

Values that create Identity

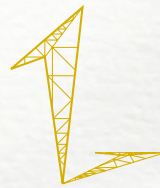


UniCredito Italiano Group



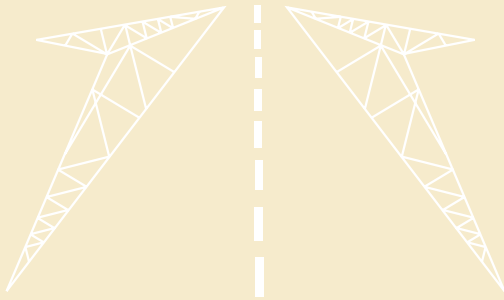
**UniCredito Italiano** - Italian stock company - Head Office: Genoa, via Dante 1 - General Management: Milan, Piazza Cordusio  
Entered in the Genoa Companies Register (Court of Genoa) - Tax Code and VAT Reg. No. 00348170101  
Entered in the Register of Banks and Parent Company of the UniCredito Italiano Banking Group  
Banking Group Register no. 3135.1 - Member of the Interbank Deposit Protection Fund - Capital Stock: euro 2,523,215,059 Fully Paid In

The Future is built every day.





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Board of Directors,  
Board of Auditors  
and External Auditors

## Board of Directors, Board of Auditors and External Auditors

### BOARD OF DIRECTORS AS AT 31 DECEMBER 2001

Francesco Cesarini *	<b>Chairman</b>
Eugenio Caponi *	Deputy Chairman (Vicarious)
Fabrizio Palenzona *	Deputy Chairman
Alessandro Profumo *	Managing Director/CEO
Franco Bellei	Directors
Roberto Bertazzoni *	
Mario Cattaneo	
Philippe Citerne	
Carlo Delaini	
Leonardo Del Vecchio	
Francesco Giacomini *	
Candido Fois	
Franzo Grande Stevens	
Maurizio Lotti	
Achille Maramotti	
Mario Greco *	
Luca Remmert	
Giovanni Vaccarino	
Anthony Wyand	
Marco Fantazzini	Secretary

\* Executive Committee Members

### BOARD OF AUDITORS

Gian Luigi Francardo	<b>Chairman</b>
Giorgio Arena**	Statutory Auditors
Giorgio Loli	
Aldo Milanese	
Roberto Timo	
Giuseppe Armenise	Alternate Auditors
Marcello Ferrari	

\*\* Outgoing as from 10/12/2001;

The Alternate Auditor Giuseppe Armenise joined the Board up until the Extraordinary Shareholders' Meeting of 30/1/2002 which nominated Vincenzo Nicastro as Statutory Auditor.

Pricewaterhouse Coopers S.p.A.

### EXTERNAL AUDITORS



**Francesco Cesarini** *Chairman*



**This is our second Social and Environmental Report. A year has passed and we therefore have to examine the commitments undertaken and reflect upon the path that has been taken so far.**

In 2001 there was particular evidence of how the dynamics of an ever more global and competitive market require particular attention to be paid to the sustainability of development, or to the search for an economic balance that can be reconciled with the maintenance (or, where possible, the improvement) of the current state of health of the social and natural environment, to the benefit of future generations.

UniCredito Italiano's desire to operate within a horizon of sustainability and social responsibility was set out last year and there has been further motivation to consolidate it and share it with our stakeholders and partners.

The Social and Environmental Report is the instrument for reporting and communicating what we are doing, including all the data and information regarding the three aspects of sustainability: economic, social, and environmental.

On reading through it, aspects can be found that are both positive and critical. One of the positive aspects is certainly the extension of this instrument to the entire Group, and the related orientation towards transparency and measuring our services in terms of sustainability.

As it is possible to gather from this document, the foreign banks associated with UniCredito Italiano account for very important initiatives and results. One of these has taken on significant commitments in the environmental field, also thanks to the requests of our American partner, a demonstration of how the applications of sustainability are becoming more widespread among operators in the financial sector.

This Social and Environmental Report is distributed along with that of the other Italian banks in the Group: an important step towards a common way of reporting and documenting our activities, and not just the economic ones. Thanks to the prompt response from all the members of the UniCredito Italiano Group, the prospect of a "consolidated social report" appears ever closer. Uniting the forces also means strengthening all our distinguishing features and our potential.

In fact, the route towards greater sustainability requires the commitment of everyone to align sensitivity towards global problems with attention to local details. The Italian and foreign banks of the Group, thanks to their territorial roots, are best equipped to satisfy the needs of the stakeholders active at local level.

At this point I would like to underline an aspect that merits particular attention and commitment: the cultural and organisational maturity process required by the decision to use the Social and Environmental Report as an instrument for the governance of our system of values takes a long time. Some results have already been achieved in a year, others will follow by and by as those that contribute to our services learn how to take on the full commitment that senior management has set out.



In 2001 the topic of social responsibility has grown significantly in the sensitivity of our stakeholders: the performance of ethical and environmental funds – in particular the Global Environmental & Ethical Fund managed by our subsidiary Pioneer Investments – has been significantly better than that of the traditional funds; we have seen our presence on the Dow Jones Sustainability Group Index confirmed; our partners have appreciated the decisions that we have taken, including the withdrawal from the arms sector; we have also obtained important recognitions, including the Oscar for the “sustainability report”.

**This recognition only serves to strengthen our firm commitment to continue in the same direction, however remaining receptive to all suggestions and critical observations that can stimulate us into sustaining our level of commitment and improving our performance through continuity.**





## Introduction

**The speed of reaction to market dynamics required today from organisations in the pursuit of economic growth and from institutions in reacting to the national and international scenarios emphasises the need to operate in the direction of sustainable development, of an economic growth that is able to reconcile itself with attention to the social environment and the protection of the natural environment.**

UniCredito Italiano's objective to work within this horizon translates above all into an in-depth analysis of the initial conditions as the frame of reference on which to build the commitments set out in the Social, Environmental, and Safety Policy promoted within the Group.

The Social and Environmental Report has therefore been thought of – from the very first edition of last year – as an instrument of accounting the activities concerning the economic, social, and environmental dimension of the sustainability of the Group.

Being committed to strengthening this approach, in the guide lines of the Global Reporting Initiative published in 2000, UniCredito Italiano has found an important interpretation, by means of which it has carried out the task of re-reading the indications of the principal national and international references currently available in these matters. Among these are the models, guide lines, and methodology schemes of: the Study Group for the establishment of the principles for drawing up the Social Report, the European Institute for the Social Report, the London Benchmarking Group, GBS, and IBS; the requirements of the Social Accountability 8000 standard, the indications of AccountAbility1000 and the criteria for drawing up the Social Report in the credit sector defined by the Italian Banking Institute.

The deep conviction of the importance of the route undertaken and the choices made has been confirmed by their being shared by a number of stakeholders with whom a course of dialogue and comparison has been started; the award of the special Report Oscar for the "Sustainability Report 2000" to UniCredito Italiano is the clearest indication possible of this relationship.

The other federated banks have also been involved in the process of growth this year, as well as Credito Italiano which has shared the route from the start with the Parent Company UniCredito Italiano.

In this way the Group has broadened its "accounting perimeter" although with the desire that has always been made clear of wanting to address change with determination, but in respect of the distinctive characteristics and the specific nature of every individual company: each Bank has chosen its balance sheet – defined by the Group guide lines – that it considers most appropriate to reflect its identity and capacity to sustain the commitment to improvement.

In this context, the Parent Company has continued along the route of the study of methodology which, on the basis of the experience gained and against the analysis of the potential scope for improvement, has been developed in particular by means of operations:

- in the area of Management, through the consolidation of the processes regulating (and not just mere accounting) the areas of improvement of sustainability
- in the area of Control, through the improvement of the data and information collection and recording procedures.



- in the area of Surveillance, through the study and identification of sustainability indicators, including those that relate to economic accounting in matters of the environment and safety
- in the area of Sharing, through improvement in the level of internal and external awareness and participation, in particular by means of the study and application of procedures that enable dialogue and comparison, from which to set out on a route of common growth shared with all the stakeholders.

The work started in these areas is demanding and will require a long time and continuous monitoring to produce significant results. Awareness of this should encourage us to look for suitable solutions to complex problems in a very articulate and dynamic environment such as that of UniCredito Italiano, all with a final objective: to create the conditions to be able to offer our stakeholders the “consolidated” framework of commitment and the results of the whole Group in the future.

A Group that is growing with its own Identity that is developing and diffusing through the direction and co-ordination activities of the Parent Company.

This document introduces, accompanies, and concludes the reading of the social reports of the Group Banks. In fact it offers the reader:

- an introductory section in which the identity and mission of the UniCredito Italiano Group are set out, which are fundamental to understanding the organisational and operational choices, as well as the strategic targets for the future, in the light of the commitments set out in the Social, Environmental and Safety Policy;
- a section dedicated to the Parent Company UniCredito Italiano S.p.A., in which the status of the relationships with its stakeholders in terms of sustainability – quality of work, market, health, safety and environment, security and privacy, solidarity and dialogue, culture and information – are illustrated, also by means of determining added value and representing its distribution;
- a section on the foreign banks of the Group aimed at offering a general, but articulate, picture of the initiatives taken in these companies, in the knowledge that the principles and commitments undertaken by UniCredito Italiano do not have geographic confines, but must be promoted equally throughout all the Group companies and at the same time stimulate them and contribute to the experience gained.

In summary the document sets out the principles and commitments, the spheres of activity, and the procedures with which these activities become operational, the objectives pursued and those programmed, the results achieved, and the difficulties encountered: in other words, all the effort needed to transform an instrument of reporting into an instrument of Corporate Governance.

I wish you all... happy reading.

## Dialogue and partnership with the stakeholder for sustainability

The relationships between enterprises, companies, and the environment are becoming increasingly complex and interdependent. The success and innovation of the enterprise is based, in parallel with the economic performance, on the profile of social and environmental responsibility. It is already widely understood that the assumption that “citizenship activates enterprise” is based on transparency, on accountability, and on dialogue with all the direct and indirect stakeholders, factors that in turn generate credibility, legitimacy, and loyalty on the part of investors and society.

In order to meet the expectations of a wider range of stakeholders, UniCredito Italiano actively encourages a strategy of Corporate Social Responsibility and adopts various instruments and innovative means of internal and external communication and accountability, by referring to criteria shared at an international level such as those proposed by the Global Reporting Initiative and the World Business Council for Sustainable Development.

## Stakeholder Dialogue

UniCredito Italiano has set out on a route aimed at the voluntary promotion of an innovative and open dialogue with various internal and external stakeholders in terms of the social responsibility and the challenges of sustainable development.

This route provides for a series of meetings with various stakeholders, whose purpose is to establish an interactive and transparent communication that all can take part in. It is expected that the results will be the development of greater reciprocal legitimacy, the sharing of information, in-depth understanding, and mutual learning.

The consultation process is aimed at reaching various specific objectives:

- a regular review of the level of perception of the profile of social responsibility of the UniCredit Group;
- an assessment of the impact and fall-out in terms of the sustainability of current and future initiatives;
- identification of the expectations and needs of the various stakeholders in terms of programmes and projects;
- encouragement of the development of new ideas and proposals about internal and external innovation.

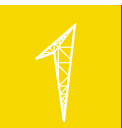
The meetings are intended to involve the direct stakeholders of the UniCredit Group in an initial stage such as:

- employees, customers, shareholders, and suppliers.

Subsequently “focus groups” are envisaged aimed at indirect stakeholders who are members of society and have an interest in the policies and programmes of UniCredit, such as:

- non-government voluntary organizations concerned with social, environmental, and consumer matters, universities, trades unions, the world of research, schools, and the media.

These meetings will be backed up with regular questionnaires and quantitative investigations into internal and external perception, in order to integrate and consolidate the results of the “focus groups”.



## Part One



# The UniCredito Italiano Group

A Group identity

*The "personality" of UniCredito Italiano through  
its values, choices, and projects  
The UniCredit company in 2001:  
the organizational aspect  
and the distribution model  
Innovation within continuity  
The social, environmental and safety policy*

Interview with the Managing Director/CEO



## A Group identity

### The “personality” of UniCredito Italiano through its values, its choices, and its projects

#### The evolution of the Group

##### 1998

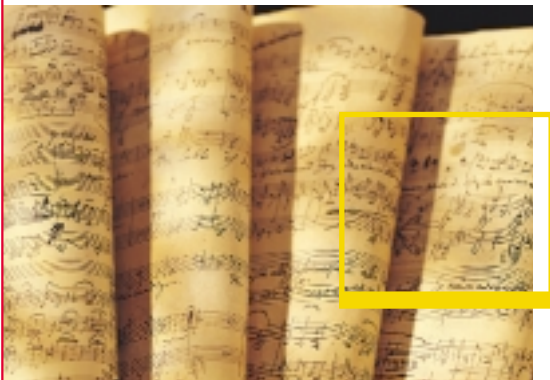
The UniCredito Italiano Group is created from the merger of Credito Italiano and Rolo Banca 1473 with CariVerona, Cassa di Risparmio di Torino, and Cassamarca.

##### 1999

The Cassa di Risparmio di Trento e Rovereto, the Cassa di Risparmio di Trieste, and Bank Pekao, the second commercial bank in Poland, become part of the Group.

##### 2000

This is the year that signals the progressive expansion of the Group in Europe with the acquisition of control of Splitska Banka in Croatia, Pol'nobanka in Slovakia, and Bulbank, the leading bank in Bulgaria.



##### 2001

In the course of 2001 UniCredito Italiano strengthened its international influence, establishing itself as a multi-specialist European financial group.

2001 was the year in which the choices of the UniCredito Italiano Group became responsibilities.

Responsibilities to customers, employees, shareholders, and to all the other stakeholders.

The principles of the Group have guided its growth, by strengthening the desire to proceed with the search for cohesion between economic, social, and environmental objectives.

A difficult task that, not without certain problems, UniCredito Italiano is committed to moving forward with the development of established and new initiatives.

### Ethics

Believing that “running a company” implies a respect for rules, that profitability does not derive from “exploitation” of the Customer/Supplier, but is the reward for ability and commitment to the principles of our Social, Environmental and Safety Policy.

### Experience

Never miss an opportunity to learn and teach, and to spread ideas so that they are shared by everyone, and to aim at achieving a leadership position in the products and services we offer.

### Fairness

Set conditions for the fair and merit-based management of individuals by making specific investments in the improvement of their skills and behaviour.

### Creativity

Quickly interpret market changes and identify innovative responses by transforming new departures and uncertainty into opportunities for improvement and even radical change.

### Humility

Believe that effective working together is possible only when there is a true willingness to listen and a desire to compare different ideas.

### Pride

Be aware of your professional contribution and feel that you play an active part in the Group's successes.

### Growth

Realise that the Group's future is tied to balanced, constant growth, the pre-requisites for which (quality, efficiency, speed) are to be found in every activity by overcoming conditioning and resistance with energy and enthusiasm.

This is reflected both from **within**

- By promoting the adoption of the guidelines contained in the Social, Environmental and Safety Policy on the part of all the banks in the Group;
- By working assiduously towards the pursuit of the social and environmental objectives;
- By measuring performance and assessing the possibility for improvement in the results and in the accounting system;



and in the dealings with the **outside**

- By generating a climate of greater consensus;
- By activating synergies and co-operation with the community and taking on specific commitments in this regard;
- By exploiting the particular nature of every business and interweaving its contents with the objectives of customer satisfaction,

in the knowledge that the credibility of corporate action depends on how promptly the pre-set objectives are met and on the ability to fulfil the commitments taken on.

An effort that must be shared throughout the Organisation, being called upon to respond in a responsible way to the expectations of those representing it according to the values in which UniCredito Italiano believes and with which it is identified.

There are short term or long term objectives, oriented to the maximum immediate result or the well-being over time respectively, closed to a limited vision or open to the prospects of change and renewal.

UniCredito Italiano wants to grow with a strong identity, based – as well as on clear and shared values – on projects that are capable of looking ahead and being reflected in a coherent manner in the objectives and targets for each year. The real challenge is to know how to take every step decisively along the new route by keeping a clearly defined horizon firmly in sight.

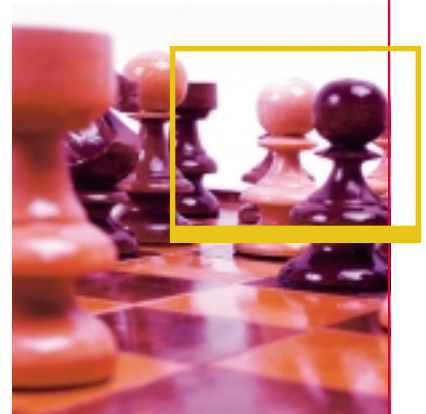
In this way the actions of today and those of tomorrow are rooted in the Mission of UniCredito Italiano, which has guided the choices taken about the present organisational aspect and distribution model and has provided the lines to address the definition of the strategic design for the future.

## The UniCredit company in 2001: the organizational aspect and the distribution model

In 2001 the federal type of organisational model enabled the Group to exploit its territorial roots and the particular specialist abilities of the individual Banks, at the same time guaranteeing a firm unity of strategic purpose and operational efficiency.

To this purpose UniCredito Italiano has arranged its organisation into four macro-components:

- **Operational Parent Company:** carries out functions of targeting and management of the Group and operational safeguarding of departments where there are significant economies of scale and purpose, if they are not configured as dedicated companies;
- **Bodies safeguarding areas of business** (Commercial banks, Wholesale banking, Internet and New economy initiatives, Asset management, Banks of New Europe): they concentrate their activities on commerce and the protection of the market, territories, and specialist business;
- **Company product/channel** active in specific sectors such as leasing, *factoring*, consumer credit, and insurance broking: they provide the Group with a wide homogeneous range of high quality products
- **Communal service companies** responsible for the unification of the development and management of the USI (UniCredit Sistemi Informativi) data systems and the concentration of the UPA (UniCredit Produzioni Accentrate) service centres. These companies provide support to the other members of the Group, guaranteeing efficient economies of scale in that they are all integrated.



From the month of July, within the scope of the reorganization of the instrument systems, all the back office activities and those relating to information systems have been conferred to UPA and USI respectively, with the transfer to these companies of branches (and therefore human resources) from the Parent Company and from other Group banks.

To summarise, the organizational aspect has aimed at optimising the results of UniCredito Italiano both by means of concentrating the strategic targeting and the management of the various companies, and by means of the operational safeguarding of those departments that have significant economies of scale and purpose that are not configured as dedicated companies.

The existing programmes of distributive specialization have been followed in parallel, being motivated by the interest generated within the Group in the development of policies differentiated according to the channel segment.



The revolution in the form of production and distribution that has characterized the banking system on the one hand, and the increasing demand on the part of the customer for a service that is ever more “tailored” to his or her specific needs on the other, has caused UniCredito Italiano to pay greater attention to the adoption of policies differentiated according to the customer segment, which will increase the range of products and services offered that are increasingly “made to measure”.

Therefore during the course of 2001 a distribution model was developed based on a multi-channel strategy, which strengthened the offer (and therefore the customers’ range of choice) of the systems and the procedures for accessing the products and services, in the meantime maintaining due attention to the Group having a presence throughout the country and the exploitation of the asset of specialist abilities developed by the individual banks in the various socio-economic contexts of their traditional roots.

Within the scope of this scenario and strategic targeting, the plan for territorial expansion and rationalization of the branch network was finalized. As at 31 December the network of branches of credit institutions resident within the Group stood at 2,947 branches.

With regard to Foreign Banks, the UniCredito Italiano Group distribution network stood at 1,051 branches, of which 817 belonged to the Pekao Group (+3 compared with the end of 2000), 51 to Pol’nobanka (+1), 98 to Bulbank (-7), 74 to Splitska Banka (+3), and 11 to other foreign banks.

Overall, 63,576 people are involved in carrying out all the activities of the Group, which operates a network of 3,998 branches in Italy and abroad, as well as 1,774 financial consultants.

