

Human Rights: from analysis to implementation

Raising awareness as a first step to generate a cultural change

Ludovica Lardera – Head of UniCredit Corporate Sustainability

Milan, December 14th, 2012



UniCredit at a glance



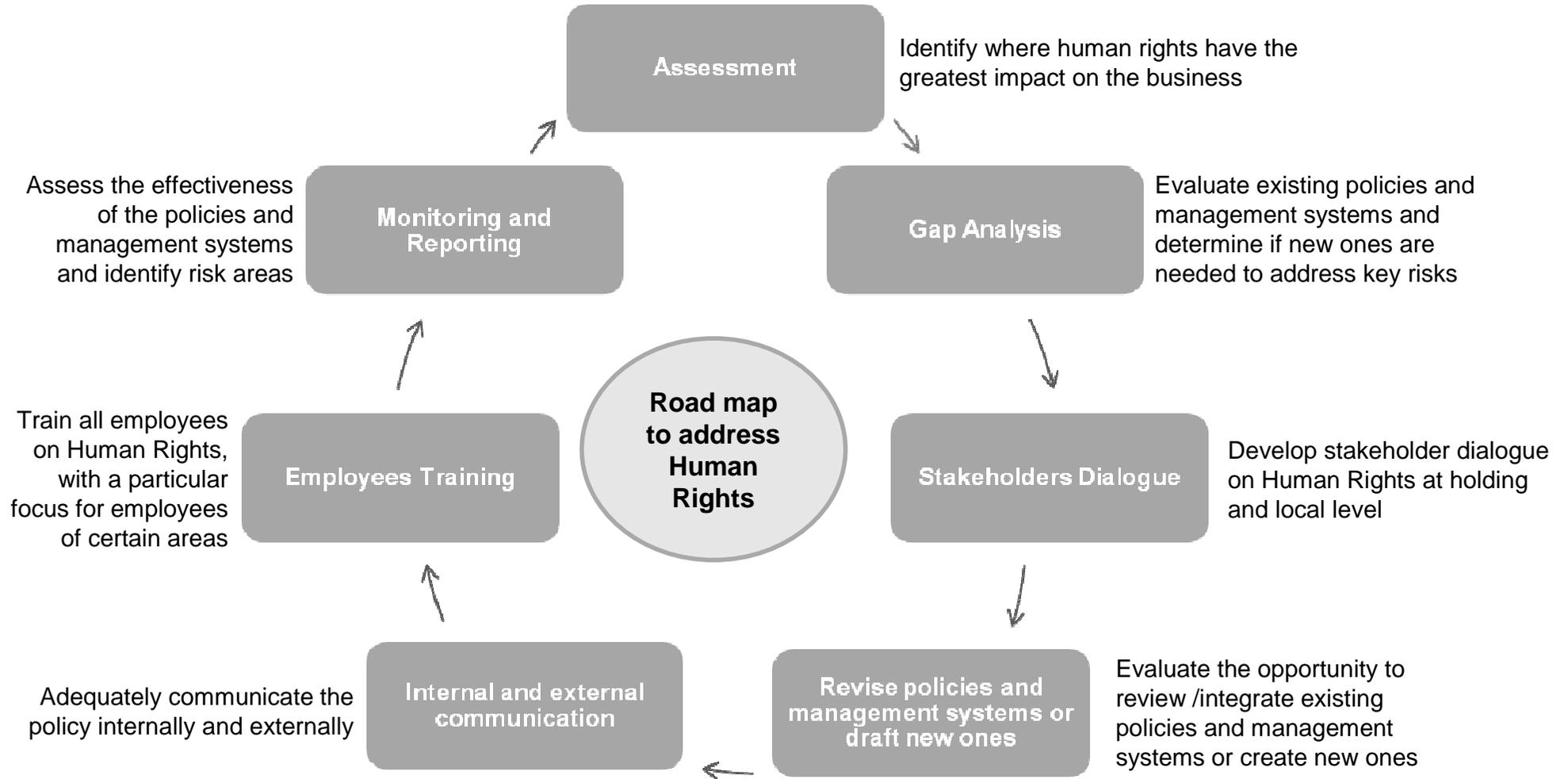
- **Employees: over 157,000¹**
- **Branches: 9,400²**
- **Banking operations in 22 countries**
- **International network spanning : ~ 50 countries**
- **Market leader in Central and Eastern Europe leveraging on the region's structural strengths**

¹ Data as at September 30, 2012. FTE "Full Time Equivalent"= number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionately, such as Koç Financial Service Group employees.

