



Member of  UniCredit

# Disclosure of UniCredit Bank GmbH's Remuneration Policy

Disclosure in accordance with  
Article 5 of Regulation (EU) 2019/2088  
July 2024

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# REMUNERATION POLICY ALIGNMENT TO SUSTAINABILITY STRATEGY

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## 1. Introduction

Regulation (EU) 2019/2088 relating to disclosure on sustainability in the financial services sector defines sustainability risk as an environmental, social or governance (“ESG criteria”) event or condition which, if it occurs, could cause a significant actual negative impact or potential on the value of the investment.

With reference to investment products, the Bank provides a remuneration policy<sup>1</sup> for its commercial network aimed at directing the same towards the formulation of investment proposals relating to products that comply with the **ESG - Environmental, Social & Governance** criteria described above, relevant for the purposes of managing sustainability risks.

The following explanations provide an overview of how the bank anchors the integration of sustainability risks in its remuneration policy.

## 2. Overview and principles

At UniCredit value creation means more than just generating financial value. It also means ensuring sustainability is at the heart of all that the Group does.

In 2024, UniCredit announced its 2030 target for the steel sector, which forms part of the bank’s commitment to reach its 2050 goal of Net Zero on its lending portfolio and enhances its own 2030 targets for the three most carbon intensive sectors which include Oil & Gas, Power Generation and Automotive sectors, communicated to the market in 2023. This is in line with the Net Zero commitment the bank signed in October 2021 and its continued support for a more sustainable global economy.

2023 was a year characterized by significant progress on our ESG ambitions with Net Zero sector targets and ongoing support to clients and all our stakeholders in a just and fair transition. Please also refer to the Integrated Report available on the corporate website for further details on the Sustainability Strategy in UniCredit.

The Remuneration Policy contributes to the UniCredit strategy, the pursuit of long-term interests and sustainability over time. UniCredit has a remuneration structure in place that is based on risk-adjusted/related performance and does not encourage excessive risk-taking, including with respect to sustainability risks.

Further, one of the pillars of the Group Remuneration Policy addresses sustainable pay for sustainable performance, by maintaining consistency between remuneration and performance, and between rewards and long-term stakeholder value creation, as well as enhancing both the actual results achieved and how they are achieved.

Several processes and initiatives support the link between the remuneration policy and sustainability.

The Group Incentive System is supported by the annual performance management process assuring coherence, consistency, and clarity of performance objectives and behavioral expectations aligned with business strategy. The setting of annual objectives (known as Goal Setting) is the initial phase of this process and is supported by a structured framework that includes a catalogue of performance indicators (the “KPI Bluebook”), annually reviewed by relevant Group key functions (e.g. People & Culture, Finance, Risk Management, Group Strategy & ESG), and guidelines. The framework is in line with regulatory provisions and Group standards as verified by Compliance. In particular, among other things, for Group Material Risk Takers this is characterized by:

- the use of risk-adjusted/related goals (e.g. at least one KPI in the goals cards); for Group Material Risk Takers half of the goals are flagged risk adjusted
- the link with ESG and Diversity, Equity & Inclusion (“DE&I”) strategies (e.g. at least one ESG KPI for all Group Material Risk Takers with a particular focus on DE&I KPIs for staff reporting to Group Executive Committee and their direct reporting line);

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<sup>1</sup> Following the Group process of UniCredit Group, the bank will adopt an update of the remuneration policy for its commercial network in 2024

- the use of sustainability goals for value creation over time (e.g. about half of the goals shall be related to sustainability). For selected individuals ESG goals are included as additional long term conditions;
- the use of goals related to business, corporate values, conduct and compliance/risk culture, with a focus on:
  - adherence to and spreading of Group culture, values and purpose;
  - setting the proper tone from the Top and tone from the Middle on Compliance culture and Risk mindfulness.

## FOCUS

### Diversity, Equity and Inclusion (DE&I)

At UniCredit Diversity, Equity and Inclusion are strategic assets for our business, growth, innovation, and performance, acting as an integral part of our corporate culture and firmly engrained in our ESG roadmap.

We are building a culture that puts our Values of **Integrity, Ownership and Caring** at the heart of our decision-making and in everything we do. Our Culture and these Values embody what we stand for, determine how we act, and shape the decisions that we make every day, guiding all our actions and behaviours.

This also helps ensure a more sustainable growth in the long-term and new business opportunities, a strong drive for innovation and creativity, as well as a general improvement of the work environment with positive impact on productivity, well-being, and engagement of our people.

To further promote a culture of inclusion based on equal opportunities and non-discrimination, UniCredit has a dedicated DE&I Global Policy in place that sets clear guidelines and principles for employees as well as third parties. The Policy applies to every key moment of the employee journey, from recruiting and onboarding, to learning and development, performance management and compensation, ensuring bias-free, merit and competency-based decisions as well as pay equality, regardless of diversity traits.

Our Code of Conduct highlights the principles of inclusion encompassing the criteria of objectivity, competence, professionalism, and equal opportunities both in people-related processes laying down the procedures by which any instances of discrimination, mobbing or bullying are dealt with, and in external relations with counterparties.

Within the framework provided by the Group Remuneration Policy, UniCredit is committed to an equal pay principle, ensuring fair treatment in terms of remuneration based on the role covered, the scope of responsibilities, performance outcomes and the overall quality of the contribution to business results, regardless of gender identity, age, race, ethnicity, sexual orientation, ability, and cultural background. UniCredit adopts gender-neutral Remuneration and Incentive policies that contribute to pursuing true equality among staff. They ensure that equal work is matched by equal pay, giving people the same access to opportunities, regardless of their diversity strands.