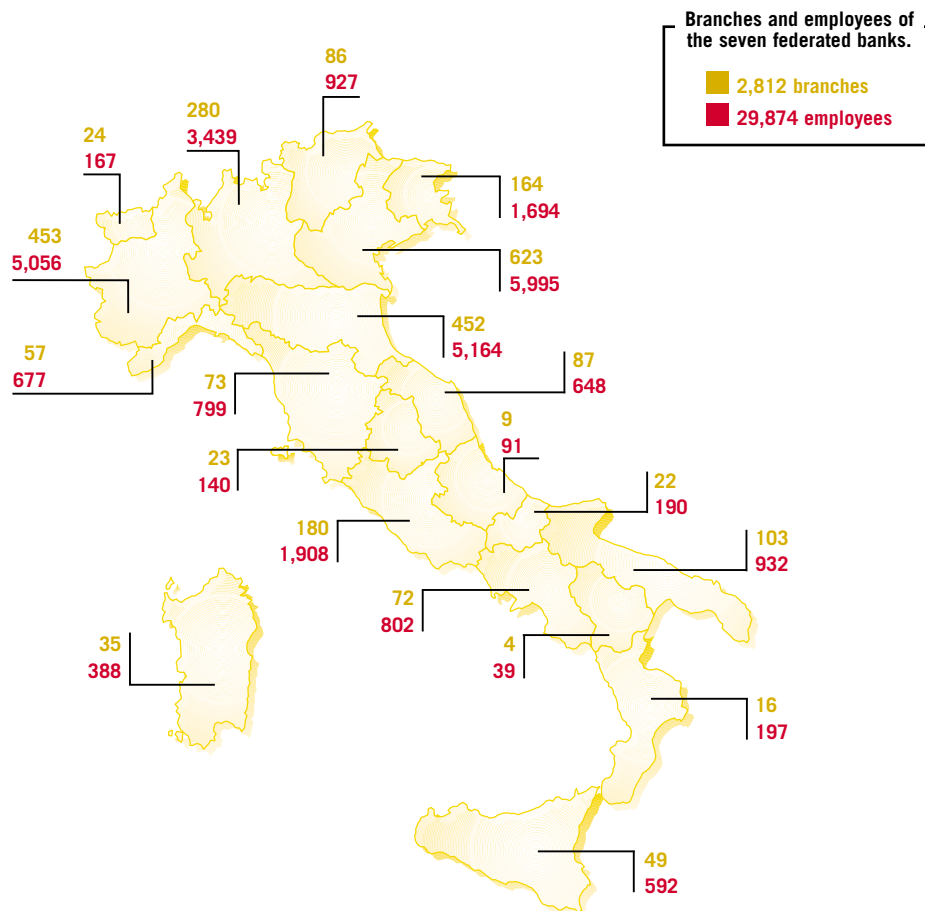
The project to strengthen the range of remote distributional channels was also developed further, with the objective of offering the customer the possibility of contacting the bank from any place and at any time.

- Within the scope of the telephone banking services, the Call Centre service managed by the Parent Company that is currently active for Credito Italiano, Rolo Banka, and Banca CRT is at a stage of further expansion to all the federated banks. By the end of the year the service had achieved over 376,000 subscribers (20% more than in 2000) represented almost entirely by private customers.
- Grasping the opportunities produced by the evolution of the demand for internet banking, the services offered to the customers have been strengthened and broadened, and they have reacted positively: 355,300 subscriptions with an increase of 59.2% over 2000. During the year the Parent Company site was further boosted with the creation of specific information areas for customers.

Within the New Initiatives sector the new multi-channel banks Xelion and Clarima were created successfully. They are dedicated to “affluent” and “mass market” customers respectively, and have the objective of using new distribution channels within the differentiation policies of the customers in terms of the diffusion of the Internet. During the year, the Group bank network of financial consultants has come together with Xelion.

Thus, in short during the course of the year the Group has:

- enhanced the multi-channel capacity, by increasing the opportunities for access to the bank and improving the quality of the consultancy service offered and the time dedicated to the customer;
- strengthened the spur towards meaningful innovation of products and channels, by offering new business opportunities and creation of value for the customer;
- made use of the synergies of the Group and the new technologies to make the product range more efficient and effective.





#### Italian Banking Division

#### Wholesale Banking Division

#### Foreign Banking and New Growth Division

- ◆ Companies resident outside Italy
- ★ Companies of the Pekao Sub-Group
- ▲ Companies of the Pioneer USA Sub-Group
- Companies of the Pioneer Global Asset Management Sub-Group

### Fully consolidated companies

#### Italian Commercial Banks

CREDITO ITALIANO S.p.A.  
Head office: Genoa

ROLO BANCA 1473 S.p.A.  
Head office: Bologna

CARIVERONA BANCA S.p.A.  
Head office: Verona

BANCA CRT S.p.A. - Head office: Turin

CASSAMARCA S.p.A. - Head office: Treviso

CASSA DI RISPARMIO DI TRENTO  
E ROVERETO S.p.A. - Head office: Trento

CASSA DI RISPARMIO DI TRIESTE  
BANCA S.p.A. - Head office: Trieste

ADALYA BANCA IMMOBILIARE S.p.A.  
Head office: Milan

BANCA DELL'UMBRIA 1462 S.p.A.  
Head office: Perugia

CASSA RISPARMIO DI CARPI S.p.A.  
Head office: Carpi

BANCA MEDIOCREREDITO S.p.A.  
Head office: Turin

MEDIOVENEZIE BANCA S.p.A.  
Head office: Verona

#### Investment banking

UNICREDIT BANCA MOBILIARE S.p.A.  
Head office: Milan

TRADINGLAB BANCA S.p.A.  
Head office: Milan

#### Foreign Banks

##### New Europe Banks

BANK PEKAO S.A.  
Head office: Warsaw ◆★

BANK PEKAO (UKRAINE) Ltd  
Head office: Luck ◆★

BANK POLSKA KASA OPIEKI  
TEL-AVIV Ltd - Head office: Tel Aviv ◆★

BULBANK A.D. - Head office: Sofia ◆

POL'NOBANKA A.S.  
Head office: Bratislava ◆

SPLITSKA BANKA d.d.  
Head office: Split ◆

##### Other commercial banks

BANCA AGRICOLA  
COMMERCIALE S.MARINO S.A.  
Head office: Borgo Maggiore (San Marino) ◆

BANQUE MONEGASQUE  
DE GESTION S.A.  
Head office: Monaco (Montecarlo) ◆

CASSA DI RISPARMIO DI TRIESTE  
BANCA d.d.  
Head office: Zagreb ◆

UNICREDIT (SUISSE) BANK S.A.  
Head office: Lugano ◆

##### Other banks

UNICREDITO ITALIANO BANK  
(IRELAND) Plc  
Head office: Dublin ◆

#### Asset management

PIONEER GLOBAL ASSET MANAGEMENT S.p.A.  
Head office: Milan ●

PIONEER INVESTMENT MANAGEMENT Ltd  
Head office: Dublin ◆◆

PIONEER INVESTMENT MANAGEMENT  
S.G.R. p.A. - Head office: Milan ●

PIONEER ALTERNATIVE INVESTMENT  
MANAGEMENT Ltd  
Head office: Dublin ◆◆

PIONEER ALTERNATIVE INVESTMENT  
MANAGEMENT S.G.R.p.A.  
Head office: Milan ●

PIONEER FONDS MARKETING GMBH  
Head office: Munich ◆◆

PIONEER INVESTMENT  
MANAGEMENT USA Inc.  
Head office: Boston ◆◆

PIONEER PEKAO INVESTMENT  
MANAGEMENT S.A.  
Head office: Warsaw ◆◆

PIONEER CZECH FINANCIAL  
COMPANY Sro  
Head office: Prague ◆◆

PIONEER CZECH INVESTMENT COMPANY A.S.  
Head office: Prague ◆◆

PIONEER INVESTMENT  
MANAGEMENT Inc.  
Head office: Wilmington ◆▲

PIONEER PEKAO TFI S.A.  
Head office: Warsaw ◆◆

#### CREDIT INSTITUTIONS

##### Italian banks

BANCA C.R. SAVIGLIANO S.p.A.  
Head office: Savigliano

CASSA DI RISPARMIO  
DI BRA S.p.A.  
Head office: Bra

CASSA DI RISPARMIO  
DI FOSSANO S.p.A.  
Head office: Fossano

CASSA DI RISPARMIO  
DI SALUZZO S.p.A.  
Head office: Saluzzo

##### Foreign banks

B.H.I. S.A.  
Head office: Luxembourg ◆★

UNICREDIT FINANCE CORPORATION Ltd.  
(in liquidation)  
Head office: Nassau ◆

#### FINANCIAL AND INSURANCE COMPANIES

##### Asset management

PIONEER FINANCIAL SERVICES Sp.zo.o  
(in liquidation)  
Head office: Warsaw ◆▲

PIONEER CONSULTING  
SERVICES S.A. (in liquidation)  
Head office: Warsaw ◆▲

PIONEER ITI AMC Ltd  
Head office: Chennai (INDIA) ◆▲

TRINITY MANAGEMENT Sp.zo.o  
Head office: Warsaw ◆★

##### Leasing

LISEURO S.p.A. - Head office: Udine

LEASING FABRYCZNY Sp.zo.o  
Head office: Lublin ◆★

LOCAT LEASING d.o.o.  
Head office: Zagreb ◆

##### Tax collection

S.F.E.T. S.p.A. Società Friulana  
Tax collection  
Head office: Udine

### Companies consolidated using the equity method



UniCredito Italiano



PIONEER INTERNATIONAL CORP.  
Head office: Wilmington ◆▲

PIONEER INVESTMENT MANAGEMENT  
SHAREHOLDER SERVICES Inc.  
Head office: Boston ◆▲

PIONEER FUNDS DISTRIBUTOR Inc.  
Head office: Boston ◆▲

PIONEER GLOBAL FUNDS DISTRIBUTOR Ltd  
Head office: Hamilton ◆●

PIONEER GLOBAL INVESTMENTS Ltd  
Head office: Dublin ◆●

UNICREDIT CAPITAL ITALIA ADVISORY  
COMPANY S.A. - Head office: Luxembourg ◆

#### Distribution of investment funds

ROLO PIONEER S.G.R.p.A.  
Head office: Bologna

GESTICREDIT S.G.R.p.A. - Head office: Milan

PIONEER INVESTMENT MANAGEMENT S.A.  
Head office: Luxembourg ◆

FONDINVEST RISPARMIO S.G.R.p.A.  
Head office: Turin

GESTIVENETO S.G.R.p.A.  
Head office: Verona

PIONEER INSTITUTIONAL  
INVESTMENT MANAGEMENT S.A.  
Head office: Luxembourg ◆●

ROLO PIONEER LUXEMBOURG S.A.  
Head office: Luxembourg ◆

#### Trust Companies and Brokers

CORDUSIO Società Fiduciaria  
per Azioni - Head office: Milan

S+R Investimenti e Gestioni  
S.G.R.p.A. - Head office: Milan

FIDA SIM S.p.A. - Head office: Turin

F.R.T. FIDUCIARIA RISPARMIO  
TORINO SIM S.p.A. - Head office: Turin

#### On-line trading

XELION SIM S.p.A. - Head office: Milan

#### Credit cards

CLARIMA S.p.A. - Head office: Milan

#### Leasing

LOCAT S.p.A. - Head office: Bologna

PEKAO LEASING Sp.zo.o.  
Head office: Warsaw ◆★

#### Factoring

UNICREDIT FACTORING S.p.A.  
Head office: Milan

GRIFOFACTOR S.p.A.  
Head office: Perugia

PEKAO FAKTORING Sp.zo.o.  
Head office: Lublin ◆★

#### Tax collection

UNIRISCOSSIONI S.p.A.  
Head office: Turin

#### Issuers of Preferred Shares

UNICREDITO ITALIANO - CAPITAL TRUST I  
Head office: Newark ◆

UNICREDITO ITALIANO - CAPITAL TRUST II  
Head office: Newark ◆

UNICREDITO ITALIANO - FUNDING LLC I  
Head office: Dover ◆

UNICREDITO ITALIANO  
FUNDING LLC II - Head office: Dover ◆

#### Other trust companies

CREDIT CARIMONTE S.p.A. - Head office: Modena

CREDITRAS PREVIDENZA  
SIM S.p.A. - Head office: Milan

QUERCIA FUNDING S.r.l. - Head office: Verona

CARIVERONA IRELAND Plc - Head office: Dublin ◆

C.R. TRIESTE IRELAND Ltd - Head office: Dublin ◆

EURO CAPITAL STRUCTURES Ltd  
Head office: Dublin ◆

DRUKBANK Sp.zo.o. - Head office: Zamosc ◆★

TYRERESCOM Ltd - Head office: Dublin ◆

UNICREDIT DELAWARE Inc. - Head office: Dover ◆

CDM GRUPY PEKAO S.A. - Head office: Warsaw ◆★

PEKAO FUNDUSZ KAPITALOWY Sp.zo.o.  
Head office: Lodz ◆★

PEKAO PIONEER PTE S.A.  
Head office: Warsaw ◆★

#### Ancillary companies

QUERCIA SOFTWARE S.p.A.  
Head office: Verona

TRIVIMM S.p.A.  
Head office: Verona

UNICREDIT PRODUZIONI  
ACCENTRATE S.p.A.  
Head office: Milan

UNICREDIT SERVIZI  
INFORMATIVI S.p.A.  
Head office: Milan

### SERVICE COMPANIES

### ANCILLARY COMPANIES

#### Insurance

BROKER CREDIT S.p.A.  
Head office: Milan

COMMERCIAL UNION  
VITA S.p.A.  
Head office: Milan

CREDITRAS ASSICURAZIONI S.p.A.  
Head office: Milan

CREDITRAS VITA S.p.A.  
Head office: Milan

DUERREVITA S.p.A.  
Head office: Bologna

GRIFO INSURANCE  
BROKERS S.r.l.  
Head office: Perugia

UNICREDITASSICURA S.r.l.  
Head office: Milan

#### Other trust companies

FIDIA S.G.R. S.p.A. - Head office: Milan

MILANO INNOVAZIONE S.G.R. S.p.A.  
Head office: Milan

PROMINVESTMENT S.p.A.  
Head office: Rome

VENTURA FINANCE S.p.A.  
Head office: Turin

ACCESS Sp.zo.o.  
Head office: Warsaw ◆★

ADRIATIC INVEST d.o.o.  
Head office: Zagreb ◆

JUPITER NFI S.A.  
Head office: Warsaw ◆★

PEKAO TRADING  
CORPORATION S.A.  
Head office: New York ◆★

S.B. TRADE d.o.o.  
Head office: Split ◆

TRADINGLAB INC.  
Head office: New York ◆

#### Service companies

CONSORZIO CA.R.I.CE.SE.  
Head office: Bologna

I-FABER S.p.A.  
Head office: Milan

IMMOBILIARE LOMBARDA S.p.A.  
Head office: Milan

IMMOCRI S.p.A.  
Head office: Rome

LOCAT RENT S.p.A.  
Head office: Milan

SELEZIONE TERZA S.r.l.  
Head office: Rome

S.T.T. S.p.A.  
Head office: Verona

UNICREDIT CONSULTING S.r.l.  
Head office: Milan

UNICREDIT INTERNATIONAL  
SERVICES (UNICIIS) S.r.l.  
Head office: Rome

VIVACITY S.p.A.  
Head office: Rome

AGROCONS CENTRUM A.S.  
Head office: Bratislava ◆

PEKAO DEVELOPMENT Sp.zo.o.  
Head office: Lodz ◆★

BDK CONSULTING  
Head office: Luck ◆★

PEKAO FINANCIAL SERVICES Sp.zo.o.  
Head office: Warsaw ◆★

PEKAO INFORMATYKA Sp.zo.o.  
Head office: Lodz ◆★

S.S.I.S. SOCIETÀ SERVIZI  
INFORMATICI SAMMARINESE S.p.A.  
Head office: Borgo Maggiore (S. Marino) ◆



## Staff and branches

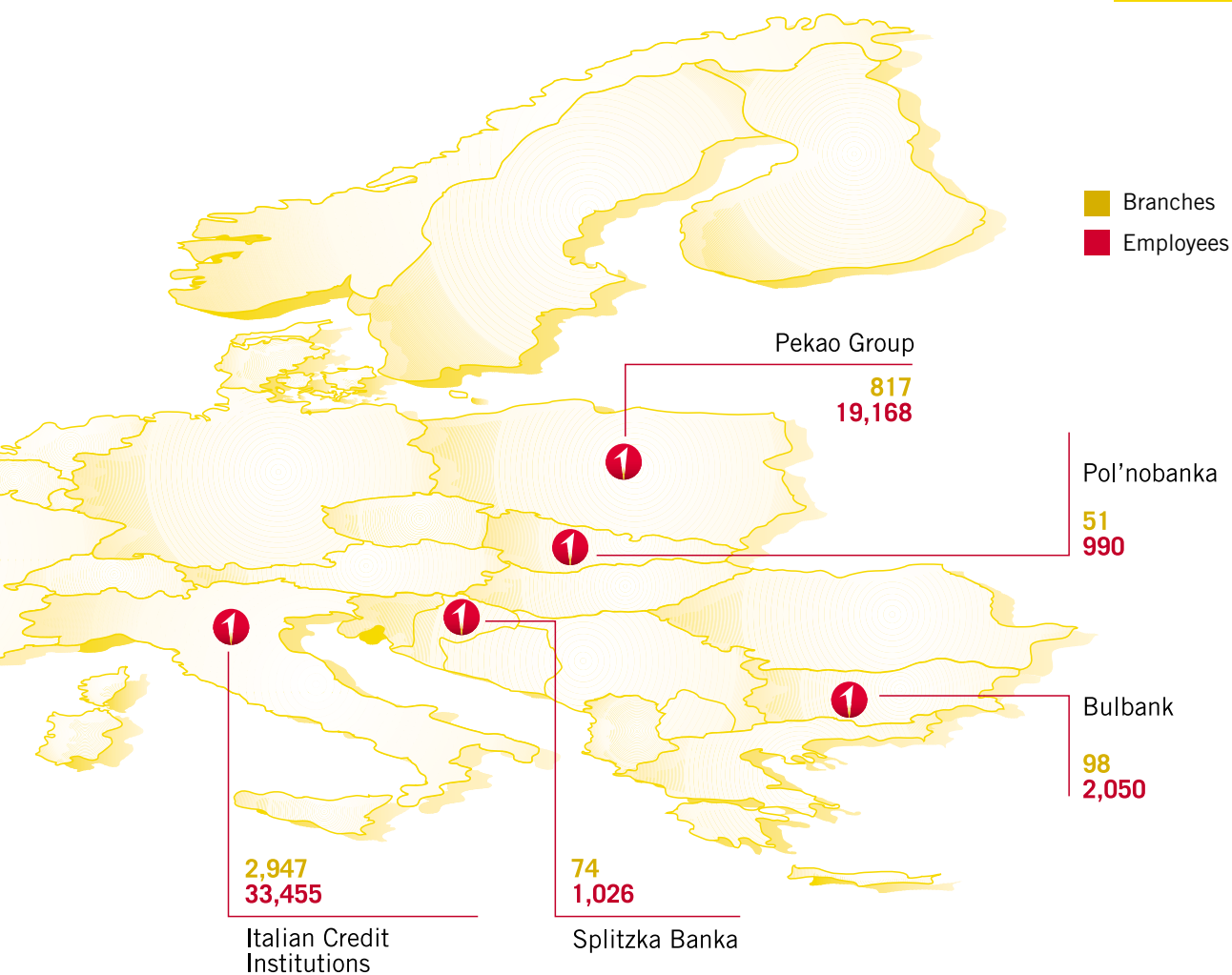
UNIT	UniCredito Italiano	Credito Italiano	UBM	Banca CRT	Caritro	Cariverona	Cassamarca	Rolo Banca 1473	CRTrieste	Other Domestic Credit Institutions
No. of branches	6	803	2	466	82	513	123	776	50	126
No. of employees	1,655	10,576	436	4,670	861	4,630	1,130	7,271	736	1,490



## Results summary

(IN MILLIONS OF EURO)	UniCredito Italiano	Credito Italiano	UBM	Rolo Banca 1473	Cariverona	Banca CRT	Cassamarca	Caritro	Crtiسته	Other Domestic Credit Institutions
Loans to customers	5,353	29,454	2,711	31,069	14,868	9,675	2,889	1,983	1,212	9,288
Customer deposits and securities	13,899	26,488	4,031	34,083	12,784	12,237	2,714	1,853	1,793	6,656
Total revenues	2,074	2,415	499	1,810	1,233	1,122	215	144	113	342
<b>Profit for the period</b>	<b>1,089</b>	<b>600</b>	<b>206</b>	<b>616</b>	<b>392</b>	<b>343</b>	<b>57</b>	<b>35</b>	<b>17</b>	<b>57</b>

Total Domestic Credit Institutions	Pekao Group	Pol'nobanka	Bulbank	Splitska Banka	Other foreign banks	Total foreign banks	Trust companies and ancillary companies	Combined total	Consolidation elisions and adjustments	Consolidated total
2,947	817	51	98	74	11	1,051		3,998	-	3,998
33,455	19,168	990	2,050	1,026	215	23,449	6,672	63,576	-	63,576



Totals	Bank Pekao Group	Bulbank	Pol'nobanka	Splitska Banka	Other foreign credit institutions	Total	Trust companies and ancillary companies	Combined total	Consolidation elisions and adjustments	Consolidated balance as at 31 December 2001
108,499	9,254	168	328	599	424	10,773	6,275	125,547	-7,925	117,622
116,538	15,092	1,053	539	1,045	1,960	19,689	934	137,162	-9,842	127,320
9,967	1,357	74	34	65	97	1,627	1,979	13,574	-3,584	9,989
3,412	350	36	3	17	51	458	312	4,182	-2,728	1,454



## Innovation within continuity

The spirit which drives UniCredito Italiano in the market and in the company influences its strategic choices. UniCredito Italiano want to be, and to be recognised as:

- \* intent on an in-depth understanding of the needs of the customers and its internal and external stakeholders, and building up a long lasting relationship with them;
- \* fast and timely in its interpretation of market changes and environmental and social mutation, and creative in its identification of innovative responses;
- \* determined to be the leader in the products and services that it offers;
- \* motivated to stimulate its personnel and to co-operate with its partners in order to offer the best response in terms of speed and professionalism.

