



What Do ESG Values Mean to Us?



Sustainability at UniCredit in Hungary



Table of contents

Greetings	3
Our results in numbers	6
Environmental Responsibility	7
Greening our operations	9
Green business	12
Social Engagement	14
Social Impact Banking	16
Charity initiatives	18
Improving financial culture	19
Responsible employment, diversity, and equal opportunities	21
Learning and talent management	24
Sustainability in Corporate Governance	25
Ethical corporate governance	26
Responsible investing and funding	29
Raising awareness	30
Glossary of terms	31



We think in long term.

All three pillars of sustainability are equally important to us, and we take actual steps regarding environmental, social and corporate governance issues alike. To an external observer, the environmental aspect (E) is the most apparent. As a financial services provider, it is our role and responsibility to provide green financial products and services. In line with our commitment to the green transition, our entire international group has joined the [Net-Zero Banking Alliance](#), and made the commitment to transform our lending and investment portfolio to a zero-emission portfolio by 2050.

Addressing social issues (S) is also important for us. Securing equal opportunities and diversity are essential tasks for us as an employer. Our Social Impact Banking area finances businesses that have a positive social impact; in addition to our financial partnership with the companies, our experts also provide them with mentoring; we participate in educational initiatives that aim at strengthening financial awareness and donate some of our profits to organisations and communities needing support. Our efforts are in line with our corporate values of Integrity, Ownership and Caring.

The third dimension of ESG is corporate governance (G). Banking is one of the most regulated industries: we need to have an appropriate governance system in place to incorporate ESG into our business decisions and operate in a responsible, ethical and transparent way. There is a dedicated committee operating under the Group Executive Committee of UniCredit Group that supports our ESG approach and objectives and helps increase their embeddedness in our business strategy.

Balázs Tóth

Chairman & CEO

Sustainability plays a key role in the life of our bank

Sustainability is a fundamental part of the way we manage our business activities. As an international corporation, we are responsible for the community which we operate in – and we take this responsibility seriously. As a financial institution, employer, and business partner, it is important for us to make sure that our employees, clients, and suppliers all consider us as the best bank where they can get what they need simply and easily and with whom they can cooperate on fair terms.

Sustainability is highly significant for UniCredit and all its employees. Transparency is important to us, and we prefer long-term sustainable results to short-term solutions. We have strengthened the social component with the expansion of our Social Impact Banking (SIB) area and the initiatives of UniCredit Foundation. We are proud of the fact that the Supervisory Board of UniCredit Group's Foundation now has a Hungarian member as well, the child rights expert dr. Szilvia Gyurkó, who joined it this year.

As a player of the sustainable financial sector, we are able to concentrate our investments on economic activities that have a positive impact on society.

Giacomo Volpi

Deputy CEO





We work towards common goals

As a sustainable and stable financial partner, UniCredit Bank Hungary sets a good example of financing environmental and social initiatives. We do this using a practical approach, working with renowned professional partners and organisations.

As a major player in the Hungarian economy, we consider it important not only to set an example, but also to provide our colleagues, customers with support as well as the communities which we operate in. We put a strong emphasis on training, awareness raising, and future proofing. This is why we participate in initiatives in and beyond our sector, and why we have launched various similarly themed programmes ourselves. We need to make as many people as possible aware that sustainability is a common goal where everyone has responsibilities – because we can only achieve success together.

Róbert Bolyán

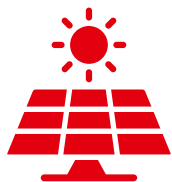
ESG expert

Our results in figures



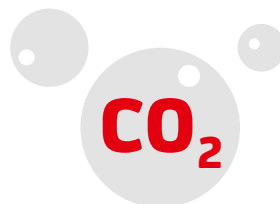
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We installed water dispensers in our main offices thus we have not used any plastic bottles at our head office buildings since 2021.



100 MW

Solar panels installed by the bank in the branch network generated nearly 100 000 kWh of electricity in 2022.



47%

In 2022, our CO₂ emissions per square metre decreased by 47% compared to 2021, as our consumption points contracted directly with energy suppliers.



43%

In 2022 we used 43% less paper for documents (e.g.: bank statements, credit card statements) and envelopes than in 2021.



15%

Annual electricity consumption in the bank's branch network decreased by 15% in 2022.



18,13%

Annual gas consumption also decreased, by 18,13%, in 2022.



4%

The amount of waste produced by the bank decreased by 4% in 2022.



➤ E: Environmental

Environmental Responsibility



Protecting our environment

and the climate is a shared responsibility for all.

In this spirit, UniCredit Bank has introduced several initiatives to reduce its carbon footprint and contribute to a more sustainable environment. One of these is the top-priority [climate strategy of UniCredit](#), which aims at significantly reducing the amount of greenhouse gases emitted in the course of our operations.

We believe that sustainable economic development is only possible if the resources of the ecosystem are preserved. Climate change, biodiversity loss, soil deterioration, and water scarcity are all serious issues, and we have numerous initiatives all aimed at reducing harmful and damaging phenomena and impacts.

