with companies and organizations that prioritize the employment of disadvantaged individuals
4. emphasizing social commitment, which includes creating a *Social Day of the Board* for the Board of Directors

## Environmental performance indicators<sup>12</sup>

### Scope 1: direct GHG emissions (tons CO<sub>2</sub> eq, 2011-2013<sup>A</sup>)

Country	2013	2012	2011
Italy	57,016	33,402	50,796
Germany	16,107	19,304	19,160
Austria	3,413	3,275	3,791
CEE	10,719	13,273	13,956
Total	87,255	55,981	87,703

A. GHG emissions from sources owned or controlled by our Group. Data for 2013 covers 83% (direct energy consumption) and 74% (road travel) of population (a full-time equivalent of more than 116,000).

### Scope 2: indirect energy GHG emissions (tons CO<sub>2</sub> eq, 2011-2013<sup>A</sup>)

Country	2013	2012	2011
Italy	135,298	139,852	146,413
Germany	84,617	83,351	102,816
Austria	26,589	26,895	27,761
CEE	61,704	54,917	53,579
Total	308,208	305,015	330,569

A. GHG emissions from purchased electricity, steam and heating/cooling consumed by our Group owned or controlled equipment or operations.

The table below reflects the use of a carbon emission factor for national grid. Data for 2013 covers 83% of population (a full-time equivalent of more than 116,000).

11. Refer to the 2010 Sustainability Report for more information.

12. Data for 2013 have been collected involving 61 legal entities (a full-time equivalent of more than 116,000) operating in Italy, Germany, Austria, Poland and in Central and Eastern Europe (CEE) countries. The CEE countries included are: Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Romania, Russia, Serbia, Slovakia, Slovenia and Hungary.

Due to improved data collection and calculation processes and to periodical updates of GHG emission factors, several figures may differ from data presented in the 2012 Sustainability Report. Country-to-country comparisons may be misleading as different tracking systems should be taken into account.





### Scope 3: other indirect energy GHG emissions (tons CO<sub>2</sub> eq), 2011-2013<sup>A</sup>

Country	2013	2012	2011
Italy	7,157	6,988	9,851
Germany	3,478	3,306	6,292
Austria	1,558	1,264	2,365
CEE	1,574	1,649	1,748
<b>Total</b>	<b>13,767</b>	<b>13,207</b>	<b>20,256</b>

A. GHG emissions from employee business travel and from using paper and disposing paper, glass and plastic. Data for 2013 covers 95% (paper use), 74% (air and train travel) and 67% (paper, glass and plastic disposal) of population (a full-time equivalent of more than 116,000).

### Copy paper consumption per employee (kg/capita), 2011-2013<sup>A</sup>

Country	2013	2012	2011
Italy	55	66	85
Germany	38	37	42
Austria	49	54	54
Polonia	40	50	46
CEE	58	55	59

A. Data for 2013 covers 95% of population (a full-time equivalent of more than 116,000).

### Energy consumption per employee (GJ/capita), 2011-2013<sup>A</sup>

Country	2013	2012	2011
Italy	42	33	37
Germany	48	45	55
Austria	54	52	49
CEE	29	28	27

A. Data for 2013 covers 83% of population (a full-time equivalent of more than 116,000).

### Water usage per employee (m<sup>3</sup>/capita), 2011-2013<sup>A</sup>

Country	2013	2012	2011
Italy	29	23	24
Germany	19	19	25
Austria	27	27	25
Polonia	14	14	-
CEE	15	15	18

A. Data for 2013 covers 81% of population (a full-time equivalent of more than 116,000).

Roughly 70% of the paper used groupwide is Total Chlorine-Free (TCF) or Elemental Chlorine-Free (ECF) and 58% is certified by the Forest Stewardship Council (FSC).

### Percentage of waste by disposal method, 2012-2013<sup>A</sup>

Country	Valuable materials separated and recycled		Waste incinerated		Waste disposed in landfills		Special waste treatment	
	2013	2012	2013	2012	2013	2012	2013	2012
Italy	91.85%	96.58%	1.41%	3.28%	2.62%	0.00%	0.00%	0.06%
Germany	65.71%	66.34%	34.26%	27.74%	0.00%	5.58%	0.02%	0.34%
Austria	94.42%	93.43%	5.58%	6.57%	0.00%	0.00%	0.00%	0.00%
CEE	23.68%	25.46%	6.30%	5.95%	66.51%	65.68%	0.01%	2.92%

A. Data for 2013 covers 67% of population (a full-time equivalent of more than 116,000).

### Waste production per employee (kg/capita), 2011-2013<sup>A</sup>

Country	2013	2012	2011
Italy	101	89	98
Germany	365	389	477
Austria	178	168	171
CEE	178	188	183

A. Data for 2013 covers 67% of population (a full-time equivalent of more than 116,000).



# GRI and UN Global Compact indexes

All core GRI indicators are represented in the following table, with additional indicators included only if they are referenced within the report. For the GRI Content Index, please see the dedicated area of UniCredit's corporate website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)). Deloitte reviewed the 2013 Sustainability Report, which satisfies GRI requirements at an A+ application level.

## Legend:

Total	Indicator completely covered
NA	Not applicable
NM	Not material
C	Core indicators
A	Additional indicators

Indicator	Coverage	Page
<b>PROFILE</b>		
<b>1. Strategy and analysis</b>		
1.1 Statement of the most senior decision-maker of the organization	Total	4-5
1.2 Main impacts, risks, and opportunities	Total	13-15
<b>2. Organization profile</b>		
2.1 Organization name	Total	Cover
2.2 Main brands, products and/or services	Total	2013 Consolidated Reports and Accounts: Results By Business Segment
2.3 Operational structure of the organization	Total	6-7
2.4 Headquarters	Total	84
2.5 Countries of operations	Total	6-9
2.6 Ownership structure and type of legal entity	Total	55; 2013 Consolidated Reports and Accounts: Corporate Governance – Major Shareholders; 2013 Report on Corporate Governance and Ownership Structure: Information Concerning the ownership structure
2.7 Markets served	Total	6-7
2.8 Scale of the organization	Total	6-7
2.9 Significant changes	Total	2
2.10 Awards received	Total	Supplement: 21-23
<b>3. Report parameters</b>		
<b>Profile</b>		
3.1 Reporting period	Total	2
3.2 Previous report's date of publication	Total	2
3.3 Reporting frequency	Total	2
3.4 Contact point for information on report	Total	Inside back cover
<b>Report purpose and scope</b>		
3.5 Process for defining contents	Total	2, 15-17
3.6 Report scope	Total	2
3.7 Limitations of report purpose or scope	Total	2, 76-77
3.8 Information on other associate companies	Total	2
3.9 Data measurement techniques and basis of calculation	Total	2; Supplement: 26-32, 45
3.10 Modifications compared with previous report	Total	2
3.11 Significant changes compared with previous report	Total	2
<b>Index of GRI contents</b>		
3.12 Table of reference	Total	78-81
<b>Assurance</b>		
3.13 External assurance	Total	2; 82-83
<b>4. Governance, Commitment, Involvement</b>		
<b>Governance</b>		
4.1 Governance structure	Total	Supplement: 2-4; 2013 Report on Corporate Governance and Ownership Structure: Shareholders' meeting, Board of Directors; <a href="https://www.unicreditgroup.eu/en/governance/board-of-directors.html">https://www.unicreditgroup.eu/en/governance/board-of-directors.html</a>
4.2 Indicate whether Chairman also holds an executive role	Total	2013 Report on Corporate Governance and Ownership Structure: Positions held by the Directors of UniCredit in other companies listed on regulated markets (both in Italy and abroad), as well as financial services companies, banks, insurance companies or other large companies
4.3 Independent and/or non-executive directors	Total	2013 Report on Corporate Governance and Ownership Structure: Positions held by the Directors of UniCredit in other companies listed on regulated markets (both in Italy and abroad), as well as financial services companies, banks, insurance companies or other large companies
4.4 Mechanisms for making recommendations to Board of Directors	Total	28, 54; Supplement: 3, 33; 2013 Report on Corporate Governance and Ownership Structure: Board of Directors
4.5 Link between directors' remuneration and performance	Total	22; Supplement: 5-6, 52; 2013 Report on Corporate Governance and Ownership Structure: Remuneration Committee; UniCredit S.p.A. Financial Statements 2013: Notes to the Accounts, Part H.1
4.6 Mechanism of conflicts of interest's avoidance	Total	Supplement: 13; 2013 Report on Corporate Governance and Ownership Structure: Role of the Board of Directors
4.7 Directors' qualifications	Total	2013 Report on Corporate Governance and Ownership Structure: Composition
4.8 Mission, values, codes of conduct, and principles	Total	13, 15; Supplement: 2, 7-10; Mission; Values; Integrity Charter

Indicator		Coverage	Page
4.9	Procedures to identify and manage economic, environmental, and social performance	Total	22; Supplement: 7; 2013 Report on Corporate Governance and Ownership Structure: Internal Controls & Risk Committee, Internal control and risk management system
4.10	Process to assess BoD's performance	Total	Supplement: 5-6; 2013 Report on Corporate Governance and Ownership Structure: Role of the Board of Directors
<b>Commitment in external initiatives</b>			
4.11	Way in which prudential principle or approach is applied	Total	13-14; Supplement: 55; 2013 Report on Corporate Governance and Ownership Structure: Internal Controls & Risk Committee
4.12	Adoption of external codes and standards in the economic, social, and environmental fields	Total	4-5; Supplement: 14, 18-20
4.13	Memberships in associations	Total	Supplement: 18-20
<b>Stakeholder Engagement</b>			
4.14	List of stakeholders engaged	Total	15-17
4.15	Principles for stakeholders' identification and selection	Total	15-17
4.16	Stakeholder engagement activities	Total	15-17, 26-27, 32-33, 42-43, 58; Supplement: 24-25, 52
4.17	Key aspects and criticalities emerging from stakeholder engagement and related actions	Total	16, 26-27, 32, 42-43; Supplement: 52-53
<b>FINANCIAL SERVICES SECTOR SUPPLEMENT INDICATORS</b>			
C	FS1 Policies with specific environmental and social components applied to business lines	Total	12-13; Supplement: 17-18
C	FS2 Procedures for assessing and screening environmental and social risks	Total	Supplement: 17-18
C	FS3 Monitoring clients' implementation of and compliance with environmental and social requirements	Total	Supplement: 15-18
C	FS4 Improvement of staff competency to implement the environmental and social policies and procedures	Total	12-13
C	FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Total	14, 37; 75; Supplement: 15-16
C	FS6 Company portfolio	Total	Supplement: 50-51; 2013 Consolidated Reports and Accounts: Report on Operations, Results by Business Segment
C	FS7 Products and services designed to deliver a specific social benefit	Total	39; 47-51; 59-60
C	FS8 Products and services designed to deliver a specific environmental benefit	Total	74-76
C	FS9 Audits on implementation of environmental and social policies and risk assessment procedures	Total	14; Supplement: 17; The Audit Department, during onsite audit activities verifies UniCredit policies at the local level and ensure that their implementation is effective complies with local regulation. The credit process analysis is generally conducted through a sampling procedure. For cases in which this sampling includes operations related to special credit policies – such as nuclear or defense sector policies – the audit also verifies compliance with relevant internal regulations. There is no specific reporting regarding assessments on these matters; findings are included within specific operation reports
C	FS10 Portfolio's companies engaged on environmental or social issues	Total	75-76; Supplement: 14-17, 57
C	FS11 Assets subjects to environmental or social screening	Total	Supplement: 57
C	FS12 Environmental or social voting policies	Total	Supplement: 57
<b>ECONOMIC PERFORMANCE</b>			
DMA EC	Information on management approach	Total	2013 Consolidated Reports and Accounts: Report on Operations - Group Results - Main Results and Performance for the period
C	EC 1 Direct economic value generated and distributed	Total	58-59; Supplement: 61
C	EC 2 Financial implications and other risks and opportunities due to climate change	Total	74; Supplement: 14
C	EC 3 Coverage of the organization's defined benefit plan obligations	Total	Supplement: 36-41; 2013 Consolidated Reports and Accounts: Part B - liabilities, sections 10-11-12
C	EC 4 Significant financing received from Public Administration	Total	Supplement: 32
C	EC 6 Policy, practices, and percentage of expenditure concentrated on local suppliers	Total	We define a local supplier as one that issues invoices and receives payment in the same country in which the goods or services are provided. In 2013, the proportion of our major local suppliers in Italy, Germany and Austria was roughly 93, 60 and 92% respectively (data are calculated on invoices)
C	EC 7 Procedures for local hiring	Total	In 13 (Italy, Germany, Austria, Poland, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Ukraine) out of the 15 of the reporting boundaries the majority of Board of Directors members is local
C	EC 8 Development and impact of investments in infrastructures and public utilities	Total	49, 58-59
A	EC 9 Significant indirect economic impacts	Total	39, 47-49, 58-59, 60-61
<b>ENVIRONMENTAL PERFORMANCE</b>			
DMA EN	Information on management approach	Total	72-76
C	EN 1 Raw materials used	Total	73, 77
C	EN 2 Percentage of materials coming from waste recycling operations	Total	73, 77

# GRI and UN Global Compact indexes

Indicator			Coverage	Page
C	EN 3	Direct energy consumption by source	Total	72, 77; At Group level in 2013, the total direct energy consumption is about 1.082.000 GJ. The main direct energy source is natural gas (roughly 97%), followed by crude oil and petroleum products (roughly 3%)
C	EN 4	Indirect energy consumption by source	Total	72, 77; At Group level in 2013, the total indirect energy consumption is about 797.600.000 kWh, mainly related to electricity (roughly 79%) and heating and cooling (roughly 21%)
A	EN 5	Energy saving	Total	72-73
A	EN 6	Initiatives to provide energy-efficient or renewable energy based products and services	Total	74-76
A	EN 7	Initiatives to reduce indirect energy consumption and reductions achieved	Total	74-76
C	EN 8	Water consumption by source	Total	77
C	EN 11	Land owned, rented or managed in protected areas	Total	In Sicily, the Group owns five areas of land with environmental and archeological restrictions, totaling around roughly 731,000 square meters
C	EN 12	Description of greatest impacts on biodiversity	NM	
C	EN 16	Greenhouse gas emissions	Total	76
C	EN 17	Other indirect greenhouse gas emissions	Total	77
A	EN 18	Initiatives to reduce greenhouse gas emissions	Total	72-73
C	EN 19	Emissions of substances harmful for the ozone layer	Total	In line with applicable regulations, UniCredit continues to replace refrigeration and cooling systems that contain ozone-depleting substances. Throughout 2013 and until all hydrochlorofluorocarbons are phased out, these airconditioning and refrigeration equipments will continue to be fed with R22 gas. Systems with leakages or showing additional operating problems will be gradually replaced and/ or modified by equipment in line with current legislation.
C	EN 20	Other atmospheric emissions	NM	
C	EN 21	Water discharges	NM	
C	EN 22	Waste production and disposal methods	Total	77
C	EN 23	Total number and volume of pollutant discharges	NM	
C	EN 26	Initiatives to mitigate impacts of products and services	Total	33-35, 37, 43-45, 72-73
C	EN 27	Reclaim rate of products sold	NA	
C	EN 28	Fines and penalties for non compliance with environmental law and regulations	Total	No relevant fines were imposed in 2013 for noncompliance with environmental laws or regulations
A	EN 29	Significant environmental impacts of transporting products, goods, materials and members of the workforce	Total	72-73
<b>LABOR PRACTICES AND DECENT WORK</b>				
DMA	LA	Information on management approach	Total	22-29
C	LA 1	Breakdown of staff by type, contract, region and gender	Total	27; Supplement: 26-27
C	LA 2	Total number and rate of new employee hires and employee turnover by age, gender, and region	Total	Supplement: 28-29
A	LA 3	Benefits provided to full-time employees and not to temporary or part-time employees	Total	Supplement: 36
C	LA 15	Return to work and retention rates after parental leave, by gender	Total	GRI Content Index
C	LA 4	Degree of coverage of collective labor contracts	Total	Supplement: 34
C	LA 5	Minimum period of notice for operational changes	Total	Supplement: 35-36
A	LA 6	Percentage of total workforce represented in formal health and safety committees	Total	Supplement: 43
C	LA 7	On-the-job accidents and illness	Total	Supplement: 45
C	LA 8	Programs for management of serious diseases	Total	28-29
A	LA9	Health and safety topics covered by collective agreements with trade unions	Total	Supplement: 44
C	LA 10	Staff training	Total	14-15, 25, 38, 46, 76; Supplement: 32
A	LA 11	Programs for skills management and lifelong learning	Total	23-25; Supplement: 40-41
A	LA 12	Employees receiving regular performance reviews	Total	22
C	LA 13	Breakdown of employees by gender and other diversity indicators	Total	27-28; Supplement: 26, 31-32; 2013 Report on Corporate Governance and Ownership Structure: Lead Independent Director
C	LA 14	Ratio between basic salary and remuneration of men and women	Total	Supplement: 29-30
<b>HUMAN RIGHTS</b>				
DMA	HR	Information on management approach	Total	15, 76; Human Rights Commitment
C	HR 1	Operations with human-rights considerations	Total	Supplement: 14-16; Human Rights Commitment
C	HR 2	Suppliers and other business partners assessed as regards respect of human rights	Total	76; Human Rights Commitment
C	HR 3	Employee training on policies and procedures concerning aspects of human rights	Total	15; Human Rights Commitment
C	HR 4	Cases of discrimination	Total	Supplement: 48-49
C	HR 5	Risks for right to freedom of association and collective bargaining	Total	76; Human Rights Commitment
C	HR 6	Risks for use of child labor	Total	76; Human Rights Commitment
C	HR 7	Risks for use of forced labor	Total	76; Human Rights Commitment

Indicator	Coverage	Page
C HR 10 Operations that have been subject to human rights reviews	Total	UniCredit's major countries of operations (19 countries), we evaluated risks associated with our engagements, using self-assessment questionnaires focused mainly on human rights issues related to our employees. Moreover, for those UniCredit countries that pose potentially higher risks for human rights violations (nine countries), UniCredit analyzed their overall environment (e.g., number of human rights violations). In order to identify other potential risks of violation, UniCredit assessed the regulatory landscape and the most significant cases of international human rights abuse that directly or indirectly involved banks. Any eventual human rights violation is analyzed within monitoring processes in place related to human rights policies and procedures. Human Rights Commitment
C HR 11 Grievances related to human rights	Total	Supplement: 48-49; Human Rights Commitment
<b>IMPACTS ON SOCIETY</b>		
DMA SO Information on management approach	Total	12, 15, 58-60
C SO 1 Management of impacts on community	Total	12, 58
C FS13 Access points in low-populated or economically disadvantaged areas	Total	Supplement: 60
C FS14 Access to financial services for disadvantaged people	Total	59-60
C SO 9 Operations with impacts on local communities	NM	
C SO 10 Prevention and mitigation measures implemented in operations with impacts on local communities	NM	
C SO 2 Analysis for risks related to corruption	Total	Supplement: 8-9; GRI Content Index
C SO 3 Staff trained in the prevention of corruption	Total	Supplement: 8-9
C SO 4 Actions taken following cases of corruption	Total	Supplement: 8-9; GRI Content Index
C SO 5 Positions concerning public policy and lobbying	Total	15
A SO 7 Legal actions for anti-competitive behavior	Total	Supplement: 10-12; 2013 Consolidated Reports and Accounts: Part E, Section 4.B
C SO 8 Sanctions for non-compliance with laws or regulations	Total	Supplement: 10-12; 2013 Consolidated Reports and Accounts: Part E, Section 4.B
<b>PRODUCT LIABILITY</b>		
DMA PR Information on management approach	Total	32-33, 36-38, 42-43, 60-61
C FS15 Policies for the fair design and sale of financial products and services	Total	32, 37-38; Supplement: 55
C PR 1 Healthiness and safety of products and services	Total	Supplement: 58-59
C PR 3 Information on products and services	Total	36-37
A PR 4 Non-compliance with regulations concerning product and service information and labeling	Total	Supplement: 54
A PR 5 Customer satisfaction	Total	32-33, 42-43; Supplement: 52-53
C FS16 Enhancement of financial literacy	Total	37, 60-61
C PR 6 Laws, standards, and voluntary codes concerning marketing communications	Total	Supplement: 59
A PR7 Non-compliance with regulations concerning marketing communications	Total	Supplement: 10-12; 2013 Consolidated Reports and Accounts: Part E, Section 4.B
C PR 9 Sanctions for non-compliance with laws or regulations	Total	Supplement: 10-12; 2013 Consolidated Reports and Accounts: Part E, Section 4.B

## Making the connections by GRI and Global Compact

UniCredit submits its Sustainability Report as its annual *Communication on Progress (COP)*. This public disclosure to stakeholders details the progress it has made within its core businesses in implementing the Ten Principles of the UN Global Compact and in supporting broader UN Development Goals. The table included in this report links GRI indicators to the Principles of the UN Global Compact.