² Data as at September 30, 2012. These figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services Group branches.

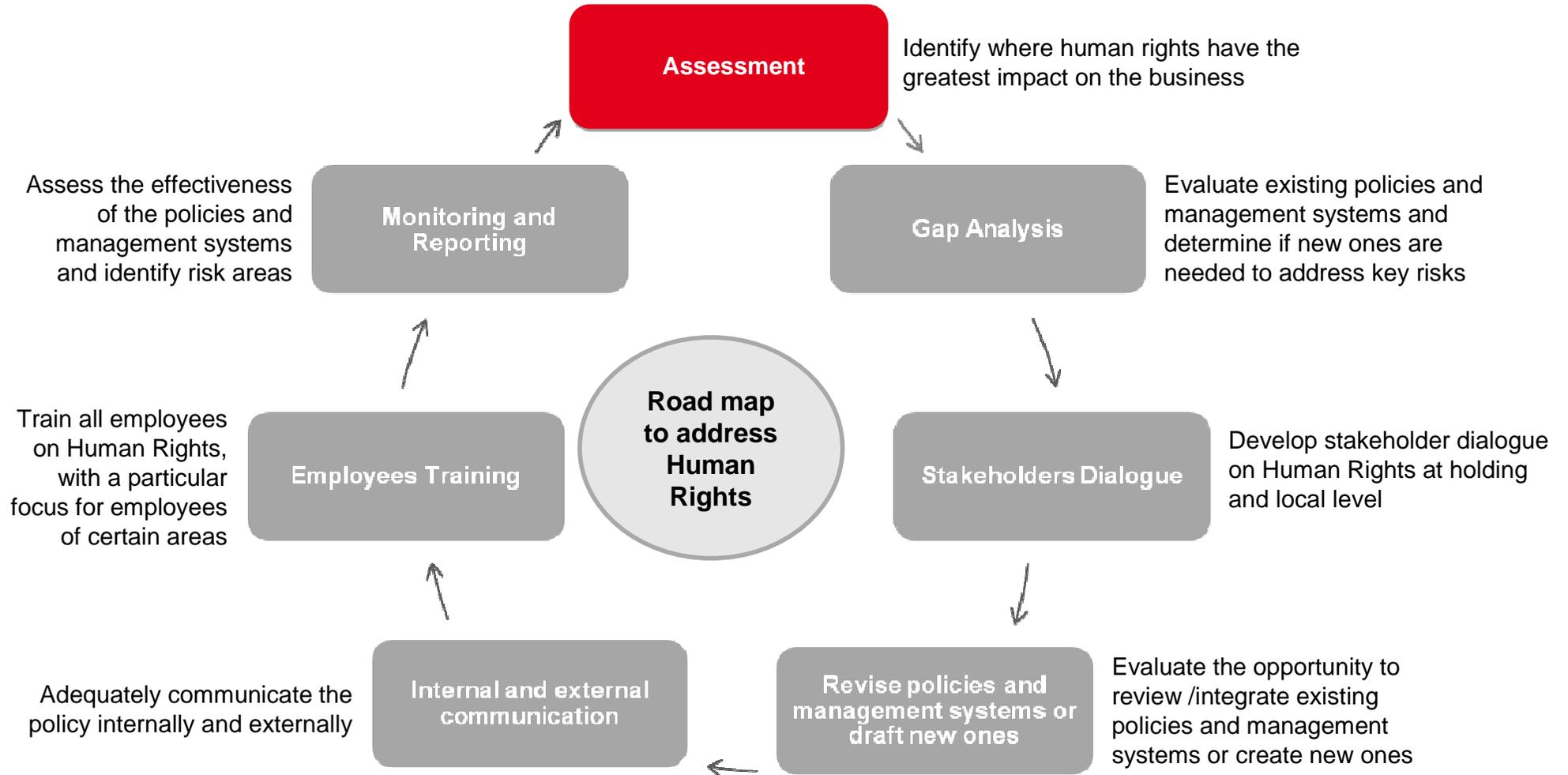