We support awareness raising within the company with sustainability newsletters, presentations, campaigns, training, and a sustainability website, and two members of our top management promote this topic as sustainability ambassadors. The first three seasons of our [podcast](#) also focused on sustainability subjects, showing what an ESG focus means in our operations from the perspective of our employees and partners.

We are convinced that big changes always start with small steps, and we can do a lot to protect our environment by taking these small steps, one by one.

Greening our operations

We not only comply with the applicable environmental laws but also voluntarily commit ourselves to participating in initiatives and programmes, such as application of the *Equator Principles*. In 2003, UniCredit was among the first in the world to adopt the ten principles, which constitute a risk management framework for identifying, assessing, and managing the environmental and social risks of projects.

CONTINUOUSLY REDUCING CARBON FOOTPRINT

UniCredit has several initiatives to reduce its *carbon footprint* and contribute to a more sustainable environment. Among these, we need to highlight UniCredit's climate strategy, which aims to significantly reduce the amount of greenhouse gases emitted in the course of our operations. UniCredit Group aims at

achieving **100% reduction** of greenhouse gas emissions **by 2030**. Compared to the emissions in 2008, the Group has reached a total of 49% reduction by 2018 and 60% by 2020.

RENEWABLE ENERGY SOURCES

We are proud of the fact that, since 2022, all the electricity powering our bank's buildings has come from green energy sources.

Our Group supports the transition to a low carbon economy, and it continues investing in renewable energy sources. Our strategic plan until 2023 projects an increase of EUR 9 billion in financing the renewable energy sector on a group level, and our bank is also committed to significantly increasing the volume of loans provided for energy efficiency improvement.



We do not finance companies that are involved in the destruction of rainforests.

GIVING BACK TO NATURE

UniCredit has partnered with [Treedom](#) to create UniCredit Forest, which consists of more than 90,000 new trees and contributes to reducing global CO₂ emissions by approximately 20,500 tons. With the help of Treedom, we can track the story of every single tree in the UniCredit Forest from nursery through transplanting to geolocation. With this cooperation in place, all our employees have the opportunity to plant a tree in the UniCredit Forest.

We have created our own “forest” in Hungary as well: in 2022, we planted 4,000 trees to help save a century-old, protected peatland forest that is being destroyed by climate change. We ran a campaign in which we invited our clients to join initiatives for planting trees.

GETTING RID OF PLASTIC

We have eliminated plastic water bottles from our office buildings and across our branch network and use water-saving solutions instead; for example, we have installed water dispensers in our kitchenettes and distributed jugs to all units and departments.

SUPPORTING PAPERLESS WORK

To reduce the use of paper in our office and branch networks, we have used digital and biometric signatures since 2018. As a result, our clients can open accounts and use electronic services in a fully digitalised process instead of using vast amounts of paper in their transacting. We are also constantly on the lookout for ever newer possibilities to expand the digital signature to further products and services. Our latest application is called [Digital Document Exchange](#) (DDE), which allows our corporate customers to conduct their financial affairs in a paperless way. Wherever paper still needs to be used (such as producing account statements, headed paper or envelopes in the printing house, and also in photocopying) we only use paper that is *FSC-certified (Forest Stewardship Council, originating from sustainable and responsible sources)*.

EARTH HOUR

We join the *WWF Earth Hour* initiative every year, switching off lighting for an hour at UniCredit headquarters on the last Saturday of March. Our participation in this programme is in line with broader efforts to support sustainable development and environmental protection.

GREEN OFFICE PROGRAMME

We collect waste selectively in our headquarters. We continuously reduce energy consumption in our branch network and office buildings by modernising electricity and heating, installing solar panels and mitigating light pollution. When we replace equipment that are old or broken and not economical to repair (dishwashers, refrigerators, microwave ovens, electric kettles, other electronic devices etc.), these items are sent to our partners for selective dismantling and recycling.

- **Green energy:** By 2022 UniCredit had transitioned to green electricity across 100% of its electricity usage. In recent years, we have installed solar panels on 5 of our branches, in 2023 we installed solar panels on the roofs of 6 more branches. The electricity production from the solar panels installed by the bank in the branch network was close to 100 000 kWh in 2022.
- **Saving energy:** To reduce our energy consumption, we have streamlined the operation and uptime of heating and cooling systems in our headquarters and branches.
- **Reducing light pollution:** Besides energy saving, the logos on the roofs of our headquarters are now illuminated for a shorter period, only from 8 p.m. to midnight in summer and from 5 p.m. to midnight in winter.
- In order to **reduce our water consumption**, we installed aerators on

the kitchen and bathroom taps in our head office buildings. We aim to reduce the amount of water used with this water-saving solution.

RAINWATER COLLECTION AT OUR HEADQUARTERS

We do our best to support our communities. In partnership with District V in Budapest – as part of the district’s comprehensive renovation project on Arany János Street – we collect rainwater from the roof of our building and channel it to the cistern under the walkway on Arany János Street, from where it is used to water the trees in the area. The project will provide water for around 200 trees during rainy weather.