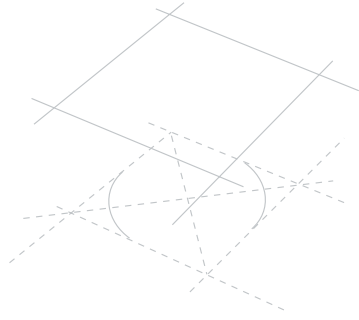
With this spirit during the course of 2001 the Group has pursued the process of strategic innovation already set out in the previous year, within the scope of a shared mission in which certain trends have been strengthened.







**> Solidity and  
flexibility:  
together  
naturally**



### Generating high value over time for:

- **customers**, by means of excellent service levels, superior products in terms of the quality/price ratio compared with the competition, dedicated distribution structures;
- **shareholders**, by means of the high profitability of the capital corrected for the risk, the increase in dividends and the market value of the investments;
- **employees**, by means of motivation and professional growth, which is founded on a management based on equality and merit and a dynamic development of abilities.

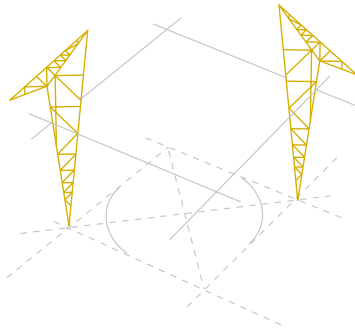
**A**n initial trend can be recognized in the strong **orientation towards the maximization of the global value generated by the company**, not just for the shareholders, but for all the stakeholders that interact with it, by optimising the usage and allocation of the financial resources made available. According to this logic, in all the main strategic and investment company decisions chosen the following must necessarily be exploited:

- **the capacity to identify the needs** of shareholders, of current and potential customers, employees, and other economic partners;
- **the level of satisfaction of those needs** with the products offered and with the organisational aspect identified;
- **the increase in value** created for the shareholder at the same time as for the other stakeholders, calculated as the difference between the increase in operating profit and the cost of the capital used, including the risk implicit in the investment.

This is the starting point for the big effort aimed at the identification and use of instruments for assessing and measuring value that are different and innovative compared with the traditional profit ratios. The latter in fact react to the need to determine the size of the increases in profitability of the company, but do not provide the details needed to quantify the increase in global value created, or that can be created, for shareholders and stakeholders. UniCredito Italiano also intends to pay more attention to the long term results compared with the immediate profitability, as well as the high level improvement in profitability and return on capital within the scope of a strengthening of the asset ratios.

The profitability of the Group has in fact reached levels of excellence in the national panorama and the current objective is not just to maintain these levels in the medium and long term, but to increase them.

This decision gives priority to the objective of creating permanent value for shareholders, and takes account of the fact that for the dimensional and territorial growth, especially in New Europe, to be sustainable and to guarantee a growth capacity over time it must necessarily be supported by adequate financial and human resources. Finally the careful attention paid to the customer, in the prospect of making the six million families and the three hundred thousand companies that are customers of the Group ever more satisfied and loyal. This means improving the knowledge of the market, and the width, quality, and convenience of the services offered.



**To be and develop itself as one of the leading financial groups in Europe in terms of market capitalization and profitability, by means of:**

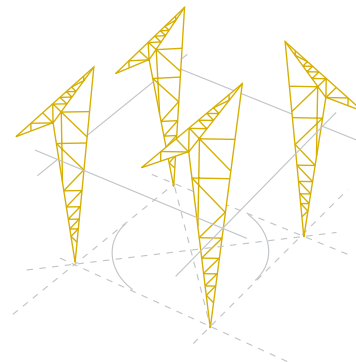
- concentration on development and innovation and a strong presence in high profitability markets and segments known for their asset solidarity;
- the exploitation of the current business and the development of new business, by co-ordinating the individual abilities of the Group;
- the achievement of results in line with the highest international standards.

**A** second trend shows a strong interest in **the internationalisation of the Group**, with the aim of making it a multi-specialist European financial group.

This prospect includes the strategy of expansion into New Europe, the twelve countries that are due to join the European Union that will extend to the East and the South, as far as Turkey. The objective of UniCredito Italiano over the next three years is to become the leader in terms of corporate and retail banking in these countries, by developing a federal model strongly headed by the Parent Company. The success of the investments achieved especially during the course of 2001 is a result of the ability to **provide a tangible contribution to the economic development in the countries in which UniCredit operates** (primarily Poland, Bulgaria, Croatia, and Slovakia), by sustaining the pace of integration. In the next few years it is the intention of the Group to grow not only in the new Europe, but also in the old.

**To operate in its dealings with the public as a peoples' company:**

- by promoting the **"social responsibility"** as an opportunity to exploit the human factor and as a process of improving relationships with the stakeholders;
- by pursuing a **balanced and harmonious economic development** under the social and environmental profile, in the various national and European contexts in which the group operates.



**T**he third trend is reflected in **the broadening of the commitment of the company to social responsibility**. This derives from its system of values – introduced right from the birth of the Group – and an in-depth knowledge of itself, its history, and its nature, as a basis on which to build the clear and serious identification of improvement objectives that enable the economic, social, and environmental aspects of the development to be reconciled over time. This analysis, the first step down a long road, was started in 2000 by the Parent Company and by Credito Italiano and now extends to the banks of the group that are presenting their first Social Reports this year. It is intended that the attention should be ever wider, **to go beyond the confines by means of the strengthening, promotion, and support for the commitments and initiatives** conducted by the Group banks that operate in the countries of new Europe.



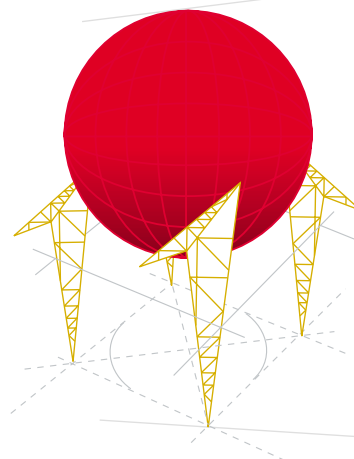
Inserted into this context is the important process of corporate and organisational evolution that will be achieved during the course of 2002.

**With the “S3” project the UniCredito Italiano Group will go from a federal model based on geography to one based on market segment equipped with a fully integrated operational structure.**

Starting from the seven banks that currently make up the Group, three new banks will be created (“S3” project = three areas of business specialisation: private, corporate, retail) with a presence throughout the country. Each will concentrate on a particular category of customer: families and small companies, medium and large companies, and those that have large assets. **The specialisation will enable each new bank to interpret the needs and preferences of its customers better.**

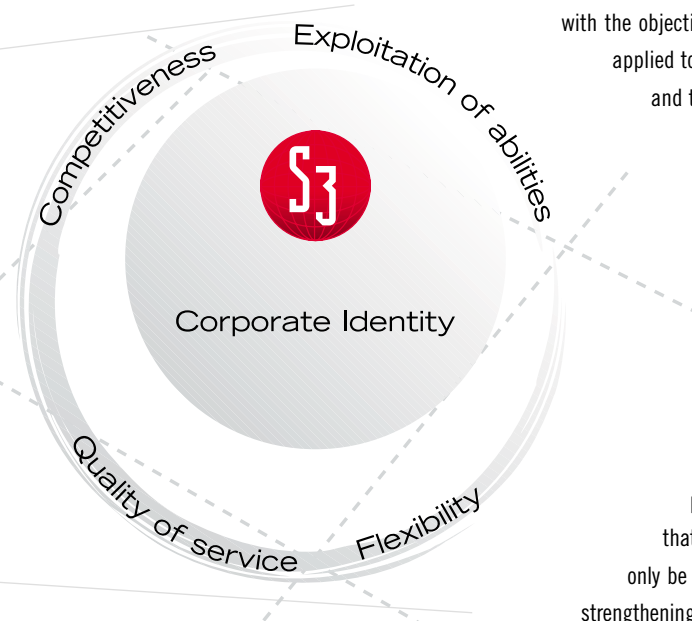
This is without changing the relationship with the agencies concerned which will continue to represent the usual stakeholders for the customers. The relationship with the country and the local operators is important to a banking system that bases its competitive nature on links that are consolidated in the various territorial environments in which it operates. To transplant the growth of the competitiveness onto a European scale with the exploitation of the specific nature of the local circumstances is a necessity and a challenge for innovation through continuity. The expected evolution will require the full use of existing abilities and a strong investment in training to expand it further.

Being aware of the importance of the human factor in the creation and the success of project “S3”, the UniCredito Italiano Group will develop in the course of 2002 certain activities in support of internal organisational change. An analysis will be conducted to understand the particular nature of this project by means of the involvement of the individual banks, and then a series of instruments will be put in place to manage and develop the Human Resources to a level to encourage the creation of a new organizational culture and a climate favourable to meeting the business segmentation objective.





Within the scope of carefully safeguarding the aspects connected with the territorial dimension of the “S3” project, the Group has also decided to start up, again during 2002, a research activity conducted by CENSIS, in order to support the management of UniCredito Italiano in the redefinition of its territorial strategies, and therefore in the reorganisation of its presence in the country and relationships with corporate players at a local level. The investigation will be aimed at an understanding of the perception by these persons of the problems and prospects of territorial development, of their relationship with the banking world and in particular with UniCredit, with the objective of providing indications and solutions to be applied to the relationships between the three new banks and the territory.



An ambitious and committed process of transformation such as that expected by UniCredito Italiano can only be carried through by maintaining and strengthening the identity of values, choices, and performance (and the coherence between them) that has characterized the activities of the Group up to now. The Corporate

Identity of UniCredit is guaranteed by all the communal values which all the persons working there and the various stakeholders recognise and which make the Group recognisable to the public. The identity of the Group is such if its strategies and its decisions reflect the values of the Employees, the Customers, and the Shareholders and particularly if each of them can choose to act as a citizen by interacting and co-operating with UniCredit. This means “recognising oneself” in the Identity of the Group.

In passing to “S3”, the Identity of UniCredit will be consolidated, by redefining itself through the activation of initiatives and the adoption of behaviour in all the spheres of activity in which the Group operates as “citizen” (quality of work, solidarity, environment, etc.) fully coherent with the principles of its Social, Environmental and Safety Policy.



## The Social, Environmental and Safety Policy

The increasing significance that UniCredito Italiano has acquired in the credit and financial system enhances the awareness of the effects that our activities and corporate decisions have on the socio-economic context in which they operate. Forming part of this context are not only our customers and the economic activities that under various headings interact with us, but also the institutions, the corporate players, and all the private individuals that believe in the possibility of a sustainable development and, each according to their own ability, operate in pursuit of this objective.

UniCredito Italiano can contribute to the achievement of such an ambitious objective only if it is able to face up to the responsibilities connected with the social role, the environmental impact, and the safety conditions that characterise its activities.

To guarantee such an ambitious commitment we have adopted certain principles that guide the choices and influence the behaviour of all the people that work for the company, with the intention of promoting the prospect of sustainability as firmly as possible.



The first and inexorable commitment of UniCredito Italiano is the continuous guarantee over time for the **respect for the current regulations** in the areas of safeguarding the environment, social protection, and safety and hygiene at work. The objective of sustainability involves full legal compliance as a fundamental prerequisite, a starting point from which to commit oneself to **continuous improvement**.

**Safeguarding the environment** is a priority for our company. Even though the entirety of UniCredito Italiano's activities has a relatively limited impact, our commitment can contribute to improving the management of certain environmental problems.

- Optimising the consumption of natural resources is essential in order to guarantee sustainability of development. In particular, considering our use of certain non-renewable energy sources, the containment of consumption represents a critical objective for our company.
- One of the natural resources that UniCredito Italiano uses in quantity is represented by the vegetable fibre used to produce paper, the main raw material for financial activities. To guarantee a steady reduction in the consumption of this resource, we are committing ourselves on the one hand to optimise the managerial and organisational processes by means of increased computerization, and on the other hand to manage provisioning according to criteria aimed at encouraging the use of products using recycled paper resulting from the recovery of waste material.

- The production of waste, especially paper materials, is another considerable environmental impact directly connected to UniCredito Italiano's activities. We are committed to continuously searching and identifying new opportunities for the recovery and re-use of waste generated and collected by different means, also by the awareness and involvement of the waste handlers to which we have access. With regard to paper waste, this commitment is translated into the growing use of scrap, large quantities of products, as secondary materials for other activities.

UniCredito Italiano is also committed to offering to contribute to "sustainable" development meaning balanced and harmonious, even under the **social** profile.

- The rights that are guaranteed to workers by the legal and judicial systems of the developed countries find full and unconditional application in the activities of UniCredito Italiano.
- The increasing attention to trades union agreements is reflected in the fact that these guarantees are recognised, shared, and easily available to all employees.
- Our commitment is also addressed to contributing, beyond the legal guarantees, to the complete achievement of the social objectives of equal opportunities for women, support to social entrepreneurs and voluntary service, the inclusion of the disabled among the workforce, the protection of minorities, and action against the exploitation of juveniles.



The **protection of the health and safety** of the workers represents a priority commitment for UniCredito Italiano.

- Alongside the constant attention paid to employees exposed to the typical risks of the activities of the tertiary sector, UniCredito Italiano undertakes to assess the potential risks, monitor the working conditions, and to adopt prevention and protection measures.
- There is a particular commitment to the prevention of risks to health and safety, even when this applies to persons outside the company that are involved with UniCredito Italiano.
- The management of potential emergency situations and the prevention of risks connected with passive smoking constitute commitments to personnel as well as the public and our customers.



The principles of safeguarding the environment, social protection, and safety assumed by UniCredito Italiano are considered to be priority objectives for all the personnel that operate in the company, on a par with economic profitability and productivity.

The application of these principles is guaranteed by the **Integrated Management System** adopted by UniCredito Italiano to improve its social, environmental and safety performance. Through the application of this system the company undertakes to:

- identify, measure, assess, and manage the effects of its activities, within the scope of continuous improvement;
- make available the financial and technical resources aimed at the pursuit of this improvement;
- make aware, inform, and train the employees so that each has the knowledge and ability to commit themselves to the application of the principles adopted;
- assess in advance the potential impact on the environment and on health and safety of the new activities that the company intends to undertake, checking on the possibility (also economic) of adopting “cleaner” techniques and technologies.

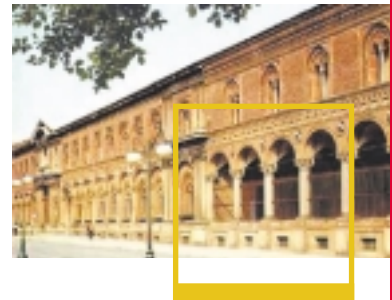


Being aware that our efforts on their own will not achieve the objective of sustainable development, we are also addressing our commitments to all those **external personnel** who are involved with our company, and who in turn are able to have direct effects (positive or negative) on the social, economic, and environmental systems.

UniCredito Italiano intends to direct the behaviour of these persons in the direction of ever greater sustainability:

- by selecting its suppliers and making them aware in such a way that they adhere to the guiding principles assumed by UniCredito Italiano and guarantee the environmental efficiency, safety, and ethics of their activities, services, and products, also in compliance with the Integrated Management System adopted by the company;
- by motivating its customers and offering credit services aimed at assisting companies that commit themselves to the pursuit of sustainable development and provide reliable guarantees of their commitment;

- by addressing specific finance programmes to consumers and families that encourage personal initiatives and promote contributions from individuals and family units to the public well-being, in a prospect of balanced social development;
- by adopting investment policies aimed at encouraging economic activities that add a significant commitment to social, environmental, and safety matters to the potential profitability;
- by co-operating with the appropriate institutions and authorities, with the purpose of exchanging information, making the experience of the company available, and supporting the regulatory and monitoring activities, also by means of voluntarily adopting agreements and protocols of understanding;
- by communicating with the social stakeholders (public, local communities, environmental groups, associations of users and consumers) interested in the services of the company, through providing constant information on social and environmental subjects and the gathering of suggestions or complaints from them;
- by co-operating with non-governmental organizations in the application of initiatives aimed at the cultural, social, and environmental development of the general public;
- by contributing to activities in the world of research and universities, engaged in the study and investigation of these problems.



The credible commitments are continuously put to test.

To this end UniCredito Italiano voluntarily subjects its activities, and the results obtained in the area of social and environmental sustainability to **checking and assessment** by independent personnel,. Out of these assessments, crucial importance is attached to the **ratings** attributed by internationally recognised institutions and agencies.

Within this logic, adherence to the **EMAS** (Eco-Management and Audit Scheme) of the European Union is at the same time a commitment, a recognition, and a guarantee that our company intends to maintain.

## Alessandro Profumo, *Managing Director/CEO* A commitment by the entire Group



The first UniCredit Social and Environmental Report drawn up last year, contained an interview with Alessandro Profumo, the Managing Director of UniCredito Italiano, conducted by the then Director of the newspaper *Il Sole-24 Ore*, Ernesto Auci. This year the interview was conducted by Giuseppe Turani, editor of *la Repubblica* and Director of *Uomini e Business*.

*An interview like this which is inserted into the text of the second UniCredito Italiano Social and Environmental Report, must open with the most obvious question: what route has been pursued from the outset?*

Social responsibility is a process that is constructed day by day, in the continuous relationship between the company and the outside world around it. It is not something that can be achieved overnight but requires steadfast purpose and constant commitment.

However from last year, when we published the report for the first time, we took a number of steps along the road of corporate social responsibility.

The “guiding principles” that govern our activities and our “social, environmental and safety policy” have in fact gained the invitation currently set out in the Green Book of the European Commission to invest more strongly in human capital, the environment, and relationships with the parties concerned and this is not just to meet regulatory requirements but to build a new relationship between the company and society.

All this has led to the belief that a company must be responsible in its dealings with the public just as an individual must be. It is in fact our ambition to become “active citizens”, capable of understanding and meeting the needs and aspirations of our stakeholders. We are aware that these take many forms, that are not easy to identify or “measure” and are therefore redefined within a continuous dialogue. However it is a commitment that we intend to undertake.

Within this logic, the creation of value for the various interested parties is an objective that we aim to achieve by strengthening the Group identity, and continuously redefining it to improve our decision making and activities in many economic and social areas, such as those described in this report.

This is even more applicable if one considers that the Group is going through a phase of profound change – aimed at the establishment of three banks specialising in particular segments of the customer base (“S3” project) – intended to impact directly on the organisation of the work of our banks, as well as the professionalism and expectations of everyone. The development and maintenance of a strong corporate identity at this stage of progress is fundamental.

As I have emphasised on other occasions, the construction of the new is not achieved by destroying the old, the past, or our individual identity. I am convinced that at these times one of the strong points of UniCredit is its capacity to combine its varied history, culture, and experience.

***Does this mean, in other words, that only it is only possible to respond effectively to demands that come from outside if the value system is firmly rooted within the company?***

The sharing of the values and the principles that characterise the commitment of the Group is a vital starting point. However the people that work for UniCredit are required to make an extra “effort”: to become promoters of a new culture of corporate identity by mobilising the human, material, and organisational resources capable of giving a wider prospective to the activities carried out. In other words, it is necessary to co-operate on the project that aims at making the Social and Environmental Report a true and proper instrument of governance.

A good example is what happened within the relationships with the banks outside the Group. Here we have started on a course of social responsibility that has involved the integration of various experiences connected with specific local and national conditions. Mutual benefits have derived from this, which has strengthened our values.

I am not exaggerating when I say that one of the most significant results of 2001 was the capacity to marry the different experiences – in Italy and abroad – in the involvement of the customers, employees, shareholders, and other stakeholders in the care of the environment and the commitment to exploit the cultural, social, and ethical aspects of our activities. Today we are able to count on making use of the synergies between these experiences, with the objective of consolidating the drive towards new communal objectives.

***Is this a call for the need to intensify the commitment within the Group?***

The “continuous improvement” in our way of working, in other words our performance, is the one credible guarantee for the stakeholders. Obviously this is “intangible”, being an element that, as opposed to other assets, is difficult to measure and quantify and often can not be assessed in terms of standards or parameters of defined judgement.

The appeal for improvement naturally applies to all those who can contribute, starting obviously from the management. Let me explain: if the Social and Environmental Report is not just to be a time for accounting, but an opportunity for the senior management of the company to have a constructive dialogue with its stakeholders and of accountability, as well as an efficient “catalyst” for actual initiatives, it must become an active element in the life of the company, that attributes a strategic development plan thereto.

However other people outside the Group, in the market, and in society that constitute potential partners in the pursuit of these objectives can and must contribute to the continuous improvement

***The term “potential partners” makes one think more of a project of development and growth than a social commitment ...***

The social responsibility of a company must be seen as an entrepreneurial project. The stakeholders that are interested in the performance of the company are not just “addressees” of support initiatives or benefits, but rather partners in a project that the company can only carry through with their contribution.

The main purpose of UniCredit as a banking group is obviously not the provision of generosity, which is the prerogative of others, but the support of economic initiatives. As a consequence our commitment translates into co-operation in projects that pursue, for example, social objectives or the improvement of the environment.