Categories	Principles	GRI Indicators
Human Rights	Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights	HR3, HR8 – HR11, S01, S09 – S010
	Principle 2 - Make sure that they are not complicit in human rights abuses	HR1 – HR2
Labour	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	HR5, LA4 – LA5
	Principle 4 - The elimination of all forms of forced and compulsory labour	HR7
	Principle 5 - The effective abolition of child labour	HR6
	Principle 6 - The elimination of discrimination in respect of employment and occupation	HR4, EC5, EC7, LA1 – LA2, LA10, LA12 – LA15
Environment	Principle 7 - Businesses should support a precautionary approach to environmental challenge	EC2, EN1, EN3, EN8, EN16, EN19-EN20, EN26, EN30
	Principle 8 - Undertake initiatives to promote greater environmental responsibility	EN1 – EN30
	Principle 9 - Encourage the development and diffusion of environmentally friendly technologies	EN6 – EN7, EN18, EN26, EN30
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery	S02 – S05

An online tool that cross-references the GRI-G3.1 indicators to the Global Compact principles is available on the GRI website: [http://www.unglobalcompact.org/docs/communication\\_on\\_progress/Tools\\_and\\_Publications/Making\\_the\\_Connection\\_Final.PDF](http://www.unglobalcompact.org/docs/communication_on_progress/Tools_and_Publications/Making_the_Connection_Final.PDF)



## REVIEW REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of  
UniCredit S.p.A.

1. We have reviewed the Sustainability Report of UniCredit Group (the “Group”) as of 31<sup>st</sup> December 2013. The Directors of UniCredit S.p.A. are responsible for the preparation of the Sustainability Report in accordance with “*Sustainability Reporting Guidelines & Financial Services Sector Supplement*” issued in 2008 and “*Sustainability Reporting Guidelines*” (version G3.1) issued in 2011 by GRI – *Global Reporting Initiative*, as stated in the paragraph “Report Structure”. The Directors are also responsible for the definition of the Group’s objectives regarding the sustainability performance and the reporting of the achieved results. The Directors are also responsible for the identification of stakeholders and of significant aspects to report, as well as for the implementation and maintenance of appropriate management and internal control processes with reference to data and information presented in the Sustainability Report. Our responsibility is to issue this report based on our review.
2. We conducted our work in accordance with the criteria for review engagements established by the “*International Standards on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information*” (“ISAE 3000”), issued by the *International Auditing and Assurance Standards Board*. That standard requires the compliance with ethical principles (“*Code of Ethics for Professional Accountants*” issued by the *International Federation of Accountants, IFAC*), including independence requirements, and that we plan and perform the engagement to obtain limited assurance (and, therefore, less assurance than in a reasonable assurance engagement) about whether the report is free from material misstatement. A limited assurance engagement on the Sustainability Report consists of making inquiries, primary with company personnel responsible for the preparation of the information included in the Sustainability Report, and applying other evidence gathering procedures, as appropriate. The performed procedures are summarized as follows:
  - comparing the economic and financial information and data included in the paragraph “Determination and distribution of Value Added” of the Sustainability Report with those included in the Group’s Consolidated Financial Statements as of 31<sup>st</sup> December 2013, on which Deloitte & Touche S.p.A. issued a report dated April 7<sup>th</sup>, 2014 (pursuant to articles 14 and 16 of Legislative Decree no. 39 of January 27<sup>th</sup>, 2010);
  - analysing how the processes underlying the generation, recording and management of quantitative data included in the Sustainability Report operate. In particular, we have performed the following procedures:
    - interviews and discussions with the management of UniCredit S.p.A. and with the personnel of UniCredit Business Integrated Solutions Austria GmbH, UniCredit Bank Austria AG, UniCredit Bank AG, UniCredit Bank Czech Republic As, UniCredit Ţiriac Bank SA, to gather information on the information, accounting and

Bologna Bari Firenze Genova Milano Roma Torino Padova

Sede Legale: Via Tortona, 25 – 20144 Milano

Capitale Sociale: sottoscritto e versato Euro 34.000,00 – deliberato Euro 50.000,00

Codice Fiscale/Registro delle Imprese Milano n. 05059250158 – R.E.A. Milano n. 1105593

Partita IVA: IT 05059250158

Member of Deloitte Touche Tohmatsu Limited



FS 550166

reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;

- analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance of the qualitative information included in the Sustainability Report and their overall consistency in relation to the guidelines referred to in paragraph 1 of this review report, in particular with reference to the sustainability strategy and policies and the determination of significant aspects for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of personnel involved, through analysis of the minutes of the meetings or any other available information about the significant features identified in the stakeholder involvement process;
- obtaining the representation letter signed by the Chief Executive Officer of UniCredit S.p.A. on the compliance of the Sustainability Report with the guidelines referred to in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000, and, therefore, does not enable us to obtain assurance that we have become aware of all significant matters and events that might be identified in an audit.

For the data and information relating to the Sustainability Report of the prior year presented for comparative purposes, reference should be made to the review report issued by another auditor dated April 12<sup>th</sup>, 2013. We have examined the methods used to restate the prior year corresponding data for the conclusion on the Sustainability Report as of 31<sup>st</sup> December 2013.

3. Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of UniCredit Group as of 31<sup>st</sup> December 2013 is not prepared, in all material respects, in accordance with the “*Sustainability Reporting Guidelines & Financial Services Sector Supplement*” issued in 2008 and “*Sustainability Reporting Guidelines*” (version G3.1) issued in 2011 by GRI – *Global Reporting Initiative*, as stated in the paragraph “Report Structure”.

Milan, April 14<sup>th</sup> 2014

DELOITTE ERS – ENTERPRISE RISK SERVICES S.r.l.

**Franco Amelio**

Partner

*This report has been translated into the English language solely for the convenience of international readers.*



**UniCredit S.p.A.**

A joint stock company

**Registered Office in Rome:** Via Alessandro Specchi, 16

**Head Office in Milan:** Piazza Gae Aulenti, 3 – Tower A – 20154 Milan

Share capital €19,682,999,698.27 fully paid in

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group, with cod. 02008.1

Cod. ABI 02008.1

Fiscal Code, VAT number and Registration number with the Company Register of Rome: 00348170101

Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund





## Our Approach

2

Governance

Compliance

Managing environmental and social risks

Main partnerships and affiliations

Selection of 2013 awards

Materiality matrix definitions

## Fostering Communities

60

Financial inclusion

Determination and distribution of Value Added 61

Yapi Kredi: a focus on Turkey 62

## Valuing our Colleagues

26

Portrait in numbers

Diversity management

Training

Industrial Relations

Welfare, health and safety, work-life balance

Health and safety management

The Ombudsmen Network and the  
System of Values

## Serving Individuals and Families - Supporting Companies

50

Customer distribution

Customer satisfaction

Handling complaints

Product committees

Socially Responsible Investments (SRI)

Security

Adherence to legal standards and voluntary  
codes related to marketing and communication



## Governance

### Governance framework

UniCredit encourages all its staff, external collaborators and commercial partners to be inspired by the principles of transparency and sound management. This approach complies with current legislation and is in line with the fundamental principles governing the pursuit of individual goals.

Our Group adheres to current rules and regulations as well as the recommendations laid out in the Italian Corporate Governance Code for listed companies. We have developed a governance system that is regularly verified and updated to ensure that UniCredit complies with the evolving regulatory environment and operating practices. This system continuously monitors markets to assess the level and efficacy of our governance efforts.

Components of UniCredit's governance include:

- the Articles of Association, which set forth corporate governance provisions aimed at ensuring the proper operation of corporate management
- the Regulations for the Shareholders Meeting, governing the conduct of ordinary and extraordinary meetings and, mutatis mutandis, meetings of special categories of shareholders
- Regulations for the Board of Directors, governing its working and jurisdiction, in accordance with relevant legal and regulatory provisions, UniCredit bylaws, and principles and rules set out in the Corporate Governance Code
- the Group Remuneration Policy, establishing an approach consistent with sustainable remuneration and its standardized implementation across UniCredit, with specific reference to the senior management
- the Group Managerial Golden Rules (GMGR), which are guidelines for principles of governance within UniCredit, outlining our organizational model and establishing managerial and functional responsibilities for all key processes

To ensure the proper addressing, coordination and control of our Group activities and the management of related risks, a consistent additional system of rules is based on our:

- Integrity Charter<sup>1</sup>
- Code of Conduct, which defines general principles of conduct, aiming to promote our culture of compliance and our commitment to sustainability
- Global Rules, which are Group rules issued by UniCredit - coherently with the GMGR principles - to manage significant activity in terms of compliance with the regulation and/or risk management. The Global Rules consist of:
  - Global Policies, which establish the overall model, macro-processes (e.g., responsibilities of the parent company and entities, interaction and coordination mechanisms)
  - Global Operational Instructions, providing operational, technical and methodological supplements to the Global Policy, ensuring the correct application of the models, rules and principles of governance as defined by the Global Policy
- Service contracts between UniCredit and its related subsidiaries, which formally regulate the provision of inter-company services and ensure transparency regarding the services provided and the related compensation

### Governance structures

UniCredit SpA has adopted a traditional management and control system based on two corporate bodies the members of which are chosen at the Shareholders Meeting: the Board of Directors, which is responsible for the strategic management and supervision of the company, and the Board of Statutory Auditors, which supervises the management of the company. Legal accounting supervision is entrusted to an external auditing firm in compliance with relevant current laws.

This traditional management system, which gives importance to the Shareholders Meeting, allows for a clear exchange of views between management and shareholders on fundamental elements of governance, such as the appointment and the removal of directors, the appointment of members of the Board of Statutory Auditors, remuneration and the appointment of the external auditing firm, and the approval of financial statements, the allocation of profit and compensation policies for management.

1. Refer to the relevant section of the corporate website at [www.unicreditgroup.eu](http://www.unicreditgroup.eu) for more information.

The Board of Directors is supported by five committees with the authority to advise and submit proposals to the board:

- the Permanent Strategic Committee
- the Internal Controls & Risks Committee
- the Corporate Governance, HR and Nomination Committee
- the Remuneration Committee
- the Related-Parties and Equity Investments Committee

These five committees may operate according to the procedures considered appropriate and may, inter alia, divide into sub-committees. For example, the Internal Controls & Risks Committee performs its duties either in plenary sessions or with limited membership within its two sub-committees, the Internal Controls Sub-Committee and the Risks Sub-Committee.

UniCredit's overall corporate governance framework has been defined bearing in mind the recommendations of the Corporate Governance Code for listed companies.

During the course of 2013, taking into consideration the complexity and relevance of the duties assigned to independent directors connected to related-parties transactions, the Board of Directors approved the establishment of an ad hoc committee, the Related Parties and Equity Investments Committee, and eliminated the Related Parties and Equity Investments Sub-Committee, which had formerly been set up within the compass of the Internal Controls & Risks Committee. The Board of Directors confirmed the duties and responsibilities previously assigned to the sub-committee as well as its qualitative and quantitative composition.

For detailed information on the UniCredit corporate governance system, please refer to the relevant area of the corporate website [www.unicreditgroup.eu](http://www.unicreditgroup.eu) and the UniCredit SpA Report on Corporate Governance and Ownership Structures, which was approved by the Board of Directors in March 2014.

## Organizational structures

UniCredit Group organization reflects an organizational and business model which maintains a divisional structure that applies to the management of our Corporate Investment Banking (CIB) business and products and to our business in Central and Eastern Europe; global control is applied to Global Banking Services (GBS), while our country and bank entities possess autonomy for specific activities. This guarantees increased proximity to the client and faster decision-making processes. The organizational structure is comprised of:

- the Chief Executive Officer (CEO), who has overall responsibility for all regional businesses reporting to him from Italy, Germany, Austria, Poland and CEE; directly oversees the Italian business; delegates the supervision of Austria, Poland and the CEE Division to the General Manager; and delegates the supervision of Germany to the Deputy General Manager responsible for the CIB Division
- the CIB Division, which is a global division that covers multinational customers (Multinationals), selected large corporate clients with a strong potential need for investment banking products; Financial and Institutional Groups (FIG) customers; and global business lines, including Global Transaction Banking (GTB), Global Financing & Advisory (F&A), and Markets
- the General Manager (GM), who is responsible for some cross-Group activities such as: the management of strategic marketing activities; assisting the Chief Executive Officer in managing the Internal Control System (ICS) to ensure its effective functioning; and fostering, also through the other competent functions, an ongoing dialogue and relationship with the Group's regulators
- the CEE Division, which coordinates the Group's activities in 19 Central and Eastern European countries, aligning them with a single comprehensive business vision for the region
- the Chief Operating Officer (COO), who is responsible for all management decisions involving organizational, operational and service functions, including HR, Organization, ICT, Operations, Workout and Security, and also uses the Group's Global Service Factories to provide support for the sustainable growth of Group business, ensuring the high quality of Group services while optimizing its cost structures and internal processes
- the Country Chairman Italy, who is responsible for the coordination, control and development of activities for the Individuals segment (including Mass Market, Personal Banking and Private Banking) and Small Business and Corporate segments (which include the former Medium Enterprises segment) of the Italian perimeter, overseeing a retail

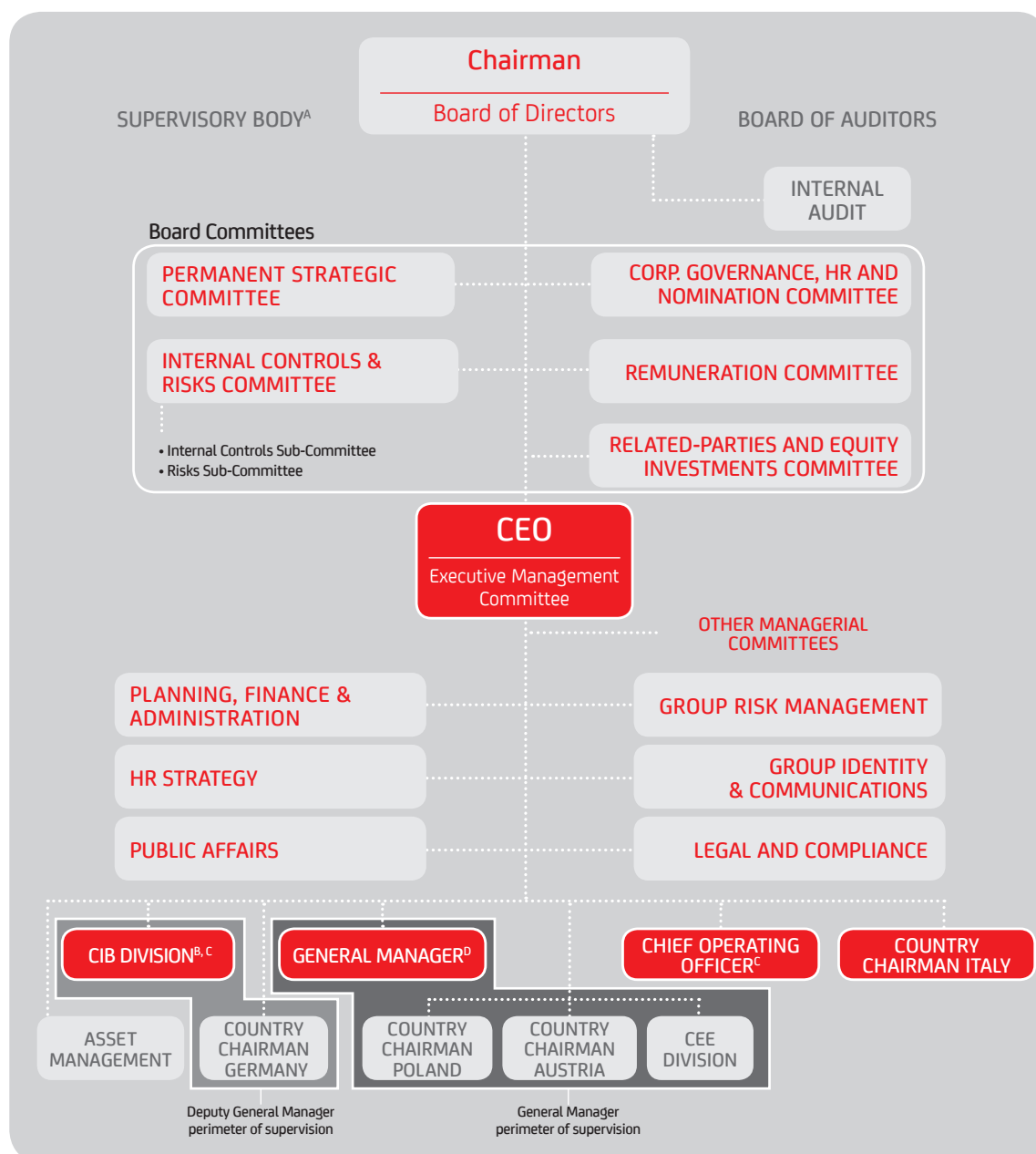


# Our Approach



- network divided into seven Regions, as well as the Private Banking network and the Special Network Italy, dedicated to customers in difficult situations
- the Asset Management Product Line, which is responsible for the development of asset management in all geographic areas by guiding, coordinating and monitoring the development of business activities on a global level
- the functions called Competence Lines (Planning, Finance & Administration, Risk Management, Legal & Compliance, Internal Audit, Human Resources, Organization, and Identity & Communications), which oversee the guidance, coordination and control of UniCredit activities and manage related risks

## Organizational and governance structures



A. Set up according to the Legislative Decree No. 231 dated June 8, 2001.

B. The supervision of Germany is delegated from CEO to Deputy General Manager (in charge of CIB Division).

C. Position covered by Deputy General Manager.

D. The supervision of Austria, Poland and CEE Division are delegated from CEO to General Manager.

## Board members' compensation<sup>2</sup>

The compensation paid to non-executive directors and to the members of the Board of Statutory Auditors is not linked to UniCredit's financial results. Non-executive directors are not beneficiaries of incentive plans utilizing stock options or, more generally, of any plan that makes use of financial instruments.

The CEO is the only executive director who sits on the Board of Directors, and a portion of his remuneration is linked to UniCredit's financial results. This arrangement is in line with the policy applied to the UniCredit management team, of which the CEO is a member.

## Compensation for Top Management

Compensation for the CEO, General Manager (GM) and Deputy General Managers (DGMs) is defined within a rigorous governance process. UniCredit's approach to compensation is performance-based, market-aware and aligned with our business strategy and stakeholder interests. To ensure competitiveness and effectiveness of remuneration, as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of our Group Compensation Policy.

The compensation policy framework is designed to assure the consistency of the remuneration elements and systems, while also conforming to our Group's long-term strategies and principles of sound risk management. The framework provides a balance between fixed and variable components of remuneration and includes mechanisms to defer the payment of a consistent portion of performance bonuses, which is then subject to further performance conditions. Risk-weighted mechanisms are applied to variable compensation, ensuring that remuneration remains linked to sustainable results.

Over the course of the year, the Remuneration Committee analyzes and monitors compensation trends in the market in order to make informed decisions on our compensation approach. When considering the compensation of UniCredit executives, an independent external advisor contributes to identifying a peer group, against which a compensation benchmarking analysis is performed. This peer group is ultimately defined by the Remuneration Committee, following an assessment of our main European and international competitors on criteria such as market capitalization, total assets, business model and geography. Our constant benchmarking enables us to set competitive ranges in compensation levels, pay-mix and total reward structures for the effective retention and motivation of our critical human resources.

Our Group Compensation Policy, as proposed by the Remuneration Committee, is submitted to the Board of Directors and subsequently to our shareholders at the Annual General Meeting for approval, in line with regulatory requirements.

The Board of Directors annually approves the criteria and the features of UniCredit's incentive plans. This ensures an appropriate balance of variable reward opportunities within the pay-mix structure, while fostering mid- and long-term business sustainability and value creation.

The 2013 Group Incentive System for Executives was designed in light of the provisions of the European Parliament's Capital Requirements Directive CRD III (Capital Requirements Directive, November 2010), the Guidelines on Remuneration Policies and Practices issued in December 2010 by the Committee of European Banking Supervisors (CEBS, now called the European Banking Authority, or EBA) and the latest indications provided by national regulators on compensation policies and practices.

2. Refer to the Annual Compensation Report, published within the 2013 Group Compensation Policy, on website [www.unicreditgroup.eu](http://www.unicreditgroup.eu) for more information.



## 2013 results and compensation decisions

For 2013, the Board of Directors of UniCredit has taken into consideration the evaluations of the Remuneration Committee and the guidelines of the regulatory authorities on variable remuneration. The Board has expressed a sincere appreciation for the great professionalism demonstrated by the Management during a particularly difficult year and for the initiatives that contributed to make UniCredit a bank yet more ready to take all the opportunities offered by our new Strategic Plan.

Anyway, considering the overall context, it has been deemed opportune not to award any bonus to the Group Top Management, irrespective of the achievement of individual goals.

In this framework, consistently with the Group Compensation Policy, the Board has resolved a particularly selective bonus payment for the remaining population, focusing on those Group areas which achieved a solid and sustainable performance.

Overall, bonuses paid to the first 120 executives show a reduction of more than 60% versus the opportunities and for 80% they will be deferred to the following years and made conditional to the achievement of further future performance conditions.