GREEN TRANSPORT

In Budapest and in the countryside, our colleagues can use e-car sharing services to visit their clients. In an effort to promote our car-sharing service, our employees can use the service under favourable conditions for their private travels as well, in addition to their work trips, using GreenGo.

We have expanded our vehicle fleet with electric cars, provided employees with covered bicycle storage, and, in cooperation with District V of Budapest, installed 15 bicycle racks in the Arany János Street area and 21 additional bicycle racks on the Szabadság Square side. We have a dedicated channel to share relevant information with colleagues, and we involve our employees in sharing best practices. Additionally, we have revised our own internal policies, and we also provide colleagues with the opportunity to buy hybrid and petrol cars which have much lower emission rates than diesel vehicles.





Green business

Since 2007, UniCredit has actively participated in sustainability financing.

Our aim is to reach a top 5 position on the combined list of green bonds and ESG-linked loans in the EMEA region with the support of the sustainable finance advisory team.

As part of our banking activities, we provide our customers with an increasing number of green financial services. It not only serves our own sustainable operation, but also the interests of our clients for whom environmentally conscious operation is important.

GREEN LOANS

We provide funding for projects and businesses that are environmentally beneficial. These projects are often realised in the areas of renewable energy, sustainable housing or recycling.

- Our **renewable energy financing** is popular among our corporate clients: we have financed the building and retrofit programmes of various solar, geothermal and biomass power plants, and we have built up a credit portfolio totalling HUF 35 billion. We are now a key player on the Hungarian solar panel

financing market, an outstanding example of which is the new-generation 138-megawatt facility called Lumenpark, built outside the city of Szolnok, unique in the region in terms of size and output. It saves 40 thousand tonnes in CO₂ emissions a year, and its carbon sequestration capacity is equal to 274 hectares of oak forest. In line with the commitments made by UniCredit Group, we are planning a significant increase in this field.

- Within the framework of Central Bank of Hungary's Funding for Growth Scheme, we offer our [Green Home Loan](#) to retail clients for accomplishing their future-conscious goals. This mortgage-backed loan can be taken out to buy or build new, energy-efficient residential real estate with a fixed interest rate during the term of the loan.
- Our [green personal loan](#) with a low interest rate is especially suitable for funding investments that aim at making our clients' homes smarter and more environmentally-friendly. For the installation of solar panel systems, we offer the loan with a low interest rate.

GREEN INVESTMENT ASSETS

The goal of UniCredit Group is to become one of the top 5 market participants in the CEE region in terms of corporate green bond issuance and ESG loans by 2023, which is supported by a new sustainability-focused financial advisory team.

- **Amundi Climate-Aware ESG Mixed Fund of Funds**

Our solution is compiled for environmentally conscious investors. When creating the portfolio of the fund, we put special emphasis on environmental protection and climate protection, while 80% of its assets is made up of investments in line with ESG criteria.

- **Issuing green mortgage bonds**

The aim of our bond framework programme is to become aligned with EU standards and regulations regarding climate change mitigation and adaptation, while with refinancing these assets, we support the accomplishment of the *UN Sustainable Development Goals (UN-SDG) 7* (Affordable and clean energy) and 13 (Climate action).

SUSTAINABLE PROCUREMENT

The volume of procurements related to banking operations is significant from the aspect of climate protection as well. Thus, we consistently ensure compliance with social and ecological requirements in our procurement processes, which are defined in UniCredit's group-wide Supplier Certification

Guidelines. Our suppliers are expected to contribute to climate protection, use resources economically, avoid or reduce waste, comply with [International Labour Organization \(ILO\)](#) standards, and consider health and safety impacts across the entire supply chain.

INVOLVING PARTNERS

By the means of campaigns, we encourage our partners and customers to reduce the paper use of POS terminals. We remind our merchant partners having card terminals that it is not mandatory to print a customer copy when making a card purchase, so they are requested to ask their customers if they need one. Business clients having our SoftPOS application can use their mobile phone as a POS terminal, thus enabling their customers to make a card payment – without printing a receipt.

NET-ZERO BANKING ALLIANCE

In line with its commitment to a climate-positive future, UniCredit Group has joined the [Net-Zero Banking Alliance](#), established by the UN, whose members are committed to aligning their lending and investment portfolios with net-zero emissions by 2050 or sooner, in accordance with the targets set in the Paris Climate Agreement.





Social Engagement



The “S” (social) in ESG

is about commitment to employees and society, therein especially the disadvantaged groups.

Beyond traditional CSR programmes, it also includes lending and financing programmes that offer communities the chance of growth by supporting the establishment and operation of value creating organisations and businesses with a measurable positive social impact. Our bank is proud to have unique results in this area on the Hungarian market.



