

Human Rights Commitment

June 2024

Index

1. Introduction	3
1.1 Premise	3
1.2 Purpose and scope of application	3
1.3 Basic principles	4
2. Roles and responsibilities	5
2.1 Corporate bodies	5
2.2 Management committees	5
2.3 Key functions	6
3. Impact management	7
3.1 Employees	9
3.2 Clients	12
3.2.1 Risk management	12
3.2.2 Positive contribution	14
3.3 Suppliers	16
3.4 Communities	16
4. Communication and training	18
5. Monitoring and disclosure	19
5.1 Monitoring	19
5.2 Disclosure	20

What is the Human Rights Commitment?	The Human Rights Commitment includes the principles and systems adopted by UniCredit for its operations pertaining to human rights.
What is the purpose of the Human Rights Commitment?	The Human Rights Commitment aims to define a reliable and inclusive approach that allows UniCredit to identify and manage human rights impacts and reduce potential human rights violations.
Who approved the Human Rights Commitment?	The current version of the Human Rights Commitment was approved by the Group Non Financial Risk Committee chaired by the Group CEO in June 2024.

1. Introduction

1.1 Premise

UniCredit operates in accordance with the Universal Declaration of Human Rights, which states that *“every individual and every organ of society, including companies, shall strive by teaching and education to promote respect for human rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance”*¹.

Our Purpose is to empower communities to progress, delivering the best-in-class for all stakeholders, unlocking the potential of our clients and our people across Europe. We want to hold ourselves to the highest possible standards so that we do the right thing for our clients and society, reflecting and respecting the views of our stakeholders in our business and decision-making process.

We are aware that every economic and business activity can potentially generate both positive and negative impacts on human rights. Therefore, we are constantly working to establish a reliable and inclusive approach that enables our Group to manage human rights impacts and risks and reduce potential human rights violations.

To this extent, listening to the full range of our stakeholders is central to how we work. We encourage them to share their views and concerns, and work hard to respond quickly and accurately.

1.2 Purpose and scope of application

This document summarizes UniCredit’s Human Rights Commitment, focusing on the approach, roles and responsibilities as well as the principles, rules, procedures and systems adopted by UniCredit to comply with generally accepted international and local standards and regulations for preventing, managing and, where possible, reducing human rights impacts.

UniCredit, throughout its sphere of influence (e.g., operations, provision of finance, and the supply chain), strives to minimize its reputational, social and environmental risks and to maximize the positive impacts generated on human rights, also by raising awareness on the topic both inside and outside the organization.

This Human Rights Commitment should be considered a guide for our Group's approach to human rights topic, focusing on the following stakeholder categories:

- Employees
- Clients
- Suppliers
- Communities

¹ The Universal Declaration of Human Rights.

Legal Entities may develop local specific human rights best practices which can be disseminated across the Group to promote continuous improvement.

The Group will regularly review this Commitment to keep the framework up-to-date with external requirements and will monitor the progress in implementing human rights related practices and standards.

When applicable, this Commitment should be read in conjunction with other relevant internal policies and documents. If any of the provisions defined in this document are less restrictive than the current laws of a country where UniCredit operates, Group entities will adopt local existing regulations that are more restrictive. In case any of the provisions defined in this document are in conflict with local legislation, UniCredit will comply with the law, but will strive to provide an example of good practice through its own business conduct.

1.3 Basic principles

UniCredit's Human Rights Commitment is inspired by the generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:

- the Universal Declaration of Human Rights
- the International Covenant on Civil and Political Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- the UN Guiding Principles on Business and Human Rights
- the OECD Guidelines for Multinational Enterprises
- the UN Global Compact principles
- the UN Principles for Responsible Investment
- the International Finance Corporation (IFC) Performance Standards
- the World Bank Group Environmental, Health and Safety (EHS) Guidelines
- the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking
- the Equator Principles (EP)
- the Women's Empowerment Principles
- the UN Declaration on the Rights of Indigenous Peoples
- the Declaration on Human Rights Defenders

2. Roles and responsibilities

Human rights impacts are managed via governance processes assigning guidance, support and control roles and responsibilities.