## 2013 Group Incentive System

The 2013 Group Incentive System aims to reward sustainable performance, to motivate and retain UniCredit Executives, and to align our compensation systems with the latest national and international regulatory requirements. The plan is designed in line with company strategies and goals, and is linked to UniCredit's results, which are adjusted for different types of risks-including capital and liquidity. The plan provides for the allocation of a performance-related bonus in cash and ordinary shares paid out over a period of up to five years, upon the application of an overall risk/sustainability factor, related to annual Group profitability, solidity and liquidity results (Group Gate) as well as a Zero Factor related to future Group profitability, solidity and liquidity results.

The bonus payable to each executive is based on a multi-perspective Performance Screen assessment of operational and sustainability drivers. The maximum bonus is capped and performance is evaluated against both internal absolute goals and external relative goals, considering also risk-adjusted indicators. Goals relevant to each position are assigned from our catalogue of key performance indicators, which covers financial dimensions (e.g., value creation, profitability, risk management) and non-financial dimensions (e.g., compliance and function effectiveness, stakeholder value).

The resulting bonus is paid in five installments through a balanced schedule of upfront and deferred payments, in cash and shares. The first installment of 2013 bonus is meant to be paid in cash in 2014 and is subject to the application of Group Gate linked to 2013 Group profitability, solidity and liquidity results and to the absence of any individual compliance breach. In 2015, the second installment will be paid in cash, while the 2016 and 2018 installments will be allocated in UniCredit shares. The 2017 installment will be allocated in both cash and UniCredit shares. Deferred payouts are similarly subject to the application of a Zero Factor that depends on UniCredit's profitability, solidity and liquidity results in future years, as well as on the absence of any individual compliance breach.

## Compliance

Global Compliance is part of the Group's Legal & Compliance (L&C) department, which reports directly to the CEO. L&C falls under the responsibility of the General Counsel and the Group Compliance Officer. Its mission is to facilitate the Group's advancement of its business interests in compliance with laws, regulations, internal policies and best practices; to provide effective service to its clients; to help safeguard the Group's franchise and reputation; and to uphold its values.

Compliance also reports to UniCredit's Corporate Bodies (the Board of Statutory Auditors, the Internal Controls and Risks Committee, and the Board of Directors).

Global Compliance is mainly organized by activity and expertise, with one unit specifically dedicated to Global Anti-Money Laundering activities and another to Global Corporate and Investment Banking business. As well as the specialist coverage groups at global level, there is also Legal Entity and country coverage. In each material Group legal entity there is a local Compliance function in place and a responsible for Compliance activity. The Compliance function is organized in a similar way to the global team in the major countries in which the Group operates (e.g. UniCredit Bank AG, UniCredit Bank Austria AG and Bank Pekao SA being the more established and larger structures) while in other countries Compliance is more a generic group given the size and range of businesses of the legal entities.

All compliance functions have a direct (or indirect - through the General Counsel) reporting line to the CEO or to a member of the Management Board who has no other delegated powers or responsibilities for operating areas.

In 2013, Compliance resources at Global and Local level further increased to strengthen existing structures for the management of Compliance risk. The Global Compliance Framework sets out the main functions performed by Compliance to assist the Group management of compliance risk:

- providing guidance
- assessing and monitoring compliance risk
- serving as liaison with Authorities

While in 2013, further progress has been made on the Compliance initiatives, in the main UniCredit indirect subsidiaries, the focus in 2014 will be on the improvement of Compliance culture and facilitation of communication within the Group (especially through the Subholdings), aiming at increasing a risk cultural approach. Global and Local Compliance departments will further increase the exchange of information (leveraging on monthly reporting and dedicated calls between the Holding and the Subholdings), thus further supporting the spread of a shared and consistent compliance approach throughout the Group.

For 2014, other priorities are as follows:

- enhancing the compliance controls system by extending the depth and reach of Compliance's second-level controls in the Group's major indirect subsidiaries and by disseminating common processes in other relevant subsidiaries
- continuing to harmonize tools and practices across our Group in key compliance areas where a standardized, global approach can be applied (e.g., Anti-Money Laundering activities, Market Abuse and Conflicts of Interest)
- improving the quality of our activities and resources through global compliance education initiatives (e.g., expanding the activities of the Compliance Academy, launching a coaching program for selected compliance personnel)

## Policies

### Anti-Money Laundering

Our Global Policy on Anti-Money Laundering and Countering of Terrorist Financing (hereinafter the AML Policy) issued in June 2011 builds on our global compliance guidelines and sets out a more detailed policy statement on issues such as the risk assessment and classification of clients and the minimum due diligence standards under the Know Your Customer process. The policy establishes the framework under which our Group manages its risks related to potential money laundering and terrorist financing and establishes minimum standards for the legal entities' AML programs.



Other official documents related to AML and anti-terrorism financing that build upon and provide more detail than the AML Policy include the following:

- Global Compliance Policy on Financial Sanctions
- Global Compliance Policy on Group Restrictions on Iranian Business
- Global Compliance Technical Instructions on AML Global Controls Monitoring Standards
- Global Compliance Technical Instructions on AML Compliance Risk Assessment & Customer Risk Classification Standards
- Global Operational Instructions on Periodic Reviews of Know Your Customer (KYC)
- Global Operational Instructions on Correspondent Banking AML Standards
- Global Operational Instructions on Politically Exposed Persons
- Global Operational Instructions on Private Banking AML Standards
- Global Operational Instructions on Miscellaneous Customer Due Diligence Provisions
- Global Operational Instructions on Indirect Sanctions Risk

In 2013, our principal anti-money laundering achievements were the rollout of the new AML IT system, configured in keeping with a Group template, in major CEE legal entities where the system had not been implemented the previous year; and the completion of gap analyses to ensure that the systems in the hub countries of Italy and Germany were in line with our Group's configuration.

The total number of training hours provided to Group employees for AML amounted to more than 105,700 in 2013.

## Anti-Corruption

UniCredit's Anti-Corruption Policy aims to:

- define principles and rules for identifying and preventing potential acts of corruption (as defined below) to protect the integrity and reputation of our Group
- provide general information to employees on the measures taken by each Group legal entity to identify, mitigate and manage corruption risks

For the purposes of the Anti-Corruption Policy, an act of corruption is defined as the giving, offering, promising, receiving, accepting, demanding or soliciting of money, gifts or other benefits in order to obtain or retain an undue advantage in the course of business activities, irrespective of:

- whether the recipient of the act of corruption is a domestic or a foreign individual, a public official or a private individual
- where the act is committed
- whether the result of such act entails an actual undue advantage or the improper performance of a function or activity

To avoid any doubt, acts of corruption also include facilitation payments. UniCredit monitors incidents of corruption related to both employees and business partners. For privacy reasons, we do not disclose the results of these activities. More detailed guidance was provided in 2013 regarding the following risk areas: charitable donations and sponsorships, offers of employment, and suppliers and contractors.

Our Group is committed to making charitable donations in good faith for legitimate purposes, as well as to sponsoring events and organizations in the communities where we do business. Under no circumstances may sponsorships or charitable donations be made as an inducement to obtain any advantage considered improper under applicable local laws. To mitigate the risk that any charitable donations or sponsorships may be made or may be perceived to have been made as an act of corruption, appropriate and proportionate risk-based due diligence must be undertaken on the individual or organization in question before any sponsorship or charitable donation may be undertaken.

Offers of employment must never be made with the intent to unduly influence anyone. To avoid the impression that an offer of employment, either temporary or permanent, or an offer of any other temporary position or attachment could be an act of corruption, such offers may not be made to anybody - including customers, business partners or public officials (or persons known to be closely associated with them) - other than through the normal competitive hiring process. The normal hiring process of each Group company should be documented.



UniCredit may be held liable for acts of corruption committed by suppliers or contractors acting on behalf of our Group, whether or not our company had knowledge of the acts in question. Therefore, it is important that suppliers and contractors be subject to appropriate review and assessment, both before being engaged and on an ongoing basis, in order to mitigate this risk.

The total number of training hours provided to Group employees on anti-corruption amounted to more than 72,680.

### **Anti-Trust**

UniCredit decided to split Antitrust and Unfair Commercial Practices into two Group Rules based only on European sources, previously the policy was based on Italian laws and regulations:

- Guidelines on Antitrust and Unfair Commercial Practices at a Global level approved in December 2011
- Operational Instructions on Antitrust and Unfair Commercial Practices, approved in May 2012, which established more detailed rules and processes, also at a Global level

Through these Global Group Rules on Antitrust and Unfair Commercial Practices, UniCredit aims to:

- strengthen the effectiveness of any action/initiative at a Group level on Antitrust and Unfair Commercial Practices
- enhance the transparency vis-à-vis stakeholders for an higher level of protection of both the competitors and the consumers

The Guidelines on Antitrust and Unfair Commercial Practices provide a set of high-level rules each Group Legal Entity has to comply with, in order to set minimum standards all over the Group. More in detail, these Guidelines inform UniCredit legal Entities and employees' behavior in the following matters:

- agreements (horizontal and vertical)
- abuse of dominant position
- concentrations (mergers and acquisitions)
- unfair commercial practices

The Operational Instructions on Antitrust and Unfair Commercial Practices, on the other hand, provide more detailed rules, roles, responsibilities and organizational processes for handling Antitrust and Unfair Commercial Practices matters, that Group Companies are requested to comply with.

As of December 31, 2013, nearly all of the Group banks have approved and adopted the Guidelines and the Operational Instructions on Antitrust and Unfair Commercial Practices; while, more generally, more than half of the involved Group Companies have approved and adopted those Group Rules.



## Main legal actions regarding anti-competitive behavior, antitrust, monopoly practices and corrupt practices

COUNTRY	DESCRIPTION OF MAIN LEGAL ACTIONS, 2013
Bulgaria	In 2013, thirty-six civil actions were filed against UniCredit Bulbank AD for alleged misleading commercial practices related to pricing, price calculation and the existence of particular price advantages mainly related to interest rates. The highest amount of claimed compensation was €41,971 for the principal and €5,533 for the interest on late payment
Croatia	<p>One company initiated procedures with the Croatian Competition Agency claiming that Zagrebačka Banka DD violated antitrust regulations in respect of the provision of electronic account services by entering into business contract (along with another Croatian bank) with only one IT service provider</p> <p>The National Bank of Croatia (CNB) began proceedings against Zagrebačka Banka DD related to warnings on overdue debts (dunning letters), alleging the bank abused its dominant position by imposing charges on such warnings. In July 2013, after that the Anti-Monopoly Agency assumed sole responsibility for dealing with such cases, the bank submitted a detailed response to CNB's preliminary findings and is waiting for the Agency's next steps</p> <p>In October 2013, the Croatian Competition Agency requested data and documentation to help it gain greater insight into the payment cards market. Zagrebačka Banka DD provided the agency with the requested information. Proceedings are ongoing</p>
Hungary	In July 2013, the Competition Office split the ongoing 2011 investigation concerning foreign currency mortgage loan repayments into two separate proceedings. The subject of the second proceedings was an allegedly prohibited agreement. Such proceedings have already been closed without qualifying the bank's behavior as an infringement and without imposing any sanctions
Romania	<p>In 2013, the National Authority for Consumer Protection (NACP) fined UniCredit Țiriac Bank SA RON 10,000 (roughly €2,200) for alleged unfair commercial practices. The bank appealed and the fine was changed to a warning. At present, the NACP may still appeal against the court's decision</p> <p>In 2013, following a complaint, the National Authority for Consumer Protection (NACP) fined UniCredit Țiriac Bank RON 5,000 (roughly €1,100) for alleged unfair commercial practices. The bank appealed the fine and proceedings are ongoing</p>
Russia	<p>In June 2013, the Federal Antimonopoly Service (FAS) initiated administrative proceedings against ZAO UniCredit Bank for its alleged violation of advertising regulations. The bank has since been found guilty of violations by the FAS, although no fines were imposed. In August 2013, the bank appealed the ruling and the proceedings are pending</p> <p>In August 2013, the Federal Antimonopoly Service (FAS) fined ZAO UniCredit Bank RUB 100,000 (roughly €2,000) for its alleged violation of advertising regulations. In September 2013, the bank appealed the fine and the proceedings are pending</p>

Continued: Main legal actions regarding anti-competitive behavior, antitrust, monopoly practices and corrupt practices

COUNTRY	UPDATE ON LEGAL ACTIONS LISTED AS ONGOING IN THE 2012 SUSTAINABILITY REPORT
Italy	In December 2012, the Italian Antitrust Authority (AGCM) requested information from and commenced proceedings against UniCredit SpA, alleging unfair trade practices concerning advertising campaigns for a deposit account (Conto Risparmio Sicuro). In July 2013, the AGCM fined UniCredit €250,000. UniCredit appealed the fine in a regional court (Tribunale Amministrativo Regionale, or TAR) and proceedings are ongoing
	Following the AGCM decision, alleging that UniCredit SpA had participated in unfair trade practices with regard to an advertising campaign for lending, in February 2012 UniCredit appealed such decision to the regional court (TAR) and the proceedings are ongoing
	In July 2011, the TAR overturned the fine imposed by the AGCM in November 2010 on UniCredit and other banks for the alleged collusion to restrict competition in the debit and credit card markets. In November 2011, the AGCM appealed the TAR's decision to the Italian Council of State. As of 2013, the proceedings are still pending
Austria	With reference to allegations that UniCredit Bank Austria AG incorrectly advised customers on derivatives transactions (e.g., OTC options), criminal charges against two UniCredit Bank Austria AG employees and the bank itself were dismissed in 2011. As of December 2013, 11 civil proceedings were ongoing
Poland	In 2001, the Polish Office of Competition and Consumer Protection (UOKiK) launched proceedings involving operators of the Visa and Europay systems, as well as Polish banks issuing Visa and MasterCard credit cards. The proceedings involved alleged anti-competitive practices affecting the Polish payment cards market. In November 2013, the Court of Competition and Consumer Protection (SOKiK) issued a judgment on a 2006 UOKiK decision that the interchange fee in Poland – charged for every non-cash payment transaction made with a Visa or MasterCard card – was set within a forbidden agreement among 20 Polish banks. The court in part upheld the decision of UOKiK. However, the court reduced the fine imposed by UOKiK on the bank from PLN 16.6 million (roughly €4 million) to PLN 14 million (roughly €3.3 million). The court's judgment is not final, as the banks may still appeal. Bank Pekao SA is currently awaiting written justification of the court's judgment, after which it will file an appeal
	In October 2011, the UOKiK informed Bank Pekao SA of proceedings to determine whether the bank violated collective consumer interests by transferring information on expiring customer obligations to the Credit Information Bureau, in breach of the regulations of the Ministry of Finance and of the Polish Act on competition and consumer protection. In April and November 2012, the UOKiK revised its resolution to initiate proceedings by adding new allegations. In a December 28, 2012 decision, received on January 3, 2013, the UOKiK fined the bank PLN 1.8 million (roughly €450,000). The bank appealed in January 2013 and proceedings are ongoing
	In October 2010, the UOKiK began proceedings aimed at verifying if records of standard contracts of clearing accounts for consumers were in breach of the law, particularly with regard to contractual provisions determined to be abusive clauses. In December 2010, the UOKiK fined the bank PLN 1,993,350 (roughly €480,000). In October 2012, the bank filed an appeal that, in September 2013, resulted in a full reversal of the fine imposed on Bank Pekao SA
Bosnia and Herzegovina	In 2012, the Competition Council began proceedings against Western Union (WU), Tenfore (the company licensed to distribute WU services in Bosnia and Herzegovina), UniCredit Bank DD and other banks for the alleged violation of anti-monopoly laws. The Competition Council believed that WU was attempting to establish a dominant position via its contracts with the banks, which were prohibited from carrying out such activities with foreign payment transaction service providers. UniCredit Bank DD along with two other banks appealed the Council's decision and on March 2014, the Court of Bosnia and Herzegovina rejected such appeal. The case is then closed



Continued: Main legal actions regarding anti-competitive behavior, antitrust, monopoly practices and corrupt practices

COUNTRY	UPDATE ON LEGAL ACTIONS LISTED AS ONGOING IN THE 2012 SUSTAINABILITY REPORT
Hungary	The Hungarian Competition Authority (GVH) began a cartel investigation of seven Hungarian banks, including UniCredit Bank Hungary Zrt, in connection with foreign currency mortgage loan repayments (early repayment). In 2013, the GVH fined UniCredit Bank Hungary Zrt HUF 306,300,000 (roughly €1 million), which the bank has appealed and a decision is pending
	The GVH began an investigation into UniCredit Bank Hungary Zrt regarding an advertising campaign that ran from April 25 to October 31, 2008 for loans that were free of initial charge. As some elements of the advertisement were considered misleading, the GVH imposed a fine of HUF 8,000,000 (roughly €25,000) against the bank. After the dismissal of the bank's appeals in first and second instance, UniCredit Bank Hungary Zrt filed an extraordinary appeal, which is currently pending
	The Hungarian Financial Supervisory Authority (HFSA) fined UniCredit Bank Hungary Zrt HUF 5,000,000 (roughly €16,000) in connection with its execution of the foreign exchange prepayment law. In 2013, proceedings involving the bank's appeal in second instance were interrupted due to the merger of the HFSA and the National Bank of Hungary
	In 2012, the GVH began a cartel investigation of the Hungarian Banking Association, the International Training Centre for Bankers and 38 Hungarian banks (including UniCredit Bank Hungary Zrt), all of which participated in the BankAdat system, the inter-bank database for Hungarian credit institutions. Such investigation is ongoing
Romania	In May 2013, the Romanian Competition Council closed an investigation begun in 2008 into the alleged attempt by Romanian banks, including UniCredit Ţiriac Bank SA, to manipulate ROBOR rates (the country's interbank offer rate). The investigation was closed with no sanctions levied on UniCredit Ţiriac Bank SA
Russia	A Zao UniCredit Bank mortgage customer from the Nizhegorodskiy region complained to the local Nizhegorodskiy anti-monopoly regulator that Zao UniCredit Bank had violated Federal Law No. 135-FZ of July 26, 2006 on Protection of Competition. Specifically, it is alleged that the bank violated Article 11, Prohibition of Agreements Restricting Competition or Concerted Actions of Economic Units. The client alleged that Zao UniCredit Bank drove him to obtain insurance that he did not need, and that he was driven to procure services from a specific insurance company. The proceedings are still ongoing

## Conflicts of Interest

In 2013, the implementation of the Conflict Of Interest Project was completed at UniCredit's main legal entities. In the course of the year, our Group's IT tool that identifies and manages conflicts of interest was adopted by UCB Slovenija, Schoellerbank AG, UCB Hungary, Ukrsofsbank, Bankhaus Neelmeyer AG, DAB AG, UCB Czech Republic, UCB Slovakia, UCB Bosnia Banja Luka and UCB Bosnia Mostar, in addition to the legal entities that had adopted it prior to 2013.

It is also expected that in 2014, the implementation of the Group Conflicts of Interest Management Model at UniCredit CAIB Poland SA, UniCredit International Bank (Luxembourg) S.A. and Direktanlage.at AG.

In recent years, UniCredit has developed the following specific rules on conflicts of interest, which are regularly reviewed and updated:

- the Global Conflicts of Interest Guidelines that aim to define at Group-level conflicts of interest. They assist all employees in identifying and managing conflicts of interest and provide examples of potential conflicts of interest. The guidelines are addressed to all Group companies and aim to identify and manage any actual or potential conflicts of interest. The guidelines apply to all Group business activities and must be followed in conjunction with applicable legal requirements and regulations locally in force
- the Groupwide Compliance Policy – Conflicts of Interest supplements the Global Conflicts of Interest Guidelines and provides a more detailed description of the activities and responsibilities that govern conflicts of interest. It offers a special focus on conflicts of interest involving Group customers in provision of investment services, investment activities and ancillary services (as defined by the EU Markets in Financial Instruments Directive) and in provision of specific financial services. This policy also applies to business conflicts
- the Global Compliance Policy – Conflicts of Interest – Outside Business Interests also supplements the Global Conflicts of Interest Guidelines and is intended to support UniCredit's managers with a clear explanation of restrictions, exclusions, rules for behavior, notification procedures and monitoring requirements for cases involving employees' outside business activities
- the Process Regulation on Operating Processes for Conflicts of Interest – Detection and Management defines the key principles and rules governing the detection and management of conflicts of interest that relate to investment services provided by UniCredit SpA, the holding company of UniCredit Group and our Group's Italian legal entities. Processes have been defined for the potential conflicts of interest identified in the Groupwide Compliance Policy – Conflicts of Interest

In 2013, UniCredit undertook a process review of the rules relating to conflicts of interest. As a result, a new Global Conflicts of Interest Policy was issued, merging the principles of the existing Global Compliance Guidelines on Conflicts of Interest and in the Groupwide Compliance Policy – Conflicts of Interest.

The Group's regulation of conflicts of interest is subject to further evolution, given that the Global Operational Instructions on Conflicts of Interest are now being issued. These instructions will describe processes and other details relating to the contents of the new Global Conflicts of Interest Policy, as well as describing the current processes associated with the Global Compliance Policy – Conflicts of Interest – Focus on Outside Business Interest.

In 2013, an IT tool was released for the declaration and collection of information on the personal outside business interests of employees. This followed a pilot release of the tool at UniCredit SpA's London branch and a subsequent release covering our Top Management.

The next phase of the project is to release the tool across the entire population of UniCredit SpA, a process that is now ongoing.