Experience has taught us that, for these types of project, in many cases the partners are “potential” rather than actual. I will give you an example: the less than dramatic response of the market to the easy term loans that UniCredit has offered to initiatives of voluntary environmental certification requires more careful examination, but it is certainly the sign that a maturity has not yet been reached in the social profile of the companies that could be our partners. The impression is that for a small or medium sized company the “environmental” variable is still too firmly rooted in a context in which mainly penalising regulations and bureaucracy prevail. This knowledge has led us to reconsider our position, and to widen the spectrum of services available to Small and Medium sized Companies and focus attention on other instruments, by intervening in favour of improvement of the environmental performance.

Everything depends on the conviction that it is possible to make a significant contribution to the promotion of the social responsibility of the company.

*By Giuseppe Turani  
Editor of la Repubblica.*



## Part Two



## The Parent Company: UniCredito Italiano S.p.A.

Role, organisational aspect and functions

Reference stakeholders  
and areas of sustainability

*Quality of work*

*Market*

*Environment, health and safety*

*Security and privacy*

*Solidarity and dialogue*

*Culture and information*

Initiatives across the board: the Euro Project

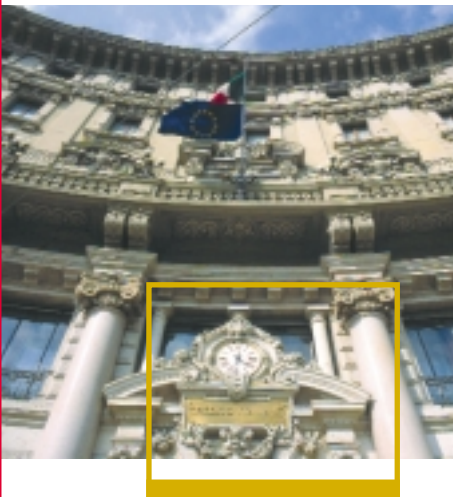
Calculating and distributing added value

## Role, organisational aspect and functions

**T**he Parent Company guides and regulates the different Group companies and safeguarding the operations of the functions that provide economies of scale and purpose.

Its mission is to maximize the overall value of the Group by means of a unified management, the development of strategies and the guarantee that they will be put in place, the direct management of the business and the specialist activities, and by carrying out common services efficiently.

The organisational aspect of the Group is articulated in Head Offices and Departments with central functions of co-ordination and leadership, and in Head Offices concentrating on safeguarding the various markets and territories.



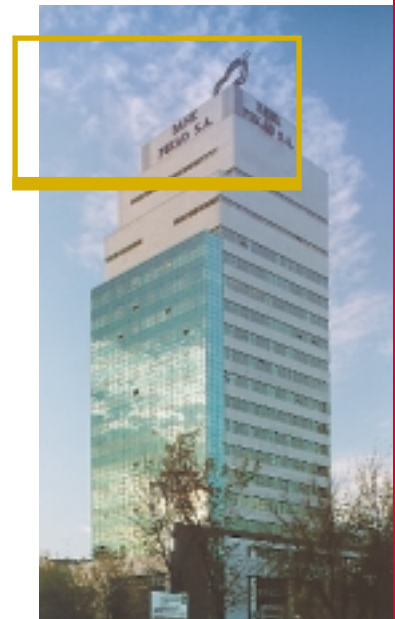
Within the individual Divisions, during the course of the year the commitment concentrated particularly on:

- within the Italian Banking Division, a more efficient articulation of the strategic lines aimed at a better safeguarding of the areas of development, with particular reference to the multi-channel and multi-business areas;
- within the Wholesale Division (investment banking and asset management), the development of initiatives aimed at being able to meet the increasing demand, in particular from large corporate customers, for consultancy in capital markets and for evolved finance products and for excellence by means of making use of production units;
- within the Foreign Banks and New Growth Division, the reorganisation of the banks of New Europe on the basis of the model successfully tested in Italy and at the same time the transfer to these banks of the know-how and specialist abilities aimed at increasing operational efficiency.

UniCredito Italiano also supports the activities of the federated banks aimed at Corporate Customers through its international network: the Parent Company in fact has 6 Branches and 12 Representative Offices in the main international areas.

In the course of the year new Representative Offices were opened in Prague, Budapest, and Capodistria (from the transformation of the existing Offices of the Cassa di Risparmio di Trieste). Thanks to this presence the Group's capacity for penetration in an area, namely Central Europe, considered to be strategic for the development of the reference markets is further strengthened.

Finally within the activities carried out by the Parent Company the policies are defined for the management and development of human resources and relationships with the main stakeholders, in line with the values and principles of the UniCredito Italiano Group.



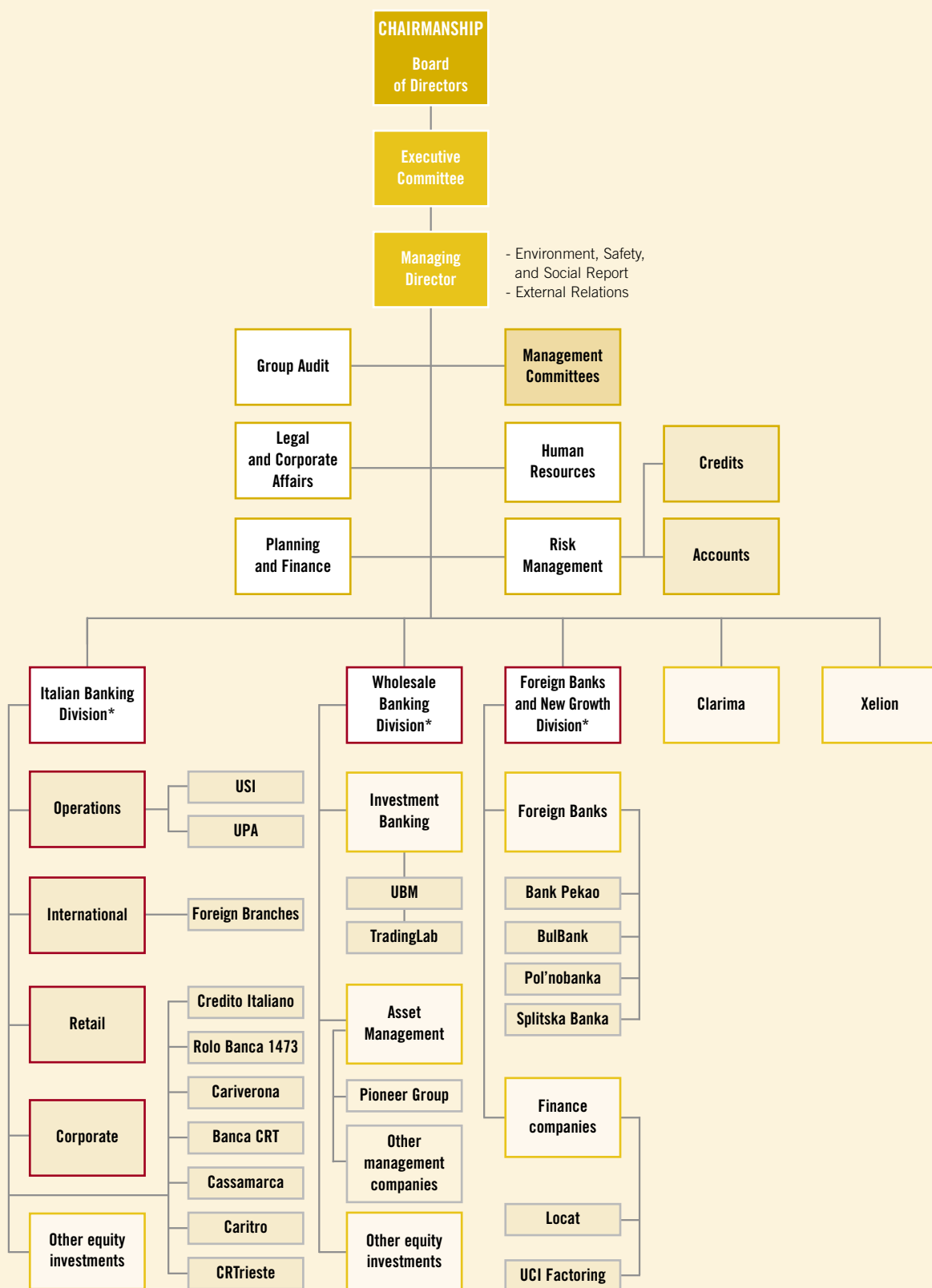
## Functions of the Parent Company mainly involved in the management of social, environmental and safety aspects

### Departments, divisions, units

### Objectives

<b>Group Audit</b>	To assess the operation of the internal control systems at Group level; to check that operations run correctly and that they comply with the law, regulations, and policies of the Parent Company
<b>Human resources</b>	To define the policies for developing and managing human resources; to manage the personnel of the Parent Company and the key resources of the Group; to manage trades union relations in line with defined directions and objectives
<b>Legal and Corporate Affairs</b>	To identify the ideal way to set up the Group's acquisition and re-organisation affairs plans; to ensure the complete fulfilment of corporate tasks and legal consultancy in general
<b>Risk Management</b>	To carry out the Risk Management function, to ensure the correct safeguarding of credit risks, to ensure fulfilment of accountancy and taxation tasks, as well as those concerning the Group's investments
<b>Planning and Finance</b>	To co-ordinate the planning processes at Group level, to look after relationships with investors, to manage the activities of Mergers & Acquisitions and the Treasury and to ensure unified management of the processes of non-property spending
<b>Italian Banking Division</b>	To maximize the level of satisfaction and net economic contribution over time of the retail and corporate customers served through the Italian banks by means of addressing and managing the activities with strategic and operational planning processes
<b>Wholesale Banking Division</b>	To maximize the value of the Group by means of the autonomous development of activities aimed at wholesale financial markets and the offer of financial services of excellence to the Group's retail, large corporate, and institutional customers
<b>Foreign Banks and New Growth Division</b>	To maximize the value of the Group by promoting and managing retail and corporate banking activities on the foreign markets and in particular focussing on aiming at creating the leading federal banking group in the New Europe
<b>External Relations Unit</b>	To support senior management in communications with the outside and to develop a Group image in line with the strategies and directions of the management
<b>Environment, Safety, and Social Report Unit</b>	To ensure legal compliance in terms of prevention and protection in the work-place and environmental protection; to promote behaviour aimed at social responsibility and sustainable development

# Structure of UniCredito Italiano



\* Position covered by Deputy Managing Director



**M**aking the Social and Environmental Report into an instrument of Corporate Governance means analysing the different areas of corporate activity, assessing responsibilities, the roles and duties attributed thereto, identifying the areas of co-operation for the pursuit of specific objectives, and operating in a way to achieve them.

The “transverse” nature of the commitment calls for an important operation of sharing, involvement, and allocation of responsibility within every single Department, Division, and Unit.



The Parent Company has started this activity on various fronts of which a few of the more important examples are set out below: Corporate Marketing, with the study of agreements with institutions for projects and products that promote eco-compatible behaviour; External Relations, by stimulating the activation of initiatives and partnerships in matters of social responsibility; Credit Strategies, with a study dedicated to the introduction of environmental credit ratings; the Acquisitions Department, with the definition of Systems of selection and qualification of Suppliers according to the requirements of environmental compatibility; Human Resources, by means of the continuous search for systems, instruments, and initiatives that fulfil the principles and values and their transition through the organisational structure into a reality that evolves into the commitment to sustainability; the activities of Mergers & Acquisitions, as support and assistance for the environmental guarantees that relate to the Group's corporate development project; Cost Management, as a sharing of objectives that have significant implications in cost benefit assessment and accounts management (initiatives for the reduction in energy consumption, the purchasing of recycled paper, etc.); and Channel Marketing, with the definition of communication instruments dedicated to social and environmental activities through the web site.

The commitment is on-going and aimed at increasing the role of everyone within the organisational structure of the Parent Company and the entire Group in a journey whose measured progress will enable it to keep up with a company in continuous development.

## Reference stakeholders and areas of sustainability

### A measure of the company value: the Social and Environmental Report

Considering the **value** of UniCredito Italiano's activities means recognizing the many factors that contribute to the creation of this value and that cannot be referred solely to the capacity to generate profit. The company profitability objective is an essential component, but not the only one in the long-term growth plan. The dynamics that have concerned the Group right from its establishment – and which will be even more important to its evolution in the near future – are inexorably linked with the awareness of the need to **direct change towards the horizon of a sustainable and socially responsible development**.

Growing in a sustainable and responsible manner means meeting the needs of today without compromising those of future generations, reconciling the economic dimension of development with the social dimension based on equality and the respect for the dignity of everyone, as well as the environmental dimension which means the protection of the natural environment which is an asset of the community.

The Social and Environmental Report therefore becomes the collection point for the data and the information that relate to the commitments, activities, and initiatives of UniCredito Italiano that, **set out according to particular areas**, reflect the three dimensions of sustainability.

For UniCredito Italiano these areas represent the operational spaces within which the obligations and opportunities for action can be analysed, the improvement objectives defined, the actions needed to see them through planned, the results achieved checked and on this basis the strategic lines for directing the various components of the Group redesigned. The Social and Environmental Report, as a **synthesis of this process**, therefore becomes an important instrument of **corporate governance** for UniCredito Italiano, to the main benefit of internal management, and consequently a more coherent and transparent communication with the outside.

This is in the knowledge that the commitment to an economic development compatible with the current collective well-being and that of future generations is not just of interest to all the people involved with UniCredito Italiano, but also necessitates the contribution of those in particular who intend **to share this journey of expansion with the Group**.

In order to recognize, welcome, pursue, and promote the opportunities to relate and co-operate with the outside, it is important on the one hand to set out the characteristics and expectations of the reference stakeholders, and on the other to be involved with them as true and proper partners being invited to understand and make an informed choice of their “social” role within the areas of activity of the Group, no longer mere addressees of the information and initiatives that specifically concerns them.

## A network of relationships...

### The Value of UniCredit for the institutional bodies:

- Respect for the law
- Responsible and appropriate agreements
- Adhesion and support for initiatives of an institutional nature

### The Value of UniCredit for economic partners:

- Capital Gain
- Competitiveness and efficiency
- Personalisation of relationships
- Innovative capacity, continuity, and stability
- Transparency

### The Value of UniCredit for human resources:

- Stability and quality of agreements
- Safe and healthy working environment
- Professional development and encouragement
- Compatibility between working opportunities and personal objectives

### The Value of UniCredit for schools and research:

- Participation in information and cultural development initiatives
- Support for research
- Opportunities for training links between school and research
- Opportunities for professional recruitment of young staff

### The Value of UniCredit for the Community:

- Employment opportunities
- Respect and protection of the environment
- Research and development activities for the improvement of the quality of life
- Support for economic development
- Active participation in solidarity initiatives

Type of association

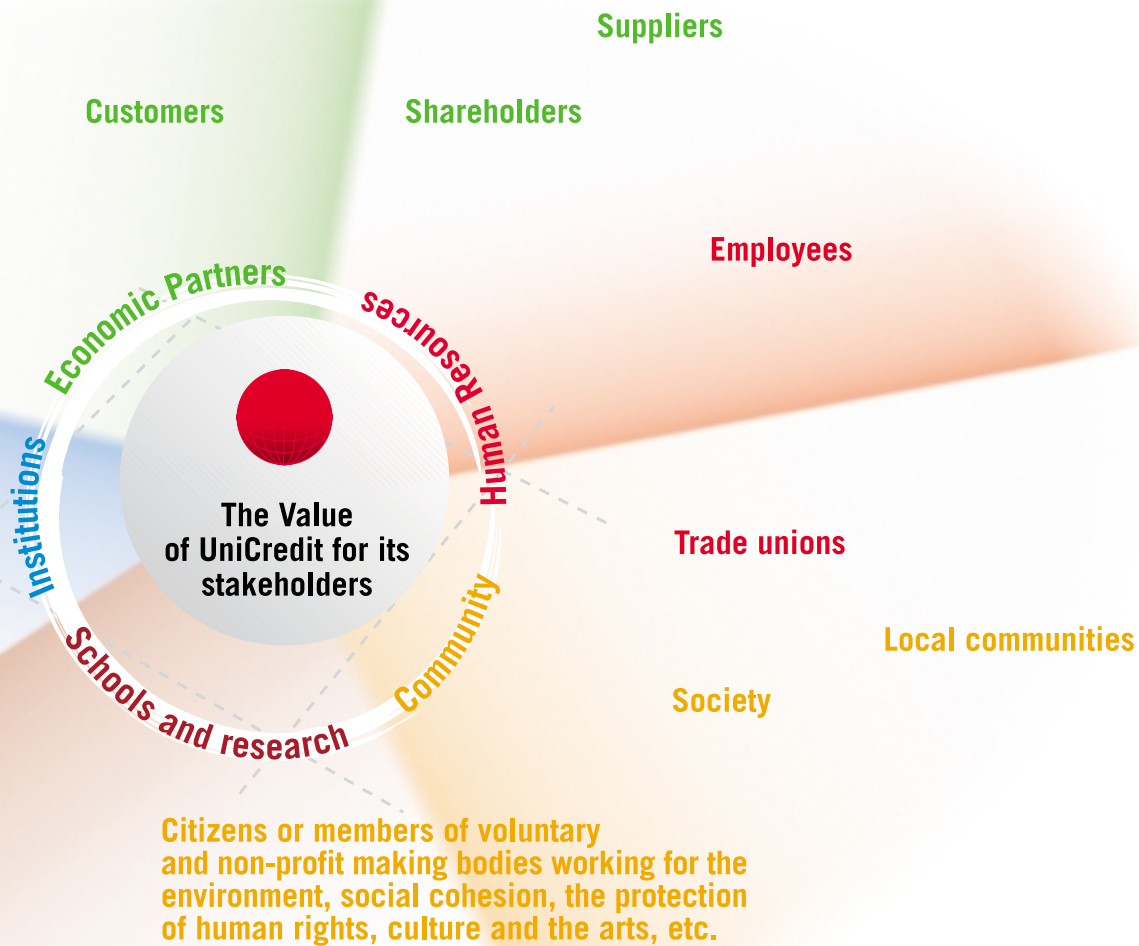
Government and other public bodies

Regulatory bodies: Banca d'Italia, CONSOB, Stock Exchange, Antitrust, Asl-Arpa

Super-national bodies (EU, UNO, UNEP, OECD)

Schools, Universities, and Research Institutions





... in the following areas of sustainability:

quality of work  
market  
environment, health and safety  
solidarity and dialogue  
culture and information  
security and privacy



## Quality of work

Scope of relationship aimed at guaranteeing ever improving working conditions for employees, recruitment opportunities, professional and personal development, and compatibility with quality of life and free time.

## Market

Scope of relationship aimed at encouraging the sustainability of economic development through the range of products, services, and business solutions offered by the company and particularly to its partners and by means of actions in support of economic growth in general.

## Environment, health and safety

Scope of relationship aimed at improving the health and safety conditions of employees, and protection from and prevention of direct and indirect environmental impact.

## Solidarity and dialogue

Area of interaction between the company and society where there are support operations both for non-profit making bodies, voluntary service associations and foundations, and religious bodies, and for initiatives aimed at improving the living conditions of the weakest members of society, from children to the elderly, to the sick, and to the populations of the poorest countries.

## Culture and information

Scope of social relationship that includes actions aimed at promoting the growth of knowledge, the spread of information, the use of the arts and literature, and the development of games and sporting activities.

## Security and privacy

Area of accounting of actions aimed at protecting people and their privacy, protecting the corporate assets, transparency, and guaranteeing legality in the company activities.

	Quality of work	Market	Health, safety and environment	Solidarity and dialogue	Culture and information	Security and privacy
Economic partners		X	X	X	X	X
Human resources	X		X	X	X	X
Community	X	X	X	X	X	X
Schools and research	X			X	X	
Institutions		X	X		X	X

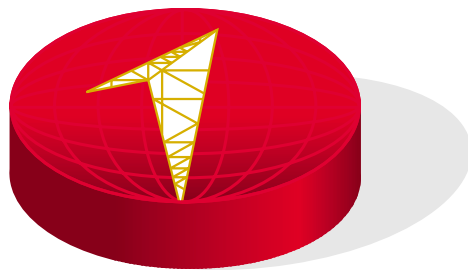


> A thousand opportunities from just one source



Quality of work





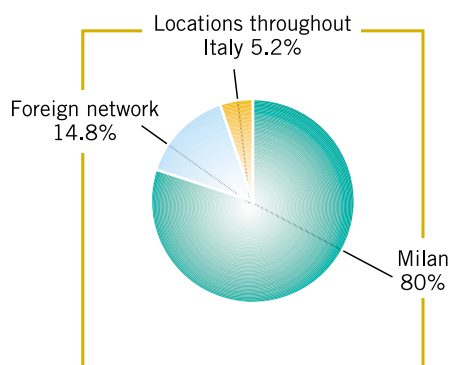
## The quality of work for a labour of quality

High quality products and services that are increasingly founded on the characteristics of the customer base and that meet their expectations: this is one of the channels through which UniCredito Italiano intends to build value. However it is an objective that can only be pursued with the active contribution of all the employees, within the scope of the responsibilities and the duties of everyone. It is therefore fundamental not only to attract human resources with the relevant skills and abilities (the combination of which, suitably developed over time, produces capacities of high-level professionalism), but also to create motivation, mechanisms for the recognition of results, and a working environment able to get the best out of the personnel, who are the true heart and soul of the Group.