2.1 Corporate bodies

UniCredit's Board of Directors defines the overall strategy of the Bank, which incorporates the Group's ESG strategy, overseeing its implementation over time.

The Board is supported by the Board Committees in fulfilling its responsibilities with respect to the ESG components integral to the Group's business strategy and sustainability. Each committee is vested with research, advisory and proposal-making powers².

2.2 Management committees

The Group Executive Committee (GEC)², is the Group's most senior executive committee and is chaired by the CEO.

Within its mission it reviews, challenges and coordinates initiatives, business plans, and projects across the businesses, regions and control functions, and ensures the effective steering, coordination and control of the Group's business operations, as well as the alignment of the parent company and the different businesses and geographies regarding strategic matters such as ESG topics. In so doing it is mindful of empowering communities to progress.

The Group Non-Financial Risk Committee (GNFRC) is responsible for monitoring and controlling operational and reputational risk at Group level.

The Committee ensures consistency across business functions and legal entities for operational and reputational risk policies regarding sensitive sectors, methodologies and practices, in addition to reputational risk topics related to noncredit transactions. It controls and monitors the Group operational and reputational risk portfolio and risk mitigation actions, including aspects related to ESG topics and Human Rights.

The Group Non-Financial Risk Committee is chaired by the CEO (Chairman) and in the Reputational risk session includes the Group Risk Officer (Vice Chairman), the Head of Group Strategy & ESG, the Head of Group Stakeholder Engagement, the Group Compliance Officer and the Head of Italy as voting member on Italy-specific topics.

GNFRC (RepRisk session) is responsible for evaluating and providing guidelines with reference to reputational risk relevant emerging trends or material events, for their implications on Group and Local strategies, initiatives, transactions, projects, clients or other business activities.

² Refer to the [Governance](#) section of the UniCredit website for more information.

2.3 Key functions

The implementation of UniCredit human rights approach, the definition of the related processes and procedures, and the management of the relationships with UniCredit stakeholders are in charge of the different Group functions responsible for the specific areas.

Main functions involved are:

- Group Operations, responsible for the oversight of the operating machine, including the steering, coordination and management of activities related to procurement and third parties management.
- Group Compliance, embedded in the second-level internal control system, pursuing the objective of preventing and managing the risk of regulatory non-compliance. It touches upon human rights related topics in policies, such as Code of Conduct, Privacy, Anti-corruption and Anti-money laundering and Anti-Terrorism.
- Group People & Culture, defining the standards and policies impacting the organization and the employees in the life cycle, taking into consideration also the related human rights impacts.
- Group Security structure, responsible for defining and implementing the Group security strategy, aiming at protecting people, information and assets (tangible and intangible). Potential negative human rights impacts are taken into consideration in particular with reference to physical security, as well as ICT and cybersecurity.
- The business divisions responsible, within their respective perimeters, for identifying and assessing human rights positive and negative impacts in Group strategies and activities.
- Group Risk Management overseeing company-level risks that affect the human rights with either direct or indirect relevance to UniCredit's business, evaluating the potential social, environmental and reputational risks inherent in transactions as described in Chapter 3.2.1.
- Group ESG steers the definition of the ESG strategy and its implementation across the Group functions and geographies, ensuring consistency of the ESG framework with the Group ethics, purpose and principles and with international standards and practices in controversial sectors, environment and social rights. It develops the social agenda and monitors and discloses ESG impacts, results and targets. It is in charge of the continuous monitoring of external evolutions in terms of human rights and of the periodic review of the Human Rights Commitment, also considering internal improvement actions.
- UniCredit Foundation, whose primary aim is to empower young Europeans through equitable education and by fostering their personal and professional development, thus generating positive impact on local communities, also in terms of human rights.