Finally, in 2013, UniCredit employees were provided with 8,609 training hours on Conflict of Interest policies and procedures.



## Managing environmental and social risks

At UniCredit, we are aware that, through our influence on business operations, financial transactions, project finance, supply chains and other business activities, we may directly or indirectly affect outcomes on a range of sensitive issues.

We are committed to promoting sustainable solutions in our financing and investment decisions. This includes assessing and managing environmental and social risks associated with our lending, including transactions in project finance and sensitive sectors.

In our lending activities, including corporate, project and export finance, we take into account the International Finance Corporation's Performance Standards and the World Bank Group's Environmental, Health and Safety Guidelines.

In our Group's policies and practices, we consider not only traditional economic and financial impacts, but also non-financial impacts, including environmental and social considerations. These policies include our Group General Principles for Credit Activity, special credit policies (e.g., the Project Finance Transactions Policy and the Structured Trade and Export Finance Policy), compliance policies (e.g., the Anti-Money Laundering and Countering of Terrorism Financing Policy), and policies related to environmental, social and reputational risk.

## Equator Principles

UniCredit has adopted the 10 Equator Principles (EPs), a framework for determining, assessing and managing environmental and social risk. The EPs provide a minimum standard for due diligence, and they support responsible decision-making Groupwide.

In 2003, UniCredit was among the world's first signatories of the EPs. Since then, our Group has actively contributed to the development of the framework. These activities have provided UniCredit with valuable experience, facilitated our implementation of the EPs Groupwide, and contributed to our stakeholder engagement efforts.

The EPs are currently embedded in our Special Credit Policy for Project Finance Transactions, which was approved by UniCredit SpA and implemented at all of our legal entities that independently conduct project finance activities. The policy defines roles and responsibilities, the principles underlying project finance transactions, and the principles of quantitative and qualitative transaction analysis, including the EP-based process for non-financial risk evaluation. Under this policy, the Internal Equator Principles Risk Screening Tool (for category A and B projects) and the EP Non-Binding Opinion are incorporated into the approval process.

We regularly conduct training to enhance our implementation of the EPs across our organization. In 2013, 63 employees from the risk competence line and business divisions from UniCredit Bank AG and Corporate and Investment Banking attended EP training. Participants received a state-of-the-art learning experience that introduced them to the revised EPs (EP III) and the underlying revisions to the IFC's Performance Standards. The training used peer-to-peer knowledge-sharing and practical examples for evaluating financial, environmental and social risks, among other techniques.

In June 2013, EP III was released following a robust consultation process involving a range of stakeholders that included clients, trade associations, NGOs and investors. As a steering committee member and participant in various task forces and working groups, UniCredit was actively involved in drafting EP III. UniCredit also co-led the stakeholder engagement process with industry representatives and Export Credit Agencies (ECAs). The implementation of EP III included a transition period through the end of December 2013, with mandatory compliance on all projects starting in January 2014.

During the transition period to EP III, we contributed to the development of related written materials, including the Equator Principles Association's translation of the updated principles into five languages and revisions to supporting documentation concerning their implementation.



As annual awards and league tables have confirmed, UniCredit is a top European bank for project finance. In 2013, we were ranked first in the mandated lead arranger (MLA) league table for project finance in Europe and all home markets, while receiving more than 10 industry awards in project finance and Euromoney deal awards across all sectors and regions<sup>3</sup>.

#### Equator Principles – Number of projects financed by risk category

Risk category <sup>A</sup>	2013 <sup>B</sup>	2012 <sup>B</sup>	2011 <sup>B</sup>
Category A	3	6	12
Category B	9	5	7
Category C	10	11	6
<b>Total</b>	<b>22</b>	<b>22</b>	<b>25</b>

A. Category A - Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented; Category B - Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; Category C - Projects with minimal or no social or environmental impacts.

B. Projects financed within UniCredit Bank AG, UniCredit SpA and UniCredit Bank Austria AG.

#### 2013 Equator Principles – Number of projects financed by risk category and sectors

Sector	Category A	Category B	Category C
Resources <sup>A</sup>	2	0	0
Energy	0	6	10
Infrastructure	1	3	0
<b>Total</b>	<b>3</b>	<b>9</b>	<b>10</b>

A. Including oil&gas, mining and metals.

#### 2013 Equator Principles – Number of projects financed by risk category and regions

Region	Category A	Category B	Category C
Europe: EU	2	9	10
Asia - Australia	1	0	0
<b>Total</b>	<b>3</b>	<b>9</b>	<b>10</b>

Zagreb International Airport is one of the projects financed by UniCredit's CEE Division. The airport will be modernized and developed into a regional hub based on a concession contract signed with the Croatian government. UniCredit acted as the MLA, and our EP team was involved from the very beginning to ensure the project's compliance with all applicable EP requirements and the IFC's Performance Standards. In this process, we sought to mitigate environmental and social impacts by applying recognized performance standards, guidelines and design criteria. Once the project is completed, its modern features are expected to contribute to overall environmental, safety and social conditions. The airport will be characterized by low environmental impacts, improved management processes and upgraded operations.

In our CEE Division UniCredit and other lenders financed a project by Eko Energija d.o.o. to build the 42 MW Obrovac wind farm, onshore in Croatia. Construction is in progress, with the 30/110 kV Zelengrad substation and 9.5 kilometers in overhead power lines to the Obrovac substation already complete and energised. The project will provide electricity under a preferential tariff to Croatia's network operator, HOPS. Once constructed, the wind farm will comprise 14 Vestas V90 wind turbines (80-meter hub height) that each deliver 3 MW, generating more than 105 GWh per year and supplying electricity for more than 30,000 households. The commissioning of the project is scheduled for the first half of 2014. A comprehensive external review of the project's compliance with the Equator Principles (EP), including roads and overhead lines, has satisfied lenders.

3. Period: January 1 to December 31, 2013; Source: Dealogic ProjectWare, January 9, 2014.



In the review, particular attention was paid to the flora and fauna at the site, with additional studies carried out on birds and bats. Attention was also paid to the preservation of potential archaeological finds, with pre-excavations conducted by the archaeological museum in Zadar.

Another project financed by UniCredit, the Butendiek offshore wind farm, is located in the German portion of the North Sea. Situated 32 kilometers west of the island of Sylt in water measuring 17 to 22 meters deep, with a total capacity of 288 MW, the wind farm will be comprised of 80 Siemens SWT 3.6-120 wind turbines. With a permit from the Bundesamt für Seeschifffahrt und Hydrographie, the project is currently under construction and is scheduled for commissioning in 2015. The energy produced will be fed through the SylWin1 cluster of offshore wind farms, which is to be developed and managed by the grid operator TenneT. Electricity production from the wind farm will be approximately 1,290 GWh per year, supplying some 370,000 households. The North Sea presents a unique environment that requires special care in connection with any economic activity. Within the Butendiek project area, mandatory studies of potential ecological impacts focused on the most likely affected wildlife, such as benthos, fish, resting and migratory birds, and marine mammals. For the project, a complete EP review was carried out, including an environmental impact assessment to meet the requirements of all lenders. The project was awarded European Power Deal of the Year 2013 by PFI Magazine.

The Hemerdon tungsten-tin mine is within one of the largest tungsten deposits in the Western Hemisphere, located in Devon, England. UniCredit is playing a key role as environmental and social impacts are addressed before the mine can be reopened. Production by Wolf Minerals is scheduled to commence in 2015 to supply the large demand for tungsten in Europe and the United States.

Senior lenders, together with an external advisor, have assessed the mining project's EP compliance. This process highlighted to the client that the project had not undergone a formal environmental and social impact assessment, as this was not a requirement under UK law. Several focused environmental and social studies as well as audits have now been completed, along with the adoption of appropriate design criteria, to ensure that the project utilizes best practices and procedures. The lenders and the external advisor have reviewed all environmental and social studies to identify areas where the project fell short of standards. Among our findings, we discovered there was no original requirement to conduct a cumulative impact assessment. As this was needed for full compliance, Wolf Minerals undertook such a study to the satisfaction of the senior lenders' external technical, environmental and social consultant. The consultant has now also confirmed that the project is in compliance with the EPs.

Another concern highlighted by the senior lenders and their advisors involved the asbestos found at the site's ageing production facilities, which had to be mitigated by a specialized demolition firm. After assessing the site, Wolf Minerals procured the specialized contractor to begin demolition. Further studies of local fauna identified bats, reptiles and badgers in the project area. Approved handling and relocation programs are providing alternative habitats for key populations. Within the scope of the site's planning permissions, the company acquired nearby land parcels and concluded consensual contractual agreements with all landowners by the end of 2013. This demonstrates that Wolf Minerals has been able to secure robust local support through its strong community relations efforts.

UniCredit acted as one of the mandated lead arrangers for this mining project, and external consultants assisted the mining company and all lenders in assessing all environmental and social aspects of the project.

In 2013, the project was named European Mining & Metals Deal of the Year 2013 by Project Finance magazine. We believe that this achievement reflects not only the challenges of financing a complex and unusual project, but also the diligent manner in which the financiers and the mining company addressed the environmental and social impacts of the project.

## Environmental, social and reputational risk policies

We have developed detailed policies addressing sensitive sectors that commonly involve environmental and social risks. These sensitive sectors include defense, nuclear power, mining and hydropower.

### Environmental, social and reputational risk policies<sup>A</sup>

Policy	Objective	Recent developments and risk mitigation
<b>Defense/ Weapons</b>	Regulates financial involvement with companies from the defense/armaments industry in order to minimize environmental, social, reputational and credit risk	Our position statement including the key criteria UniCredit applies to the defense/armaments industry is disclosed on our website. For our Italian operations, we annually integrate additional data such as the total number of government-authorized defense-related exports connected to our customers, as well as the percentage of our loans that go to customers from the defense sector. And we regularly update our internal country risk classification system to ensure that our analyses account for emerging related issues and risks
<b>Nuclear Energy</b>	Regulates involvement and addresses the challenges posed by the nuclear energy sector in order to minimize environmental, social, reputational and credit risk	Our position statement including the key criteria UniCredit applies to the nuclear energy sector is disclosed on our website. We regularly review this policy's criteria and safety/security standards to address all related risks. For example, in 2013 we reinforced our assessment process concerning tailor-made products/services for the nuclear energy sector to ensure that all financing decisions take into account the safety, environmental and health impacts of the nuclear power plant in question. To facilitate the consistent implementation of this policy Groupwide, in 2014 we will launch a training program to further clarify our policy's criteria and assessment processes
<b>Mining</b>	Provides standards and guidelines that address the risks associated with financing mining operations	Our position statement for the mining industry is disclosed on our website. During 2013, we continued to implement this policy with the support of external consultants. At UniCredit, it is standard practice to regularly liaise with outside experts to enhance our knowledge of highly complex sectors
<b>Water Infrastructure/ Dams</b>	Provides standards and guidelines that address risks associated with financing large water infrastructure projects such as dams	Our position statement including the key standards and criteria applied in this sector is published on our website
<b>Coal-fired Power (under development)</b>	Aims to provide standards and guidelines that address the risks associated with financing coal fired power industry	Using the outcomes of an extensive, in-depth analysis across 10 key countries within our network, in 2013 we engaged internal and external stakeholders on issues including local energy strategies, the impact of emissions, and country-specific technological and regulatory developments. The outcomes of these discussions will be used to further develop policy standards and guidelines

A. Loan proposals that involve one of our global reputational risk policies must be screened by the responsible legal entity, according to the relevant screening record. This screening record is integral to the compliance assessment of any counterparty covered by these policies, based on the specific transaction or project, and must be filled out before any approval may be given. The screening record contributes to a final decision by confirming whether the counterparty and the related transactions/projects fully comply with established requirements.

The reporting system for our environmental, social and reputational risk policies is based on the monitoring provided by our holding company's Reputational Risk Non-Binding Opinions (NBOs). These NBOs are released by the Group Transactional Credit Committee and the Italian Transactional Credit Committee - each according to their competence - upon request by relevant functions and bodies. Our Group Operational & Reputational Risk function receives the NBOs. On a quarterly basis, it presents the Group Operational & Reputational Risk Committee with the holding company's Reputational Risk Non-Binding Opinions Report, which provides an overview of all opinions issued.



## Main partnerships and affiliations<sup>4</sup>

Legal entities	Organization	Description
UniCredit SpA	Utenti Pubblicità Associati (UPA)	UPA is owned and operated by companies with a common interest in resolving concerns related to advertising. UPA is aligned with the Istituto dell'Autodisciplina Pubblicitaria (IAP) in its efforts to defend and promote responsible advertising as a vehicle for consumer information, market competition and social welfare
	Valore D	Valore D is an Italian association of 63 national and multinational companies. Its mission is to increase and support female representation in top positions at major Italian companies
	Executive Corporate Learning Forum (ECLF)	The ECLF is a community of top executives from major global corporations. The community has the strategic responsibility to foster large-scale learning and transformation processes
	Italian Association of Investor Relations (AIR)	AIR is a professional association of investor relations executives in Italy that promotes the professional stature of its members while spreading awareness of their role within a variety of financial institutions
	UN Global Compact Global Compact Network Italy Foundation	The Global Compact is a strategic policy initiative, promoted at national level via local networks, for businesses committed to aligning their operations and strategies with 10 universally accepted principles related to human rights, labor, anti-corruption practices and the environment
	London Benchmarking Group (LBG)	LBG is the internationally recognized standard for measuring corporate community investment
	The United Nations Environment Programme Finance Initiative (UNEP FI)	UNEP FI addresses pressing, current issues in sustainable finance
	Carbon Disclosure Project (CDP)	The CDP promotes understanding of the potential impacts of climate change on shareholder value
	Desertec Industrial Initiative <sup>A</sup>	This initiative is developing a framework for sustainable solar and wind energy produced in the deserts of the Middle East and North Africa
	WWF International	WWF is the world's largest, most experienced independent conservation organization. Its mission is to end the degradation of the planet's natural environment and build a future in which humans live in harmony with nature
Pioneer Global Asset Management SpA	Forum per la Finanza Sostenibile	This nonprofit forum promotes a culture of social responsibility in Italy's finance industry
	Fondazione Sodalitas	This organization seeks to: promote sound management in the nonprofit sector; promote corporate social responsibility; enhance relationships between academia and the corporate sector; and build partnerships among companies, nonprofits, universities and other institutions
	United Nations Principles for Responsible Investment (UNPRI)	The UNPRI initiative is an international network of investors working to put the six principles for responsible investment into practice

A. UniCredit is a shareholder of Desertec Industrial Initiative.

4. Each UniCredit subsidiary with a banking license is generally member, where they exist, of the local economic chamber and the local banking association.

Continued: Main partnerships and affiliations

Legal entities	Organization	Description
UniCredit Bank AG	Arbeitgeberverband Banken (AGV)	AGV is an association of German banks that engages in collective bargaining at the national and international levels; its work involves expert hearings, meetings with social welfare agencies, coordination and counseling of member banks, and serving as a mediator in public debate
	Münchner Memorandum für Frauen in Führung (MFF)	The MFF is a pledge signed by major German businesses seeking to move forward on the path to achieving mixed-gender leadership, equal rights and a performance-oriented work culture
	B.A.U.M. e.V. and Sustainability Leadership Forum	This German campaign promotes environmental awareness and responsibility among business managers
	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)	VfU, or the Association for Environmental Management and Sustainability in Financial Institutions, is an industry-specific body for environmental management at financial institutions
UniCredit Bank Austria AG	Nestor Gold	Nestor Gold is a government initiative that works to strengthen awareness among companies and organizations of the value of older employees and how to implement concrete measures on their behalf
	The Financial Markets Association (ACI)	ACI is an association of wholesale financial market professionals
	International Forfaiting Association (IFA)	IFA is the worldwide trade association for commercial companies, financial institutions and intermediaries engaged in forfaiting
	Vereinigung Österreichischer Investmentgesellschaften (VÖIG)	VÖIG is an association of investment management firms; its membership represents 100% of the assets managed by Austrian investment fund management companies and real estate investment fund management companies
	Verein zur Förderung der Lehre an der Diplomatischen Akademie Wien (Association for the Advancement of Teaching at the Diplomatic Academy of Vienna)	This no-profit association provides support for teaching and scholarship at the Diplomatic Academy of Vienna and, in particular, promotes knowledge of international business, finance and politics
	Kuratorium Sicheres Österreich (KSÖ)	KSÖ organizes events to strengthen community relationships, while addressing economic challenges and other issues in the corporate, political and media sectors
	Austrian Society for Environment	ÖGUT is a non-profit organization that works to stimulate discussion and innovation on environmental issues through the involvement of NGOs, businesses and government
	Bulgarian Human Resources Management and Development Association (BHRMDA)	BHRMDA is a non-governmental organization established to support and develop professionals in human resource management and development and to raise the status of the profession as a whole
UniCredit Bulbank AD	National Committee of Bulgaria for the World Energy Council (NCBWEC)	NCBWEC manages Bulgaria's participation in WEC activities and participates in international energy projects organized by WEC
	Bulgarian Donors' Forum	The forum unites, represents and assists major charitable givers in Bulgaria. Members of the forum provide nearly 60% of their contributions from private funds, which are then given annually to charities in Bulgaria

# Our Approach



Continued: Main partnerships and affiliations

Legal entities	Organization	Description
Zagrebačka Banka DD	Green Building Council of Croatia (GBC)	The GBC is a nonprofit organization and countrywide platform for the promotion of sustainable construction practices
	Information Systems Audit and Control Association (ISACA)	As an independent, global nonprofit association, ISACA engages in the development, adoption and use of globally accepted, industry-leading knowledge and best practices related to information systems
	Foundation	€ This foundation promotes the study of finance and encourages scholars and researchers, particularly among younger generations, to engage in the discipline
UniCredit Bank Hungary Zrt	Joint Venture Association	This association assimilates the views of its membership and supports them in meeting challenges related to business conduct and organizational decision-making
UniCredit Ţiriac Bank SA	European Professional Women's Network	This nonprofit membership organization supports women in reaching their professional objectives through online and face-to-face programs (e.g., mentoring), events and professional and business enhancement tools
	HR Club	The HR Club is an association of human resources professionals in Romania. Its mission is to encourage HR development by supporting and promoting best practices in the field
	National Association for Information Systems Security (ANSSI)	The association aligns the efforts and builds upon the experiences of information security professionals for the promotion of standards and best practices in their field
Zao UniCredit Bank	European Business Association	The association represents the interests of European companies conducting business with and within the Russian Federation
	International Security Managers Guild (ASIS)	ASIS provides support to security managers at large and medium-sized multinationals, synthesizing their expertise to further the development, organization, assimilation and sharing of knowledge within their discipline. It seeks to enhance professional standards in their industry while creating a more secure corporate environment
UniCredit Bank Serbia Jsc	Foreign Investors Council (FIC)	The FIC is a business association that assists Serbia in embracing and developing a modern market economy
Public Joint Stock Company Ukrsofsbank	European Business Association	EBA provides a forum in which members can discuss and find solutions to common problems affecting business in Ukraine. This initiative was initially supported by the European Commission and has grown to become one of the largest and most influential business communities in the country



## Selection of 2013 awards

Company	Award
UniCredit SpA	International Coach Federation: Prism Award 2013 for innovative coaching projects with the most organizational impact during 2012
	CRF Institute: Top Employers Europe 2013 and Top Employers Italia 2013
	Financial Times - The Banker - Professional Wealth Management: Best Private Bank in Italy
	Global Finance: Best Trade Finance Bank in Italy and Best Trade Finance Bank in Central and Eastern Europe
	Project Finance International: Butendiek - Power Deal of the Year 2013
	Euromoney awards for excellence: Best bank in Italy
Pioneer Global Asset Management SpA	EMEA: Best investment bank in Italy
	Morningstar: The Pioneer Funds – Euro Bond won the Morningstar Germany Award 2013 in the EUR Government Bond fund category
	Feri Awards: The Pioneer Funds– Euro Aggregate Bond won the Euro Bond category and the Pioneer Funds
UniCredit Bank AG	Irish Pensions Awards 2013: Fixed Income Manager of the Year award for Pioneer Investments
	HR Excellence Award: top three in the category work life balance and family&careers
	FKI-award (Frauen-Karriere-Index = women-career-index) from Ministry of family affairs of the Bundesrepublik Deutschland award of the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth: 2nd place
UniCredit Bank Austria AG	CRF Institute: Top Employers Europe 2013
	The Banker: Top 1000 World Banks 2013 - Bank Austria Country Ranking 1 <sup>st</sup>
	University of St. Gallen: Österreichs Kundenorientiertester Dienstleister 2013 - Austrian's most customer-oriented service provider
	Branding Academy IBA and Strategy Communication Institute SCI: European Change Communications Award 2013: ranked first in the category Branding medium for customer and employee integration in strategic change processes
Shoellerbank Aktiengesellschaft	Federal Ministry for Environment: Klima aktiv pakt 2020
	Deutsches Handelsblatt: Elite Report award 2013