More than 63,000 people work at UniCredito Italiano, with 1,655 at the Parent Company. The considerable reduction compared with 2000 (-42%) is mainly due to the transfer of 1,248 staff to USI and UPA and of 54 staff to Credito Italiano, following the transfer to the bank of the activities associated with the "Foreign" sector. A comparison with the work-force at UniCredito Italiano as at 31 December 2000 (2,853 staff) is thus not relevant. However, taking account of the numbers of resources involved and their permanence in UniCredito Italiano in the first half of the year, it is worthwhile and interesting not to "lose" trace of such an important asset, and where significant, to set the Parent Company data alongside that of the personnel of USI and UPA.

Excluding the transfers mentioned above, the work-force of the Parent Company recorded an increase of 104 over last year, used to strengthen the management structure, the co-ordination and the direction of the business, as well as enhancing commercial activities. The rationalisation of the work-force, put in place during the course of the period, also enabled about 100 new positions to be created, resulting in corresponding savings in the support and back office activities.

A large part of the UniCredito Italiano work-force is in Milan (80%), where the management structures and the departments that provide support services to the banks and companies of the Group are based. The remaining 20% is located in the foreign network (14.8%) and at locations throughout Italy (5.2%) for a more effective safeguarding of the premises and security, as well as relationships with the Large Organisations who have residence in Rome.





*Composition of Parent Company personnel according to category (31 December 2001)*

Category	2001					2000				
	MEN		WOMEN		TOTAL	MEN		WOMEN		TOTAL
	Full time	Part time	Full time	Part time		Full time	Part time	Full time	Part time	
Senior Managers	140		12		152	116		5		121
Executive	522		199	9	730	766		264	15	1,045
Non-executive	310	49	272	142	773	647	57	565	418	1,687
<b>Total Parent Company personnel</b>	<b>972</b>	<b>49</b>	<b>483</b>	<b>151</b>	<b>1,655</b>	<b>1,529</b>	<b>57</b>	<b>834</b>	<b>433</b>	<b>2,853</b>

The incidence of managerial staff (Senior Managers and Executives) comes to over 53%, following the reorganisation and strengthening of the new areas of responsibility in line with the need for greater concentration and management of the business. The significant “relative” increase over 2000 can be seen with managerial staff going from 4.5% to over 9% of the total number of employees (from 7.3% to 13.7% for men and from 0.4% to 1.9% for women). With the transfer of staff to ancillary companies USI and UPA, the percentage of personnel employed part time in the Parent Company (again in relative terms) was subject to a net fall, falling from 17% to just over 12% (taking female staff only, the percentage goes from 34.1% to 23.8%).

The externalisation (or “outsourcing”) of the activities that support the core operations of the Group to dedicated companies - USI and UPA, can be seen to be a winning solution for improving the efficiency of the system and the capacity of UniCredito Italiano to react quickly and effectively to the needs of the market.

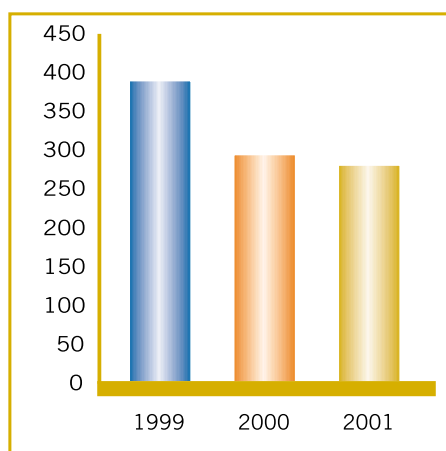
**UniCredit Produzioni Accentrate (UPA)** in the course of 2001 has absorbed the administration and accounts activities of all the Group banks incorporating, within the commercial concentration of the network, the back office branch staff dedicated to administration (Securities, Payment Systems, Finance, Mortgages, and Loans). In detail, the Parent Company has transferred 863 staff, equal to 47.3% of the current work-force, to UPA.

The composition of personnel that resulted from this as at 31 December 2001 is set out in the table, characterised by a sub-division of the work-force into male and female staff that is almost at par (45% men and 55% women). There are a significant number of part time staff among the employees (51.4%) due to the fact

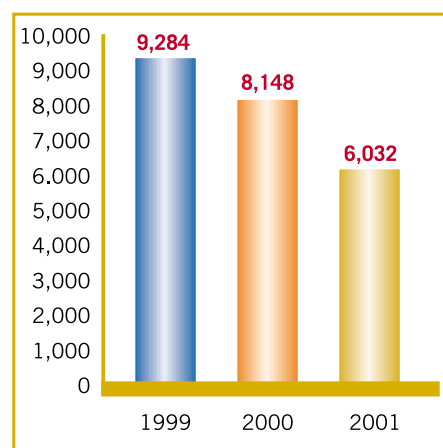
## Trend of burglaries and robberies

**A**ctions taken to reduce expenses have moreover been accompanied by an improvement in the level of prevention and related indicators.

The trend of robberies perpetrated at Group branches, from 1999 to 2001, has been as follows:



The total number of burglaries and robberies in the past three years has been as follows (expressed in thousands of Euro):

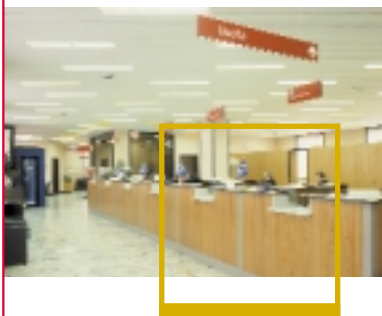




## Security plants

The quest for new crime prevention instruments and methodologies has a role of the highest importance in the whole of the Security O.U.

The new Cashguardian anti-theft safe had already been introduced at the end of 1999. A year and a half later robberies at branches protected by this equipment were reduced by 52.7%, taking into account the fact that there had been 31 in the fourteen months prior to and 32 in the eighteen months following its installation. In the meantime the number of branches protected by Cashguardian rose from 58 to 108. Another important security device is the new kind of entry door, the so-called “sliding door”, used in the new branches and in those being restructured.



This is an architectural solution that combines the marketing requirement to make branches more “welcoming” with that of security to offer a deterrent to robbers (the doors always open in alternation) in use at Credito Italiano and Cariverona.

Another significant area of protection in relations with customers is that of the Automated Teller Machines or Cashpoints (“*Bancomat*”). In the course of 2001 the automated ATM fraud prevention procedure was activated. The System, which was officially praised by the ABI, enabled 110 frauds to be foiled in 2001.





**> Protection  
is a natural  
instinct**



## Protection of privacy

The protection of security and data confidentiality is a key objective of UniCredito Italiano, even beyond the minimum levels required by Legislative Decree 675/96.

The complexity and rapid expansion of UniCredito Italiano Group together with the evolution of information systems have entailed the need to coordinate decisions in the matter of protection of personal data and associated security measures.

To this end, an appropriate centre of competency on privacy & security has been set up that has taken steps to prepare guidelines, procedures and regulations in the following areas:

- Video surveillance / video recording
- The use of fingerprint detector systems
- Privacy for Internet users



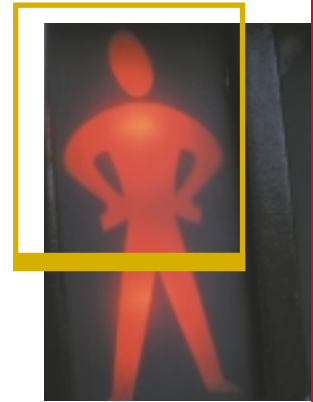
### ***Future projects and activities***

Where future programmes are concerned, the primary objective of the Security O.U. is to complete the integration of security activities at the Group's banks as soon as possible so as to participate in the reorganisation of the structures as part of project S3 with all the information needed for sector optimisation.

Another primary objective is the centralization and restructuring of the Group's Operational Units with the aim of increasing the level of security, while also optimising the resources handling alarm management.

With respect to branch anti-robbery protection, the installation of appropriate equipment will proceed in 2002, designed and introduced based on the level of danger at the branches.

Some 275 Cashguardians (in addition to the 319 already installed) and 230 Rollercash machines (in addition to the 750 already in operation) are planned to be installed in Credito Italiano by 30 June 2003. Rolobanca has decided to install 400 Rollercash machines. For Cariverona, the activation of Ipercassa (equipment similar to Rollercash) continues: 710 systems are already in operation and another 500 will be operational in the next 18 months. Still at Cariverona, the activation of 422 timer-activated mini-vaults is in progress: 200 are already functioning and the remaining 222 will be by 31 December 2002. Banca CRT is fitting branches with SuperRobomat (these devices are also similar to the Rollercash machines) and CRTrieste Banca is doing the same with delayed opening "strongboxes".

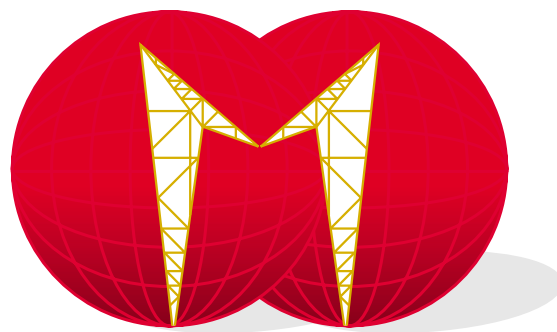


The new biometrical fingerprinting systems, originally prohibited by the Supervisory Authorities for data protection before being approved subject to precise conditions of use, will be used to guarantee a higher level of security at 21 branches particularly at risk.

Training and informing employees who work in the branches as to the anti-robbery measures and related compartmental procedures will be given a greater push by the Security O.U. An appropriate information medium for long-distance staff training will be produced, a product that will accompany traditional training in lecture halls and at the workplace to ensure that an authentic culture of security and prevention becomes more widespread.



## Solidarity and dialogue



## Solidarity and dialogue

For the UniCredito Italiano Group, consideration for the weaker categories of society and support for organizations promoting solidarity initiatives is one of the fundamental values of its mode of relating to and acting within the social framework. All this is in line with the company's commitment to responsibility and citizenship that the Group promotes, constructively broadening its outlook on the more fundamental values of human life. This makes it one of the protagonists of the new ethical and social role of financial activities which tends to encourage sustainable economic development and spread well-being.

### Association with AIRC (Italian Cancer Research Association)



UniCredit is highly active in the fight against cancer: just this year in the context of support actions for associations and research centres devoted to this serious problem, all the federated banks supported the AIRC in the now customary Deposit Fund Campaign to finance cancer research, confirming an ever more intense and consolidated relationship of collaboration with this association.

The objective of the collection in 2001 was to set up a Fund intended to finance three-year scholarships for Young Researchers, a concrete and well-defined commitment to which the Group responded with its *"Financing talents is the best investment we ask of you for the future"* initiative promoted for the benefit of AIRC on the traditional "National Cancer Research Day".

To this end in the period October-November an intense communication campaign targeted local and national media, at the same time as a vast awareness raising campaign for customers who were sent an information brochure together with their statements.

Still for the purpose of divulging and promoting fundraising, bills were posted in the branches and an explanatory brochure with related facts and figures handed out. Finally, to make the human and professional stories of young scholarship holders who have become valid researchers better known, UniCredit has produced the publication "Young Italian Researchers: a heritage for humanity", distributed to all those who contributed to the Campaign.

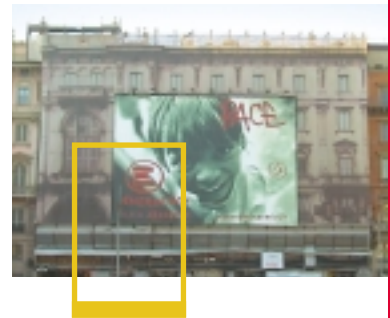
To increase the number of channels for collecting funds, as well as across the counters in all its own branches, the Group also activated a link to the AIRC web site for online contributions and the possibility of making donations through ATM's as well.

Thanks to collaboration between the regional AIRC committees and the offices of the federated banks, conferences and other events at the local level were organized contributing to the success of this Campaign in support of the training of young talents in the research field: a stimulating and absorbing objective which, through the joint contribution of the Group's banks and their customers, raised a total of 500,000 Euro in funds. For this awareness raising initiative, UniCredito Italiano Group received from the Italian President at the Quirinale Palace on 18 November the "Believe in research" prize, at a ceremony in which personalities from the worlds of politics, business and culture took part.

### A contribution to the Emergency commitment

UniCredito Italiano considers it important to contribute towards making known and supporting the civil commitment of Emergency, a well-known NGO dedicated to providing medical and surgical assistance to civilians in war zones.

Founded by the surgeon Gino Strada in 1995, Emergency is present in some of the most critical areas of the world (Rwanda, Iraq, Kurdistan, Cambodia, Eritrea, Sierra Leone, Afghanistan), counting on the work of only a few dozen volunteers in 7 hospitals and 25 first aid posts where medical assistance is provided to thousands of people using therapeutic protocols and standard working methods already tried and tested in crisis situations, non-sophisticated technologies and materials that are easily available at low cost to facilitate medical-nursing training of local personnel.



Accordingly the Group welcomed the opportunity to provide concrete support to a number of communication initiatives in favour of this association, contributing in particular 15,000 Euro to the production in Milan of a huge panel that had enormous impact, lodged as it was on the façade of Carminati Palace in the famous Duomo square at Christmas time.

This is the first step in a relationship that will take UniCredit and Emergency along common routes with a view to strengthening aid and solidarity missions carried out by the association in favour of populations involved in armed conflicts.



## Roberto Bazzoni Onlus

The activities of this Association, which was founded in 2000 to provide assistance to the disabled in Kosovo have pursued unceasingly. Thanks to the special support of the staff at the UniCredit Group in fundraising – through participation in charitable initiatives like concerts, lotteries and sports events, the rehabilitation centre planned for Glogovc (now Drenas) was finished and operating in the course of 2001.

The Centre, which has already achieved a leading position in the handicap sector both with the Authorities and local institutions as well as among families, covers a territory of 42 villages for a total of 1,020 disabled of all kinds. More than 60/70 children a week use it for rehabilitation sessions and 300 women are also registered and use it either for rehabilitation or for other collateral activities that it has developed for the benefit of the community (computer and literacy courses, sport and cultural activities), intended to promote integration of the disabled in society and to prevent them being marginalized.

Also in 2001 the Bazzoni association financed a training programme for local paramedical staff at ten Handikos Centres distributed throughout Kosovo, for a total of 32 beneficiaries: training was provided by two doctors and physiotherapists from the Don Gnocchi Foundation in Milan who worked in shifts with the personnel of individual Centres for treating the disabled.

Courses and seminars taught by Italian specialists have finally been carried out on various aspects of handicaps. The programme, which started in April 2001 and will end in 2002, intends to contribute to improving the perception of handicaps and the disabled in general with the objective of promoting their integration into the workplace and formation of normal families.

The initiatives described are only some of the many supported by the UniCredit Group in 2001, acting through sponsorships and donations or participating in the activities of entities and associations with associative contributions. Below we summarise other realisations during the year, citing in particular:

- The contribution on behalf of the Italian Red Cross
- Support for the activities of the Italy-Russia Association
- Donation to fundraising by the Community of San Patrignano through *Domenica In* (on television station RAI 1)
- Promotion and development of the Banca Gente Marginale
- Donations to the Italian League for the Fight against Tumours

The total economic commitment in support of all the social solidarity initiatives to which UniCredit contributed in 2001 came to more than 700,000 Euro.

## The next objectives

During 2002 UniCredit will continue its initiatives in support of solidarity projects together with its usual partners. Some new activities will be added to these, most notably the planned financing of 250,000 Euro to carry out the work of protecting the environment presented by the Italian Environment Fund, on whose board UniCredito Italiano is represented and for which Pioneer Investment manages part of the funds. The initiative, called Baia di Ieranto or Baia delle Sirene – provides for the setting up south of Sorrento, in an area of the Amalfitana coast still in good condition, a natural park with a whole series of infrastructures to guarantee its functioning and enjoyment by the public. Also in 2002 the Group plans to finance a highly important initiative that the Saint Egidio Community is preparing for the fight against AIDS in Mozambique.

### The commitment to promote “corporate social responsibility”

Corporate social responsibility is the approach to the relationship between company and society that seeks to find the optimal equilibrium between the needs of *stakeholders* through a process of continuous improvement that links market objectives with an improvement in collective well-being.

The UniCredito Italiano Group has for some time made this concept its own, making it an integral part of its company mission and acting according to criteria of commercial fairness, quality of product and services, development of human resources, respect for the environment and attention to the common good.

Increasing awareness about social responsibility within the company until it becomes a “way of being and acting” is an interactive process that should be built over time. UniCredit’s commitment in this matter is being developed on several fronts, on the one hand by supporting associations and working groups involved in developing and distributing this new corporate culture and on the other acting by promoting these concepts in the context of the corporate, political and social world.

An important option, borne decisively by the Group for which it received the “Champion” prize in 2001 promoted by the “City Angels” association, for having given the undertaking not to invest in companies that manufacture arms.

Let us examine some of the more important initiatives in which UniCredito Italiano is participating.



### Cittadinanzattiva ("Active Citizenship")



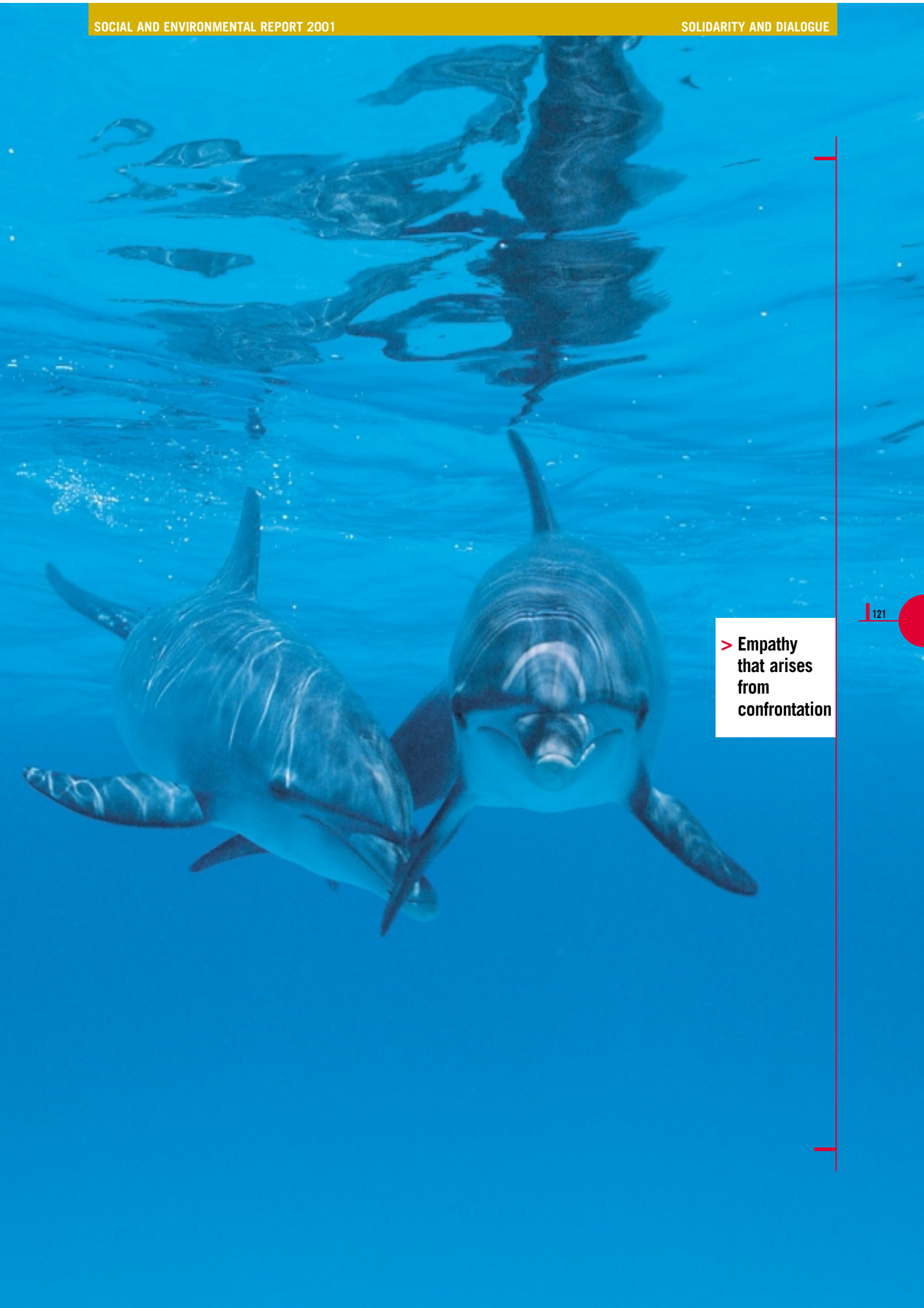
Collaboration continues between UniCredit and the Cittadinanzattiva movement (a non profit organization committed to promoting civic participation in the political, economic and social life in the country and protecting the rights of citizenship) to spread the culture of corporate citizenship in the private sector in Italy, in the world of politics and administration and among social organisations.