The approach of banking on Human Rights



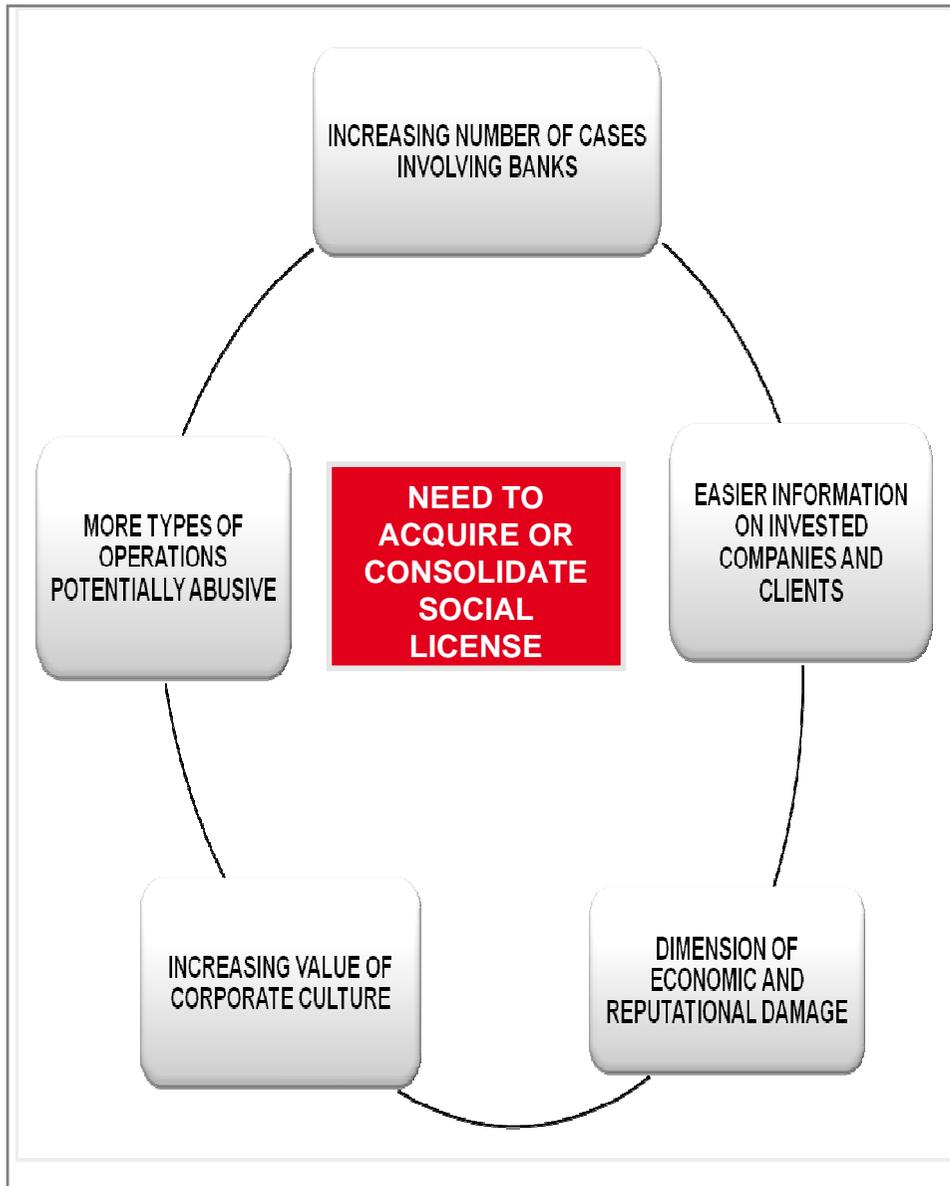


The approach of banking on Human Rights – Assessment





Human Rights abuses: why shall banks bother?