# Our Approach



Continued: Selection of 2013 awards

Company	Award
Bank Pekao SA	CRF Institute: Top Employers Europe 2013
	Euromoney: Best Cash Management Bank in Poland
	Global Finance Magazine: Credible Business Partner and Innovation for Business and Best Subcustodian Bank 2013
UniCredit Bank AD Banja Luka	Financial Magazine Euromoney: The best bank in Bosnia and Herzegovina
	B&H Euromoney Financial Magazine Best Bank in Transactional Business
UniCredit Bulbank AD	Operational Risk & Regulation magazine: Bank of the year
	EMEA Finance's Europe Banking Awards: Best bank in Bulgaria
	Forbes magazine, Bulgarian edition: top prize for E-banking and mobile banking
	Bulgarian Donors' Forum: award for the largest contribution by voluntary labor of employees for the Green Day initiative
Zagrebačka Banka DD	Euromoney: Best bank in cash management
	CRF Institute: Top Employers Europe 2013
UniCredit Bank Czech Republic As	Euromoney Cash Management Survey 2013: Best Cash Management in CEE
	Euromoney Cash Management Survey 2013: Best Cash Management in CR, Best Project Finance House in CEE and Global Finance Award
UniCredit Bank Hungary Zrt	Euromoney magazine: Best cash management house in Hungary 2013
	Figyelő's TOP200: Financial institution of the year 2013
	Global Finance Magazine: Best Sub-custodian Bank in CEE
UniCredit Ţiriac Bank SA	CRF Institute: Top Employers Europe 2013
	Euromoney magazine: Best Cash Management Bank in Romania
	Romanian CSR Awards: Cicloteque project (bike renting)
	Romanian Call Center Awards: Best Call Center Agent and Best Telesales Agent
Zao UniCredit Bank	ADC*RO: award for Direct Communication Category, Financing
	CRF Institute: Top Employers Europe 2013
	International High School of Brand Management IHSBM, BrandLab and Brand Finance: Absolute Brand 2013 for stable development of an international brand in Russia
	Euroweek magazine: best arranger of syndicated loans in CEE and Russia

Continued: Selection of 2013 awards

Company	Award
UniCredit Bank Serbia Jsc	Moja Srbija and Belgrade Chamber of Commerce: recognition for support provided to humanitarian Foundation Ana and Vlade Divac within the RAISE Project
	Planeta Biznis: for overall humanitarian activities engaged during the year, with a special focus on collaboration with Foundation Ana and Vlade Divac within the RAISE Project
UniCredit Bank Slovakia A	EMEA Finance's Europe Banking Awards: Best Investment Bank in Slovakia
UniCredit Banka Slovenija DD	The Institute for the Development of Social Responsibility and Slovenian Society for Public Relations: Slovenian award for Corporate Social Responsibility (category large companies)
	Euromoney: Best Cash Management Bank in Slovenia for two consecutive years and Best bank for Private banking in Slovenia
Public Joint Stock Company Ukrsotsbank	University of Banking: Best bank for students
	Contracts: Best banks for small and medium business
	Vlast deneg weekly: the most profitable mortgage of the month
	The face of the city 2013: awarded in the nomination At your service
	Ukrainian Banker Awards 2013 rating: Best service bank



## Materiality matrix definitions

Topic	Goal	Chapter
Bank Leadership	Having a well recognized competent top management able to provide a clear medium long term strategic vision	Our Approach
Compliance	Installing a culture of compliance	Our Approach
Corporate Identity	Committing to raising employees' awareness of sustainability issues, leveraging on employees as first ambassadors of the bank	Our Approach
Fair Business Behavior	Maintaining high standards for fair business practices and expecting senior management and employees to treat all stakeholders with fairness, respect and reciprocity, according to the Integrity Charter	Our Approach
Human Rights	Respecting and supporting human rights within our sphere of influence, while ensuring our Group is not indirectly complicit in human rights abuse	Our Approach
Regulators	Building a long-term foundation for financial stability while supporting customers in an uncertain environment; providing tangible support for regulatory discussions to create a better financial system	Our Approach
Responsible Finance	Committing to environmental, social and governance issues also through dedicated products in portfolio	Our Approach
Risk Culture	Enhancing our risk management and risk awareness Groupwide	Our Approach
Diversity and Inclusion	Fostering and improving a culture of inclusion, fairness and respect by promoting equal opportunities in the workplace so all colleagues can maximize their potential	Valuing our Colleagues
Employees' Development	A commitment to enhancing colleagues' professional skills and accelerating their professional development	Valuing our Colleagues
Performance Management	Developing systems based on transparent and fair mechanisms to ensure all employees are capable of performing to the best of their abilities	Valuing our Colleagues
Work-Life Balance	Demonstrating concern for employees' well-being and the balance between their professional and personal lives; creating a work environment in which everyone feels at ease and is motivated to build positive relationships with customers	Valuing our Colleagues

Continued: Materiality matrix definitions

Topic	Goal	Chapter
Customer Proximity	Being close to customers, understanding their needs and promptly providing local families and companies with a wide range of specialized products/services on request	Serving Individuals and Families – Supporting Companies
Dynamic Bank	Being proactive, acting promptly and promoting innovation	Serving Individuals and Families – Supporting Companies
Lean and Transparent Organization	Guaranteeing lean and efficient bank procedures and transparent decision making processes	Serving Individuals and Families – Supporting Companies
Quality and Value	Offering high quality products and services that are good value for money	Serving Individuals and Families – Supporting Companies
Simplicity and Transparency	Enhancing our trust and credibility by proposing simple and easy to understand products/services, as well as proactive, effective and clear communications	Serving Individuals and Families – Supporting Companies
Support to Business	Being close to companies by developing products and services that support their economic growth (e.g. internationalization, research and development)	Serving Individuals and Families – Supporting Companies
Clear Approach to Markets	Maintaining transparent relationship with financial markets by disclosing information that is useful for investors to understand our competitive positioning and bank business trends	Informing Investors
Aging of Population	Managing increased life expectancy rates in the interest of all stakeholders	Fostering Communities
Community Proximity	Understanding territorial issues and responding to local needs to better support social development and positively impact communities	Fostering Communities
Environmental Impact	Taking responsibility for the potential direct and indirect environmental impacts of our business decisions	Conserving Natural Resources
Procurement	Managing procurement with an integrated and transparent strategy that increasingly includes social and environmental responsibility criteria for the entire purchasing chain for goods/services, and promotes the implementation of sustainable business practices by our suppliers	Conserving Natural Resources



## Portrait in numbers

### Percentage and number of employees by country and gender, 2011-2013

Country	Female 2013	Male 2013	Head Count 2013	Head Count 2012	Head Count 2011
Italy	44.0%	56.0%	51,099	52,597	54,167
Germany	54.7%	45.3%	23,059	24,259	24,627
Austria	55.8%	44.2%	11,125	11,522	11,702
Poland	77.4%	22.6%	19,996	20,380	20,764
Bosnia and Herzegovina	72.2%	27.8%	1,728	1,784	1,844
Bulgaria	77.3%	22.7%	4,508	4,667	4,644
Croatia	74.0%	26.0%	4,910	5,060	5,219
Czech Republic	62.8%	37.2%	2,924	3,011	3,045
Hungary	69.4%	30.6%	2,477	2,494	2,588
Romania	73.6%	26.4%	4,880	4,638	4,868
Russia	66.8%	33.2%	4,263	4,115	4,351
Serbia	62.6%	37.4%	1,095	1,052	1,024
Slovakia	72.1%	27.9%	1,493	1,591	1,597
Slovenia	64.3%	35.7%	631	660	659
Ukraine	78.6%	21.4%	7,516	8,248	8,885
Other <sup>A</sup>	58.5%	41.5%	18,354	20,043	19,939
<b>Total</b>	<b>58.7%</b>	<b>41.3%</b>	<b>160,058</b>	<b>169,208</b>	<b>173,176</b>

A. Other: Azerbaijan, China, France, India, Ireland, Latvia, Luxembourg, Netherlands, Taiwan, Turkey, United Kingdom, United States of America.

### Percentage of employees by employment tier, 2011-2013

Employment tier	2013	Employment tier	2012	2011
Senior Management	0.14%	Senior Management	0.32%	0.39%
Executive	0.98%	Executive & Middle Management	13.41%	15.14%
Middle Management	9.63%	Staff	86.27%	84.47%
Staff	89.25%	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Total</b>	<b>100.00%</b>			

1. The data in this part of Supplement applies to UniCredit's employees as of December 31, 2013-2012-2011. Our employee data does not include external staff (e.g. interns or consultants). The number reflects all employees of fully and proportionately consolidated entities. The data represents 100% of the population unless otherwise noticed.

In 2013, our Group fully implemented the Global Job Model and the Global Banding across our operations. This is reflected in all employment tier breakdowns. As a consequence, 2013 employment tier are not comparable to those from previous years.



### Percentage of employees by employment tier and gender, 2011-2013

Employment tier	2013		2012		2011	
	Female	Male	Female	Male	Female	Male
Senior Management	0.04%	0.27%	0.12%	0.60%	0.13%	0.74%
Executive	0.50%	1.67%	8.27%	20.74%	9.78%	22.81%
Middle Management	5.74%	15.16%				
Staff	93.72%	82.90%	91.61%	78.66%	90.09%	76.45%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Percentage of employees by gender and contract type, 2011-2013

Gender	2013		2012		2011	
	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent
Female	2.92%	55.77%	2.90%	55.98%	2.87%	56.03%
Male	1.78%	39.53%	1.48%	39.64%	1.38%	39.72%
<b>Total</b>	<b>4.70%</b>	<b>95.30%</b>	<b>4.38%</b>	<b>95.62%</b>	<b>4.25%</b>	<b>95.75%</b>

### Percentage of employees by employment tier and education level, 2013<sup>A</sup>

Employment tier	Degrees over the High School Diploma	High School Diploma	Other	Total
Senior Management	93.99%	4.37%	1.64%	<b>100.00%</b>
Executive	83.21%	11.31%	5.48%	<b>100.00%</b>
Middle Management	66.61%	25.52%	7.87%	<b>100.00%</b>
Staff	49.93%	41.98%	8.09%	<b>100.00%</b>

A. Data represents 96.54% of the population.

### Percentage of employees by employment tier and length of employment, 2013<sup>A</sup>

Employment tier	0-10	11-20	21-30	>31	Total
Senior Management	55.61%	33.18%	6.07%	5.14%	<b>100.00%</b>
Executive	44.11%	37.00%	13.51%	5.38%	<b>100.00%</b>
Middle Management	31.57%	36.27%	22.63%	9.53%	<b>100.00%</b>
Staff	45.47%	23.53%	19.54%	11.46%	<b>100.00%</b>

A. Data represents 99.38% of the population.

### Percentage of employees by employment tier and age, 2013<sup>A</sup>

Employment tier	Up to 30 years	31-40 years	41-50 years	Above 51 years
Senior Management	0.00%	0.03%	0.06%	0.04%
Executive	0.01%	0.27%	0.48%	0.21%
Middle Management	0.15%	3.10%	4.37%	2.30%
Staff	15.28%	26.91%	25.60%	21.19%
<b>Total</b>	<b>15.44%</b>	<b>30.31%</b>	<b>30.51%</b>	<b>23.74%</b>

A. Data represents 94.33% of the population.

# Valuing our Colleagues



## Percentage of employees leaving employment by reasons, 2011-2013

Reason for leaving the Group	2013	2012	2011
Retirement - employees who left to retire <sup>A</sup>	5.16%	5.37%	4.88%
Restructuring - employees who left due to a common agreement or industrial plan negotiated with trade unions	13.29%	10.96%	17.40%
Individual agreements - employees who left due to individual or one-to-one agreements	18.59%	19.26%	19.59%
Employee resignation - employees who resigned	40.09%	41.48%	36.71%
Employer dismissal - employees who left the bank involuntarily	7.65%	7.84%	7.08%
Other - all remaining reasons, including ending of temporary contracts	15.22%	15.09%	14.34%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

A. Retirements triggered by restructuring have been reported under restructuring rather than retirement.

## Turnover by country, 2013<sup>A</sup>

Country	Incoming employees	Outgoing employees
Italy	1.13%	3.31%
Germany	5.17%	8.51%
Austria	2.22%	5.74%
Poland	3.66%	5.62%
Bosnia and Herzegovina	5.32%	8.56%
Bulgaria	10.07%	13.38%
Croatia	2.75%	5.36%
Czech Republic	9.75%	11.25%
Hungary	9.25%	9.04%
Romania	18.38%	13.55%
Russia	17.36%	19.31%
Serbia	9.68%	6.58%
Slovakia	10.78%	15.74%
Slovenia	3.01%	7.61%
Ukraine	16.56%	26.44%
Other <sup>B</sup>	19.58%	14.51%
<b>Total</b>	<b>6.69%</b>	<b>8.42%</b>

A. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2013)/(Total employees at the end of 2013)\*100; for outgoing employees (Employees who left the Group in 2013)/(Employees at the end of 2013)\*100.

B. Other: Azerbaijan, China, France, India, Ireland, Latvia, Luxembourg, Netherlands, Taiwan, Turkey, United Kingdom, United States of America.

### Turnover by gender<sup>A</sup> and age<sup>B</sup>, 2013

Gender	Incoming employees <sup>C</sup>	Outgoing employees <sup>D</sup>
Female	6.71%	8.03%
Male	6.57%	8.32%

Age	Incoming employees <sup>C</sup>	Outgoing employees <sup>D</sup>
Up to 30	32.82%	20.90%
31 - 40 years	4.65%	7.18%
41 - 50 years	1.48%	3.33%
Above 51 years	0.50%	9.33%

A. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2013)/(Total employees by gender at the end of 2013)\*100; for outgoing employees (Employees who left the Group in 2013)/(Employees by gender at the end of 2013)\*100.

B. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2013)/(Total employees by age at the end of 2013)\*100; for outgoing employees (Employees who left the Group in 2013)/(Employees by age at the end of 2013)\*100.

C. Data represents 99.53% of the population.

D. Data represents 96.81% of the population.

### Differential<sup>A</sup> between female and male employee gross salaries<sup>B</sup> by country and employment tier, 2013<sup>C</sup>

The percentage represents the weighted averages of women's average gross salary compared to men's.

Country	Executive	Middle Management	Staff
Italy	85.2%	85.2%	89.3%
Germany	74.4%	85.1%	86.2%
Austria	98.1%	87.9%	76.8%
Poland	57.2%	79.8%	77.2%
Bosnia and Herzegovina	85.5%	86.5%	90.3%
Bulgaria	Not applicable	86.6%	73.2%
Croatia	77.1%	87.3%	101.1%
Czech Republic	56.4%	74.1%	68.7%
Hungary	76.6%	78.5%	75.6%
Romania	53.9%	97.6%	83.0%
Russia	35.3%	98.2%	78.4%
Serbia	98.1%	93.1%	90.8%
Slovakia	Not applicable	87.1%	75.3%
Slovenia	Not applicable	84.1%	91.6%
Ukraine	54.9%	87.3%	74.6%
Other <sup>D</sup>	75.5%	84.2%	84.2%

A. The ratio were calculated as follows: (total gross salary of female employees/total female)/(total gross salary of male employees/total male).

B. Gross salary: the full year fixed amount paid to an employee for performing his/her duties. It includes allowances provided related to specific positions.

C. Data represents 84.65% of the population.

D. Other: Azerbaijan, China, France, India, Ireland, Latvia, Luxembourg, Netherlands, Taiwan, Turkey, United Kingdom, United States of America.

# Valuing our Colleagues



**Differential<sup>A</sup> between female and male employee total remuneration<sup>B</sup> by country and employment tier, 2013<sup>C</sup>**  
The percentage represents the weighted averages of women's average remuneration compared to men's.

Country	Executive	Middle Management	Staff
Italy	79.3%	84.7%	89.4%
Germany	69.5%	79.1%	84.4%
Austria	103.3%	85.5%	76.4%
Poland	59.6%	78.6%	77.8%
Bosnia and Herzegovina	87.8%	84.6%	90.0%
Bulgaria	Not applicable	83.8%	72.9%
Croatia	75.7%	81.6%	100.4%
Czech Republic	71.0%	75.8%	69.1%
Hungary	76.6%	76.5%	73.6%
Romania	56.5%	96.2%	81.8%
Russia	21.8%	97.1%	77.2%
Serbia	94.4%	91.9%	89.6%
Slovakia	Not applicable	87.6%	73.4%
Slovenia	Not applicable	84.1%	91.9%
Ukraine	54.9%	88.5%	74.0%
Other <sup>D</sup>	68.1%	77.6%	79.0%

A. The ratios were calculated as follows: (total remuneration of female employees/total female)/(total remuneration of male employees/total male).

B. Total remuneration: gross salary plus additional amounts such as bonuses including cash and/or available equity shares to reward individual performance and Company's results and any other no one-off payments.

C. Data represents 84.65% of the population.

D. Other: Azerbaijan, China, France, India, Ireland, Latvia, Luxembourg, Netherlands, Taiwan, Turkey, United Kingdom, United States of America.

## Diversity management

**Percentage of employees by gender and employment status, 2011-2013**

Gender	2013		2012		2011	
	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time
Female	88.45%	55.03%	89.62%	55.22%	90.33%	55.62%
Male	11.55%	44.97%	10.38%	44.78%	9.67%	44.38%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Percentage of female with part-time contracts out of all women by employment tier, 2011-2013

Employment tier	2013	2012	2011
Executive	5.10%	3.29%	2.77%
Middle Management	6.82%		
Staff	17.19%	17.00%	15.52%

### Percentage of employees by gender and educational level, 2013<sup>A</sup>

Gender	Degrees over the High School Diploma	High School Diploma	Other
Female	61.45%	58.03%	48.34%
Male	38.55%	41.97%	51.66%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

A. Data represents 96.54% of the population.

### Number and percentage of employees promoted to higher contractual job grade by country and gender, 2013

Country	Number		Percentage	
	Female	Male	Female	Male
Italy	932	1,018	47.79%	52.21%
Germany	584	607	49.03%	50.97%
Austria	251	565	30.76%	69.24%
Poland	238	108	68.79%	31.21%
Bosnia and Herzegovina	33	8	80.49%	19.51%
Bulgaria	4	3	57.14%	42.86%
Croatia	287	136	67.85%	32.15%
Czech Republic	84	81	50.91%	49.09%
Hungary	72	24	75.00%	25.00%
Romania	139	40	77.65%	22.35%
Russia	48	29	62.34%	37.66%
Serbia	20	30	40.00%	60.00%
Slovakia	124	77	61.69%	38.31%
Slovenia	6	4	60.00%	40.00%
Ukraine	558	158	77.93%	22.07%
Other <sup>A</sup>	1,663	989	62.71%	37.29%
<b>Total</b>	<b>5,043</b>	<b>3,877</b>	<b>56.54%</b>	<b>43.46%</b>

A. Other: Azerbaijan, China, France, India, Ireland, Latvia, Luxembourg, Netherlands, Taiwan, Turkey, United Kingdom, United States of America.

# Valuing our Colleagues



## Number of employees in protected categories by country, 2013<sup>A</sup>

Country	2013
Italy	3,352
Germany	854
Austria	416
Poland	200
Bosnia and Herzegovina	27
Bulgaria	101
Croatia	4
Czech Republic	20
Hungary	0
Romania	13
Russia	55
Serbia	0
Slovakia	18
Slovenia	2
Ukraine	246
Other <sup>B</sup>	324

A. Employees in protected categories are reported according to the requirements of applicable local laws. If accepted by local laws alternative solutions are implemented.

B. Other: Azerbaijan, China, France, India, Ireland, Latvia, Luxembourg, Netherlands, Taiwan, Turkey, United Kingdom, United States of America.

## Training

Our Group received roughly €8,766,370 in 2013 by leveraging our capacity to cover training costs with public funds.

### Training hours per capita by training type and employment tier, 2013<sup>A</sup>

Training type	Senior Management, Executive & Middle Management		Staff	
	Female	Male	Female	Male
Managerial training	4.07	3.45	2.38	2.74
Technical training	22.84	31.60	20.90	24.09
Foreign language training	2.86	2.89	2.44	2.52

A. This data was drawn from a population that represented 80.1% of employees. Training hours included e-learning, classroom instruction and on-the-job training.

In 2013, we conducted 19,492 hours of training in our Markets in Financial Instruments Directive (MiFID) courses.



## Industrial Relations<sup>1</sup>

At UniCredit, we are committed to increasing our reliance on social dialogue, particularly within Group labor practices. We believe that social dialogue enhances our cooperation, listening skills and ability to understand domestic and global labor needs.

This Groupwide approach enabled us to achieve high standards of social dialogue in recent years, thus helping us to navigate the turbulent financial crisis.

Today, we remain committed to improving the level of UniCredit's social dialogue in every country of operation and leverage our strong European identity.

Thus, our Group's workers may be represented by trade unions, works councils or other representatives relevant to the industrial relations system in their country.

This model is carried out over different levels: at national level, we comply with labor laws and the local industrial relations systems, while at European and Group levels, the UniCredit European Works Council (EWC) brings workers' representatives together to meet the Group Top Management.

Founded in 2007, the UniCredit EWC is a governance body towards whom the information and consultation right is granted on transnational Group activities that significantly affect the employees interests. It currently counts 44 members, representing 22 countries (Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine, United Kingdom).

A tangible result of our commitment in social dialogue at European level is represented by two joint declarations we have signed in cooperation with this body: the Joint Declaration on Equal Opportunities and Non Discrimination and the Joint Declaration on Training, Learning and Professional Development.