This working group, made up of managing directors, presidents and chief executives of a number of important private companies that have collaborated with Cittadinanzattiva over the years, operates by spreading and enhancing experiments already completed or in progress that demonstrate how companies can integrate market targets and social responsibility.

In the course of the year, two partnerships in particular were developed mainly to promote the concept of corporate citizenship in companies and to raise awareness about "corporate social responsibility": the "Citizen labelling and corporate citizenship: benchmarking Northern and Southern European best practices" project was started with the support of the European Commission and the "Active Citizenship Network" project for setting up a network of civic organisations with the objective of promoting cooperation between the companies of various European countries, supporting and spreading ideas of corporate citizenship and a commitment to ideas about the integration of Europe.

The Group's managing director participated in the first "International Seminar" on these ideas promoted by the association on 25 and 26 May in Frascati in collaboration with the companies that signed the "Manifesto of corporate citizenship", after studying and collecting information on significant European experiences.

UniCredit has also started a demanding common work programme with Cittadinanzattiva to review, in terms of transparency, the various aspects of the bank-customer relationship. Some 140,000 Euro were contributed to the activities of the association and to the realization of these projects during 2001.



> Empathy  
that arises  
from  
confrontation

## Sodalitas

In the course of the year UniCredit participated in activities promoted by Sodalitas, the association for the development of entrepreneurship in the social arena, particularly those aimed at “bank groups”, a sphere for discussion and proposals made up of member companies belonging to the credit and financial sector.

In this context the work done concerned the “University and Company” project to develop new competencies in corporate management of social problems, in conjunction with the launch of the European Academy on Corporate Social Responsibility promoted by CSR Europe and a number of business schools (Insead, Ashridge, Cranfield, Indeg, Copenhagen B. S., College of Europe). This is a platform that prepares the managers of today and tomorrow in the principles and practices of corporate social responsibility and also acts as an instrument to intensify dialogue between company and university, to promote research at the highest level and to develop educational materials to improve the quality of integrated teaching. The “bank group” has also concentrated its attention on the idea of access to basic bank and financial services with the aim of promoting, in Italy as well, facilitation initiatives for the population groups most exposed to the risk of marginalization based on the first indications arising from the European Union.



## CSR Europe

Since 2001 the UniCredit Group has been part of the Advisory Board of the Business Network for Corporate Social Responsibility Europe (CSR Europe), an organization that worked with the Belgian presidency of the European Union (second half of the year) to bring about the CSR conference on the European Social Policy Agenda, held on 27-28 November in Brussels and in which the Group participated. This important meeting was the occasion to debate the ideas of social responsibility of companies following the publication of the European Commission’s “green book” and was in fact the second meeting on a European level after that organized last year by ENBSC (now CSR Europe), although it was extended to other players: social partners, NGOs, institutions, universities.

UniCredit is permanently committed to supporting the initiatives of CSR Europe, from the “European Campaign 2005” launched by the network with the objective of raising awareness in society on issues such as social cohesion and sustainable development. Entry into the CSR Europe network has enabled UniCredit to expand its vision of social responsibility through better knowledge of the experiences with which it has come into contact.



## Forum for Sustainable Finance

UniCredito Italiano is a supporting partner of the Forum for Sustainable Finance, a non-profit multi-stakeholder association promoted by Avanzi (a research and consultancy company that collaborates permanently with UniCredit on the environment and social sustainability), Cittadinanzattiva, Sodalitas, Choros Foundation and CELE, with the backing of the ABI and the Milan Chamber of Commerce. Its mission is to promote the culture of sustainable development in the financial community. In Italy the Forum represents the European Sustainable and Responsible Investment Forum (EuroSIF), a continental network supported by the European Commission. The association's objects are: to study the implications of financial activities on sustainable development; the distribution of information and knowledge; the drafting of innovative proposals for operators; the promotion of dialogue among the various interested parties.

The Forum's first public initiative took place on 25 October in Milan with the consultation workshop on the "green book" of the European Commission in the area of corporate social responsibility, an occasion at which the Q-Res project's "guidelines for the management of corporate social ethical quality" were presented and a discussion among institutions, the business world and society initiated.



## The Kyoto Club and environmental initiatives

There was a great deal of activity in 2001 on the environmental front. Besides confirming its adhesion to the Kyoto Club (a non-profit association of companies, entities and local administrations with the aim of contributing to the attainment of the objectives laid down at the Kyoto conference), UniCredit established itself as the promoter, under the aegis of the Ministry of the Environment, of a round table on the Kyoto Protocols during the Environment G8 in March 2001 in Trieste, in which the sustainability strategies and policies of governments were discussed. The Group also sponsored with 5,000 Euro the first Italian edition of the International Biennial on Eco efficiency that took place in Turin from 4 to 6 June under the sponsorship of UNEP, in collaboration with the Ministry of the Environment and the institutions of the Piedmont region.

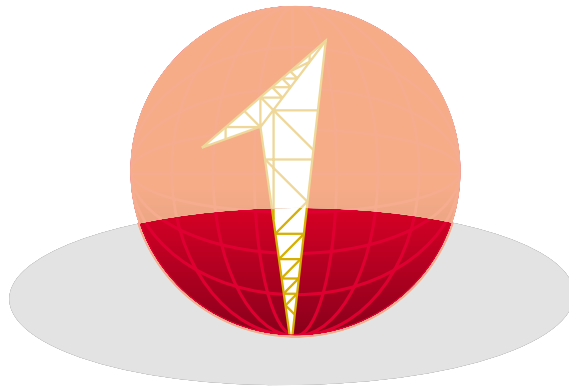
## Other initiatives

Also worthy of note are the participation in a number of different conferences on themes of environmental certification and instruments of environmental social communication, a context in which UniCredit has offered its own contribution to the preparation of "Guidelines for drawing up the social report" for the banking sector, drafted by the ABI.



## Culture and information





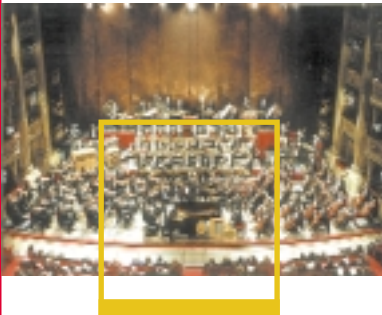


## Culture and information

The commitment of UniCredito Italiano on behalf of cultural and artistic development is further testimony of the Group's strong links with the social context in which it operates. A relationship of reciprocal growth that particularly addresses the sector of art and training, areas in which the Group is already active as a partner of public and private institutions for enhancing various initiatives aimed at supporting the spread of our cultural and cognitive heritage in the community.

### Relations with the world of art ...

#### La Scala Philharmonic Orchestra



UniCredito Italiano's increasing interest in the world of art and music is demonstrated by the project that saw the Group working side by side with the La Scala Philharmonic, the orchestra conducted by maestro Riccardo Muti, the ambassador to the world for the traditional Italian concert repertoire.

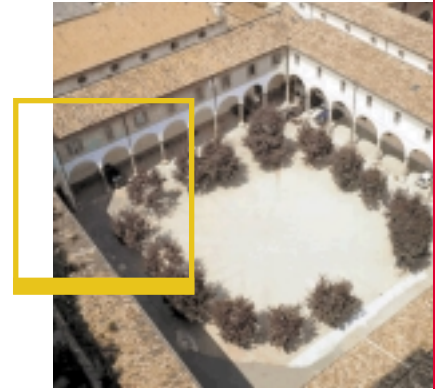
The Philharmonic is made up of orchestral professionals from the Teatro alla Scala and arose from the common desire to expand the artistic experience, by adding a specific symphonic activity to the operatic repertoire. The Teatro alla Scala orchestra – the heir direct of the orchestra of the Milan opera theatre of the 700s – in the twentieth century has been the orchestra of Arturo Toscanini, Victor de Sabata, Herbert von Karajan, and Leonard Bernstein. Transforming itself into the Philharmonic, under the aegis of Claudio Abbado, it later became a symphony orchestra and, under the current direction of Riccardo Muti, has obtained the highest recognition in the world's most renowned concert halls.

The first link was established during the theatre season of 2000-2001, in which UniCredit became one of the sponsors of the Philharmonic, to become in the 2001-2002 theatre season sole sponsor of concerts in Italy and abroad. Side by side with the Philharmonic, various UniCredito Group companies will alternate in involvement with the initiative: Pioneer Investments, which will accompany the orchestra on foreign tours, Private Banking of Credito Italiano and the Parent Company itself, which in 2001 made a contribution of around 325,000 Euro towards this initiative.

## Museo Diocesano

UniCredit joined the “Milan Museo Diocesano inauguration week”. The exhibition, the central event of which was the opening of the restored cloister in the old Basilica di Sant’Eustorgio in the presence of the President of Italy, Cardinal Martini of Milan and a number of other dignitaries – included an exhibition of masterpieces from museums in Milan and the Vatican, a concert by maestro Riccardo Muti at La Scala and the organization of visits to the museum by private parties, schools and families.

The idea of the Museo Diocesano in Milan goes back to the Blessed Ildefonso Schuster, who in 1931 encouraged its founding to promote and refine the love of art in the clergy and to prevent the dilapidation of the remarkable artistic heritage of the diocese. Cardinal Giovanni Battista Montini developed this idea, changing it from a museum for the clergy to a museum for all, and intending it as a place where the history of the Milan diocese could be taught.

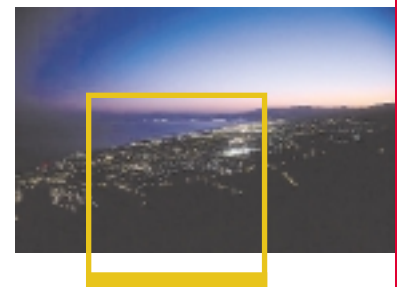


Cardinal Martini began a project to reconstruct and renovate the cloisters as a museum, which The UniCredito Group sponsored in 2001 with a contribution of 180,000 Euro. The Museo Diocesano contains the most important works of the Diocese of Milan with a gallery dedicated to each collection, prominent among which is a fine gold collection from 300-400 AD donated to the museum by professor Alberto Crespi in memory of his mother.

With the Museo Diocesano a new space was born whose objective was to introduce spectators, particularly the young, to the treasures of sacred art: to conserve and promote the precious artistic property of the diocese and to enhance its historical and religious significance.

## Genoa spruces itself up

On the occasion of the G8 summit in July 2001 the mayor of Genoa gave life to a restructuring and embellishment project for the city named “Genoa spruces itself up”, in which UniCredit participated, by contributing 200,000 Euro to the restructuring of Belvedere Montaldo, the most important and well-known “terrace” of Genoa, one of the most panoramic and visible points in the city, a destination not only for tourists but also for Genoans themselves.





### **The “Via Senato Library” foundation**

In 2001 UniCredit actively collaborated in the activities organised by the Via Senato Library Foundation by sponsoring exhibitions, most notably “The Hercules myth” and “Arnaldo Pomodoro” and the theatre season programme organized at the Teatro Di Verdura of Via Senato in the summer months.

## **... educational development and information**

### **Project for a university college in Milan**

UniCredito Italiano is participating in a project organized by the Commune of Milan to create a city university college. The objective is to set up a centre to appeal to the best students enrolled at the Milan universities involved in the initiative to provide training and support for them for the duration of their academic life. The college office is a building provided by the Cariplo Foundation. When fully operating the college will house around 400 students with a planned stay of on average 2/3 years.

### **Collaboration with Bocconi University**

UniCredito Italiano is continuing its commitment in the context of the activities of the Observatory of Environmental Management Systems promoted by the Economic Institute for Energy Sources and the Environment at Bocconi University. The Observatory is an important reference point for the development of the main themes relating to environmental management, the monitoring of the evolution of environmental certification and registration (ISO 14001, EMAS) and discussion between various players involved in these processes (institutions, companies, associations, trade unions and certification organisations).

Another important collaboration initiative with Bocconi University is represented by the organization of the “Masters in Environment Economy and Management”, for which UniCredit has provided 8,000 Euro to participating new graduates as a study scholarship and has provided

internships at the bank with the objective of contributing to the training of highly qualified professionals in the various areas of environmental management with the opportunity of working for institutions, financial and credit institutions and public utility services.

### The “Giovanna Crivelli” scholarship

The UniCredito Group closely follows the professional training of young graduates: in 2001 in particular it set up two scholarships in memory of Giovanna Crivelli, a young colleague who died prematurely, with the aim of providing specialist training abroad for young researchers in theoretical and empirical studies in the fields of political economics, financial market economy and economic policy. She was a strong and tenacious personality, sensitive and painstaking who had started her career in staff training. This always remained her true vocation even during her later important role as assistant to the managing director.

In work as in life she always had the same committed, determined approach.

In order to remember Giovanna Crivelli's substantial commitment to “equal opportunities”, at least one of the two scholarships will be awarded to a female participant.



### Vivacity

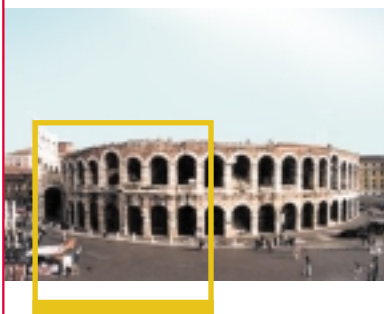


The activities of Vivacity continue. This is a company created by KataWeb and UniCredito Italiano to provide current customers of the federated Group banks with access to the Internet that will stimulate them to use the net as a new resource to gain access to a wide panorama of information, to perform banking transactions, to communicate and to purchase goods and services.

Today twenty local portals and a national portal have been created and thanks to improvements in 2001 users will be offered even greater advantages: banking products and services (information in real time, Italian stock exchange securities, reports and studies, links to *home banking* systems), editorial content (local and national news live, news of customs), services to the citizen (transport, public entities, health) and e-commerce services (with the opportunity of purchasing books, CDs/videos, typical products).



## Towards the future



Initiatives in support of art and music will continue, in particular: the association with the la Scala Philharmonic, in 2002 UniCredito Italiano will join with Cariverona, which has actively collaborated with the Arena theatre for many years, and with Cariverona (it is a founding member) to contribute to activities in support of the Verona Arena. On the cultural front on the other hand, in 2002 UniCredit will sponsor a project promoted by the European Union and the Ministry of Education with the aim of introducing children to the world of work today in an entertaining and playful way as these professions are not easily understandable or explainable.

The game, addressing children in nurseries and primary schools, is part of an educational and professional orientation programme developed at the Catholic University and C.R.O.S.S. (Centro Ricerca Orientamento Sviluppo Scolastico e Professionale - Research Centre Oriented towards Educational and Professional Development). UniCredit will contribute 200,000 Euro to producing the first experimental module that will start in Milan and will involve around 10,000 children (with their families), 500 classes and 500 teachers.





**> Where  
every idea  
is visible  
to all**

## Initiatives across the board: the Euro project

The UniCredito Italiano group has worked for the preparation of the transition to the Euro from 1997, starting a process aimed at managing the different transition phases from the old to the new monetary system in a more secure and simple way for everyone: employees, citizens and businesses.

Ensuring internal functionality in managing banking operations in Euro, guaranteeing its customers an adequate level of support in the changeover phases, satisfying the practical and information requirements, supporting the national banking system in a monetary conversion operation without precedence in size and importance - these were the main objectives around which UniCredito Italiano concentrated a series of initiatives that progressively involved all the company's structures and functions.

The initiatives were concentrated in particular during 2001 and have directly involved more than 150 people in the Group, **giving the Euro project a "cross-functional" character with respect to corporate activity and organization. Hence the decision to present the interaction between this project and the different subject areas of the Social and Environmental Report in a unitary way**, with the aim of enabling a full understanding of the ability that UniCredito Italiano group has shown through coordinated action in responding to the demands of the transition to the Euro.

### Quality of work

The project started with the development of work to adapt the processes and operating systems in all the banks and companies in the Group with the aim of guaranteeing continuity of banking operations as a response to the foreseeable requirements connected with the transition to the single European currency.

In November 2000 UniCredito Italiano set up its own specific internal structures to manage the *change-over*: a coordinating team was created in the Parent Company that provided "guidelines" for like bodies instituted in the other federated banks. The Euro project thus came to represent a significant moment in the framework of the integration process among the different companies of the Group.

A series of parallel initiatives were promoted with a view to identifying the requirements linked to the introduction of the single currency, managing the change in relations and bank instruments used by customers and producing the actions needed to ensure its customers proper operating and information support.

The first of these initiatives included analyses of the impact of the Euro on all business areas and company functions with the aim of preparing a specific adaptation action plan for each bank in the Group. The activity, developed between the end of 2000 and the first months of 2001, involved people from the business areas with the specialist support of staff in information technology and *back office* structures, leading to the definition of different action programmes and the start of the planned adaptation actions in each institute.



Still in 2001 a specific training plan for the Euro for all company personnel was produced, structured so as to offer each employee the knowledge required for his or her role. An ambitious project aimed on the one hand at providing a uniform information and approach structure to all Group personnel through the use of agreed instruments and initiatives and on the other at promoting significant integration and comparison between persons from different banks.

The plan provided above all for the provision of basic training for all staff in the Group by distributing self-instruction CD ROMs. Specific training courses were offered in this initiative for all the cash desk staff (6,700 people). These courses, lasting a day, were taught by 100 internal teachers (the *eurotrainers*) suitably trained through meetings held in the Bank of Italy and in the Parent Company's Professional Training Centre. With the aim of supporting the activities of the agencies during the first phase of the transition to the Euro, the central structure of the *Help Desk* was also expanded.

With the objective of facilitating the approach to the Euro and making staff aware of its use, UniCredito Italiano promoted a series of initiatives to anticipate the change in economic relations with its staff brought about by the new currency. Since February 2001 salaries have been calculated in Euro while in June 2001 a campaign was started for early conversion of staff current accounts into Euro. The results of this operation were interesting if one thinks for example that at the end of June already more than 70% of staff members in the various Group banks were affected, which also provided the opportunity to verify internally the functionality of the conversion system at the information technology and procedural level.



## Security and privacy

One of the most critical factors in the transition to the Euro has certainly been the need to guarantee security of the new currency and banking operations, thus at one and the same time facing up to the logistic and organizational problems of managing business in Euro with the withdrawal of the circulating currency and substituting it in the brief lapse of time of two months (40,000 tons of coins and 146,000 billions Lira in banknotes to be withdrawn and substituted between January and February 2002).

To follow these aspects an appropriate working group on security was set up, consisting of twenty people from various Group companies who in 2001 worked on the options for purchase of safes and coin counting machines, on the logistical aspects of adapting Automatic Teller Machines (in collaboration with UPA), on procedural activities (in collaboration with USI), on the amount of Euro to order from the Banca d'Italia and on the security to be offered to the latter.

The requirements were carefully assessed so as to determine the real purchasing requirements; coins and banknotes were reserved in Euro taking into account the logistics problems of routing and delivering effects to each branch, finding and rationalising storage space.

Still on the internal front, an ad hoc training plan was devised on security issues (part of the general training plan promoted by UniCredit for cash desk staff), with the following objectives:

- To promote knowledge of the new currency's security characteristics, at the same reinforcing those of the old Lira currency in order to combat forgeries;
- Spreading the culture of security, presiding over the physical security of colleagues and customers and guaranteeing safekeeping of securities.

Another training initiative was concluded in the period leading up to the *change-over* in a series of 30 meetings locally involving around 1,300 counter managers during which a way was found to provide in-depth training about every local particularity relating to the logistical and security aspects of the operation. A common factor of both initiatives was to reassure customers through collaborative attitudes and behaviour, responding to their requests and clarifying their doubts. A telephone *Help Desk* was set up to provide assistance with all security needs relating to the transition to the Euro.

On the external front, the security working group actively collaborated with ABI in identifying solutions and coordinating operations at national and international level. Attention focussed on the following activities in particular:

- Management of relations with the organized large-scale retail trade that collaborated with the banks and the Italian post office in distributing the Euro;
- Working out a *contingency plan*, a planning instrument that would take into account possible negative effects and propose solutions to reduce or eliminate their possible consequences;
- Collection of data that would serve to work out statistics for internal purposes and for the Banca d'Italia. This need brought with it the setting up of new arrangements for collecting and processing data relating to the *change-over*.

## Culture and information

**W**ith the objective of promoting initiatives and instruments capable of guaranteeing the maximum transparency, clarity, accuracy and completeness of information for its customer base in the transitional phases to the Euro, a working group for "communication" was set up in 2001 with the participation of 15 people from all the Group's banks.

The team worked in close collaboration with the Professional Training Centre to ensure adequate training support for staff in conjunction with content and information prepared for customers.

From April 2001, a specific "Euro window" was set up on UniCredito Italiano's website containing indications and suggestions for various segments of the customer base. The same contents have been made available to customers either through links to the Internet sites of other banks in the Group, or in paper format through the production of a "Guide to the Euro" personalised for each bank and distributed through the agency network.

Still in regard to information, three guides on paper aimed at Retail, Corporate and Small Business customers were produced to offer simple and targeted indications to adequately tackle the transition to the new currency.