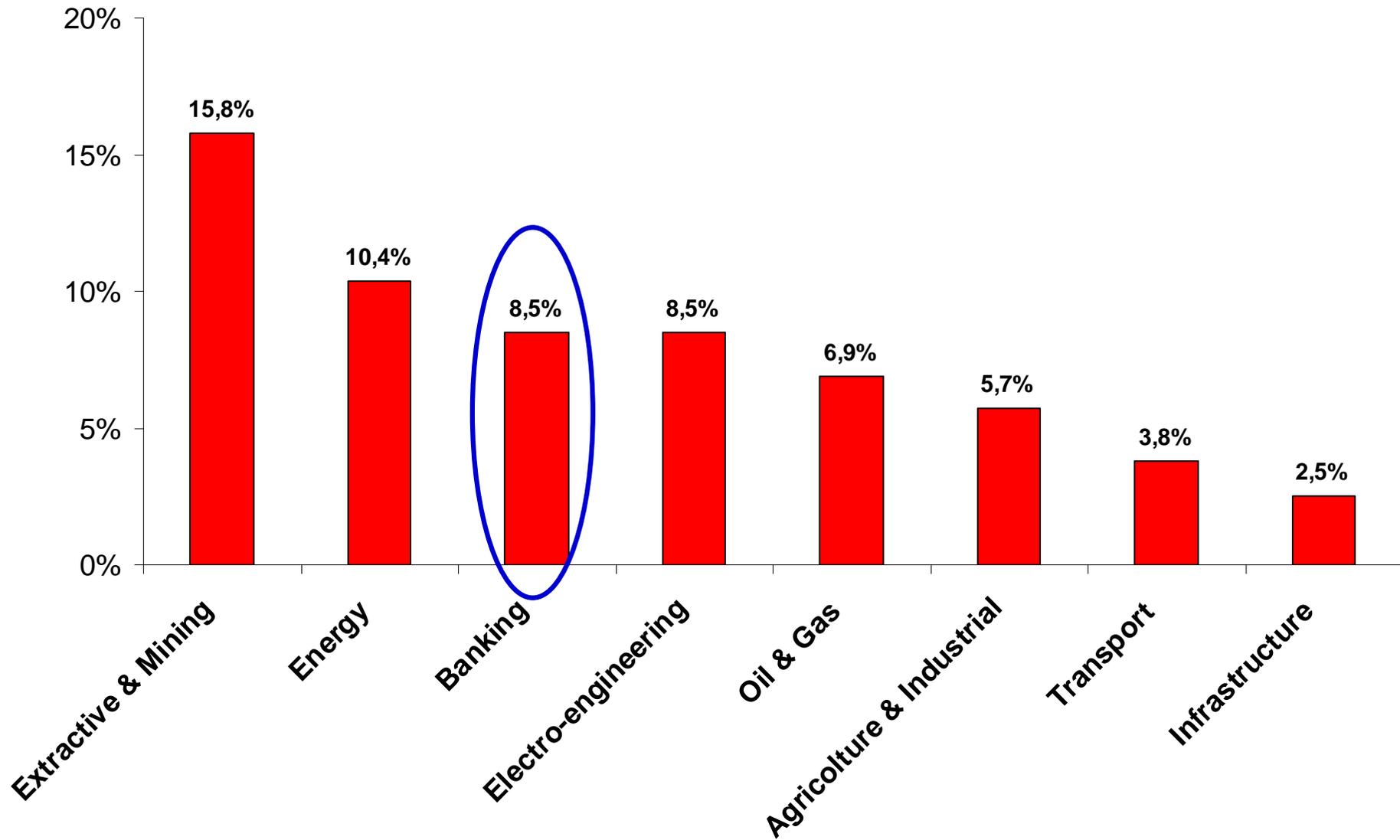


- 171 Cases surveyed
- The most relevant studies, researches and documents collected
- Stakeholders interviews collected
- Human rights research centers and academies