SOCIAL IMPACT BANKING

Our bank has had a long-standing focus on the development of businesses with a positive social impact because we think that benefits for society are just as important as financial returns. In this spirit, we operate our Social Impact Banking, through which we finance projects of for-profit and non-profit organisations that contribute to the improvement of, and create measurable value in, society. Additionally, we develop the economic and entrepreneurial knowledge of businesses by education and mentoring. The beneficiaries of the programme include institutions providing health and social services, or special services for people living with disabilities, educational institutions, retirement homes providing special services, together with art and cultural heritage organisations.

UniCredit's Social Impact Banking programme contributes to a fairer and more inclusive society in three areas.

- **Microlending** helps the creation of new microenterprises and the growth of existing ones by providing start-ups and restarting businesses with unique microcredit products up to a maximum of HUF 5 million with attractive terms, without requiring own funds or collateral. Even completely new microenterprises can apply for this loan, and the bank also provides the entrepreneurs with access to business development options and mentoring networks.
- **Social Impact Financing** (above HUF 5 million) finances the business projects of for-profit and non-profit organi-

sations that generate measurable social improvement; besides a loan with low interest rates and a stable term, it helps them with financial training, exchanges of experience, and increasing transparency.

- The programme provides **financial education** to enhance the business and financial knowledge of new enterprises and that of the young and the disadvantaged groups. It provides to enterprises with mentoring, supports workshops and financial competitions relying on the contribution of our professional partners and volunteering colleagues as well.

The business/financing elements of our Social Impact Banking activities and the development and dissemination of financial knowledge are linked by volunteering, thus, with our colleagues' voluntary participation, we regularly organise trainings for young people and founders of start-up enterprises to expand their financial knowledge.

We work with **acknowledged partners to reach our target groups**, in the spirit of the 17th sustainable development goal of the United Nations:

- In the Bridge to Benefit programme of the **Budapest Chamber of Commerce and**

Industry, we develop micro-, small- and medium-sized enterprises committed to sustainability.

- We run a joint financial course with the **Budapest Business School**.
- We educate together with the **Social Impact Investors' Association** to increase ethical investing in the financial sector.
- We have partnered with the **Business Council for Sustainable Development**

in Hungary to share and disseminate best practices and facilitate knowledge transfer.

- We reach our target groups at events, workshops, trainings. In our newsletters for SMEs, we focus on sharing news and information with educational content related to financial knowledge.



ESG CAMPAIGN TO RAISE AWARENESS

When it comes to sustainability, our conviction is that the future matters, this is why we are acting for it together.

As before, our sustainability campaign in 2022 presented some of our clients whom our bank not only provides with financing but also shares the goals of creating a sustainable future with. We made videos with our clients in our campaign, in which we showed how companies use sustainability not only as an objective, but also as a tool, to demonstrate that we not only practice sustainability, but

also expect it from our clients and partners.

SolServices Kft. and Viola Retirement Home are successful companies that are well-known and respected in their fields and achieve excellent results; they work for sustainability with innovative tools and creative solutions, paying attention to details and not just the big picture. We presented their solutions for promoting sustainability in two videos, in which the representatives of the companies give viewers an insight into their efforts towards an awareness of the future in their operations. We shared the videos on [YouTube](#) and on the dedicated [“Future Matters”](#) page on our website.



Charity initiatives

TOGETHER FOR THE WELL-BEING OF CHILDREN

UniCredit Group's UniCredit Foundation's *Call for Europe* initiative supports local projects helping children with about half a million euros each year, including projects in Hungary; it supported 52 projects in 12 countries in 2022, with 4 important Hungarian projects among them. The projects were aimed at supporting children's education and learning, increasing social equality and promoting inclusion.

Hungarian projects awarded in 2022:

- **Humus Alliance** aims at promoting waste prevention and reduction practices. Their award-winning "Composting for the Future" project is a two-phase educational programme. With the help of experts, participating students, teachers and parents in kindergartens and schools were provided with environmental education was, who were given the opportunity to learn about a waste-free living.
- Through its education and job creation programmes, **Igazgyöngy Foundation** makes a significant contribution to promoting equal opportunities, social inclusion and the eradication of child poverty and inherited extreme poverty. The grant awarded for its "Let's Create Together!" programme helped finance the development of social skills of 500 disadvantaged young people aged 6–18, who were at risk of dropping out of school.
- The aim of **InDaHouse Hungary** is to provide children growing up in modest circumstances in closed communities of disadvantaged small regions with experiences and educational programmes to build a successful future. Their award-winning "Chance for Successful Education" programme helped add 32 persons to the total number of participants in the school development programme.
- **KórházSuli (Hospital School) Foundation** works with secondary school and university student volunteers to ensure that children undergoing long-term treatment do not fall behind in their studies and are not excluded from their social environment. With support from the imPACKt project, they were able to implement the "Box of Acceptance" package, a playful way to inform and sensitise students and teachers expecting the return of children from treatment lasting months or even years.

STAFF CHARITY INITIATIVES

Our colleagues organise charity campaigns on their own account several times a year. Charity baking, home refurbishment, collecting chocolates, toys or clothes, blood donation and tree planting are all initiatives that our colleagues participate at multiple times each year, whether on the initiative of the company or of the employees themselves.