3. Impact management

UniCredit considers the human rights included in the generally accepted main international declarations and conventions, as previously described. The Group however, on a continuous basis assesses its human rights impacts and risks, taking into consideration UniCredit operations and activities, the external environment (e.g., country risks), international evolutions (e.g., legislations, principles and standards development), as well as the results of stakeholder engagement activities.

The assessment is an ongoing process performed thanks to the contribution of all the functions that evaluate the Group impacts and risks, including those related to human rights, in their daily activities.

Our own Impact Measurement Model (IMM) is based on a unique, holistic and integrated approach that considers all current practices and international standards and enables us to measure and disclose our impact on the environment and the communities we operate in, integrating both direct and indirect positive impacts on environmental and social dimensions, as well as considering negative ones.

The scope of activities is extensive and heterogeneous, considering both financial and non-financial interventions – providing a framework to connect our impact at the activity level to the strategic results of the Bank and our overall impact on the relevant stakeholder groups (employees, clients, communities and suppliers).

Human rights in particular represent a social pillar of the model to ensure we can have a positive impact on all our stakeholders.

In this context, UniCredit aims to:

- “Avoid causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur, and
- Seek to prevent/mitigate adverse human rights impacts that are directly linked to its operations/products/services by their business relationships, even if they have not contributed to those impacts”³

Where UniCredit identifies that it has: “caused or contributed to adverse impacts, it provides for/cooperates in their remediation through legitimate processes.”³

Furthermore, UniCredit aims to maximize the positive impacts, through activities such as the development of specific financial products and services, financial education initiatives, the dissemination of knowledge and awareness on human rights and through the promotion of philanthropic activities.

³ Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework, United Nations Human Rights Council, 2011. By “*human rights impacts through its own activities*” we refer to those impacts UniCredit may generate via its own activities for example on employees e.g. harmful working practices. By impacts “*directly linked to operations/products/services*” we refer to those impacts generated for example by our clients’ projects e.g. financing an infrastructure project that displaces local communities without an adequate stakeholder engagement.

UniCredit is committed to the following principles/rights relevant to all Group stakeholder categories:

- **Privacy and Data Protection**

UniCredit is aware of the importance of respecting our stakeholders' privacy (e.g., personal data and confidential information of employees and clients), including the disclosure of such information to third parties. Our approach with respect to privacy⁴ and data protection is in line with the local laws and regulations governing the topic and applies to all kind of personal data, independently of the stakeholder they refer to and/or of the channel they have been received through. We use appropriate administrative, technical, physical and security measures to meet legal requirements, and to safeguard personal data against loss, theft and unauthorized access, use or modification.

Further information on UniCredit's approach to privacy can be found in:

- Code of Conduct
 - Privacy Global Policy
 - Identity Management and Access Governance Global Policy
 - Data Security Global Policy
-

- **Anti-corruption**

UniCredit is aware that corruption is a considerable obstacle to economic and social development around the world and that it has negative impacts on development and on communities.

UniCredit Anti-Corruption Policy aims to define principles and rules for identifying and preventing potential acts of corruption to protect the integrity and reputation of our Group, and to provide general information on measures taken by each Group legal entity to identify, mitigate and manage corruption risks.

UniCredit has zero tolerance towards acts of corruption, prohibits facilitation payments and does not permit any transfer of value to public officials without approval. UniCredit has in place mechanisms to monitor the effectiveness of the Group approach to anticorruption and anti-bribery.

Further information on UniCredit's approach to anti-corruption can be found in:

- Code of Conduct
 - Anti-Bribery and Anti-Corruption Global Policy
-

- **Sanctions**

The Group is firmly committed to complying with all applicable sanctions regulations⁵. In addition, the Group may decide to introduce further restrictions

⁴ UniCredit Privacy Global Policy.

⁵ The list of sanctions regulations to be considered includes the European Union Financial Sanctions ("EU") List and the lists issued by the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury.

on business activity involving certain countries, organizations, persons, entities or goods, irrespective of whether they are the subject of a particular sanction imposed by a country or international organization.