Human Rights abuses by industry

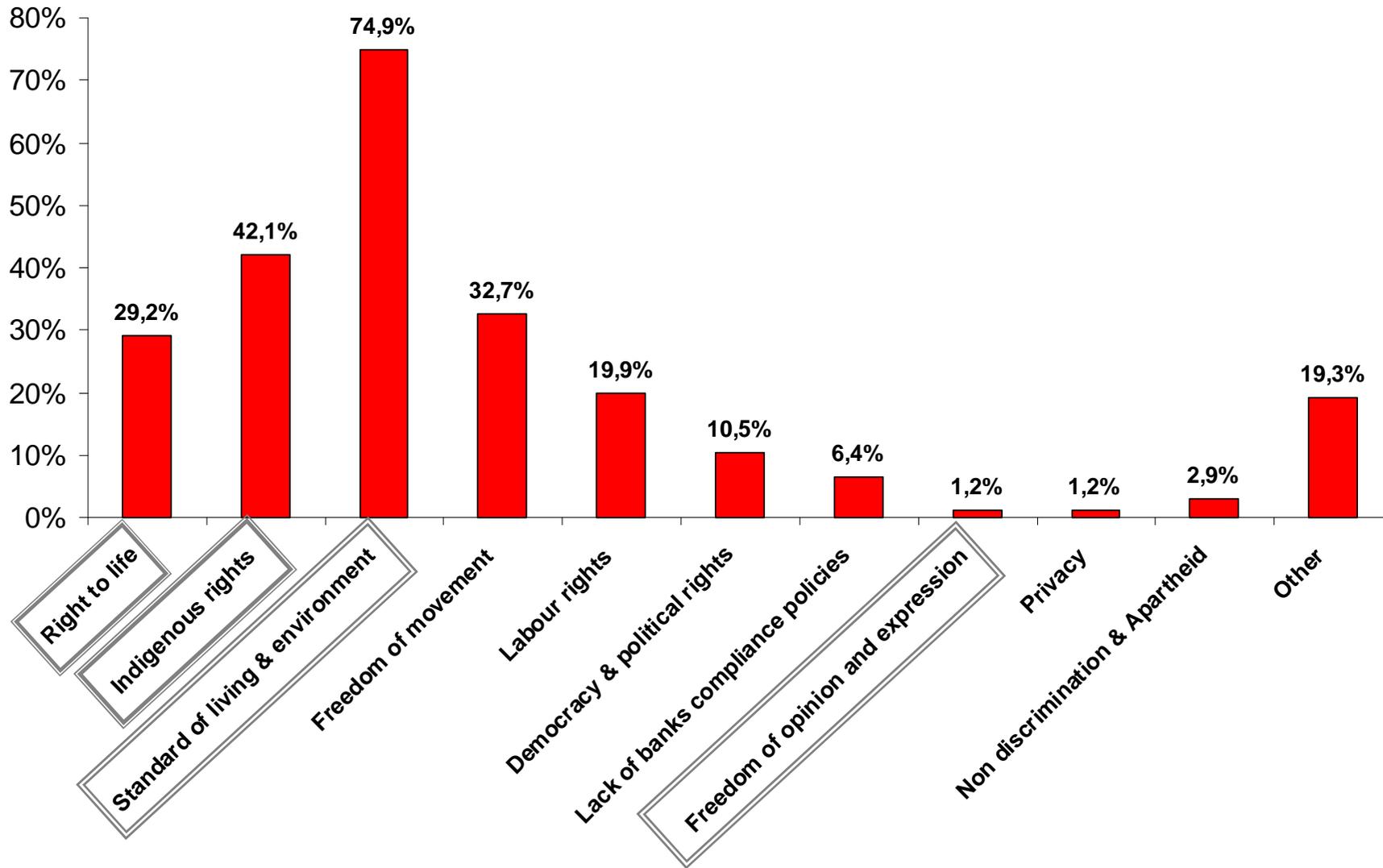
171 SURVEYED CASES





Most frequent Human Rights abuses involving banks

171 SURVEYED CASES

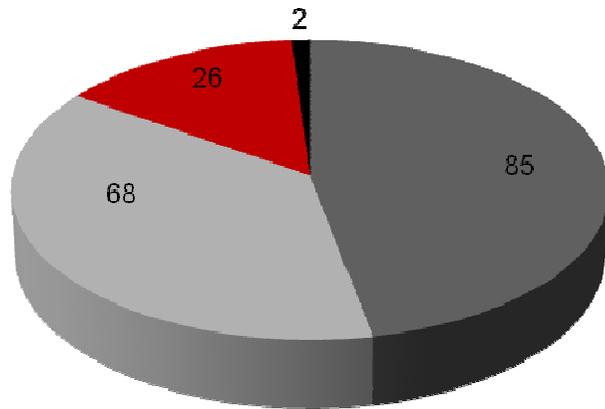




Relevance of the cases and related damage typology

CASE RELEVANCE