Finally, in 2013, EWC key initiatives included:

- two ordinary meetings of the EWC with Top Management in attendance (including the CEO, Head of HR, Head of CIB, CFO, COO). These meetings occurred on May 28 and November 19, and were focused on the information and consultation regarding the main Group strategies, decisions and transnational plans
- four select committee meetings, of which one with the participation of the Top Management
- training for EWC members to address the need to remove language barriers across this body. Needs were assessed in January 2013 and training was carried out from February 2013 to January 2014 on an IT platform and through virtual classes

1. This data is drawn from the following subset of Group entities unless stated otherwise:

- Italy: Fineco Bank SpA, Fineco Leasing SpA, Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions ScpA, UniCredit Leasing SpA, UniCredit SpA
- Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions ScpA, UniCredit Global Business Services GmbH
- Austria: UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH
- Poland: Bank Pekao SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions ScpA
- Bosnia and Herzegovina: UniCredit Bank AD Banja Luka, UniCredit Bank DD, UniCredit Leasing d.o.o.
- Bulgaria: UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD
- Croatia: Zagrebačka Banka DD
- Czech Republic: UniCredit Bank Czech Republic As, UniCredit Business Integrated Solutions ScpA
- Hungary: UniCredit Bank Hungary Zrt, UniCredit Jelzálogbank Zrt, UniCredit Business Integrated Solutions ScpA
- Romania: UniCredit Ţiriac Bank SA, Pioneer Asset Management SAISA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions ScpA, UniCredit Consumer Financing IFN SA, UniCredit Leasing Romania SA
- Russia: Zao UniCredit Bank
- Serbia: UniCredit Bank Serbia Jsc
- Slovakia: UniCredit Bank Slovakia As, UniCredit Business Integrated Solutions ScpA
- Slovenia: UniCredit Banka Slovenija DD
- Ukraine: Public Joint Stock Company UkrSotsbank

# Valuing our Colleagues



## Percentage of employees covered by collective bargaining agreements, 2013<sup>A</sup>

Country	2013
Italy	100%
Germany	
UniCredit Bank AG	54.3%
UniCredit Business Integrated Solutions ScpA	54.1%
UniCredit Global Business Services GmbH	56.4%
Austria	100%
Poland	
Bank Pekao SA	76%
UniCredit Business Integrated Solutions Austria GmbH	100%
UniCredit Business Integrated Solutions ScpA	
Bosnia and Herzegovina	100%
Bulgaria	100%
Croatia	100%
Czech Republic	100%
Hungary	Not applicable <sup>B</sup>
Romania	
UniCredit Țiriac Bank SA	
Pioneer Asset Management SAISA	
UniCredit Consumer Financing IFN SA	
UniCredit Leasing Romania SA	
UniCredit Business Integrated Solutions Austria GmbH	100%
UniCredit Business Integrated Solutions ScpA	
Russia	100%
Serbia	Not applicable <sup>B</sup>
Slovakia	100%
Slovenia	100%
Ukraine	100%

A. The collective bargaining agreement refers to national, sector and company level.

B. No collective bargaining agreement of any kind is in place.

C. There is no collective bargaining agreement at the branch and country level as of yet.

**Notice period typically provided to employees and their elected representatives prior to implementing significant operational changes that could affect them substantially**

Country	Notice period specified in collective bargaining agreements	Legal number of days notice	Notes
Italy	Yes	25	Italian labor law states that unions must be informed and consulted 25 days before any change becomes effective. The National Collective Bargaining Agreement of the credit sector provides for different notification and consultation procedures, which may vary from 15 to 50 days depending on the nature of the changes undertaken
Germany	No	No	National regulations do not specify the number of weeks notice typically provided for consulting employee representatives. The information must be provided to the Works Council as soon as management makes any decision, thus making substantial negotiations about the implementation of measures possible. The employers and Works Council must reconcile their interests, and major alterations may not begin unless this reconciliation of interest is achieved or at least attempted
Austria	No	No	Labor Law states that is mandatory to inform employees, and requests to give notice to individual employees five days prior the event, but no specific period is declared for organizational changes
Poland			
Bank Pekao SA	Yes	90	
UniCredit Business Integrated Solutions Austria GmbH	No	180	This is only in case it could influence the status of having a work or not for the employees. For other reason it is not mandatory, but the company keep them informed in advanced, at least 7 days before
UniCredit Business Integrated Solutions ScpA			
Bosnia and Herzegovina	No	15	Notice period for organizational changes is specified by labor law and the legal number of days notice depends on years of working experience
Bulgaria	Yes	45	
Croatia	Yes	14	Notice period is specified by the Labor Law
Czech Republic	Yes	60	At least 2 months notice period according to the local Labour Law
Hungary	No	30	The notice period is typically 30 days. The Works Council must be informed by the company and has 15 days to respond. After this period, changes may be implemented. No agreement is needed, only the timely provision of information
Romania	No	20	As indicated in the labor code, there is a dismissal notice period of 20 working days, beginning the day after the restructuring decision is announced
Russia	No	60	
Serbia	No	15	
Slovakia			
UniCredit Bank Slovakia AS	No	30	
UniCredit Business Integrated Solutions ScpA	No	60	It is regulated by Labor Law - it depends on the length/duration of employment. If it is more than 1 year and less than 5 - 2 months notice period; if the employment duration is more than 5 years the notice period is 3 months
Slovenia	Yes	8	When requested, the employer must provide information to the trade union in a timely manner. If the trade union does not respond within eight working days, it is considered to have no comment. If, however, the trade union provides feedback within eight working days, the employer is required to respond within five working days
Ukraine	Yes	60	



## Welfare, health and safety, work-life balance<sup>2</sup>

We support the well-being of our employees and their families by providing welfare and work-life balance services that respond to their needs, including the supplementation of public services (e.g., enhancing public health assistance with specific coverage provided by our Group). These benefits are defined at the country level due to differences in local laws and practices.

In nearly all countries, part-time and fixed-term employees are offered the same benefits that are offered to full-time and permanent employees. In several countries, colleagues are provided with certain benefits following an initial work period. Moreover, employees in most countries have the option to go on sabbatical for personal reasons or training purposes.

2. This data is drawn from the following subset of Group entities unless stated otherwise:

- Italy: Fineco Bank SpA, Fineco Leasing SpA, Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions ScpA, UniCredit Leasing SpA, UniCredit SpA
- Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions ScpA, UniCredit Global Business Services GmbH
- Austria: Card Complete Service Bank AG, Domus Clean Reinigungs GmbH, Pioneer Investments Austria GmbH, Schoellerbank Aktiengesellschaft, UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Leasing GmbH
- Poland: Bank Pekao SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions ScpA
- Bosnia and Herzegovina: UniCredit Bank AD Banja Luka, UniCredit Bank DD, UniCredit Leasing d.o.o.
- Bulgaria: UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD
- Croatia: Zagrebačka Banka DD
- Czech Republic: UniCredit Bank Czech Republic As, UniCredit Business Integrated Solutions ScpA
- Hungary: UniCredit Bank Hungary Zrt, UniCredit Business Integrated Solutions ScpA
- Romania: UniCredit Țiriac Bank SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions ScpA, UniCredit Consumer Financing IFN SA, UniCredit Leasing SA
- Russia: Zao UniCredit Bank
- Serbia: UniCredit Bank Serbia Jsc
- Slovakia: UniCredit Bank Slovakia As, UniCredit Business Integrated Solutions ScpA
- Slovenia: UniCredit Banka Slovenija DD
- Ukraine: Public Joint Stock Company Ukrsotsbank

## Retirement plans offered to employees, 2013

Country	Principal retirement plans
Italy	<p>Among the complementary pension plans, there are both defined performance funds<sup>A</sup> (whose performances, which come to fruition once the retirement requirements are reached, are known in advance as they are set by the fund statute) and defined contribution plans (whose performances depend on the results of the asset management). Complementary pension plans can also be classified as external or internal pension funds, where external funds are legally autonomous from the Group, while internal funds are accounting items entered into UniCredit SpA's balance sheet, whose creditor counterparts are the employees enrolled (both active and retired). Both these categories are closed and, as such, they do not allow new subscriptions. The only exception is represented by the individual capitalization section of the Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit. Within this section (which counted roughly 35,000 enrolled active employees in 2013) subscribers can distribute their contribution – depending on their own risk appetite – among four investment lines (Insurance, Short, Medium and Long Term) characterized by different risk/yield ratios</p>
Germany	<p>In Germany, there are a variety of defined benefit plans<sup>A</sup> that derive from our company's history. Several are final pay plans, where the pension entails a certain percentage of the last monthly gross salary received by the employee. Others are career average plans, where a percentage of an employee's average annual gross salary is converted into a fixed pension amount. These plans are closed to new beneficiaries. Currently, there are two career average plans. One is closed for new entries, the other one is the only open plan for new entries. Regarding this second plan, a certain percentage of the monthly gross salary is used as a fixed pension amount. In the event of a surplus in assets under management, employees have the option to credit the profits to their individual pension accounts</p>
Austria	
UniCredit Bank Austria AG	Defined contribution plan
Card Complete Service Bank AG	
Domus Clean Reinigungs GmbH	
Pioneer Investments Austria GmbH	
Schoellerbank Aktiengesellschaft	
UniCredit Leasing GmbH	No plans
UniCredit Business Integrated Solutions Austria GmbH	
Poland	No plans
Bosnia and Herzegovina	No plans
Bulgaria	No plans
Croatia	No plans
Czech Republic	No plans
Hungary	No plans
Romania	No plans
Russia	Defined contribution plan
Serbia	No plans
Slovakia	No plans
Slovenia	No plans
Ukraine	Defined contribution plans

A. As of December 31, 2013, defined benefit plans are almost fully funded via contractual trust arrangements (in Germany) or via pension funds (in other countries).

# Valuing our Colleagues



## Welfare system, 2013<sup>A</sup>

Country	National mandatory welfare system	Voluntary company welfare system
Italy	Yes	Yes
Germany	Yes	Yes
Austria	Yes	Yes
Poland	Yes	No
Bosnia and Herzegovina	Yes	No
Bulgaria	Yes	Yes
Croatia	Yes	No
Czech Republic		
UniCredit Bank Czech Republic As	Yes	Yes
UniCredit Business Integrated Solutions ScpA	Yes	No
Hungary	Yes	Yes
Romania		
UniCredit Ţiriac Bank SA		
UniCredit Consumer Financing IFN SA	Yes	No
UniCredit Leasing Romania SA		
UniCredit Business Integrated Solutions ScpA	Yes	Yes
UniCredit Business Integrated Solutions Austria GmbH		
Russia	Yes	Yes
Serbia	Yes	No
Slovakia	Yes	Yes
Slovenia	Yes	Yes
Ukraine	Yes	Yes

A. The welfare system includes pension plan and/or health insurance plans, in accordance with different local laws. Any employee can access voluntary company welfare systems where available.



## Contribution by employers and/or employees to the voluntary company pension system

Country	Contribution from employer	Contribution from employee
Italy <sup>A</sup>	2% or 3%	Minimum 2%
Germany		
UniCredit Bank AG	2.5 to 4.8% of the yearly gross salary	2.5% of the yearly gross salary
UniCredit Global Business Services GmbH	2.75% to 10% of the yearly gross salary	1.25% to 2.5% of the yearly gross salary
UniCredit Business Integrated Solutions ScpA	2.5% to 10% of the yearly gross salary	1.25% to 2.5% of the yearly gross salary
Austria		
UniCredit Bank Austria AG Card Complete Service Bank AG Domus Clean Reinigungs GmbH Pioneer Investments Austria GmbH Schoellerbank Aktiengesellschaft UniCredit Leasing GmbH	2.9% or more	Arrangements between the pension fund and employee are made on an individual basis
UniCredit Business Integrated Solutions Austria GmbH	2.5% of the yearly gross salary	Voluntary: arrangements between the pension fund and employee are made on an individual basis
Poland	Not applicable	Not applicable
Bosnia and Herzegovina	Not applicable	Not applicable
Bulgaria	Not applicable	Not applicable
Croatia	Not applicable	Not applicable
Czech Republic		
UniCredit Bank Czech Republic As	Maximum 24,000 CZK per year (approximately €900)	Not specifically required
UniCredit Business Integrated Solutions ScpA	Not applicable	Not applicable
Hungary		
UniCredit Bank Hungary Zrt	No	0% - 6% of the yearly gross salary
UniCredit Business Integrated Solutions ScpA	No	Up to 50% of the actual minimal wage
Romania		
UniCredit Ţiriac Bank SA UniCredit Consumer Financing IFN SA UniCredit Leasing Romania SA	Not applicable	Not applicable
UniCredit Business Integrated Solutions Austria GmbH UniCredit Business Integrated Solutions ScpA	60 RON (approximately €13.50) of the monthly salary	Voluntary

A. The reported contribution percentages refer to the second section of the Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit, the pension fund currently open to new participants.

# Valuing our Colleagues



Continued: Contribution by employers and/or employees to the voluntary company pension system

Country	Contribution from employer	Contribution from employee
Russia	Contribution 7% of the monthly gross salary	Contribution 7% of the monthly gross salary
Serbia	Not applicable	Not applicable
Slovakia		
UniCredit Bank Slovakia AS	180 € yearly	Minimum 120 € yearly
UniCredit Business Integrated Solutions ScpA	180 € yearly	Voluntary
Slovenia	Maximum 5.9% of the monthly gross salary, distributed between employer and employees: 60% or 70% or 80% (depending on the amount of the employees monthly gross salary)	Maximum 5.9% of the monthly gross salary, distributed between employer and employees: 20% or 30% or 40% (depending on the amount of the employees monthly gross salary)
Ukraine	Not available	Not available

## Transition assistance programs to support employees, 2013<sup>A</sup>

Country	The program includes:				
	Pre-retirement planning for intended retirees	Retraining for those intending to continue working	Severance pay	Job placement services	Assistance transitioning to non-working life (training, counseling)
Italy	No	Yes	Yes	Yes / only for Executive	Yes
Germany	Yes	Yes	Yes	Yes	No
Austria					
UniCredit Bank Austria AG	Yes	Yes	Yes	Yes	Yes
UniCredit Business Integrated Solutions Austria GmbH	Yes	No	Yes	Yes	No
Poland					
Bank Pekao SA	No	No	Yes	No	No
UniCredit Business Integrated Solutions Austria GmbH					
UniCredit Business Integrated Solutions ScpA	No	No	Yes	Yes	No

A. In some cases, the programs are provided only in case of company restructuring/reorganization.

Continued: Transition assistance programs to support employees, 2013

Country	The program includes:				
	Pre-retirement planning for intended retirees	Retraining for those intending to continue working	Severance pay	Job placement services	Assistance transitioning to non-working life (training, counseling)
Bosnia and Herzegovina					
UniCredit Bank AD Banja Luka	No	No	Yes	Yes	No
UniCredit Bank DD Bosnia	Yes	No	Yes	Yes	No
Bulgaria	No	No	Yes	No	No
Croatia	No	Yes	Yes	No	No
Czech Republic					
UniCredit Bank Czech Republic As	Yes	Yes	Yes	Yes	No
UniCredit Business Integrated Solutions ScpA	No	Yes	Yes	Yes	No
Hungary					
UniCredit Bank Hungary Zrt	No	No	Yes	Yes	Yes
UniCredit Jelzálogbank Zrt					
UniCredit Business Integrated Solutions ScpA	No	No	Yes	No	No
Romania					
UniCredit Ţiriac Bank SA					
Pioneer Asset Management SAISA	Yes	Yes	Yes	No	Yes
UniCredit Consumer Financing IFN SA					
UniCredit Leasing Romania SA					
UniCredit Business Integrated Solutions Austria GmbH	No	No	Yes	No	No
UniCredit Business Integrated Solutions ScpA					
Russia	No	No	Yes	No	No
Serbia	No	No	Yes	No	No
Slovakia					
UniCredit Bank Slovakia AS	No	Yes	Yes	Yes	No
UniCredit Business Integrated Solutions ScpA	No	Yes	Yes	No	No
Slovenia	No	No	Yes	No	No
Ukraine	No	No	Yes	No	No



## Health and safety management<sup>3</sup>

We believe that the best approach to managing the health and safety of our employees involves remaining in compliance with the law – not just with its letter but with its spirit. While our guidelines are primarily based on legal requirements regarding timing and procedures, we frequently go beyond the current minimum legal standards, in order to create an environment where our people may reach the best of their potential.

Our commitment to being a great place to work is the foundation of our approach to health and safety.

In particular the departments responsible for health and safety carry out the following activities:

- adequate evaluation of risks (e.g., analysis and verification of staff work activities, including the nature of the job, the job's instruments, work spaces, individual and collective protection measures, technical infrastructure and contractual matters – both for internal and contracted positions)
- set up of a higher level of wellness at work through dedicated initiatives, workshops and trainings

3. This data is drawn from the following subset of Group entities unless stated otherwise:

- Italy: Fineco Bank SpA, Fineco Leasing SpA, Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions ScpA, UniCredit Leasing SpA, UniCredit SpA
- Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions ScpA, UniCredit Global Business Services GmbH
- Austria: Domus Clean Reinigungs GmbH, Pioneer Investments Austria GmbH, Schoellerbank Aktiengesellschaft, UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH
- Poland: Bank Pekao SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions ScpA
- Bosnia and Herzegovina: UniCredit Bank AD Banja Luka, UniCredit Bank DD, UniCredit Leasing d.o.o.
- Bulgaria: UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD
- Croatia: Zagrebačka Banka DD
- Czech Republic: UniCredit Bank Czech Republic As, UniCredit Business Integrated Solutions ScpA
- Hungary: UniCredit Bank Hungary Zrt, UniCredit Business Integrated Solutions ScpA
- Romania: UniCredit Ţiriac Bank SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions ScpA, UniCredit Consumer Financing IFN SA, UniCredit Leasing SA
- Russia: Zao UniCredit Bank
- Serbia: UniCredit Bank Serbia Jsc
- Slovakia: UniCredit Bank Slovakia As, UniCredit Business Integrated Solutions ScpA
- Slovenia: UniCredit Banka Slovenija DD
- Ukraine: Public Joint Stock Company Ukrsofsbank

### Formal joint management-worker health and safety committees, 2013<sup>A</sup>

Country	Existence of a formal joint management - worker health and safety committee	Level at which the committee operates
Italy	No	Not applicable
Germany	Yes	Legal entity
Austria	Yes	Legal entity
Poland		
Bank Pekao SA	Yes	Legal entity
UniCredit Business Integrated Solutions Austria GmbH UniCredit Business Integrated Solutions ScpA	No	Not applicable
Bosnia and Herzegovina <sup>B</sup>	Yes	Legal entity
Bulgaria	Yes	Legal entity
Croatia	Yes	Legal entity
Czech Republic	No	Not applicable
Hungary	No	Not applicable
Romania	Yes	Legal entity
Russia	No	Not applicable
Serbia	No	Not applicable
Slovakia	No	Not applicable
Slovenia	No	Not applicable
Ukraine	No <sup>C</sup>	Not applicable

A. If present, all the employees are represented by a formal management-worker health and safety committee.

B. Refers to UniCredit Bank AD Banja Luka.

C. In Ukraine, a country level committee takes care of all employees in health and safety issues.



## Formal agreements with employees' representatives on health and safety issues, 2013<sup>A</sup>

Country	Existence of formal agreements with employees' representatives	Brief description
Italy	Yes	Provision for the election of the so-called RSL (Employee Representatives for Safety) and their activities, which include trainings and regulations related to workplace environment
Germany	Yes	Key factors were listed for maintaining a healthy workforce in an Occupational Health and Safety joint declaration for the private and public banking sectors in 2010. This list included respect for and trust toward employees, further development of measures to maintain and promote the health of employees, and strengthening preventative care methods. It also acknowledged that health prevention already plays an important role in the banking sector
Austria	No	
Poland	No	
Bosnia and Herzegovina	No	
Bulgaria	Yes	
Croatia	Yes	An agreement between health and safety representatives of the workers and the employer addresses all health and safety issues
Czech Republic	Yes	
Hungary		
UniCredit Bank Hungary Zrt	No	
UniCredit Business Integrated Solutions ScpA	Yes	
Romania	Yes	
Russia	No	
Serbia	No	
Slovakia		
UniCredit Bank Slovakia AS	No	
UniCredit Business Integrated Solutions ScpA	Yes	
Slovenia	No	
Ukraine	Yes	The topics covered are: the obligations of the employer towards employees for the health and safety environment and working place, conditions of work, etc.