3.1 Employees

UniCredit is committed to select, hire and manage employees while respecting their dignity and rights as individuals.

UniCredit is committed to respect the following principles/rights:

- **Diversity, equity and inclusion**

UniCredit is proud of its long commitment to empower its highly diverse staff by creating an equal opportunities and non-discrimination workplace where people regardless of gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction, can contribute to decision making.

The principles of civil freedom (e.g., religious, political and cultural freedom, freedom of union and freedom of sexual orientation) must always be respected. All forms of discrimination in these areas must be eliminated and replaced with an appreciation of individuals' skills and abilities.

These principles must be also reinforced through an added effort to integrate and fully value individuals who join UniCredit either as new hires or as a result of mergers and acquisitions. Respect for and attention to individuals and their needs, regardless of grade, must become characteristic of our employees' actions in their business relationships.

UniCredit requires its employees to contribute to creating and maintaining a work environment that is respectful, safe, and inclusive and where differences in gender identity, age, race, ethnicity, sexual orientation, ability, background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction are embraced and promoted.

This is in line with our aim to improve the working environment and enhance a stronger sense of inclusion and belonging, which will ensure a higher quality of life at work⁶.

In line with this approach, UniCredit adopts:

⁶ UniCredit Joint Declaration on Equal Opportunities and Non-Discrimination.

- a Diversity, Equity and Inclusion Global Policy, setting out the principles by which we enhance inclusion throughout the whole organization, aiming to ensure that our policies, procedures, and behaviours promote diversity, equity and inclusion and create an environment where individual differences are valued.
- a Global Policy against harassment, sexual misconduct, bullying and retaliation, aiming at creating and maintaining a respectful workplace, where employees feel safe and comfortable when reporting good faith concerns, without fear of retaliation.

Further information on UniCredit's approach to diversity, equity and inclusion can be found in:

- Culture Manifesto
- Code of Conduct
- Joint Declaration on Equal Opportunities and Non-Discrimination
- Diversity, Equity and Inclusion Global Policy
- Global Policy against harassment, sexual misconduct, bullying and retaliation
- Well-being section on UniCredit website

- **Integrity, Ownership and Caring (Our Values)**

Our Values of Integrity, Ownership and Caring were selected by our employees as they represent our Culture. Integrity to do the right thing, Ownership on being accountable for our actions and commitments feeling free to speak up when something doesn't look right and Caring for one another respecting and valuing our differences.

Further information on UniCredit's approach to our Values can be found in:

- Code of Conduct
- Our Culture, Purpose & Values section on UniCredit website

- **Freedom of association and collective bargaining**

UniCredit is committed to respecting and enforcing sovereign state legislation on collective agreements, bargaining and freedom of association.

As international principles may not be fully ratified in each country where our Group operates, UniCredit pledges to shape its relationships with employees and its business practices around stricter and more recent international conventions. The UniCredit European Works Council, an enabler of social dialogue, is a tangible example of our attitude of moving beyond local requirements towards guaranteeing that employees' right to information and consultation is uniform throughout the Group.

- **Elimination of forced labour and abolition of child labour**

As a financial services provider, UniCredit's principal asset is its highly skilled workforce. Thus, UniCredit does not use child labour or forced labour in its own business practices, and is in full compliance with ILO's *Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy* or, when more rigorous, with current labour laws in each country where UniCredit operates.

- **Health and safety**

UniCredit's commitment to being a great place to work is the foundation of our approach to health and safety.

Managing the health and safety of our employees demands that we remain compliant with the law (e.g., local rules and regulations) and its spirit.

This includes providing an adequate evaluation of risks – an evaluation of the derivative risk for each position, and the definition and planning of prevention and protection measures to eliminate risks or reduce them to a minimum.