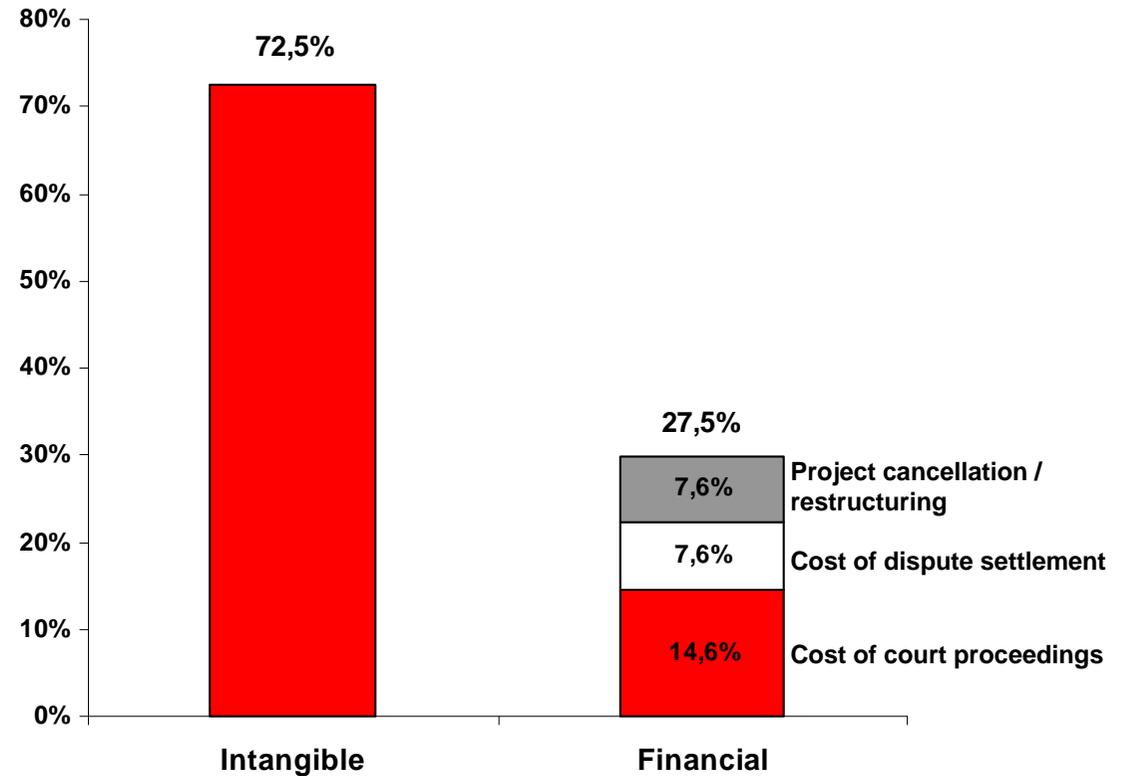
171 CASES SURVEYED



- Cases brought to Courts, mediation Bodies (CAO) or public entities
- Cases arisen subsequent to very large media campaign or action by a number of and/or top NGOs
- Reported by other individual NGOs
- N/A