A. The employees' representatives may refer to Trade Unions, Work Council, etc.



## Rates of Injury, Occupational diseases and Absenteeism, 2013<sup>A</sup>

Country	Injury <sup>B</sup>		Occupational diseases <sup>C</sup>		Absentee <sup>D</sup>	
	Female	Male	Female	Male	Female	Male
Italy	2.67	1.89	0.91	0.74	12.45	7.22
Germany	2.40	1.73	0.02	0.01	6.30	4.28
Austria	0.95	0.84	0.06	0.01	9.86	7.24
Poland	1.92	0.99	0.17	0.04	5.90	2.59
Bosnia and Herzegovina	0.77	0.00	0.06	0.20	3.03	1.62
Bulgaria	0.16	0.00	0.02	0.00	4.36	2.40
Croatia	0.60	0.00	0.20	0.10	5.20	4.30
Czech Republic	1.80	0.00	0.02	0.00	3.93	2.19
Hungary	0.64	4.33	0.11	0.04	7.58	2.08
Romania	0.00	0.00	0.00	0.00	1.75	1.04
Russia	0.18	0.35	0.00	0.00	4.60	3.03
Serbia	0.00	0.00	0.00	0.00	1.30	1.09
Slovakia	0.00	0.00	0.00	0.00	4.31	2.44
Slovenia	27.49	24.80	0.01	0.04	5.03	3.51
Ukraine	0.00	0.00	0.00	0.00	2.47	1.73

A. This data was drawn from a population that represented 88.5% of the total employees. Injuries are recorded as per applicable local law. Country to country comparison can be misleading due to different tracking systems and differences in local laws.

B. This was calculated as follows: (total no. of workplace injuries/total working hours)\*1,000,000.

C. This was calculated as follows: (total no. of days of absence due to injuries/total working hours)\*1,000.

D. This was calculated as follows: (total no. of days of absence/total working hours)\*1,000. Days of absence refers to: injuries, illness, strikes and other reasons (e.g. medical controls, election days).

## Employee security-related initiatives

Strategic Security Analysis and Assets Protection Unit is responsible for regularly monitoring the security of countries in which UniCredit operates, including security aspects that may affect traveling/expatriate staff. Strategic Security Analysis and Assets Protection Unit enhanced its initiatives in order to assist UniCredit traveling staff. In 2013, the Unit monitored more than 9,000 UniCredit business trips in 72 foreign countries and supported UniCredit main Legal Entities in Austria, Germany, Poland and in the CEE Countries. As a result of this focused and proactive effort, none of our traveling employees ran into dangerous or critical circumstances. Duly notified employees managed to adapt their plans, reschedule or cancel trips.

Consistently with the operational agreement between UniCredit and the Italian Ministry of Foreign Affairs signed in October 2011, Strategic Security Analysis and Assets Protection Unit has established a structured exchange of information in order to improve the safety of traveling UniCredit staff by having the capacity to promptly respond to emergency situations abroad. Strategic Security Analysis and Assets Protection Unit promoted this agreement within the Security department, enhancing the sustainability of UniCredit initiatives.

Moreover, during 2013 a new Privacy Portal and a new WBT course on Privacy and Personal Data Protection for all employees were developed in cooperation with other functions (Compliance, HR and UniCredit Business Integrated Solutions ScpA).



## Disputes concerning labor, welfare issues and administrative bodies<sup>4</sup>

### Number of disputes concerning labor issues

Country	Opened prior to 2013	Opened in 2013	Closed in 2013	Open as Dec. 31, 2013
Italy	926	255	274	907
Germany				
UniCredit Bank AG	15	24	23	16
UniCredit Business Integrated Solutions ScpA	0	6	1	5
UniCredit Global Business Services GmbH				
Austria				
UniCredit Bank Austria AG	21	9	5	25
UniCredit Business Integrated Solutions GmbH	3	2	2	3
Poland				
Bank Pekao SA	734	18	682	70
UniCredit Business Integrated Solutions Austria GmbH	0	1	0	1
UniCredit Business Integrated Solutions ScpA				
Bosnia and Herzegovina	28	6	4	30
Bulgaria	13	7	4	16
Croatia	28	2	7	23
Czech Republic				
UniCredit Bank Czech Republic As	2	0	2	0
UniCredit Business Integrated Solutions ScpA	1	1	2	0
Hungary				
UniCredit Bank Hungary Zrt	4	3	3	4
UniCredit Jelzálogbank Zrt				
Romania				
UniCredit Ţiriac Bank SA				
Pioneer Asset Management SAISA				
UniCredit Consumer Financing IFN SA	2	10	2	10
UniCredit Leasing Romania SA				
Russia	0	6	5	1
Serbia	9	0	0	9
Slovakia				
UniCredit Business Integrated Solutions ScpA	1	1	2	0
Slovenia	2	1	3	0
Ukraine	2	3	2	3

4. Due to improved data collection processes, some figures may differ from data presented in the 2012 Sustainability Report.

#### Number of disputes concerning welfare issues

Country	Opened prior to 2013	Opened in 2013	Closed in 2013	Open as Dec. 31, 2013
Italy	138	13	25	126

#### Number of disputes concerning administrative bodies

Country	Opened prior to 2013	Opened in 2013	Closed in 2013	Open as Dec. 31, 2013
Italy	5	0	2	3
Poland				
Bank Pekao SA	12	6	0	18



## The Ombudsmen Network and the System of Values

To ensure respect for our Integrity Charter and to address situations in which our Group's values may have been breached, we adopted intervention measures in 2006.

From that year until the end of 2011, we used a Restorative Justice System (RJS) to mediate complaints. Managed by Group- and country-level Ombudsmen, this system provided a central role to mediators who were usually experienced external lawyers with limited knowledge of our Group.

This approach obtained satisfactory results, however our Group simplified its intervention measures at the beginning of 2012, replacing the RJS with the System of Values. Most of this new system's tools and processes are based on the RJS, but are more shaped by the country-level Ombudsmen.

As in the past, Ombudsmen are independent and impartial. In most cases they are retired senior managers with a deep knowledge of our Group and its organization. As a further guarantee of their independence, they report directly through the Group Ombudsman to the Chairman of the Board of Directors.

In the last two years the new model has worked properly and the Ombudsmen Network has managed 256 cases.

### Cases by country and tools used, 2012-2013

Country	Total	Pending cases	Closed cases	Not admitted cases	Renounced cases	Other	Total number of cases deploying tools	Tool used		
								Meetings	Notice	Other
Italy	39	0	39	11	19	4	5	5	0	0
Germany	19	1	18	0	2	0	16	15	1	0
Austria	15	3	12	1	1	0	10	1	9	0
Poland	69	6	63	4	17	3	39	11	21	7
Bulgaria	30	0	30	0	0	0	30	18	12	0
Croatia	17	0	17	8	0	2	7	2	4	1
Czech Republic	13	0	13	2	2	0	9	7	2	0
Hungary	21	0	21	3	9	0	9	6	3	0
Romania	4	0	4	1	3	0	0	0	0	0
Russia	1	0	1	0	0	0	1	0	1	0
Serbia	8	5	3	0	3	0	0	0	0	0
Slovakia	3	1	2	0	0	0	2	0	0	2
Slovenia	15	1	14	1	2	0	11	5	4	2
Baltic Countries <sup>A</sup>	2	0	2	0	1	0	1	0	1	0
<b>Total</b>	<b>256</b>	<b>17</b>	<b>239</b>	<b>31</b>	<b>59</b>	<b>9</b>	<b>140</b>	<b>70</b>	<b>58</b>	<b>12</b>

A. Include Estonia, Latvia and Lithuania.

In 2013, the Ombudsmen Network addressed 125 cases, which was a similar rate to the 131 cases of the year before, although a decreasing monthly trend occurred in the second half of the year.

#### Cases by country and tools used, 2013

Country	Total	Pending cases	Closed cases	Not admitted cases	Renounced cases	Other	Total number of cases deploying tools	Tool used		
								Meetings	Notice	Other
Italy	14	0	14	2	8	3	1	1	0	0
Germany	8	1	7	0	1	0	6	6	0	0
Austria	7	3	4	0	1	0	3	0	3	0
Poland	38	6	32	2	11	1	18	7	7	4
Bulgaria	11	0	11	0	0	0	11	6	5	0
Croatia	10	0	10	7	0	0	3	1	1	1
Czech Republic	11	0	11	2	2	0	7	5	2	0
Hungary	10	0	10	1	3	0	6	4	2	0
Romania	1	0	1	0	1	0	0	0	0	0
Russia	0	0	0	0	0	0	0	0	0	0
Serbia	8	5	3	0	3	0	0	0	0	0
Slovakia	0	0	0	0	0	0	0	0	0	0
Slovenia	6	1	5	0	0	0	5	1	4	0
Baltic Countries <sup>A</sup>	1	0	1	0	1	0	0	0	0	0
<b>Total</b>	<b>125</b>	<b>16</b>	<b>109</b>	<b>14</b>	<b>31</b>	<b>4</b>	<b>60</b>	<b>31</b>	<b>24</b>	<b>5</b>

A. Include Estonia, Latvia and Lithuania.

At the end of the year, the System of Values was supported in 14 countries by the Group Ombudsmen Network, who made use of the work and experience of 21 central and deputy Ombudsmen, as well as five local Ombudsmen in Poland.

At the beginning of 2014, a new Group ombudsman team was appointed: Secondino Natale replaced Franco Grosso as Group Ombudsman; Maurizio Mantoan replaced Carmela Bordone as Italy's central Ombudsman; and Antonia Perotti replaced Angelo Oddone as Italy's deputy Ombudsman.



## Customer distribution<sup>1</sup>

Number of customers by division and country as of December 31, 2013<sup>A</sup>

Family & SME Division	Number
Italy (UniCredit SpA)	7,610,698
Germany (UniCredit Bank AG)	1,986,820
Austria (UniCredit Bank Austria AG)	1,622,027
Corporate Division	Number
Italy (UniCredit SpA)	68,367
Germany (UniCredit Bank AG)	369,488
Austria (UniCredit Bank Austria AG)	105,853
Private Banking Division	Number
Italy (UniCredit SpA)	138,576
Germany (UniCredit Bank AG)	43,806
Austria (UniCredit Bank Austria AG, Schoellerbank Aktiengesellschaft)	24,599
Asset Gathering	Number
Italy (Fineco Bank SpA)	897,581
Germany (DAB Bank AG)	555,047
Austria (Direktanlage.AT AG)	65,850
CEE Retail Division	Number
Bosnia and Herzegovina (UniCredit Bank DD, UniCredit Bank AD Banja Luka)	1,159,447
Bulgaria (UniCredit Bulbank AD)	956,932
Croatia (Zagrebačka Banka DD)	1,087,211
Czech Republic (UniCredit Bank Czech Republic As)	304,134
Hungary (UniCredit Bank Hungary Zrt)	406,391
Romania (UniCredit Ţiriac Bank SA)	604,251
Russia (Zao UniCredit Bank)	1,430,185
Serbia (UniCredit Bank Serbia Jsc)	206,458

A. Poland: for 2013 only aggregate figure is available. The total number of customers is 4,724,930.

1. Through GOLD Project, new client segmentation criteria were implemented.



Continued: Number of customers by division and country as of December 31, 2013

Slovakia (UniCredit Bank Slovakia AS)	209,118
Slovenia (UniCredit Banka Slovenija DD)	130,611
Ukraine (Public Joint Stock Company Ukrspotsbank)	2,077,023

<b>CEE Corporate Banking Division</b>	<b>Number</b>
Bosnia and Herzegovina (UniCredit Bank DD, UniCredit Bank AD Banja Luka)	4,754
Bulgaria (UniCredit Bulbank AD)	10,007
Croatia (Zagrebačka Banka DD)	7,735
Czech Republic (UniCredit Bank Czech Republic AS)	10,927
Hungary (UniCredit Bank Hungary Zrt)	8,840
Romania (UniCredit Tiriak Bank SA)	8,486
Russia (Zao UniCredit Bank)	6,745
Serbia (UniCredit Bank Serbia Jsc)	3,146
Slovakia (UniCredit Bank Slovakia AS)	3,968
Slovenia (UniCredit Banka Slovenija DD)	2,553
Ukraine (Public Joint Stock Company Ukrspotsbank)	9,437

<b>CEE Private Banking Division</b>	<b>Number</b>
Bulgaria (UniCredit Bulbank AD)	1,491
Croatia (Zagrebačka Banka DD)	2,806
Czech Republic (UniCredit Bank Czech Republic AS)	2,941
Hungary (UniCredit Bank Hungary Zrt)	938
Romania (UniCredit Tiriak Bank SA)	1,146
Russia (Zao UniCredit Bank)	1,638
Serbia (UniCredit Bank Serbia Jsc)	420
Slovakia (UniCredit Bank Slovakia AS)	1,168
Slovenia (UniCredit Banka Slovenija DD)	324



## Customer Satisfaction<sup>2</sup>

Across the Group, to express the level of customer satisfaction, UniCredit has chosen to use an index provided by an Industry World Leader, TNS Infratest: the TRI<sup>®</sup>M Index. The use of an external methodology, covered by copyright, guarantees not only that methodology and results are in line with the highest and strongest quality standards, but also the possibility to make consistent comparisons with competitors and players of other industries. Moreover the use of a third party approach in measuring the index is even more important considering that the index is part of the Bank's compensation system.

### Retail<sup>A</sup> TRI<sup>®</sup>M index results

Country	2013	2012	2011	2013 competitors' / market <sup>B</sup> TRI <sup>®</sup> M index results
Italy	63	60	60	56
Germany	69	68	68	68
Austria	67	71	71	69
Poland	59	58	59	61
Bosnia and Herzegovina				
UniCredit Bank AD Banja Luka	87	91		76
UniCredit Bank DD	82	82		
Bulgaria	80	80	71	67
Croatia	77	75	69	72
Czech Republic	74	72	69	69
Hungary	67	73	72	56
Romania	72	69	65	67
Russia	87	86	83	79
Serbia	94	89		74
Slovakia	84	82		78
Slovenia	89	82		64
Ukraine	61	59		52

A. In Germany, the Retail segment refers to Individuals (i.e. Mass Market, Affluent and Private Banking). In Austria, the Retail segment refers to Individuals (i.e. Mass Market and Affluent). In Italy, Poland and CEE, the Retail segment refers to Individuals and Small Businesses.

B. Competitors' TRI<sup>®</sup>M 2013 for Italy, Germany, Austria and Poland. Market TRI<sup>®</sup>M 2013 for CEE countries.

In 2013 we confirmed our leadership in the majority of our countries. In Austria we received a lower score compared to the last year and our competitors due to a changeover to the new IT system - EuroSIG. Bank Austria strove to provide solutions in a timely manner and the CEO, Willibald Cernko, through an active and transparent communication, apologized for the unexpected difficulties and delays and offered shopping vouchers for all customers as a clear commitment to compensate costs caused by the IT changeover.

### Corporate<sup>A</sup> TRI<sup>®</sup>M index results

Country	2013	2012	2011	2013 competitors' TRI <sup>®</sup> M index results
Italy	51	49	53	58
Germany	66	63	61	61

2. Through GOLD Project, new client segmentation criteria were implemented and 2012 data have been updated.

Continued: Corporate<sup>A</sup> TRI\*M index results

Country	2013	2012	2011	2013 competitors' TRI*M index results
Austria	61	71	75	72
Poland	63	60	63	58
Bosnia and Herzegovina				
UniCredit Bank AD Banja Luka	80	72		71
UniCredit Bank DD	83	78		74
Bulgaria	81	79	78	73
Croatia	82	81	84	70
Czech Republic	74	75	78	66
Hungary	70	71	70	58
Romania	73	77	75	69
Russia	89	87	90	73
Serbia	82	75		83
Slovakia	78	75		74
Slovenia	73	79		59
Ukraine	77	71		77

A. In Germany and Austria, the Corporate segment refers to Small, Medium and Large Companies. In Italy, Poland and CEE, the Corporate segment refers to Medium and Large Companies.

In some of our core countries, including Italy, Germany and Poland, overall scores for this survey increased compared to 2012. We did, however, record a decline in our TRI\*M index scores in Austria in 2013. This was partly due to a changeover to the new EuroSIG core banking system. To address concerns raised by this process, we have taken up further measures such as proactive internal and external communication and an enhancement of complaint management processes.

In UniCredit's CEE countries, consolidated results for our Corporate segment show an upward trend in TRI\*M index score, from 76 in 2012 to 78 in 2013, maintaining our lead over our peers (+8 in 2013), while in our small business segment, results and trends vary across the region.

#### Private Banking TRI\*M index results

Country	2013	2012	2011
Italy	62	61	59
Germany	79	76	68
Austria <sup>A</sup>	77	75	69
Poland	71	72	66
Bulgaria	98	98	95
Croatia	101	102	103
Czech Republic	86	87	80
Hungary	79	80	78
Romania	85	85	83
Russia	93	84	90
Serbia		102	
Slovakia	96	98	
Slovenia	78	85	
Ukraine	88	89	

A. Austria results refer only to UniCredit Bank Austria AG.



## Handling complaints

UniCredit's approach to complaints management is driven by the belief that a continuing dialogue and swift responses are fundamental to addressing and improving our service quality and customer satisfaction. Clients can submit their complaints through a number of channels, including email, written letter or in person at one of our branches. Complaints are then managed locally or centrally, depending on the subject or type.

As per our Global Compliance Guidelines - Complaint Management, updated in September 2012 and implemented Groupwide, a complaint is any form of dissatisfaction expressed by a current, potential or former customer, certainly recognizable regarding the manner in which the Group has managed a banking, finance or insurance transaction or service. Each UniCredit legal entity develops and regulates its own complaint management processes and defines the methods and timing applied to settling complaints in accordance with their type and the manner of communication chosen by the customer.

### Family & SME / Retail division: number of recorded complaints<sup>A</sup>

Country <sup>B</sup>	2013		2012		2011	
	Recorded (written + verbal)	Written	Recorded (written + verbal)	Written	Recorded (written + verbal)	Written
Italy <sup>C</sup>	300,631	19,661	359,039	21,259	397,334	18,826
Germany	102,219	8,108	229,088	9,034	222,739	8,223
Austria <sup>D</sup>	44,407	1,754			48,539	3,504
Bosnia and Herzegovina	5,025	365	4,883	578		
Bulgaria <sup>E</sup>	2,285	2,285	2,071	2,071	2,102	2,102
Croatia	37,283	4,638	35,309	4,925	41,133	5,713
Czech Republic	8,254	4,477	5,672	3,355	4,569	2,805
Hungary	8,341	4,371	7,864	3,759	6,968	3,233
Romania	3,545	2,402	1,721	1,615	894	841
Russia	24,257	21,790	25,005	21,683	20,962	17,902
Serbia	547	464	417	308		
Slovakia	2,640	2,371	2,315	2,300		
Slovenia	1,797	1,560	827	475		
Ukraine	11,395	2,815	10,100	3,700		

A. Totals are not provided because definitions and recording methods have not been completely aligned across all countries.

B. The number of complaints referring to Bank Pekao SA are not published due to confidentiality issues.

C. 2013 data differs from the "Complete Report on Complaints received from UniCredit in 2013". Since of the total verbal complaints received and accepted, 46 have been canceled in 2014.

D. In 2012, data are not available due to IT changes.

E. In Bulgaria there is no distinction between written and verbal complaints. All the complaints are considered as written.

## Product committees

### Product committees

In 2013, following the reorganization launched with the GOLD Project, two new Product Committees were established (continuing on from the previous Committees, which ceased operations on 14 January 2013) to support customers and local communities more effectively:

- the CIB Italy Product Committee, for activities concerning CIB Italy operations of the CIB Division, targeted to Corporate Investment Banking customers (in the set-up phase), under the direction of the Head of CIB Italy Network
- the Country Italy Product Committee, for activities concerning Commercial Banking Italy, focused on Italian network customers, under the direction of the Italy Country Chairman, with the support of a Technical Secretariat that ensures its continuity and pro-active operation

In this new organizational context, and in light of the current conditions of the national and international markets, the Country Italy Product Committee began operations.

The new managerial body, in fulfilling the goals of its Chairman (the Italy Country Chairman) must achieve its assigned mission not only by issuing a formal opinion on the suitability of products and services for sale, commercial initiatives and personnel incentive campaigns, but also - where suitable/necessary - by defining operational instructions and/or changes to the features/structure of products/services/initiatives to better ensure customer satisfaction.

The goal of these actions is to ensure and maintain the overall quality of the following, over time:

- commercial products and services, adjusted to customers' needs over time
- correct, fair and sustainable prices, in terms both of suitability and affordable costs for customers and profitability for the Bank
- regulatory compliance and operational excellence in the entire sales and marketing process

UniCredit's commitment and achievement are represented in its way of banking and, also through the Country Italy Product Committee, in its every day operations meeting the needs of customers and the communities it serves. The section on the Corporate Governance Approach, which is based on transparency, well-informed management and compliance with the rules and principles of professional ethics, also includes a reference to the Product Committee, as a meeting point between company strategies and the management of customer relations and the fulfillment of their needs, while providing concrete sustainable solutions over time.

In 2013, in line with objectives of the GOLD Project and with the sustainability principles defined in the Group guidelines and policies, and coordinating with other involved/responsible UniCredit bodies and functions, these Product Committees worked to ensure the consistency of external and internal regulations on products and services offered and commercial campaigns and initiatives, by firstly assessing the individual competent functions and, thus, with an overall vision.

In this view and with this goal, the Committees offered an additional opportunity for discussion and synthesis on the process of creating, developing and approving banking, and non-banking, financial, investment and insurance products which are offered/marketed by the bank and are part of UniCredit's commercial strategy, as well as campaigns/initiatives to support marketing activities, in order to achieve the right balance between our products and services, compliance with regulations and meeting customers' needs over time.