The Group aims also to prevent and manage risks linked to the external environment that may affect our employees, such as the security context of the countries where UniCredit employees are working or travelling for working reasons (e.g. through the constant monitoring of country risks).

Further information on UniCredit's approach to health and safety can be found in:

- Travel Protection Policy
 - Physical Security measures for operational buildings, strategic buildings and branches Global Operational Regulation
 - Event Security Global Operational Regulation
-

- **Work-life quality**

UniCredit strongly believes that a positive and inclusive work environment based on respect enables each colleague to contribute at their best improving quality of life and wellbeing.

UniCredit promotes consistent actions and behaviours to create a corporate culture oriented to work-life quality.

In every country where our bank is present, we tailor our offerings to meet local specificities. We care for the well-being of our people, their families, and communities, with a commitment to addressing their specific and concrete needs.

This includes a continuous focus on improving our workplace conditions, supporting personal growth, and promoting well-being.

- **Adequate compensation**

UniCredit aims to ensure the competitiveness and effectiveness of remuneration, as well as transparency and internal equity.

For these reasons, the principles of sound and sustainable conduct and performance are the key pillars of our Group Remuneration Policy.

Further information on UniCredit's approach to adequate compensation can be found in:

– Group Remuneration Policy

3.2 Clients

UniCredit is aware that the financial sector plays an important role in the economy, having the responsibility to ensure stable markets and to provide financial support to our society. Banks also have an important social function which goes far beyond lending, acting as one of the engines of social progress and helping clients and communities making meaningful progress towards a more sustainable, inclusive and equitable society in the long term.

Sales and financial advice activities shall responsibly meet clients' needs, leveraging on our employees competences and professional conduct, our best-in-class products and services, our simplified business model driven by UniCredit's values of Integrity, Ownership and Caring and the alignment between the incentive system and the achievement of long-term value creation and sustainable results.

A tangible example of our commitment is represented by the Joint Declaration on "Responsible Sales"⁷ signed with the European Works Council, which defines the fundamental shared principles on which the conduct at the root of the Group's commercial approach must be based. These are oriented towards achieving sustainable strategic targets and, at the same time, maintaining high labour environmental standards.

Further information on UniCredit's approach to Responsible Sales can be found in:

– UniCredit Joint Declaration on Responsible Sales

3.2.1 Risk management

Sound risk management requires a deep understanding of many aspects of risk and their effects on financial results and the balance sheet.

UniCredit is committed to promoting sustainable solutions in its financing and investment decisions and has adopted an integrated, multifaceted approach to managing the social and environmental risks associated with its financial products and services.

Through the Group General Principles for Credit Activities and other special policies and practices, UniCredit assesses and manages not only traditional economic and financial impacts, but also non-financial impacts including social, environmental, and other

⁷ The Declaration, jointly elaborated with the UniCredit European Works Council, defines - as one of his fundamental principles - "the importance of employees' development as one of the main assets for the success of a sustainable business", as well as respecting our employees' "right to advice properly".

related reputational risk impacts associated with the social and environmental performance of its clients.

In particular, human rights aspects are managed through several Group internal regulations and commitments/best practices, including the Reputational Risk Sensitive Sector Policies, the Special Credit Policies (e.g., Project Finance Transactions Policy, Structured Trade and Export Finance Policy) and the Compliance Policies (e.g., Anti-Money Laundering and Countering of Terrorist Financing Policy).

In performing our activities, we account for the International Finance Corporation (IFC) Performance Standards and the World Bank Group Environmental, Health and Safety (EHS) Guidelines.

At a transaction level, the Group Transactional Credit Committee evaluates the potential risks taking into consideration the Country risks analysis, where also human rights aspects are evaluated (e.g., corruption, ethnic and religious conflicts, human development, etc.). Where deemed necessary, as a preliminary step, human rights aspects are also brought to the attention of Group Reputational Risk function.