In 2001 all the Group's banks also converted their share capital and promoted an initiative for the advance distribution of cheque books in Euro.

Still in order to facilitate transition to the new monetary system the UniCredito Group started the conversion of current accounts of its customers back in September; with this operation, by November all the Group's branches had already converted more than 80% of current accounts to Euro, significantly simplifying all other transition activities underway.



## Solidarity and dialogue



**T**he transition to the Euro was also the occasion for UniCredito Italiano group to partake in initiatives with humanitarian goals, being among the first to welcome the proposal by the AIRC (Associazione Italiana per la ricerca sul cancro - Italian Association for Cancer Research) to collect Lira coins to finance cancer research, described as “the last good action of the Lira”.

From October 2001, AIRC placed 135,000 containers in banks, post offices, supermarkets and other commercial establishments where everyone has been able to donate their “loose change” for a good cause: 7 trillion in all, difficult to convert entirely into Euro by individuals but very useful when collected together. UniCredito Italiano group participated in the initiative, setting up 1,500 collection points nationally and promoting the initiative to the public in its own agencies.

Preparing for the Euro was an operation of great complexity and importance the final phase of which, in which the UniCredito Group is still committed in the first months of 2002, represents only “the tip of the iceberg”. Here is a brief rundown of what took place in the first weeks of the changeover.

20% of the ATM machines at the Group's banks were already providing banknotes of 10 and 50 Euro at midnight on 31 December. In the next two days, 80% of the Group's ATM's were operating in Euro, and from 10 January 2002 all of them were. On January 1st 9.5 million Euro were distributed, representing around 60,000 transactions; a sum that in the following days, when nearly all the devices were activated (more than 3,500) exceeded 27 million Euro a day. In total the amounts withdrawn in the first days of the year were 40-50% higher than the same period in 2001.

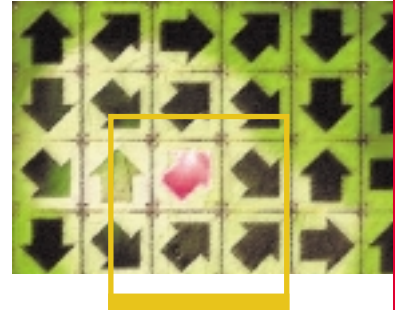
Traffic at the counters after the close of operations at the end of the year was also busy due also to the technical and accounting deadlines: the collection of pensions, the payment of taxes and contributions, and bills. One of the most requested activities at the counters was undoubtedly the distribution of banknotes and coins in Euro: at Group level a total of 70 million banknotes were traded for a value of around 1,640 million Euro and 2,870 tons of coins for a value of around 177 million Euro as well as the withdrawal of old Lira, causing the movement of similar volumes and values

And as of 28 February 2002 the Euro became our single currency.

## Calculating and distributing added value

The added value of a company represents the wealth produced by the company during the financial year, which can be determined as the difference between gross product and the goods and services consumed.

Determining this value assumes significance as it represents the accounting link between the year's balance sheet and the social report. It is calculated in fact by reclassifying the items in the year's profit and loss account in order to show both the process of formation of the company's added value and how it is distributed, expressing in monetary terms the relations between the company and the socio-economic system with which it interacts, particularly with reference to some of the principal *stakeholders* considered in this social report:



- Shareholders
- Human resources
- Government, Entities and Institutions
- Community
- Corporate system

From the methodological viewpoint, of the various configurations that Added Value may assume depending on the level of accounting of income components, the reference base chosen was Overall Added Value (Valore Aggiunto Globale - V.A.G.), adopted in the ABI model for drafting the Social Report for the credit sector which takes into account the specific features of the banking world.

The data used is taken from the accounts and the year's balance sheet, checked both by the board of auditors and by a leading auditing company.

In the pages that follow, after displaying the two main statements comprising the year's figures, i.e. the balance sheet and the profit and loss account, the latter is reclassified in an analytic statement according to a different methodology so as to determine the amount of the Gross Added Value and the Net Added Value. In the last statement of this section, Gross Added Value is divided on the basis of its destination, showing the share due to each above-mentioned *stakeholder*. Other statements and indices that the ABI model includes in this section are not given here as they apply to operating banking companies but not to a holding company like UniCredito Italiano.

The 2000 balance sheet figures displayed in the statements that follow have been "restated" and also used in the year's balance sheet in order to produce a better comparison with the 2001 balance sheet, bringing the following modifications to the balance sheet:

- Excluding dividends, calculated in cash in 2000 (included in extraordinary income) relating to the equity investments for which the accrued dividend was also attributed;
- Re-displaying among the extraordinary results the share of provisions made in 2000 according to legislative decree 153/99 relating to preceding periods.



## Reclassified balance sheet

### Assets

(AMOUNTS IN MILLIONS OF EURO)		31.12.2001	31.12.2000 (restated)	31.12.2000
<b>1. Cash and deposits with central banks and post offices</b>		<b>75</b>	<b>40</b>	<b>40</b>
<b>2. Loans:</b>				
- Loans to customers	5,353	6,979	6,979	
- Loans to banks	25,624	36,733	36,733	
<b>3. Trading securities</b>	<b>3,254</b>	<b>3,458</b>	<b>3,458</b>	
<b>4. Fixed assets:</b>				
a) Investment securities	9,909	9,588	9,588	
b) Equity investments	11,606	10,678	10,678	
c) Tangible and intangible	184	195	195	
<b>5. Other asset items</b>	<b>4,920</b>	<b>4,840</b>	<b>5,067</b>	
<b>Total assets</b>	<b>60,925</b>	<b>72,511</b>	<b>72,738</b>	

### Liabilities

<b>1. Deposits</b>				
- Due to customers	4,805	3,439	3,439	
- Securities issued	9,095	6,755	6,755	
- Due to banks	25,686	42,061	42,061	
<b>2. Specific reserves</b>	<b>1,229</b>	<b>713</b>	<b>940</b>	
<b>3. Other liability items</b>	<b>2,727</b>	<b>5,454</b>	<b>5,031</b>	
<b>4. Credit risk reserves</b>	<b>17</b>	<b>17</b>	<b>17</b>	
<b>5. Subordinated debt</b>	<b>9,060</b>	<b>9,690</b>	<b>9,690</b>	
<b>6. Shareholder's equity:</b>				
- Capital, reserves and retained earnings	7,217	6,593	6,593	
- Profit (loss) for the period	1,089	789	1,212	
<b>Total liabilities</b>	<b>60,925</b>	<b>72,511</b>	<b>72,738</b>	

### Guarantees and Commitments

Guarantees and commitments	3,129	2,422	2,422
Securities in custody and administration	6,442	12,452	12,452

## Reclassified profit and loss account

### Profit and loss account items

(AMOUNTS IN MILLIONS OF EURO)	2001	2000 (restated)	2000
Net interest	(308)	(198)	(198)
Dividends and other income	2,346	1,774	1,774
<b>NET INTEREST INCOME</b>	<b>2,038</b>	<b>1,576</b>	<b>1,576</b>
Net commission income	17	18	18
Trading profits (losses)	(77)	26	26
<b>Revenues from services and other sources</b>	<b>(60)</b>	<b>44</b>	<b>44</b>
<b>TOTAL REVENUES</b>	<b>1,978</b>	<b>1,620</b>	<b>1,620</b>
Payroll costs	(200)	(218)	(218)
Other administrative costs	(156)	(173)	(173)
Other net operating income	96	160	160
Write-downs of intangible and tangible fixed assets	(26)	(26)	(26)
<b>Operating expenses</b>	<b>(286)</b>	<b>(257)</b>	<b>(257)</b>
<b>OPERATING INCOME</b>	<b>1,692</b>	<b>1,363</b>	<b>1,363</b>
Provisions for risks and charges	(50)	(113)	(188)
Net write-downs of loans and provisions for guarantees and commitments	(69)	(18)	(18)
Provisions to loan loss reserves	0	(17)	(17)
Net write-downs of financial investments	(178)	(19)	(19)
Write-backs from financial investments	0	0	0
<b>Provisions, write-downs and write-backs</b>	<b>(297)</b>	<b>(167)</b>	<b>(242)</b>
<b>PROFIT BEFORE EXTRAORDINARY ITEMS</b>	<b>1,395</b>	<b>1,196</b>	<b>1,121</b>
Profit (loss) before extraordinary items	145	(88)	637
<b>INCOME BEFORE TAX</b>	<b>1,540</b>	<b>1,108</b>	<b>1,758</b>
Income tax for the year	(451)	(319)	(546)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1,089</b>	<b>789</b>	<b>1,212</b>

The structure of the company's profit and loss account is typical for an operating holding company. The primary source of revenue is in fact represented by dividends from the Group's companies while among the charges the negative balance of the interest stands out, explained by the cost of financing investments in equity and the orientation and governance structure costs described previously. Profitability of the foreign network and the Group's treasury, both of whose activities are on highly competitive markets, contribute in a limited way to the Company's results.

## Analytic statement for determining Added Value

(AMOUNTS IN MILLIONS OF EURO)		2001	2000 (restated)	2000
<b>REVENUES</b>				
Interest income and similar revenues	2,277.9	1,490.1	1,490.1	
Commission income	42.9	26.1	26.1	
Other income				
- Dividends and other operating income	2,470.0	1,979.2	1,979.2	
- Trading profits (losses)	(77.5)	26.7	26.7	
<b>1. TOTAL GROSS OUTPUT</b>	<b>4,713.3</b>	<b>3,522.1</b>	<b>3,522.1</b>	
<b>CONSUMPTION</b>				
Interest expense and similar charges	(2,585.6)	(1,687.8)	(1,687.8)	
Commission expense	(25.6)	(8.4)	(8.4)	
Other operating expenses	(28.3)	(45.2)	(45.2)	
Other administrative expenses *	(152.0)	(170.0)	(170.0)	
Provisions to risks and charges	(50.5)	(113.0)	(188.3)	
Write-downs/write-backs of loans and provisions for guarantees and commitments	(69.0)	(18.0)	(18.0)	
Provisions to loan loss reserves	0.0	(16.5)	(16.5)	
Write-downs/write-backs of financial investments	(178.0)	(19.4)	(19.4)	
<b>2. TOTAL CONSUMPTION **</b>	<b>(3,089.0)</b>	<b>(2,078.3)</b>	<b>(2,153.6)</b>	
<b>3. GROSS ADDED VALUE</b>	<b>1,624.3</b>	<b>1,443.8</b>	<b>1,368.5</b>	
Extraordinary income	182.4	56.2	705.3	
Extraordinary expenses	(36.6)	(143.8)	(68.5)	
<b>NET EXTRAORDINARY COMPONENTS</b>	<b>145.8</b>	<b>(87.6)</b>	<b>(636.8)</b>	
<b>4. GROSS OVERALL ADDED VALUE</b>	<b>1,770.1</b>	<b>1,356.2</b>	<b>2,005.3</b>	
Write-downs/write-backs of tangible and intangible assets	(26.1)	(26.0)	(26.0)	
<b>5. NET OVERALL ADDED VALUE</b>	<b>1,744.0</b>	<b>1,330.2</b>	<b>1,979.3</b>	
Labour costs				
- Direct	(155.4)	(164.6)	(164.6)	
- Indirect	(45.1)	(53.4)	(53.4)	
Donations and gifts *	(0.5)	(0.2)	(0.2)	
Indirect and property taxes and dues *	(3.2)	(3.0)	(3.0)	
<b>6. RESULTS BEFORE TAXES</b>	<b>1,539.8</b>	<b>1,109.0</b>	<b>1,758.1</b>	
Income tax for the year	(451.0)	(319.5)	(546.3)	
<b>7. PROFIT FOR THE PERIOD</b>	<b>1,088.8</b>	<b>789.5</b>	<b>1,211.8</b>	

**Note:**

\* Balance sheet item 80 (b) has been broken down, separating the parts relating to:

- Donations and gifts
- Indirect and property taxes and dues

\*\* The value of consumption in 2000 differs slightly from that indicated in the previous social report because the write-downs/write-backs on financial investments in the present balance sheet have been reclassified as goods and service consumed, while in the previous balance sheet they were included in the write-downs of assets. Consequently, the gross overall added value for 2000 is slightly lower (by 19.4 million Euro) with respect to the posting on the previous balance sheet.

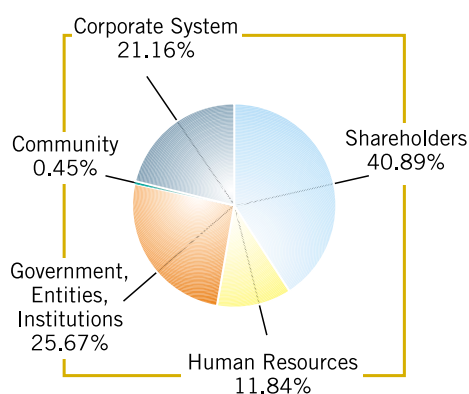
## Statement allocating gross overall Added Value

(AMOUNTS IN MILLIONS OF EURO)			
	2001	2000 (restated)	2000
<b>INCOME</b>	<b>4,713.3</b>	<b>3,522.1</b>	<b>3,522.1</b>
<b>CONSUMPTION</b>	<b>(3,089.0)</b>	<b>(2,078.3)</b>	<b>(2,153.6)</b>
<b>NET EXTRAORDINARY COMPONENTS</b>	<b>145.8</b>	<b>(87.6)</b>	<b>636.8</b>
<b>GROSS OVERALL ADDED VALUE</b>	<b>1,770.1</b>	<b>1,356.2</b>	<b>2,005.3</b>
Divided between:			
<b>Shareholders – Dividend distributed to shareholders:</b>	<b>723.8</b>	<b>422.7</b>	<b>648.8</b>
Other shareholders	723.8	422.7	648.8
<b>HUMAN RESOURCES</b>	<b>209.5</b>	<b>223.0</b>	<b>225.8</b>
Labour costs:			
- Direct	154.4	164.6	164.6
- Indirect	45.1	53.4	53.4
Share of profit for the period intended for the Reserve connected to the medium-term bonus system for Group personnel	9.0	5.0	7.8
<b>GOVERNMENT, ENTITIES AND INSTITUTIONS</b>	<b>454.3</b>	<b>322.5</b>	<b>549.3</b>
Indirect and property taxes and dues paid to the government	2.0	1.8	1.8
Indirect and property taxes and dues paid to communes	1.3	1.2	1.2
Income tax for the year	451.0	319.0	546.3
<b>COMMUNITY</b>	<b>8.0</b>	<b>0.2</b>	<b>0.2</b>
Donations and gifts	8.0	0.2	0.2
<b>CORPORATE SYSTEM</b>	<b>374.5</b>	<b>387.8</b>	<b>581.2</b>
Write-downs of assets	26.1	26.0	26.0
Non-distributed reserve and income and variations in general			
bank risk reserves	348.4	361.8	555.2
<b>GROSS OVERALL ADDED VALUE</b>	<b>1,770.1</b>	<b>1,356.2</b>	<b>2,005.3</b>

### Note:

- The value of consumption in 2000 differs slightly from that indicated in the previous social report because the write-downs/write-backs on financial investments in the present balance sheet have been reclassified as goods and service consumed, while in the previous balance sheet they were included in the write-downs of intangible and tangible assets. Consequently, the gross overall added value for 2000 is slightly lower (by 19.4 million Euro) with respect to the posting on the previous balance sheet.
- In the above statements, for the purpose of making a homogenous comparison with 2000, where income included both the 2000 dividends calculated taking into account the year the income was produced and the 1999 dividend calculated based on the period in which the distribution was deliberated, the income and earnings relating to the 2000 balance sheet have been purified accordingly and therefore do not match those posted in the previous social and environmental report. In the statement allocating added value, the distribution of income in 2000 was "restated" among the shares allocated for distribution (shareholders), the share allocated as a Reserve for the medium term bonus system for personnel (Human Resources) and provisions (Corporate system) was calculated taking into account the proportions existing in the resolution adopted during the allocation of the entire "non-restated" profit for the period.
- The share of added value allocated to human resources in 2001 seems less both in absolute terms and in percentage terms because 1,248 resources became direct employees of the ancillary companies UniCredito Produzioni Accentrate (UPA) and UniCredito Servizi Informativi (USI) and 54 resources employees of Credito Italiano.





The distribution of UniCredito Italiano's added value reflects its structure as a holding company in which the operating part, on account of the ongoing restructuring process, is toning down in favour of the overall governance and direction function of the Group's activities. The percentage share allocated to human resources (11.84%) is low, while the average remuneration per employee is high in relation to the banking sector average. The largest part is that allocated to shareholders, the main beneficiaries of the Parent Company's value creation process.

The initiative of the Board of Directors at the general meeting for approval of the 2001 balance sheet in proposing a provision of 7,500,000 Euro to the "Liberal distribution/expenditure fund" is worthy of note. This fund was set up pursuant to art. 38 of the articles of association that provide for the formation, upon proposal of the Board of Directors, of extraordinary or special reserve funds. This provision, which will be used in the coming years for social purposes, has contributed to raising the share of added value allocated to the community from 0.01% in 2000 to 0.45%.

The consistent allocation of financial resources to the reserves (21.16%) confirms the strategic option to reinforce equity that should necessarily accompany this phase of the Group's structural and territorial expansion.

## Towards a commitment without limits

### 1. Role and mission of UniCredit in the new Europe

UniCredit Italiano is conscious that an international Banking Group should also have a role as an engine in the economic/political development of the countries in which it operates, knowing that the success of its economic activities is closely linked to macroeconomic development and strong, regular growth that meets the needs of society and the environment.

For this reason the New Europe Division of UniCredit has taken on the role that incorporates, not only the objectives of contributing to growth of the share value in time, but also targets that refer to the Group's principles:

- **A tangible contribution to the economic development and institutions of the reference countries**
- **Respecting and enhancing the cultural diversity of the countries**
- **Transferring know-how to the banking institutions** that are taken over with the objective of a common growth
- **Full recognition of the Group's values**, including integrity, focussing on the customer, and commitment to personal professional growth.

From this angle, the Division has felt it necessary to extend to foreign associates the rule (already applied in the rest of the Group) of eliminating in time credit activities to individuals directly or indirectly involved in arms sales.

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### 2. Economic growth in the countries of the New Europe: the importance of small/medium companies

The economic growth of countries in transition such as the countries of New Europe is closely linked to the growth of the small and medium company segment that has traditionally had limited access to finance and a level of service and attention from the banking system that is often insufficient. UniCredit Italiano has already started to provide its own subsidiaries in the New Europe with its own experience in this segment, offering a dedicated service model. In this context the foreign associates of UniCredit have also played a role in canalising the support that international bodies like the EBRD and EU have prepared to assist the growth of the small and medium companies sector, providing their own expertise and distribution system. Focusing on this segment of small and medium companies is an essential characteristic of the Group's operations in the New Europe and fully responds to the objective of playing an important support role in the economic growth of the Area.



### 3. The acceleration of foreign investment as a growth engine

The rapid growth of countries in transition such as the countries in the New Europe depends significantly, in a context in which local savings are not yet available in a sizeable way, on the ability to attract foreign productive investment to accelerate development, stimulate employment and recover productivity. The UniCredito Group has therefore paid much attention and dedication to promoting the image of these countries in Italy and abroad and in helping Italian investors increase their investments. As a result there has been a significant impulse to economic growth and modernization that will promote the process of joining the European Union.

### 4. The EU's enlargement to the east: a fundamental step for the New Europe

The planned enlargement of the European Union makes the role of UniCredit particularly important in candidate countries: banks should in fact become observers and primary players in developing reference political-economic infrastructures and can play a fundamental role in economic development. In this region UniCredito Italiano has launched initiatives capable of making local institutions aware of fundamentally important themes in view of the enlargement of the EU and of reciprocal awareness between Italy and the New Europe countries.

To this end, in 2001, several meetings and conferences were organized that involved Italian institutions and organizations including ICE, ISPA and CCCE.

In the second half of 2001 initiatives of a wider scope were launched that started to produce effects in 2002, among which:

- **"New Europe Initiatives"**: a conference with leading members of the political/economic world of the countries of New Europe;
- **"New Europe Event"**: a meeting that attracted wide attention for a specialised public to stimulate discussion about the enlargement of the EU;
- **"White Book"**: a study of banking systems of NE, to present UniCredit as a responsible and interested investor.

## 5. The White Book Project

**T**he White Book project has particular importance within the initiatives undertaken. It consists of the joint preparation by UniCredit and foreign banks of an annual report on the banking sector of the countries of New Europe in which UniCredit is active.

The focus is mainly on possible areas of intervention/improvement of credit infrastructures and regulation with the objective of providing Central Banks and the Countries in general in which they operate a constructive contribution based on the Italian experience and of UniCredit in particular and on possible international *best practices*.

## 6. The federal organization model

**F**rom the point of view of internal organization and personnel development policies, the conviction that the enhancement of local resources is a competitive advantage to benefit from has greatly influenced the choice of organization model adopted. With the aim of favouring and leveraging the direct involvement of local management and all the staff of the Banks and of reinforcing the links with Italian counterparts, UniCredit has in fact adopted a federal organizational model.