The activities of the Committees took the operational form of binding opinions on the admission of commercial products and services, which:

- ensure - with a view to value generation for all stakeholders - the commitment to putting customers first
- assess external and internal regulations and all related implications on risk
- safeguard business needs and those of customers with a time-to-market perspective



## **Country Italy Product Committee: activities carried out in 2013 and geared toward sustainable business, social interaction and oversight of commercial products and services**

In 2013, in order to ensure greater oversight of and compliance with the said principles and processes, a new operational circular letter was issued for the purpose of illustrating and overseeing the operations implemented by the bank to create, develop and approve products.

More broadly, this document aims at ensuring and maintaining the overall quality of commercial products and services in terms of:

- suitability to customers' needs over time
- correct, fair and sustainable prices, in terms both of suitability and affordable costs for customers and profitability for the Bank
- regulatory compliance and operational excellence in the entire sales and marketing process

The Operational Circular Letter Process for the creation, development and approval of the products offered/sold to customers of the Italian network went into effect on 7 January 2014, through the publication of the text on NormaNet, the company's noticeboard.

This circular letter is today an essential tool for operational guidance and regulatory oversight.

Also in 2013, the Country Italy Product Committee gave its opinion on admissibility for a series of initiatives aimed at supporting customers hit by natural disasters. Specifically, these included:

- 2012 earthquake in Emilia-Romagna
  - New subsidized loans for reconstruction
  - Extension of the suspension of monthly mortgage payments for customers living in areas hit by the earthquake
- 2013 earthquake in the Lucca and Massa Carrara area
  - Suspension of monthly mortgage payments for customers living in areas hit by the earthquake
- Floods in Sardinia
  - Initiatives and products dedicated to communities/businesses hit by the floods
- Floods in Umbria
  - Suspension of all loan payments for communities hit by the floods

In the second half of 2013, the Country Italy Product Committee issued its opinion on the admissibility of the initiatives supporting customers who are employees of the ILVA Company in Taranto:

- suspension of monthly mortgage payments for ILVA employees
- suspension of debit and credit card fee payments for ILVA employees

## Socially Responsible Investments (SRI)

By becoming a signatory to the United Nations Principles for Responsible Investment (UNPRI) in March 2009, Pioneer Global Asset Management SpA joined an initiative launched by the UN Secretary-General to advance six best-practice principles among asset owners and investment managers. In alignment with its commitment to the UNPRI, Pioneer Global Asset Management SpA expanded its Proxy Voting Policy to include environmental, social and corporate governance (ESG) issues.

Moreover, Pioneer Global Asset Management SpA has defined its search, investment, control and monitoring processes to ensure their alignment with the transparency guidelines of the European Sustainable Investment Forum (Eurosif). Pioneer Global Asset Management SpA provides several asset-management products that are designed to maximize returns while adhering to ethical and sustainable principles:

- **Pioneer Obbligazionario Euro Corporate Etico a distribuzione (Euro Bond Ethical Corporate Fund)**

The fund's investment strategy is designed to achieve capital appreciation over the medium term. This is accomplished by investing in fixed income instruments issued by companies with business models that meet high standards of social, human and ecological responsibility.

- **Pioneer Funds - Global Ecology**

The fund's investment strategy is designed to achieve capital appreciation over the medium-to-long term. This is accomplished by investing at least two-thirds of the fund's assets in a range of equities and equitylinked instruments issued by companies manufacturing or producing environmentally friendly products or technologies that help to create a cleaner, healthier environment. Such companies include those operating in the fields of air pollution control, alternative energy, recycling, waste incineration, wastewater treatment, water purification and biotechnology.

- **Pioneer Funds Austria - Ethik Fonds**

This is a balanced fund designed to achieve long-term capital growth while generating regular returns. The basic fund portfolio is composed of 30% global equities and 70% euro bonds. An investment is considered ethical when the issuer's business model meets established sustainability standards.

### Fund performance (%)

	One year (as of Dec. 31, 2013)		Three years annualized (as of Dec. 31, 2013)	
	Fund	Benchmark	Fund	Benchmark
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	2.74	2.37	5.47	5.60
Pioneer Funds – Global Ecology – E Class	31.40	21.20	10.54	10.49
Pioneer Funds Austria – Ethik Fonds	7.30	Not available <sup>A</sup>	5.10	Not available <sup>A</sup>

A. The Fund has no declared benchmark in the Prospectus.

### Assets subject to positive and negative environmental or social screening (in € million)

	Assets under management (as of Dec. 31, 2013)	Assets under management (as of Dec. 31, 2012)
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	281.7	237.6
Pioneer Funds – Global Ecology – E Class	1,094.1	901.3
Pioneer Funds Austria – Ethik Fonds	23.4	21.7
Total assets under management at Pioneer Global Asset Management SpA (including regular funds)	173,925	157,916





## Security

The UniCredit Security strategy is aimed at protecting people, sensitive information and assets (tangible and intangible) of UniCredit closely to business needs.

The Group Chief Security Officer (GCSO) exercises the Global Governance and coordinates the Security functions within the Bank as well as the Group in order to ensure the implementation of appropriate security standards and maximize the quality of services.

UniCredit Security leverages on the Global Security Service Line in UniCredit Business Integrated Solutions ScpA in charge of both physical and ICT security, also on the basis of a specific outsourcing agreement with regards to the Italian perimeter.

As far as the Security Governance is concerned, in 2013 the activity related to security events monitoring was enhanced, a common language as well as a set of definitions were defined at Group level in order to improve the quality of data and the related reporting. Specific initiatives related to the Security Awareness were developed (e.g. Security Newsletter, regular Security CSOs workshops). In terms of Security Global Rules, the monitoring of the adoption of the already issued Security Global Rules was reinforced.

In 2013, Strategic Security Analysis and Assets Protection Unit enhanced the security business by providing country security risk analyses (related to e.g. organized crime, terrorism, reputation) to the UniCredit employees. Reports on over 20 countries in which UniCredit Group runs its business were issued.

With respect to the Business Continuity & Crisis Management (BC&CM) initiatives have been clustered during 2013 in order to provide cross divisions approach and cross country solution views. Moreover, the Crisis Management system was consolidated to further improve the effectiveness of Group responses in case of emergency/crisis. In particular some flooding crisis in Italy (the most severe ones occurred in Sardinia – Nov. 2013 – and in Abruzzo – Dec. 2013) were coordinated promptly intervening and supporting the Bank network.

Remaining the personal data protection of the UniCredit customer data a key factor, during 2013 initiatives such as a new Privacy Portal and a new WBT course for all employees in cooperation with other functions (Compliance, HR and UniCredit Business Integrated Solutions ScpA) were developed as well as regulations within UniCredit SpA were updated related to the protection of personal data.

As far as the Security Governance activity is concerned, the commitment for 2014 is to further enhance the Security Governance at Group level also by consolidating the security events reporting system and developing the Security community. Moreover, dedicated initiatives to further enhance the management of the Security Global Rules and monitoring of Security main costs at Group level will be launched.

As far as the Strategic Security Analysis and Assets Protection activity is concerned, the commitment for 2014 is to contribute to the UniCredit internationalization activities by delivering security services aimed at reducing the risks of UniCredit business personnel and/or primary customers operating abroad.

In 2014, with respect to BC&CM it is intended to improve the development of the BC and CM methodologies, plans and solutions in order to fulfill the new requirements, scenarios and perimeter as per Bank of Italy's new regulation (update of the 263 Circular of 2 July 2013).

## Robberies Trend, 2012-2013

As of 2013, in Italy<sup>3</sup>, there were 120 robberies out of which 65 unsuccessful, thanks also to the specific security countermeasures adopted in the last years. The trend shows a decrease compared to 2012 (- 10 successful events). In Germany, Austria, Poland and CEE, the number of successful robberies remained in any case limited up to 16 cases in 2013.

## Thefts Trend, 2012-2013

With regard to thefts consisting mainly of attacks on ATMs, in Italy a slight decrease of successful cases from 37 in 2012 to 34 in 2013 was registered. Thanks also to the security countermeasures adopted in the last years, out of 90 overall cases 56 were unsuccessful.

In Germany, Austria, Poland and CEE, the ATM attacks remained a marginal phenomenon, registering only 5 successful cases in 2013 decreased with respect to the 11 of the previous year<sup>4</sup>.

## Card Frauds Trend, 2012-2013

During the year 2013, notwithstanding the increase at Group level of the number of cases (+20%), the related economic damage decreased (-15%), mainly due to the security countermeasures put in place in Italy, Germany and Poland (e.g. 3D Secure, Europay Mastercard Visa).

## On Line Fraud Trend, 2012-2013

With regards to the on line frauds during the year 2013, a slight increase was registered in the Countries (from 301 events in 2012 vs. 336 events in 2013) but the overall economic impacts remained limited.

## Adherence to legal standards and voluntary codes related to marketing and communication

UniCredit follows the Code of Marketing Communication Self-Regulation (Codice di Autodisciplina della Comunicazione Commerciale, .iap.it) disseminated by the Advertising Self-Regulation Institute (Istituto dell'Autodisciplina Pubblicitaria, or IAP), which commits its subscribers to transparent and honest advertising. UniCredit is also a member of the Utenti Pubblicità Associati (UPA), which supports the IAP. All UniCredit entities follow the regulations disseminated by these bodies, particularly when local codes do not provide guidance on topics covered by the UPA.

In 2011, the IAP alleged that UniCredit was not properly aligned with certain standards. UniCredit took action accordingly and resolved the issue by modifying the advertising in question.

In 2013, all advertising campaigns were brought to the attention of the IAP before their launch. All advertising and communication activities at UniCredit are managed by our Group Identity & Communications department, which is responsible for assuring the effective application of the IAP's code, as well as the oversight of the UniCredit Supervisory Body.

In advertising related to investment products, all texts are submitted to the Commissione Nazionale per le Società e la Borsa (CONSOB) in Italy to ensure that they may be evaluated for regulatory compliance and consistency with the principles of truth and transparency.

3. This type of phenomenon is more prevalent in Italy than in other European countries.

4. In 2013 three events related to the ATF Bank/Kazakhstan – now out of the perimeter – were included.



## Financial inclusion

**Family & SME / Retail division: percentage of total branches in sparsely settled or economically disadvantaged areas as of December 31, 2013<sup>A</sup>**

Country	Percentage
Italy	20.3%
Germany	4.7%
Poland	100%
Bosnia and Herzegovina <sup>B</sup>	100%
Bulgaria	100%
Croatia <sup>B</sup>	100%
Czech Republic	75.2%
Hungary	47%
Romania	100%
Russia <sup>B</sup>	100%
Serbia <sup>B</sup>	100%
Slovakia	98.6%
Slovenia	100%
Ukraine <sup>B</sup>	100%

A. Relating to EU Countries, in order to identify disadvantaged areas, we used the NUTS classification (Nomenclature of territorial units for statistics: a hierarchical system for dividing up the economic territory of the EU). In particular, we considered those Regions at level 2 of the NUTS classification whose GDP (Gross Domestic Product) per inhabitant is less than 75% of the Community average ([http://ec.europa.eu/regional\\_policy/archive/policy/region/index\\_en.htm](http://ec.europa.eu/regional_policy/archive/policy/region/index_en.htm)). Based on this classification, there are no sparsely settled or economically disadvantaged areas in Austria.

B. In these countries we considered as disadvantaged areas the whole territory, since the a study of the IMF published in April 2012 these countries are considered developing economies ([www.imf.org/external/pubs/ft/weo/2012/01/pdf/text.pdf](http://www.imf.org/external/pubs/ft/weo/2012/01/pdf/text.pdf)).

# Determination and distribution of Value Added

## Determination and distribution of Value Added<sup>A</sup>

(€/000)

Item	2013	2012
10 Interest income and similar revenues	24,210,043	28,219,931
20 Interest expense and similar charges	(11,604,699)	(14,342,857)
40 Fee and commission income	9,261,626	9,416,685
50 Fee and commission expense (excluded external networks' expense)	(1,406,720)	(1,412,086)
70 Dividend income and similar revenue	262,059	226,323
80 Gains and losses on financial assets and liabilities held for trading	1,305,016	1,327,821
90 Fair value adjustments in hedge accounting	(15,099)	(133,700)
100 Gains and losses on disposal of:	2,439,964	1,591,648
a) loans	(5,735)	33,752
b) available-for-sale financial assets	1,999,929	464,164
c) held-to-maturity investments	3,618	30,467
d) financial liabilities	442,152	1,063,265
110 Gains and losses on financial assets/liabilities at fair value through profit or loss	211,273	32,902
130 Impairment losses on:	(13,758,324)	(9,767,582)
a) loans	(13,795,152)	(8,996,475)
b) available-for-sale financial assets	(146,600)	(158,166)
c) held-to-maturity investments	(466)	(15,830)
d) other financial assets	183,894	(597,111)
150 Premiums earned (net)	83,251	161,315
160 Other income (net) from insurance activities	(67,669)	(125,739)
220 Other net operating income	1,111,541	805,786
240 Profit (loss) of associates: gains or losses on disposal	46,736	196
270 Gains and losses on disposal of investments	217,919	106,369
310 Total profit or loss after tax from discontinued operations	(760,471)	(174,808)
<b>A. TOTAL ECONOMIC VALUE GENERATED</b>	<b>11,536,446</b>	<b>15,932,204</b>
180 b) other administrative expense	(4,771,734)	(4,874,535)
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	<b>(4,771,734)</b>	<b>(4,874,535)</b>
180 a) staff expense	(9,533,838)	(9,398,678)
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS <sup>B</sup>	<b>(9,533,838)</b>	<b>(9,398,678)</b>
330 Minority Interests	(381,662)	(9,398,678)
Net profit attributable to shareholders	<sup>C</sup>	-
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	-	-
180 b) other administrative expense: indirect taxes and duties	(792,211)	(609,436)
290 Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year	(1,317,222)	(3,524,906)
ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS	<b>(2,109,433)</b>	<b>(4,134,342)</b>
180 b) other administrative expense: donations	(8,739)	(9,697)
Net profit allocated to the charitable funds	-	-
ECONOMIC VALUE DISTRIBUTED TO COMMUNITY	<b>(8,739)</b>	<b>(9,697)</b>
<b>B. TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>(16,805,406)</b>	<b>(18,774,893)</b>
<b>C. TOTAL ECONOMIC VALUE RETAINED</b>	<b>5,268,960</b>	<b>2,842,689</b>

A. As at December 31, 2013, in accordance with IFRS5, the profit (loss) of the following companies was entirely recognized under item Profit (loss) after tax from discontinued operations as a result of their classification as discontinued operations: PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD.

The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

In addition, it should be noted that comparative figures as at December 31, 2012, differ from those disclosed in the 2012 Consolidated Reports and Accounts as a result of:

- reclassification of interest income from impaired assets whose book value was written down and reversals connected with the passing of time (from Interest income and similar revenues to Net losses/recoveries on impairment: a) loans)
- reclassification of some P&L items relating to the operations of one Group company to better reflect their economic nature (from Fee and commission income to Interest income and similar revenues)

B. The economic value distributed to employees and supervised workers excluded expenses for financial advisors.

C. For the proposals to the Shareholders' Meeting on the distribution to shareholders please refer to the specific Board of Directors' reports in relation.

# Yapı Kredi: a focus on Turkey

## Sustainability projects

Yapı Kredi strives to be more than a bank by generating value in ways that go beyond business achievements. Integrity, dynamism and our stakeholders' interests lie at the foundation of our commercial activities. While we make positive contributions to the economic development of our society and country with our products and services, we also develop and implement social responsibility projects that are relevant to our sector and can be integrated into our business processes. In addition to our economic and environmental responsibilities, we take care to be responsible corporate citizens. We focus on many different fields, among which education and art occupy places of primary importance.

Yapı Kredi's social responsibility projects mainly relate to education, art and culture, and the environment. These sustainability activities are managed by the Yapı Kredi Corporate Social Responsibility Projects unit, which is part of its Corporate Communications department. This unit also works to build and maintain relationships with non-governmental organizations operating in Turkey.

Our main priorities for 2014 will be to improve our sustainability reporting, minimize our climate impacts, establish a sustainability committee, and identify our long-term strategy and priorities through 2020.

## Projects related to colleagues

In 2013, we strived to increase the number of our employees who participate in our Right Approach Towards Disability training program. Under the umbrella project No Barriers for My Country, Yapı Kredi employees received training in collaboration with AYDER, our project partner. Implementation involves providing training for volunteer trainers, followed by the Right Approach Towards Disability seminars at the Yapı Kredi Head Office and Yapı Kredi Banking Base. For employees from our extensive branch network who are unable to attend these training sessions in person, the Yapı Kredi Banking Academy has developed an e-learning module. As of the end of 2013, 7,235 employees have completed this course.

To combat gender-based discrimination in Turkey and improve the economic participation and opportunities for women in the workplace, Yapı Kredi launched the Workplace Equality Platform. This platform also encourages pledges by companies to eliminate gender-based discrimination as part of their corporate social responsibilities within the next three years. These pledges include commitments to provide educational opportunities to women, as well as entrepreneurship and technology training, to promote flexible work models, to disseminate gender equality policies at partner firms and suppliers, and to develop relationships with companies established by female entrepreneurs.

The Yapı Kredi Volunteers initiative was launched in 2009 to raise awareness among employees of the value of volunteerism and teamwork. In 2013, 2,602 employees participated in volunteer projects.

## Projects related to customers

In 2013, as part of our initiative to improve the quality of services provided at our branches and head office units, we pursued a range of processes and technical developments. We also took significant steps to ensure compliance with legislation.

We focused in particular on improving the quality of services provided by our tellers and on reducing the time required to complete a typical transaction. We also increased our focus on the management and minimization of risk in both our branches and central operations. As a result of these efforts:

- branch waiting times were improved by 28%, particularly in the last quarter. Average transaction completion times for teller lines improved by 19%
- new straight-through processing (STP) techniques were implemented, resulting in resource savings and gains up to 35% in efficiency for central operations

Additional process improvements and infrastructure and interface system updates were implemented in support of these efforts. Substantial changes were also made in branches and alternative distribution channels to improve customers' experiences with core product lines like credit cards and individual credit lines.

## Projects related to education, art and culture

Since 2006, Yapı Kredi and the Educational Volunteers Foundation of Turkey (TEGV) have joined forces to implement the I Read, I Play project. Focused on instilling a love of reading among children from the ages of 7 to 11, the project cultivates independent thinking, creativity, expression, and understanding the value and need to participate in a reading culture. TEGV volunteers lead I Read, I Play sessions at their 11 training parks and 55 education units across Turkey. By the end of 2013, roughly 108,000 children had participated in the program.

Yapı Kredi also established a finance professorship at Koç University in Turkey. In addition to the professorship's emphasis on the study of finance, it aims to strengthen the relationship between academia and the banking sector. This position is the first of its kind to be created by a member of the Turkish banking sector. Yapı Kredi appointed Associate Professor Oğuzhan Özbaş to serve as the first Yapı Kredi Professor of Finance. Previously, Professor Özbaş taught MBA and PhD finance courses at the University of Southern California.

Koç University created the Anatolian Scholars Program to advance its mission to enable high-achieving students to attend the finest educational institutions, and to support them as they work towards making significant scientific contributions. During the 2013-2014 academic year, Yapı Kredi is supporting this program by covering tuition costs for three students.

Also to support education, we officially inaugurated the Yapı Kredi Technical and Vocational High School for Girls in 2009. In 2013, the bank continued the scholarship program at this school for high-performing students from low-income families. To date, 20 students have been awarded scholarships through this program.

Meanwhile, in the interest of art and culture, Yapı Kredi has supported the Afife Theater Awards since 1997, Turkey's longest-running and most prestigious annual theater event.

Since 1997, Yapı Kredi has also been a main sponsor of the archaeological excavation of Çatalhöyük, the 9,000-year old Neolithic site near the Çumra district of Konya. The Çatalhöyük excavation team has made important archaeological findings each year since 1997. With Yapı Kredi's support, the team continued to excavate the site from June to September 2013.

## Projects related to the environment

Yapı Kredi has completed the ISO 14064 Greenhouse Gas (GHG) Emissions certification process, which was launched in 2011. Following an audit by Bureau Veritas, we received our certification for ISO 14064 in 2013. ISO 14064 details the principles and requirements for designing, developing, managing and reporting organization-level GHG inventories. This standard includes requirements for determining boundaries, quantifying emissions and removals, and identifying specific company actions or activities aimed at improving GHG management. ISO 14064 also includes requirements and guidance on quality management of the GHG inventory, reporting, internal auditing and the organization's responsibilities for verification.

For the Recycling Project, all paper, plastic, glass and metal waste is gathered in boxes installed at the head office and regional offices and is delivered to waste disposal facilities run by local governments or other parties. In 2013, 970.38 tons of paper were recycled, preventing roughly 35,000 tons of greenhouse gases from being released into the atmosphere, 16,500 trees from being cut down and 25,230 cubic meters of water from being wasted.

Additional efforts resulted in the recycling of 17.8 tons of plastic waste, which saved 249,074 kW h of electricity - equivalent to 78 tons of crude oil. Moreover, 1,459 kg of glass waste was recycled, equivalent to 150 liters of fuel, and 3,363 kg of metal waste was recycled, which saved nearly 53,808 liters of water and 6,726 tons of greenhouse gases.