DONATION

Gift Matching Programme

The Gift Matching Programme is the Group's oldest donation programme, where employees of all subsidiaries collect donations from October to the mid-December every year for the projects of local non-profit organisations; UniCredit Foundation in turn matches the donations with additional funds. In 2022, colleagues made 4,923 donations to support 167 non-profit organisations in 13 countries, including in Hungary. The employees of UniCredit Group and the UniCredit Foundation, which provided the additional funds, together donated EUR 962,612 to help the

organisations achieve their goals. In Hungary, the donations of our employees helped the work of the Sütni Jó! Foundation.

Corporate donations

The donations of our bank focus on initiatives relating to the education of children and the reduction of drop-out rates in schools. To the best of our ability, we support organisations that operate nationwide programmes, reaching a large number of stakeholders.

In 2022, we used our Christmas gift budget to support initiatives for children's wellbeing, with special focus on the "D-Ream" programme of the Adománytaxi Foundation, which helps children in need get a high-quality bed if they do not have one of their own. In 2022, our bank donated tens of millions of HUF to support the work of 13 non-profit organisations.



Improving financial culture

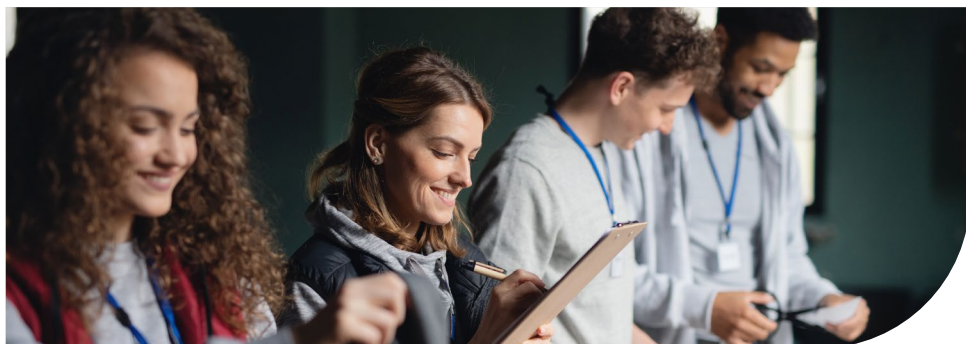
As a leading company of the financial sector, we attach great importance to developing financial culture, expanding financial knowledge and shaping the way of thinking of young generations and businesses; we regard the financial education of the young and start-up companies as an investment.

FINTELLIGENCE FINANCIAL EDUCATION CENTRE

The first financial lab of the "Fintelligence" financial education centre was established in the spring of 2019 at the Faculty of Finance and Accountancy of the Budapest Business

University with our bank's support; the centre offers an ideal, state-of-the-art infrastructure for university courses, conferences and presentations on the subject.

We have been running our course entitled *B@nking — the operation of a bank* through the joint efforts of our bank and the Faculty of Finance and Accountancy of the Budapest Business University since 2019. Year after year, the lecture series offers practical knowledge to students, who can gain an insight into the operations of the bank and the work of various departments with the help of our senior





managers. As part of our cooperation, we were professional sponsors of several forums organised by the University, including the Hungarian Science Day, state examination committees, lectures at the university's professional colleges and the Alumni programme.

VLOGOPOLY

Developed by our volunteering employees in collaboration with Bridge Bizniscool, “Vlogopoly” (*Gazdálkodj vlogosan!*) is a training material facilitating young people's financial education, which debuted in the summer of 2019. Its teaching material aims to give children aged 9 to 13 an insight into the operation of businesses through the example of the vlogger as an entrepreneur. With the help of an exciting approach and situational exercises, the material explains to children the concept of savings and loans, and all the things that should be considered when building a business consciously. In 2019, the material was turned into a 6-week-long mid-year course and is now available to additional children throughout the country.

MONEYWEEK (PÉNZ7)

Since its start in 2015, our volunteers participate in Pénz7, the Hungarian event series of the international MoneyWeek, which is Hungary's most extensive financial education programme. During the thematic financial-entrepreneurial week, organised in March every year, our colleagues help elementary and secondary school teachers' work with real-life examples.

Besides young people, we also pay attention to improving the financial awareness of businesses: our colleagues help microenterprises, for-profit and non-profit organisations and SMEs achieve their goals with professional advice. We reach them via our renowned professional partners, at events, conferences and professional forums.



Responsible employment, diversity and equal opportunities

The more diverse the personalities and colleagues' skills are at a company, the wider the range of aspects are that can prevail, including bottom-up initiatives. This is why we pay special attention to supporting diversity.

NŐI KARRIERUTAK

Our Bank is committed to letting everyone fulfill the potential inherent in their talent and unique skill set and provides equal career opportunities with all. We are proud of the fact that women represent 50% of the Board of Directors of our bank.