Contributing to this choice was the positive experience of the Italian market where the model has shown itself to offer a competitive advantage, guaranteeing participating banks a high level of autonomy and independence. On the other hand, UniCredit exercises active control to ensure the transfer of know-how and the continuous progression of federated banks towards standards of excellence. Through this method of procedure, UniCredit invests in local management, which could ensure strong leadership for the institution in the future. Exchanging and comparing individual experiences also develops links between foreign and Italian management, creating the basis for success.

As well as the day-by-day activity of transferring know-how, the strong confidence that the Group has in the professional development of individuals has favoured the growth of employee training courses such as the "Young talents of New Europe" project.

## 7. The “Young talents of New Europe” project

The “Young talents of New Europe” project is a development programme that aims to discover young talents in good time and promote their rapid growth, consistent with the resources management and development policy defined by the Group in order to generate value for the Bank, the Group and individuals. The first edition was started in October 2001 and will take place over a period of around 18 months. The programme envisages common activities, evaluation of potential and individual development. The participants are high-potential young people from various sectors of the Bank (General Management and Network). The Banks involved in the first edition are Bank Pekao (29 participants), Bulbank (13 participants), Pol'nobanka (5 participants). The UniCredito Italiano group has also financed scholarship at Bocconi University for Masters students from New Europe countries with the aim of contributing tangibly to the growth and professional development of students with high potential in the countries in which the Group is present.

### THE BANKS IN THE NEW EUROPE DIVISION



#### **Bank Pekao S.A.**

##### ***1. Staff initiatives***

In 2001 the Bank launched the “Graduate” programme to enable it to recruit 150-200 graduates from the best Polish universities.

In order to participate in the programme the candidates have to satisfy rigorous requirements in terms of university grades and ability in foreign languages.

The “Young Talents” programme in collaboration with UniCredito Italiano goes ahead. The participants in the programme, selected from within the staff based on high potential are trained together with colleagues from other banks in the UniCredito Group so as to occupy roles of high responsibility in the bank's managerial structure in future.

Several training courses have also been organized by selected groups of staff with the aim of supporting and expanding their knowledge in areas directly correlated with their responsibility. The most significant training initiative was organized in collaboration with Achieve Global under the name of “Business Academy of Bank Pekao SA”. These courses have been joined by managers from all the bank's organizational levels, from branch managers to board members.

## ***2. Management of environmental matters***

### **• Direct**

Attention to environmental matters is an important element of the policy of supplying energy and raw materials.

In 2001 Pekao continued its energy and heat consumption rationalization process through the use of automated lighting and heating systems. The use of energy-efficient light bulbs and thermo-regulators is now widespread in most Bank buildings. Also with regard to investment in electronic equipment, the options have moved to more up to date models with lower energy consumption.

With the aim of reducing the consumption of paper, the use of electronic mail has been promoted for most internal communications. This has succeeded in significantly reducing the flow of paper documents at head office. New procedures have been introduced in the branches to reduce paper correspondence with customers. An example is represented by the confirmation of every transaction made, previously sent by ordinary post to the customer and now substituted by a monthly communication. Filing procedures have also been optimised to enable the use of modern techniques and make a lower use of paper possible.

### **• Indirect**

Pekao, where possible, prefers collaboration with commercial partners and suppliers that enable recycling or recovery of the materials used. The disposal of IT equipment, for example, is contracted out to specialised operators. The Bank is also committed to finance programmes that promote ethical, social and environmental behaviour in accord with its own credit evaluation policy.

In 2001 it pursued its health and safety policy including the EBRD procedures in the area of ecology and environmental protection. The organizational units in charge of providing credit are obliged to classify each financial contract according to criteria that take into account associated ecological risks. Such a process is managed in collaboration with EBRD consultants.

## ***3. The policy of relations with shareholders***

The Bank carries out its own transparency policy for operations in compliance with the reference standards of the Polish financial market. Senior management has participated in numerous meetings with Polish investors organized both on occasion of the reports every four months and for particular situations. The Bank has also guaranteed its presence at various conferences organized by the international investors' community, specifically addressing the Polish market and banking sector.

The presentation of four-monthly reports takes place at the Warsaw stock exchange where national investors are concerned, and at the London Stock Exchange for international investors. As a first in Poland, management organised “Bank Pekao SA Day” in May 2001 in Warsaw, an event that will be repeated in 2002.

#### **4. Solidarity initiatives**

Among the various solidarity initiatives promoted by Bank Pekao the most significant was joining the largest charitable initiative in Poland, called ‘Wielka Orkiestra Swiatecznej Pomocy’.

As well as donating the resources allocated to the Christmas cards budget to charity, a separate donation of 250,000 PLN (71,500 Euro) was also made. Furthermore, at all the Bank Pekao branches all across the national territory, the staff collected the currencies of Euro countries in collaboration with the national Polish bank to donate to charity. The entire sum will be used to purchase specific medical equipment to cure newborns afflicted with hereditary diseases.

#### **5. Financing or direct involvement in cultural initiatives**

More than half the budget for sponsorships concerns national culture. In 2001 several events and cultural institutions were sponsored, among which the National Theatre, the national museums of Warsaw and Krakow, the Zacheta Gallery of Art and the Royal Castle Museum in Warsaw. Thanks to such support Milan’s Piccolo Teatro was able to produce “The Harlequin” at Warsaw’s National Theatre. Most prominent among the other initiatives of particular importance sponsored were the Shakespeare festival organized by the Theatrum Gedanense Foundation, Paco Pena and the Flamenco Dance Company, “Othello” at the Polish National Opera.



#### **Bulbank**

In 2001 Bulbank continued its policy of supporting social and environmental initiatives. New activities were undertaken in this area.

After take-over by UniCredito Italiano, and in the context of the partnership with the shareholder IFC, credit policies and related procedures were consistently updated so as to manage, control and monitor environmental risk.

- Today Bulbank, according to its regulations, does not finance customers or activities that violate environmental standards. Also no loans are provided to companies that manufacture or sell arms.
- Where evaluating credit requests is concerned a special section of the *scoring* system evaluates the environmental risk, given high importance in judging creditworthiness. The risk indicators evaluate possible problems of effective or potential contamination and the need to take preventive action in order to reduce it. This includes an evaluation both of the risk conditions and the activities and manufacturing processes of the applicant company. By regulation, credits with environmental risk from the counterpart are provided only after consultation with the Board of Directors.

- Formal documentation, released by the relevant authorities is required to certify limited environmental impact of some activities and conformance with all the requisite standards in the fields of health and the environment.
- A written declaration is required from all the businesses that intend to take out credit, so as to attest full conformance with national laws in the field of the environment, safety and health.
- As well as this, all the agreements regarding credit, without exception, contain a declaration on the part of the customer requesting the loan stating that it is not under any obligation connected with the application of current standards on dangerous waste not correctly treated and kept according to the provisions of the law.
- These procedures are suitably distributed to all the internal managers and applied correctly and constantly.
- A member of the Board of Directors and a management official are responsible for guaranteeing the pursuit and monitoring of the application of environmental policies in Bulbank's financial activities, including the future application of a more structured environmental management system.

In 2001 the bank took part in different types of financing of events of cultural importance. Bulbank entered the "Culture 2000" programme of the European Union, devised for financing cultural projects with particular reference to the restoration of monuments, churches and other archaeological sites in Sofia. In collaboration with UniCredit, an exhibition of artists of the Verona Arena was financed in Sofia, marking the start of a series of cultural exchange initiatives between Italy and Bulgaria.

The charity and sponsorship activities supporting orphanages, schools, foundations for children with serious illnesses and organizations for assistance to the disabled continued.

The Committee for the conditions of Workers, set up in 1997, monitored the health and safety conditions at workplaces in the bank's structures throughout the year. The same Committee is preparing a special programme to evaluate the risk of the work environment that will become operative by the end of 2002.

Finally there is a special fund for the "Financial assistance of employees who suffer serious illnesses and accidents", which provides support in the event of serious occurrences that affect the health of employees or former, retired employees.



POLNOBANKA

### **Pol'nobanka (from April 2002 UniBanka)**

#### ***1. Contribution to improving social and environmental matters***

The activities of Pol'nobanka in the field of social commitment have seen the provision of sponsorships and donations for foundations with social purposes, hospitals and schools as well as support to cultural events. The commitment to improve the environment is a daily task, based mainly on initiatives intended to save energy and reduce waste.





## ***2. Activities for employees***

Training has an absolute priority among the activities organized by Pol'nobanka for its staff. In 2001 a total of 196 training initiatives were carried out in the context of which around 1,700 employees were involved. Among these initiatives, 94 were conducted internally and 102 externally – the latter including initiatives carried out abroad and foreign language training. In addition to the continuous training possibilities, lots of other benefits are available to its employees, for example catering promotion, recreational activities, sporting initiatives and participation in cultural events.

## ***3. Management of environmental matters***

Pol'nobanka continuously applies suitable procedures to guarantee reductions in the consumption of energy and materials through the use of advanced technology in lighting and heating systems and by substituting internal and external communication means on paper with electronic communication.

## ***4. Credit evaluation aimed at encouraging ethical conduct***

In its credit policy Pol'nobanka is bound by the conditions established by the EBRD for environmental protection. Moreover, it should be noted that Slovakian environmental legislation is highly advanced. Pol'nobanka consistently requires a rigid observance of the current regulations for all investment projects.

## ***5. Relations with shareholders***

In addition to the dividend distribution policy, complete and in-depth information is regularly sent to shareholders on its main activities in progress and planned.

## ***6. Solidarity initiatives***

Pol'nobanka supports the "Anti-drug" fund – an organization created and maintained in activity by the Slovakian government for around four years, sponsoring its activities to prevent the spread of drug consumption and the cure of young drug addicts. In 2001 SKK 700,000 – 16,500 Euro – was donated to this organization.

Noteworthy among the solidarity initiatives are the financial support to the humanitarian foundation for the disabled (SKK 130,000 – 3,000 Euro – in 2001, directly and through voluntary contributions by customers) and to the Hospital of the Ministry of Health (SKK 400,000 – 9,500 Euro – in 2001 to purchase new equipment for breast scans) in order to ensure better assistance for users of the structure, these including its own employees.

Funds were also sent to the Economic University of Bratislava (SKK 100,000 – 2,500 Euro a year) to support the publication of books, the purchase of software and research activities.

### 7. Financing of (and involvement in) cultural events

In the area of culture Pol'nobanka is mainly involved in supporting younger artists, granting them special exhibition space in the art gallery managed by the bank itself. Every month at least one private viewing dedicated to these artists is planned.



#### Splitska Banka

**S**plitska Banka has always contributed to the development of its local surrounding environment, in which it is deeply rooted through sponsorships and donations and by allocating specific assets to the pursuit of this objective. In its role as principal player in the socio-economic system in the region in which its activities are located, many contacts and relations with shareholders have been undertaken, particularly in 2001, a year that was filled with social, recreational and cultural activities. Most notable among these are the sponsorship of 29 teams practising a wide variety of sports. Splitska has also supported several historical-cultural events and events for the promotion of ethnic culture. In the context of a tradition now twenty-five years old, the bank is one of the main financiers of the Croatian National Theatre. It has also contributed to the restructuring and support of 7 schools, 2 universities and 2 day nurseries and has supported the renovation of 7 churches.

Substantial funds have also been earmarked to medical and hospital institutions, providing donations to several hospitals and non-profit medical associations as well as charitable initiatives intended to support citizens who have to meet excessive medical costs.

The civil hospital in Split is one of the largest medical institutions in Croatia. This hospital is unique in the number of users (more than 500,000) and has deep roots in the country. With reference to this and considering that the hospital operates relying on limited government funds, the bank's financial contribution is of fundamental importance to guaranteeing assistance to the inhabitants of the region. At the start of 2001 an amount equal to 200,000 HRK (corresponding to 27,500 Euro) was donated. In addition donations were made to specific sections of the hospital, also intended to support specialist training of internal personnel.

Social cooperation was sustained in 2001 through financial support to 7 citizen's cultural organizations, 2 environmental associations and 4 associations of war veterans as well the publication of books.

Finally, the bank has offered its own support to many public shows in the Dalmatian region particularly around the city of Split.

**REPORT ON THE "SOCIAL AND ENVIRONMENTAL REPORT 2001" OF UNICREDITO ITALIANO SpA**

To the Shareholders of  
UniCredito Italiano SpA

We have performed the agreed-upon verification procedures in order to express an opinion on the "Social and Environmental Report 2001" (the "Report 2001") of UniCredito Italiano SpA, with respect to:

- The reliability of the data reported therein.
- The completeness and clarity of expression of the data and the information disclosed therein.

Our engagement was carried out by performing the agreed-upon procedures summarized below:

1. Analysis of internal procedures used to manage and collect the information and the data included in the Report 2001.
2. Verification, on a sample basis, of the correspondence between economic and financial data reported in the Report 2001 with the same data disclosed in the statutory financial statements that will be submitted for approval to the Shareholders' Meeting and of the correspondence of other data and information with management reports or other supporting documentation.
3. Evaluation of the completeness and clarity of the Report 2001 with respect to the information generally included in the social and environmental reports already published and to the stakeholder identified.

This report, therefore, refers to the results of the application of the aforementioned procedures and we cannot exclude that, had we performed additional procedures, other matters might come to our attention that should have been disclosed in addition to those already reported in the following paragraph.

The results of the application of the agreed-upon verification procedures are:

1. The existing internal procedures to manage and collect the information and the data included in the Report 2001 are consistent with the objective of the Report 2001 itself.
2. The economic and financial data included in the Report 2001 correspond to those included in the statutory financial statements that will be submitted for approval to



3. the Shareholders' Meeting and the other data and information disclosed in the Report 2001 are adequately documented by management reports or other supporting documentation.

As to the completeness and clarity of the Report 2001, we base our report on our professional experience, on the comparison of Italian and international best practices and on PricewaterhouseCoopers guidelines developed on the basis of the information requirements deriving from:

- Sustainability Reporting Guidelines (Global Reporting Initiative)
- GBS Guidelines (Gruppo di Studio per il Bilancio Sociale)

As to these aspects, the document is substantially complete and well-structured compared to the best social and environmental reports published to date and the data and the information are clearly stated.

This Social and Environmental Report issued by UniCredito Italiano SpA, as at the second edition, in an original way explains the issues about sustainability. It also represents the expression of an adequate integrated reporting process, which is gradually involving all the UniCredito Group.

In particular, we underline the consistency of the reporting process with the policies towards sustainable development and with the structure of the S3 project described at the paragraph "Innovation within continuity" of this Report.

Milan, 8 April, 2001

PricewaterhouseCoopers SpA

A handwritten signature in black ink, appearing to read 'Antonio Taverna', written over the printed name.

Antonio Taverna  
(Partner)

***This report has been translated from the original, which was issued in Italian. We have not performed any control on the Social and Environmental Report 2001 translation.***

## Glossary

### AA 1000

(AccountAbility 1000) - standard (that cannot be certified) developed by ISEA (Institute of Social and Ethical Accountability); a standard of accountability by means of which the documents, omissions, risks, and results for which an organization is responsible are explained and justified to the stakeholders. Among other things AA 1000 requires transparency, continuous improvement, and compliance with the standards previously identified and accepted.

### ABI

Italian Banking Association.

### Accident frequency index

Total number of accidents x 100,000 / number of hours worked.

### Accident severity index

Total number of days absence x 1,000 / number of hours worked.

### Affluent

High income customer.

### ARPA

Local Environment Protection Agency.

### ASL

Local Health Authority.

### Asset management

Management of financial investments.

### Audit / auditor

Management tool made up of a systematic, documented, regular, and objective valuation of the

services of the organization, the management system, and the processes intended to protect the environment in order to: i) facilitate managerial control of the activities that can have an impact on the environment; ii) monitor compliance with environmental policy including the environmental objectives and targets of the organization (EMAS II definition). **Auditor:** person suitably qualified to carry out the activities of auditing and who is independent of the activities that are the subject of the audit.

### Benchmark

Reference parameter of financial investments, which can also consist of the more well known indices (MIB 30, Dow Jones, etc.) or others considered to be representative of the risk/yield profile of the investment and which themselves can become the subject of financial investments whose yield is linked to the performance of the parameter chosen.

### CONSOB

National Commission for Companies and the Stock Exchange.

### Corporate banking

Financial services aimed at large, medium, and medium-small companies.

### Corporate governance

All the criteria and processes used to run a company aimed at the creation of economic value for the shareholders and the well-being of the other stakeholders

### Covered warrants

Documents issued by financial institutions that attribute the facility of purchasing a certain

quantity of securities at a pre-set price within a certain period of time or on a precise date.

### **EMAS**

EcoManagement and Audit Scheme - Regulation 761/2001 of the European Council on the voluntary adherence of industrial companies and services to an EC system of eco-management and audit.

### **Environmental Analysis**

Environmental review shall mean an initial comprehensive analysis of the environmental issues, impact and performance related to activities of an organisation.

### **Environmental Aspect**

Environmental aspect shall mean an element of an organisation's activities, products or services that can interact with the environment; a significant environmental aspect is an environmental aspect that has or can have a significant environmental impact.

### **Environmental Impact**

Environmental impact shall mean any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organisation's activities, products or services.

### **Equity linked**

Bonds whose yield depends on the performance of the parameter to which the security is "linked". The indexing parameter can be a stock exchange index (MIB 30, Dow Jones, etc.), an equity security, a basket of shares, or a unit trust.

### **Factoring**

Transfer contract, without recourse (with credit

risk to be borne by the assignee) or with recourse (with credit risk to be borne by the assignor), of commercial credits to banks or specialist companies, for the purposes of management and collection, to which a loan in favour of the assignor may be associated.

### **GBS**

Study Group for the establishment of the principles for drawing up the Social Report.

### **Home banking**

Telephone or internet connection to operate on the bank current account and/or to monitor the situation.

### **IBS**

European Institute for Social Reports.

### **Integrated Management System**

Part of the overall company management system including the organizational structure, responsibilities, practices, procedures, processes, and resources needed to define and activate policy over the environment and the health and safety of the workers.

### **Intranet**

Internet system with access limited to company personnel.

### **ISO 14001**

Standard for environmental management systems issued by ISO, the International Standards Organisation.

### **Legislative Decree 494/96**

Legislative Decree that relates to safety at work connected with site activities, also known as the "Site Directive".

**Legislative Decree 626/94**

Legislative Decree on health and safety in the work-place that assimilates important EU directives in this matter.

**London Benchmarking Group**

Group of 16 large international companies, founded in 1994, that has drawn up a scheme for representing and assessing the social commitment of companies.

**Mass market**

Family customers.

**PMI**

Small and medium companies.

**Pick up**

*Pick Up Bond.* This is a bond with a high coupon value with respect to market yields and which is found close to the date that the issuer has the opportunity to ask for advance payment.

**Private Banking**

Financial services intended for the so-called “top level” private customers for the global management of their financial needs.

**Procedure**

Document which defines the working procedures that apply to a particular activity.

**Rating**

Assessment of the level of risk of non-fulfilment for a particular borrower, company, or government entity. This assessment takes the form of an overall judgment expressed by means of a symbolic value that reflects the

category of the issuer. The judgment is based on the data and information on the credit risk of the company being analysed.

**Retail banking**

Financial services mainly intended for private customers, small companies, and family consumers.

**Risk assessment**

Assessment of the risk.

**ROA**

*Return On Assets* – profitability index that measures the ratio of gross operating income to total assets.

**ROE**

*Return On Equity* – profitability index that measures the ratio of profit for the year to share capital.

**SA 8000**

(Social Accountability 8000): official standard issued in 1997 by the CEPAA (Council on Economic Priorities Accreditation Agency) for the certification of the ethical and social commitment of a company.

**Spread**

Differential expressed as a percentage to be added to a rate or a reference parameter to determine the effective rate to be applied to a loan.

**SRI**

Socially Responsible Investing – asset management activities carried out according to environmental and social criteria.

**Stakeholder**

Holders of interests that interact with the activities of the company on various fronts, sharing the results, influencing the services, and affecting the economic, social, and environmental impact of the company.

**Stock options**

Option contracts to purchase share securities that provide those that subscribe to them with the right (not the obligation) to buy such shares within a pre-established period and at a pre-set price.

They are used as a form of integral remuneration, to provide incentive and encourage the loyalty of individual employees, of particular categories, or of all the employees, by offering options on company securities.

**Sustainable development**

"The development that meets present needs without compromising the ability of future generations to meet their own needs"  
(Brundtland report – WCED – World commission for Economic Development, 1987).

**UBM**

UniCredit Banca Mobiliare – investment banking company; started to operate on 1 January 2000 concentrating on the production of financial instruments aimed at the retail, corporate, and institutional customer and the management of the market risks of the Group.

**UNEP**

United Nations Environmental Programme – Environmental Programme of the United

Nations aimed at promoting sustainable development among companies and citizens.

**UPA**

Unicredit Produzioni Accentrate (Unicredit Central Productions).

**USI**

Unicredit Sistemi Informativi (Unicredit Information Systems).

**Wholesale banking**

Banking services mainly offered to a customer base of institutional operators who handle high value credit operations.



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For further information on the Social and Environmental Report, also available at [www.unicredito.it](http://www.unicredito.it), please contact:

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Thanks for your kind assistance.

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