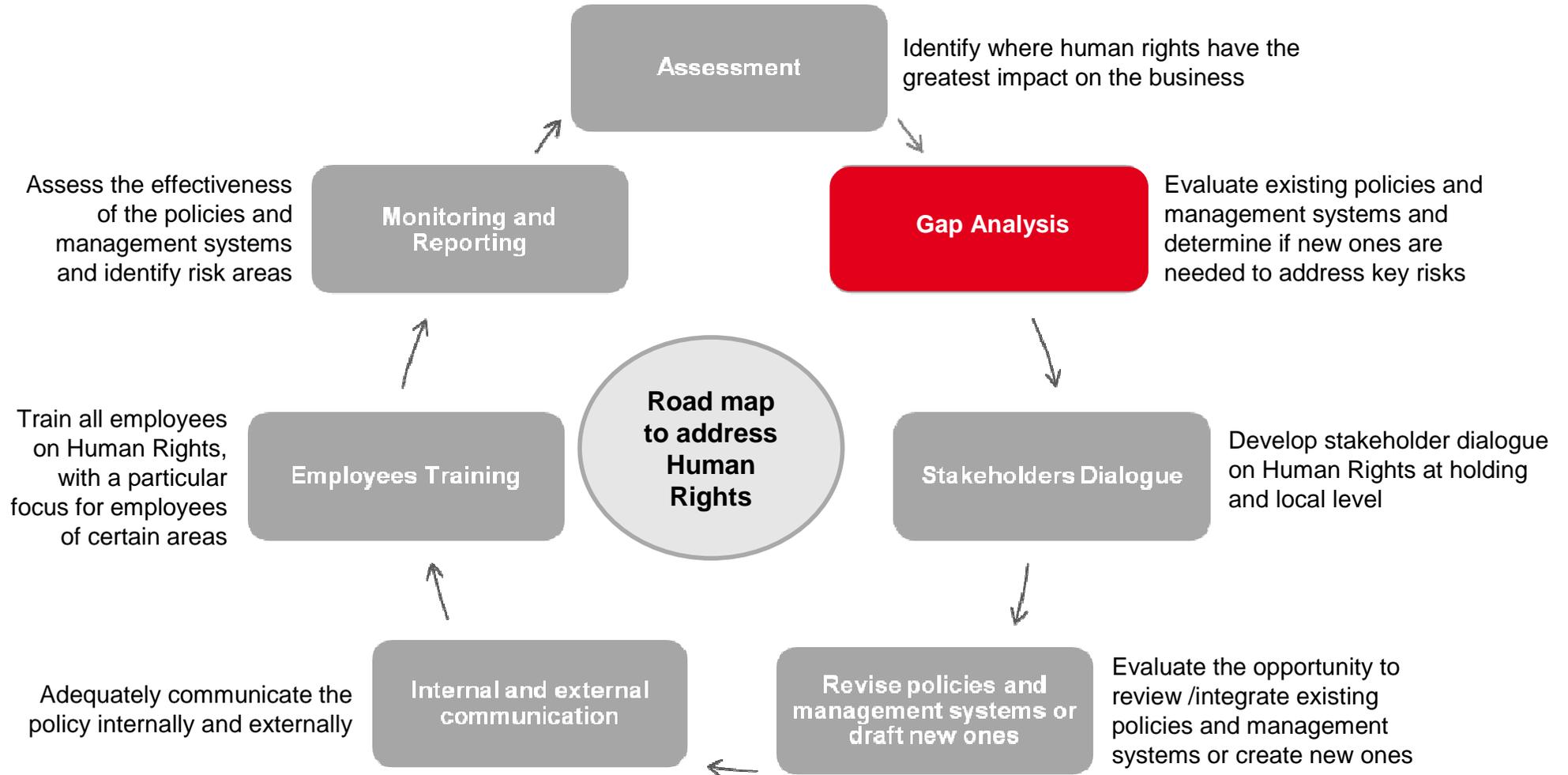
PRESUMED BANK DAMAGES FOR ALLEGED ABUSES:

171 CASES SURVEYED



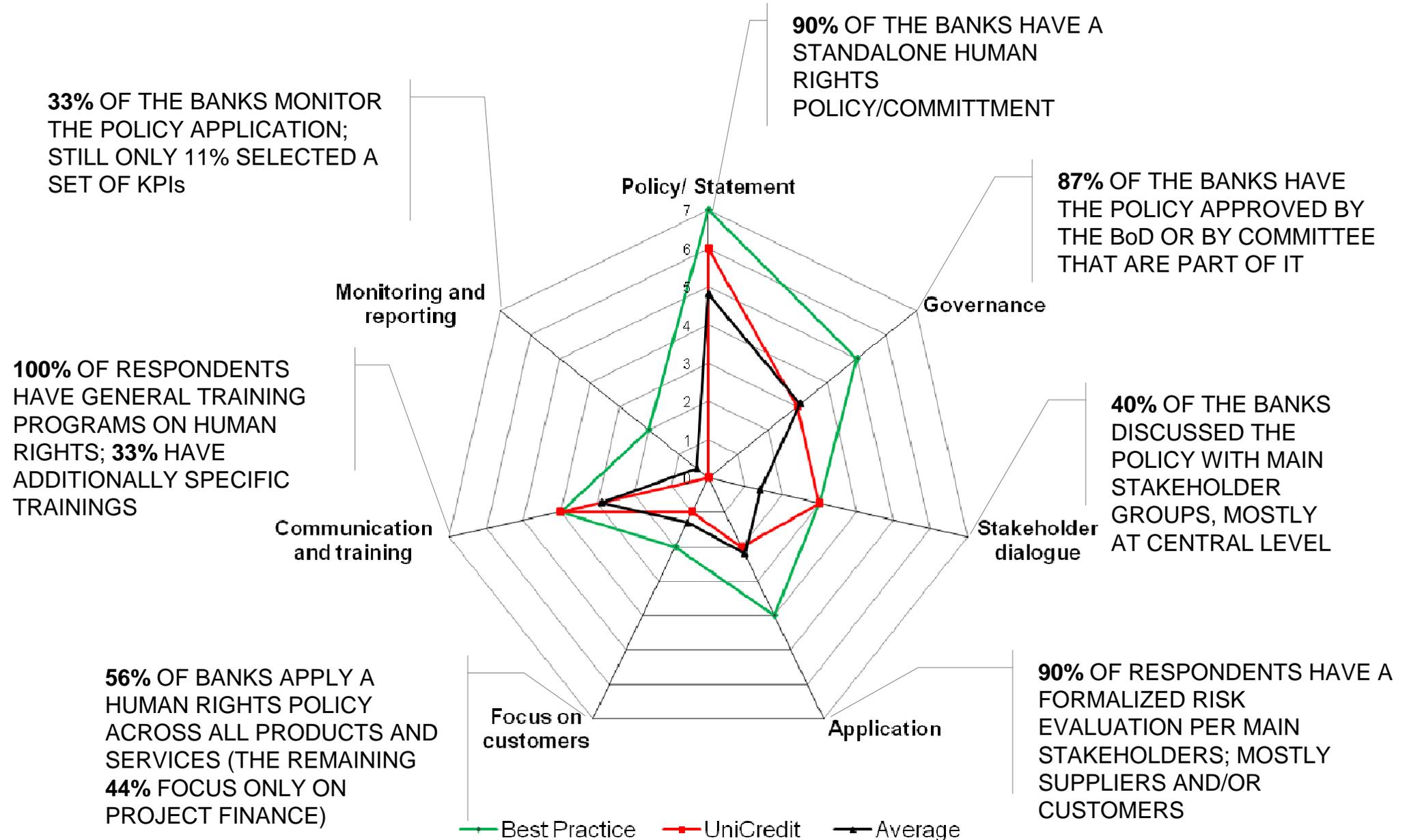


The approach of banking on Human Rights – Gap analysis





Benchmarking analysis shows some best practices and some improvement areas to be addressed





UniCredit Commitment: definition

- The Human Rights Commitment includes the principles and systems adopted by UniCredit for its operations pertaining to human rights
- It aims to define a reliable and inclusive approach that allows UniCredit to identify and manage human rights risks and reduce potential violations
- It applies to Employees, Customers and Suppliers

EMPLOYEES

- Diversity and inclusion
- Respect and freedom to act
- Freedom of association
- Elimination of forced and child labour
- Health and safety
- Work-life balance
- Privacy
- Adequate compensation

CUSTOMERS

- Project finance
- Sensitive sectors special policies
 - ✓ Defence/weapons Industry
 - ✓ Nuclear energy
 - ✓ Mining Industry
 - ✓ Water Infrastructure industry
- Privacy

SUPPLIERS

- Green and social procurement policy
- Suppliers questionnaire – social standards/labour law



UniCredit Commitment: implementation path

SET UP PHASE

IMPLEMENTATION PHASE

2012

ACTIVITY	ACTIVITY	AWARENESS	UNDERSTAND	EMBED
<p>1. As is analysis: mapping of group activities with potential impact on Human Rights, analysis of regulatory lanscape, existing policies and practices and identification of residual risks</p>	<p>1. Train employees: developing a on line training module for all employees</p>	<p> HIGH IMPACT</p>	<p> MEDIUM IMPACT</p>	<p> LOW IMPACT</p>
<p>2. Benchmarking: analysis of best practices, SRI indeces requirements and most important human rights abuses cases</p>	<p>2. Apply Policy: apply specific sector policies as integrating part of risk assessment process</p>	<p> MEDIUM IMPACT</p>	<p> HIGH IMPACT</p>	<p> HIGH IMPACT</p>
<p>3. Gap analysis between the “as is” situation and the results of the benchmarking</p>	<p>3. Monitor and reporting: identify a set of KPIs and monitor effectiveness of the approach</p>	<p> LOW IMPACT</p>	<p> MEDIUM IMPACT</p>	<p> HIGH IMPACT</p>
	<p>4. Stakeholder engagement: maintain an open and continuous dialogue with our stakeholders</p>	<p> MEDIUM IMPACT</p>	<p> MEDIUM IMPACT</p>	<p> MEDIUM IMPACT</p>