This is why we have developed our programmes to support female employees on the basis of an earlier female career path survey, in which we identified factors that support and that hinder women in their careers.

Our career programme, which supports women on their way to becoming leaders, has a variety of different components. We dedicated the special edition of our newsletter entitled *"Learning & Career Tips of the Week"* to topics that can help in professional life. In addition, a career workshop we held for female leaders gave participants a chance to take stock of their professional lives, where they are now and how they can achieve their career goals, and was followed by one-on-one consultations, interactive presentations and discussions on diverse leadership, visibility, self-branding and self-empowerment matters. On 8 March 2023, the Women in Business

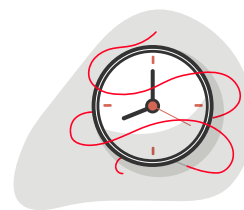
Leadership Conference was held in cooperation with the German–Hungarian Chamber of Industry and Commerce at our headquarters, where we organised panel discussions on the topic.

In the second half of 2023, we organised our new women's community building programme EmpowHER. Its aim is to build a supportive, motivating and experience-sharing community of women colleagues, with nearly 90 of our female colleagues signing up. The aim is to develop sponsorship teams and organise joint events within the programme.

FACTORS HELPING WOMEN'S CAREER



Stronger support of women's leadership talents (71%)



Customised and flexible working hours (62%)



Female leadership models, role models (49%)



MOMMIES BACK

We introduced a new, atypical form of employment for our colleagues on maternity or childcare leave, offering 100% remote working. Our colleagues have the discretion of working 10, 15 or 20 hours a week, and we provide them with this opportunity pending our business needs. To this end, we have created positions with flexible hours suited to the needs of young mothers at the retail and small business, corporate and investment, and operations divisions. Nearly 60 employees have joined the programme since it was first launched; in addition to their own divisions, these individuals can also contribute to the work of other units. This offers them an opportunity to return to work gradually and even change careers.

EQUAL PAY

UniCredit Bank constantly monitors the pay gap between male and female salaries and strives for full equality. UniCredit Group has committed itself to investing EUR 100 million over the next three years in securing gender pay equality, which means equal pay for equal work. We have accomplished significant results in this field in recent years.

SUPPORTIVE WORKPLACE

We offer our colleagues a working environment that meets their needs through flexible work, workplace well-being, and care for employees. In 2022 we earned the certification with our measures such as hybrid work, flexible working hours, our programme for young mothers, and a longer paternity leave (exceeding the legally required period).

WORK-LIFE BALANCE

We offer employees flexible, remote and part-time working options, thus contributing to their work-life balance.

We provide a high proportion of remote working opportunities (12 days/month in central areas). For employees working in the Mommies back program, we offer flexible conditions and full remote working opportunities.

STAFF WELL-BEING

We have taken a number of measures in the interest of staff well-being.

- All our employees have access to a **health package**, which makes an extremely wide range of health services available.
- Our colleagues are protected with a comprehensive **life, accident and health insurance**, which helps them finance the costs of sick leave and various health problems.
- We support recreational activities: all our colleagues are given one extra day off every year – “A day that is all about you”.
- We have introduced **paternity leave** to help new families, so that not only mums but also dads can take part in raising children and experience the joy of parenthood from the first moment.

We also help employees create and maintain a healthy lifestyle.

- The **All You Can Move (AYCM) sports pass** is available to all our colleagues, which lets them do their favourite sport at numerous locations across the country.
- We also run our own **sports club** to benefit the health of our staff.
- Our central building in Budapest has a **gym** for our colleagues.
- As part of the employee package, our health care provider offers **3 physiotherapy and 3 medical massage sessions** per year.

Besides their physical wellbeing, we also care for their mental health:

- Within the framework of our **Employee Assistant Programme (EAP)**, we provide psychological, legal and life management support free of charge.
- In the framework of **Power Up! Programme**, we support our middle managers in coping with burnout and finding the resources to recharge.

DIVERSE AND INCLUSIVE WORKPLACE

UniCredit is proud of its many decades of commitment to empowering its diverse staff by creating a workplace that provides them with equal opportunities, and where employees of all ages, genders and cultural backgrounds are given the opportunity to contribute to decision-making.

Presentations during the 2022 *Diversity and inclusion thematic week* focused on subjects of cultural, gender, age and physical diversity and inclusion. We organised roundtable discussions and workshops and produced a

video with our international employees to showcase diversity and inclusion issues and their relevance to our day-to-day practice. In 2022 we provided our colleagues with new e-learning modules on subjects of diversity and inclusion.

In 2023, we joined the Diversity Charter and the International Business Leaders Forum, which gives us the opportunity to learn more good practices in this area. We are also an active participant in initiatives at Group level and organised webinars for our managers and colleagues supporting selection to help them overcome their unconscious bias in the selection process.



Learning and talent management

Generational Knowledge Management Programme

In the summer of 2021, we launched our *Generational Knowledge Management, or Wisdom* programme to recognise the contribution to our success by senior employees over 55 years of age, to show our appreciation and create an opportunity for them to share their decades of knowledge and experience.