By signing the CEO Champion Commitment “Towards the Zero Gender Gap”, the Group is affirming its corporate commitment with concrete objectives and a framework to move towards greater gender equality, diversity and inclusion in our Bank.

UniCredit is committed to promote gender parity across all organizational levels, ensuring balanced gender distribution in talent pools, hiring and recruiting, appointments and promotions, with a wider ethnic representation as well as guaranteeing a diverse and sustainable Succession Pipeline.

Further testifying to our extensive collective efforts to fostering a more diverse and sustainable workplace, UniCredit is the first pan-European bank to win a **Global EDGE Certification for gender equity and inclusion**, involving more than 80% of our population in the countries where the bank is present.

The Group has long underscored the importance of gender pay equality and several initiatives have been implemented across the Group to address pay differences, including guidelines for our compensation process, allocation of salary budgets as well as specific ambitions related to DE&I (i.e. promote gender parity across all organizational levels, in talent pools, hiring and recruiting, ensure equal pay for equal work, increase cultural and ethnic diversity in our staff) assigned to senior leaders within the annual goal setting process.

To additionally raise the attention to gender equality, diversity and inclusion within the organization at all levels and to pursue gender neutrality in remuneration policies, the following measures have been adopted:

- Management is accountable for the gender-neutral application of the remuneration systems. The Material Risk Takers individual scorecards include specific DE&I KPIs – as standalone goal or as part of a broader Sustainability goal, among non-financial measures – as one of the elements for their performance evaluation. This has also been cascaded to other Senior roles, to generate sustainable results, including DE&I ambitions, such as: ensure equal pay for equal work, promote gender parity across all organizational levels, increase cultural and ethnic representation in our staff, boost work life quality, well-being and flexible working for our staff;
- The Strategic Plan 2022-2024 UniCredit Unlocked confirms, among other goals, the commitment towards equal pay for equal work, allocating ca.€100 mn at UCG Group to gradually close the gender gap in pay within comparable roles. During 2023, c.17 mn have been invested in UCG, leading to a significant reduction of the Gender Pay Gap (GPG) on comparable roles<sup>2</sup> to 2.0% (HVB: 2.5 %), confirming the commitment taken and further boosting a respectful and inclusive culture, based on equal treatment and equal pay. To reach gender pay equality, UniCredit assesses and monitors the progress on the GPG on a regular basis, with a specific methodology valid for the whole Group.
- A solid DE&I Governance is in place, leveraging on different Networks across the Group to create synergies, share best practice and promote cross fertilization in our business: DE&I Accountable Executives, nominated under each GEC leader, work alongside the Group DE&I Manager and local DE&I Managers appointed in our Group countries, ensuring DE&I are amongst the main topics of our business agenda and permeate our corporate culture. Additionally, our Employee Networks, voluntary groups on diversity strands – LGBTQIA+, Gender, STEM, Disability, Cultural Diversity, Generations, Caregiving – create safe spaces, foster awareness and amplify employee voices on the needs of their communities;
- Specific DE&I Guidelines are available to all colleagues, on inclusive language, inclusive recruitment, gender transition, including a leaflet with concrete suggestions on how to tackle unconscious bias in the workplace to continue to foster and build a culture of inclusion;
- UniCredit is accountable for DE&I progress versus stated ambitions, through a monitoring process that tracks relevant DE&I metrics and KPIs. UniCredit also makes available, both internally and externally, relevant data, commitments and initiatives, in the Consolidated Non-Financial Statement.

## FOCUS

### ESG - Environmental, Social & Governance

Sustainability is a key lever for our future business strategies and a critical component of our success. Indeed, we have set ambitious ESG targets as part of the 2022-2024 Strategic Plan, as the Group continues to make progress on its Net Zero commitments and embed ESG in all areas of the business while strengthening corporate culture under the common purpose of empowering our communities to progress.

Our remuneration policy has been developed to support UniCredit's sustainability strategy. A core set of our ESG targets are embedded in the CEO performance scorecard to foster the alignment of management with the UC Group's current and future ESG ambitions.

The current strategy foresees an updated set of UC Group ESG KPIs:

- **ESG Business Penetration**, as disclosed to the market within the 2023 fixed income Presentation;
- **Net Zero commitments**, as described in the Strategy chapter of the 2023 Integrated Report;
- **DE&I ambitions**
  - Gender parity across our organization, in accordance with Italy G20 Women's Forum CEO Champion Commitment "Towards the Zero Gender Gap";
  - Ensuring equal pay for equal work by 2024.

These ESG commitments, also subject to the evolution of ESG regulation, have been included in the "Sustainability" section of the CEO and Top Management scorecards, as long-term additional performance conditions, consistently with their outlook.

The entire section on "Sustainability" will have a weight of 20% in the CEO and Top Management<sup>3</sup> long-term scorecard within the 2024 Group Incentive System rules.

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<sup>2</sup> Non-Demographic GPG

<sup>3</sup> In HVB Group: Members of the Executive Board of UCB GmbH and other GEC-1

# DISCLAIMER

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The purpose of this disclosure report is solely to meet the applicable disclosure requirements. The contents of this disclosure report are as of July 2024.

The contents of this disclosure report are based – unless explicitly stated otherwise – on the existing legal situation as of the reporting date. The interpretation of the legal situation may be subject to changes in the future or be further concretized by regulatory requirements (regulatory standards, etc.). Therefore, future disclosure reports may be structured differently, have different contents and/or be based on other data and are hence not comparable with previous publications.

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