With reference to human rights impacts that may be generated through the relationships with our clients, UniCredit leverages on the following instruments:

- **Equator Principles**

The Equator Principles (EP) apply to Project Finance Advisory Services, Project Finance, Project-related Corporate Loans and Bridge Loans, Project-Related Refinance and Project-Related Acquisition Finance across all industry sectors providing a minimum standard for due diligence, impact mitigation and supporting sustainable decision-making Group wide.

We work in partnership with our clients to identify, assess and manage social and environmental risks and impacts in a structured way on an ongoing basis.

Recognizing the importance of human rights, (e.g., forced/child labour, the health and safety of workers and communities, the rights of indigenous people, etc.), climate change, and biodiversity, UniCredit believes negative impacts on project-affected ecosystems, communities and the climate should be avoided where possible. If these impacts are unavoidable, they should be minimized, mitigated and/or offset.

Further information on UniCredit's approach to the Equator Principles can be found in:

- Group General Principles for Credit Activity
- Group Reputational Risk Management Global Policy
- Project Finance Transactions Policy
- Structured Trade and Export Finance (STEF) Policy
- Equator Principles website

- **Sensitive sector policies and portfolio monitoring**

On top to the general Human Rights principles that apply to all the sectors and transactions of the bank, UniCredit recognizes that certain sectors and activities

require a tailored approach to ensure that transactional and related risks are comprehensively understood and managed.

For this reason, UniCredit embedded in its Reputational risk policies the principles related to international agreements, guidelines and standards (e.g. World Bank Group's Environmental, Health and Safety Guidelines, the UN Global Compact principles) considering their respect and alignment as minimum requirement for the client relationship avoiding potential social and environmental impacts. Through the implementation of appropriate management and mitigation measures UniCredit aims to limit the risks associated with transactions or projects financed for its clients and counterparts.

On applying the sector policies, we have developed specific reputational risk assessment systems/tools – some that assess aspects of human rights – in order to evaluate and track clients' risks and performances.

Further information on UniCredit's approach to sensitive sectors can be found in:

- Coal-fired Power Industry sector policy
 - Oil and Gas sector policy
 - Defence sector policy
 - Civil Nuclear sector policy
 - Mining Industry sector policy
 - Water Infrastructure (Large Dams) sector policy
-

- **Anti-Money Laundering and Countering of Terrorist Financing**

UniCredit is committed to the fight against money laundering, including terrorist financing, and active management of legal, regulatory and reputational risks across the bank through the implementation of risk based anti-financial crime programmes and mechanisms for monitoring the effectiveness of the bank's approach. Such programmes are particularly relevant due to the fact that modern slavery offences are often linked to money laundering and other financial crimes. In this respect, UniCredit is continuing to enhance its AML programme comprised of robust policies, a strong control environment, careful client selection and employees' training. The programme is supported by compliance initiatives in place on training and culture and is shaping the risk management culture.

Further information on UniCredit's approach to anti-money laundering can be found in:

- Anti-Money Laundering and Countering of Terrorist Financing Policy
-

3.2.2 Positive contribution

UniCredit is committed to developing and promoting products and services that can generate both positive impacts for our stakeholders, also in terms of social/human rights aspects, and sustainable long-term value for our Group and the communities where we

operate by building financial and social inclusion with corporate citizenship and philanthropic initiatives.

Also considering the macroeconomic situation and social trends of the countries where we operate, UniCredit is committed to fulfilling a social role which goes far beyond lending, assisting our clients and communities to make meaningful progress towards a more sustainable, inclusive and equitable society in the long term, by serving our clients, supporting their projects and generating positive social impacts for individuals and the society at large.

In fact, we offer a broad range of customized solutions to enable individuals and businesses to gain ready access to financial products and services. At the same time, we are strongly committed to helping improve personal financial skills, enabling people and businesses to make responsible decisions, thus generating positive social impacts, also in terms of human rights.

As an integral part of the ESG strategy, we have in place our ESG Product Guidelines, which define the Social Financing based on the current UniCredit Group Social Taxonomy, providing access to financial services for vulnerable categories and supporting companies to become more socially oriented.