The most important element of the programme is mentoring: we connect young employees interested in the programme with experienced colleagues who are willing to share their knowledge. The pairs work together for at least six months, in agreed frameworks. Importantly, the programme is voluntary. Each year, more and more mentors join it.

LOCAL TALENT PROGRAMME

We launch a one-year talent programme every year for colleagues whose outstanding performance we are counting on in the long term. We support them in their professional development by offering courses delivered by experts in the field and an online learning platform provided by one of our contractors; we also help them by promoting their careers within the bank. They can also benefit from one-on-one consultations, shadowing and mentoring opportunities, and can participate at workshops and training courses, all of which help them maintain their motivation to achieve their personal and professional goals and acquire a variety of soft skills.

CAREER STARTER PROGRAMME

We are committed to supporting the personal development of recent graduates and believe it is very important to help them in the initial stages of their careers. In our Career Starter Programme, young persons are mentored to learn about different areas of banking, gain practical experience and build a lasting career with us. In 2023, we provided this opportunity for young professionals at four divisions – Retail, Corporates, Finance and Risk Management – of the bank.





G: Governance



Sustainability in Corporate Governance



Within ESG, “G” (governance) refers to initiatives where corporate governance tools are used to help the bank operate in a transparent and ethical manner, be it in respect to banking operations in sensitive industries, equal access for all clients to banking services, or cooperation with suppliers.

Ethical corporate governance

To accomplish our ambitious sustainability goals, we need to have clear and stable guidelines in place. The implementation of our Group’s strategy is supported by the Committee of Corporate Governance, Nominations & Sustainability (CGN&S). The Committee supervises topics related to sustainability within UniCredit Group, monitors the development we accomplish in this area, and ensures that progress is made in line with international guidelines.



The Committee plays an important role in making sustainability continuously present in the Group's business strategy, while it also monitors our compliance with the highest ethical standards. Certain sectors and activities are sensitive to environmental and social risks and therefore require a special approach in our business operations; accordingly, we apply detailed guidance and principles to these.

- We have **special guidelines** regarding our participation in environmentally and socially **sensitive industries** (e.g., nuclear energy, oil etc.).

UniCredit Group has made a commitment to exit from thermal coal mining projects by 2028. Our carbon policy prohibits us participating in new projects related to the mining of coal used in thermal power plants and to coal-fired power generation and requires strict commitment from corporate customers in order to help them move away from coal.

Our *Oil and Gas Policy* prohibits the financing of new projects connected to critical oil and sea gas exploration, oil shale and shale gas exploration as well as any related processes such as fracking, tar sands oil extraction, and deep-sea oil and gas extraction (unless such activities represent less than 25% of their total revenues).

- We also have **special policies** relating to **human rights topics** (e.g., *Code of Ethics, Anti-Bribery and Anti-Corruption Policy, Abuse and Whistleblowing Policy* etc.).
- We cooperate with sustainability rating agencies, support investor efforts relating to transparency, and our **ESG ratings and indicators are public**.
- Our sustainability goals, operating model, ethics documents, and sensitive industry policies are **transparent** and can be found on our website.
- UniCredit regularly publish our sustainability goals and results in the [Integrated Report](#).

PREVENTING CORRUPTION AND COMPLYING WITH LEGAL REQUIREMENTS

Our bank operates a communication channel that allows employees, contracted partners and others to report unacceptable conduct: this is the [Ethics Hotline](#).

The Ethics Hotline provides an opportunity to report any conduct that is illegal, unfair, or unethical, violates any laws, regulatory requirements relating to the bank's activities or the policies and rules of UniCredit Group and the bank.

Ensuring equal access for customers with disabilities

A mutual respect for people living with disabilities, openness, recognition, and an acceptance of differences are all integral to our bank's corporate culture. In this context, we strive to recognise and respect differences, and do our best to help capitalise on the potential inherent in diversity. We wish to strengthen our sensitising initiatives that promote equal access to financial services for people with disabilities – in the electronic and physical domains alike.

By our clients' side in cyberspace as well

While we use an increasingly large number of digital solutions, online and offline fraud attempts are sadly also increasingly prevalent. We support our clients in this respect as well: we regularly inform them about the evolving fraud methods and how to avoid them on our website, via our LinkedIn channel, in our client letters and in our branches. As a member of the Hungarian Banking Association, we have joined the [CyberShield programme](#), and we regularly share elements of the organisation's campaign on our platforms. We also constantly monitor the different channels in order to identify fraud in a timely manner whenever possible, and to warn our clients against them.





Responsible investing and financing

RESPONSIBLE LENDING

As a responsible lender, UniCredit supports all initiatives that aim at helping customers make well-informed, responsible decisions on borrowing, with regard to their full financial capacity and awareness of possibilities and risks. In September 2009, our bank was one of the first to join the [Code of Conduct](#) on fair conduct towards the clients of financial institutions providing retail loans and to accept the rules of the Code as binding.

Responsible claims management – Products we offer to help solve temporary problems

Our bank pays special attention to ensuring that increased payment obligations do not impose an undue burden on our clients, and that they can maintain their solvency. Thus, we develop customised payment facilitation options, taking into account

clients' loan agreements, the encumbrance of their collateral, and their respective life situation. Our [Credit Easing Package](#) offers help in overcoming temporary difficulties in loan repayment, taking our clients' financial options and habits into consideration.

Sustainable and ethical supply chain

The volume of procurements related to banking operations is significant from the aspect of climate protection as well. Thus, we consistently ensure compliance with social and ecological requirements in our procurement processes. These are specified in [UniCredit's group-level Supplier Certification](#). Our suppliers are expected to contribute to climate protection, use resources economically, avoid or reduce waste, comply with [International Labour Organization \(ILO\)](#) standards, and consider health and safety impacts across the entire supply chain.



Raising awareness

As a leading player in our industry, we have a key role in shaping attitudes to sustainability. In order to emphasise the importance of the subject and to disseminate good practices as widely as possible, we keep our employees, clients and the wider public informed about our activities in this area.

SUSTAINABILITY AMBASSADORS

Two members of the bank's management are sustainability ambassadors, which confirms our commitment to sustainability at the highest level. The ambassadors regularly contribute to our newsletters and take part in our sustainability events as well as serve as role models who exemplify our efforts to achieve our aims.

INTERNAL NEWSLETTER

In our Sustainability Newsletter, we regularly inform our colleagues about our corporate initiatives, sustainability achievements and latest objectives. The newsletter allows for

bilateral communication; our colleagues regularly give feedback and share their ideas and suggestions for greening the company.

SUSTAINABILITY EVENTS

We also value the views and knowledge of external experts, so from time to time we invite distinguished speakers from the fields of sustainability and ESG. At our quarterly online events, we discuss various sustainability topics and take a practical approach. Matters discussed in the past have included waste management, futurology, and the interconnectedness of artificial intelligence and environmental protection.

SUSTAINABILITY RESEARCH

Following our earlier research into the attitudes of different generations to sustainability, in 2022 we surveyed how widely understood the various ESG concepts are. This time, we have focused on how well-known the S, social dimension of ESG is. We have found that while many people are willing to do much for others, be it through donations or volunteering, they tend not to connect this to sustainability. The majority believes that it is important that governments and corporations take the lead and act as a role models in this respect as well. Many respondents consider employee wellbeing factors to be insufficient, and it is also clear that women feel they are not working under equal terms. You can find more information about our research [here](#).

PODCAST

Our [podcast](#) with the title *Finances without a tie* is a platform for talking about banking matters that go beyond the purely financial. In the first three seasons of our podcast, we discussed from an ESG perspective sustainability topics such as mentoring, financial education, companies with a positive social impact (also interviewing the managers of the Viola Retirement Home at Nyékládháza and the Social Cooperative of Rábaszentmihály), social impact banking, and the sustainability activities within the bank.

CLIENT CAMPAIGN ON SUSTAINABILITY

[Following our anniversary campaign in 2020](#), and the campaign in 2021, in 2022 we once again presented [some of our strategic clients](#) who put environmentally conscious approaches into practice. We made short videos with our clients: through the operation of the given companies, these show that we not only practice sustainability, but also expect it from our clients and partners.

TONE FROM THE TOP

The aim of our Tone from the Top initiative is to showcase the most important compliance risks and share the ways to deal with them; our leaders also play an important role in this initiative. Our related in-house campaign this year presented cases that offer important lessons for the relevant areas (AML, financial sanctions, GDPR, ESG, anti-bribery and anti-corruption, payment and open banking services). In the campaign materials, the heads of the relevant departments describe cases they have dealt with, both the successes and the failures, thus supporting our compliance with the rules and promoting the correct attitude.

Glossary of terms

- **CO₂ footprint / carbon footprint:** An important indicator of the impact of human activities on the environment, with which it is possible to measure the extent of our contribution to global warming.
- **Equator Principles:** Corporations that accept the Principles commit themselves to various strict environmental and social operations standards for their investment projects in developing countries.
- **UN Sustainable Development Goals (UNSDG):** In 2015, 193 member states of the UN committed themselves to end poverty, combat climate change, and fight against injustice. To this end, they formulated a global development programme, which aims at ending poverty and build up a sustainable future by 2030. The various goals are no poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities;
- sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; partnerships for the goals.
- **FSC (Forest Stewardship Council):** The wood used for products with this label comes from responsibly managed forests and other controlled sources.
- **Net-Zero Banking Alliance:** The UN-convened Net-Zero Banking Alliance brings together more than 50 banks that are committed to aligning their lending and investment portfolios with net-zero emissions by 2050.
- **WWF Earth Hour:** An international event organised on one of the last Saturdays of March every year. Households and businesses joining the initiative switch off their non-essential lamps and electrical devices for an hour to draw attention to the importance of taking action against climate change.

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