Our customized and inclusive offer of dedicated products and services targets:

- Low income and vulnerable individuals and families
- Young people
- People with disabilities
- Individuals at risk of financial exclusion, micro-entrepreneurs and start-ups
- Third sector

Also with regard to investment products, UniCredit has adopted an extremely rigorous approach to ensure that all products distributed invest in companies that respect and care about human rights.

A screening methodology has been implemented in order to exclude companies operating in controversial sectors or involved in proven cases of controversy, including among others companies that are involved in very severe violations of the UN Global Compact or companies manufacturing, maintaining, or trading controversial, nuclear or morally unacceptable weapons, as identified through the international obligations, treaties and legislations.

Further information on UniCredit's approach to clients positive impacts can be found in:

- UniCredit sustainability disclosure
 - UniCredit ESG Product Guidelines
 - Group website
-

3.3 Suppliers

As part of UniCredit's commitment to promote sustainability within our supply chain, human rights are managed through specific processes, such as the Vendor Qualification process.

At UniCredit, procurement is based on sustainable models: suppliers must meet certain minimum sustainability requirements and are selected in compliance with the standards of various ILO conventions relating to fundamental human rights including child labour, freedom of association, working conditions, health and safety.

Suppliers must also comply with our security standards and the standards of our Environmental Policy. On the supplier level, the criteria are integrated into an overall supplier evaluation process.

In addition, our Group aims to increase awareness among suppliers/service providers of social and labour law issues.

Further information on UniCredit's approach to suppliers and human rights can be found in:

– UniCredit Group Environmental Policy

3.4 Communities

With regards to communities, UniCredit strives to make a positive contribution in the countries where we operate, going beyond a business conduct based on best practices to actively contribute to the well-being and advancement of the people. This includes acknowledging and promoting the importance of human rights and related topics.

Our long tradition in supporting communities is based on the strong bond between cultural and economic investment, sustainability, and social inclusion – fostering a sense of belonging and promoting shared knowledge and common dialogue – on art, music and sport. Through strategic partnerships, sponsorships, and targeted projects, we strive to make these more accessible, with a focus on involving younger generations. We also react to emergencies by putting our bank's skills and infrastructure at the service of our communities.

Through the UniCredit Foundation, UniCredit is committed to support education across Europe and to make a genuine impact on the prospects of young people. Investing in education is a linchpin for ensuring comprehensive growth and development across society and for fostering a better future for individuals and their communities.

In line with UniCredit's values, the Foundation is also dedicated to involving Group employees in social initiatives. This involves matching their donations and supporting local communities in times of crisis or need.

As responsible financial habits are fundamental to stimulating real cultural change and community development, UniCredit also develops a range of financial education programs and tools across Group countries, in order to improve the personal financial management skills of our citizens.

4. Communication and training

The Human Rights Commitment will be communicated to all employees through various internal initiatives that include, among others, internal communication and news on local intranets.

In addition, the relevant internal and external stakeholders will be informed about the Human Rights Commitment to collect their feedback and thus consider their expectations in reviewing our improvement plan.

An effective risk assessment and monitoring requires appropriate knowledge at all levels of an organization.

For this reason, our Group takes a common and consistent learning approach to risk issues, including those related to human rights.

According to employees' working areas, roles and responsibilities, ESG training is provided at all levels – giving them the knowledge and insights they need on ESG risks and impacts, including those related to human rights to make a meaningful impact and drive positive change with clients and the community.

When necessary, external experts are involved in the training sessions.

5. Monitoring and disclosure

5.1 Monitoring

UniCredit is aware of the importance of a tracking system to ensure that human rights performances are monitored, adverse human rights risks and impacts are correctly managed and, if any, are addressed.

The monitoring of the effectiveness of the Human Rights Commitment leverages on existing processes linked to the policies and principles mentioned within this document and managed by the related functions. Our ESG Dashboard, for instance, allows us to monitor a set of social KPIs measuring relevant impacts also from the human rights perspective.

We have identified specific sensitive sectors for which we have adopted a monitoring cycle based on additional set of provisions and rules described in specific internal regulations, also taking into account adverse human rights risks deriving from our intervention in those sectors.

In relation to the PRB Commitment on Financial Health and Inclusion⁸, in our ESG Dashboard we have implemented a specific tool to collect all contributions from our different countries and consolidate it at Group level, measuring our achievements towards target.

In addition, according to our IMM, we assess the social dimensions impacting the human rights that are relevant in our lending activity, aiming at measuring the positive impacts on individuals and the community and preventing the negative ones.

Our Group also adopts an “outside-in” approach in order to monitor stakeholders’ views on reputational risks of the banking sector. This approach aims at improving the Group capability to prevent, minimize and manage the reputational risks that may occur, leveraging also on the results of our periodic stakeholder engagement activities.

UniCredit has in place mechanisms allowing us to collect information on stakeholders’ feedback and grievances with reference to the Group practices and any negative impact that we may have caused or contributed to via our own activities (e.g. whistleblowing procedures allowing both employees and third parties to report their good faith concerns, clients’ complaint management, complaints global policy, etc).

The Group is committed to analyse the information received and to transparently communicate the resulting mitigation actions, if needed.

⁸ Refer to the UNEP FI website for more information.

In addition, for financing activities which apply the Equator Principles, the Group ensures that the project sponsor⁹ establishes a grievance mechanism designed to receive and facilitate resolution of concerns about the project's social and environmental performance.

We also contribute, where appropriate, to legitimate external processes aimed at addressing and resolving grievances.

The Internal Audit function of Group Legal Entities - according to the Group Internal Audit Charter and the IA methodology - performs third level control activities also on processes regulated by policies mentioned in the Human Rights Commitment, as included in its risk based audit plans.

The Human Rights Commitment is regularly reviewed, also based on external and internal evolutions (e.g., new international frameworks' publication, development of internal improvement actions, etc.).

Further information on UniCredit's approach to stakeholder feedback and expectations tracking can be found in:

- Group Reputational Risk Management Global Policy
 - Whistleblowing Global Policy
 - Global Policy against harassment, sexual misconduct, bullying and retaliation
 - Complaints Management Global Policy
 - Project Finance Transactions Policy
 - Structured Trade and Export Finance (STEF) Policy
 - UniCredit sustainability disclosure
-

UniCredit's human rights performance is also regularly evaluated by other external parties such as sustainability raters and civil society organizations.

Finally, an external independent auditor releases a limited review on the annual UniCredit sustainability disclosure.

Further information on UniCredit's monitoring can be found in:

- UniCredit sustainability disclosure
-

5.2 Disclosure

UniCredit values transparency in each phase of its operations, including those that relate to human rights impacts.

Promoting awareness and dissemination of the culture of ethics and human rights by the management, employees, business partners and other stakeholders increases responsibility and fair practices across value chains.

⁹ The project sponsor is the entity ultimately having ownership and operational control over the project.

Additionally, UniCredit promotes an ongoing dialogue on social and environmental topics with our stakeholders, including clients, employees, investors, regulators, rating agencies and civil society organizations. We encourage them to share their views and concerns, and work hard to respond quickly and accurately. Gathering and analyzing stakeholder feedback not only provides us with valuable insights into their needs – it also helps us manage the risks and opportunities we face and underpins our drive to achieve long-term sustainability.

We regularly report on our progress our human rights related practices and standards and disclose our activities and data in dedicated reports, for example in the Group sustainability disclosure and in the UniCredit Statement on Modern Slavery Act and Human Trafficking, both available on our Group website.

Further information on UniCredit disclosure can be found in:

- UniCredit sustainability disclosure
 - UniCredit Statement on Modern Slavery Act and Human Trafficking
-