



Global Policy

## Anti-Bribery and Anti-Corruption

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**Approving Function** Chief Executive Officer

**Date** January 2018

**Proponent Function** Group Compliance

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## **REGISTRY**

<b>Owner</b>	Group Anti Financial Crime Compliance	
<b>Process Tree</b>	Process Type: Governance & Control MG: Risk and Control Framework MP: Compliance management EP: Compliance Risk Assessment Execution	
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<b>Holding Company functions involved in the sharing process</b>	Group Compliance Risk Assessment & Training Operations	
	Group Compliance Risk Assessment And Controls	
	Group Compliance Indirect Model, Oversight and Governance	
	L.D. 231/01 Compliance & Italian LEs Oversight	
	Group Compliance Risk Assessment, Controls & Coordination	
	Group Compliance Culture, Academy And Communication	
	Group Compliance Business Management & Processes	
	Talent Acquisition	
	Legal And Labour Disputes	
	Group M & A	
	CIB Business And Process Transformation	
	CIB Network, F&A, GTB, FIG Processes	
	Global CIB Network, F&A & FIG Processes	
	Markets Processes	
	Italian Commercial Banking Processes	
	Group Demand, Cost Management & Procurement	
	Group Operational & Reputational Risks	
	Group Procurement	
	Reward & Benefits	
	Functional & Core Banking Learning	
HR CIB		
Talent And Executive Development		
<b>Holding Company competent functions</b>	Group Compliance Advisory & Country Italy Management	

certification			
<b>Legal Entities involved in the sharing process</b>	UniCredit Bank AG; UniCredit Bank Austria AG; UniCredit Leasing SpA; Unicredit Factoring SpA; Cordusio Società Fiduciaria per Azioni; Cordusio SIM - Advisory & Family Office SpA; Fineco Bank SpA; UniCredit Subito Casa SpA; AO UniCredit Bank; UniCredit Bank Serbia JSC; UniCredit Bank a.d. Banja Luka; UniCredit Bank d.d; UniCredit Bank Hungary Zrt.; UniCredit Bank Czech Republic and Slovakia a.s.; UNICREDIT BANK S.A.; SIA Unicredit Leasing; UniCredit Bulbank AD; UniCredit Banka Slovenija d.d.; Zagrebacka Banka d.d ; Yapi ve Kredi Bankasi AS; CEE Compliance		
<b>Recipient Legal Entities (minimum perimeter)<sup>1</sup></b>	Directly controlled LEs	Indirectly controlled LEs <sup>2</sup>	Other indications <sup>3</sup>
	Anthemis UniCredit Strategic Ventures LLP; AO UniCredit Bank; Bavaria Servicos de Representacao Comercial Ltda; Cordusio SIM - Advisory & Family Office SpA; Cordusio Società Fiduciaria per Azioni; Crivelli S.r.l.; EuropEye Srl; Fineco Bank SpA; I-Faber SpA; Nuova Compagnia di Partecipazioni SpA; PIRTA VERWALTUNGS GMBH; SIA Unicredit Leasing; Trieste Adriatic Maritime Initiatives Srl; UniCredit (UK)Trust Services Ltd; UniCredit Bank a.d. Banja Luka; UniCredit Bank AG; UniCredit Bank Austria AG; UniCredit Bank Czech Republic and Slovakia, a.s.; UniCredit Bank Hungary Zrt.; UniCredit Bank Ireland Plc; UNICREDIT BANK S.A. ; UniCredit Bank Serbia JSC; UniCredit Banka Slovenija d.d. ; UniCredit Bpc Mortgage Srl; UniCredit Bulbank AD; UniCredit Business Integrated Solutions SCpA;	Unicredit Bank d.d.	

<sup>1</sup> Further to the listed Entities, each Entity can distribute the *Global Rule* to additional own subsidiaries

<sup>2</sup> If needed

<sup>3</sup> If needed; e.g. Legal Entity type (banking, financial, instrumental...)

	UniCredit Factoring SpA; Unicredit Global Leasing Export GmbH; UniCredit International Bank (Luxembourg) SA; UniCredit Leasing SpA; UniCredit OBG srl; UniCredit Subito Casa SpA; UniCredit Turn-Around Management GmbH; Yapi ve Kredi Bankasi AS; Zagrebacka Banka d.d.; Visconti Srl		
<b>Recipient Unicredit S.p.A. Foreign Branches</b>	Paris; London; New York; Madrid; Munich; Shanghai / Guangzhou; Munich UC FIN; Abu Dhabi		

### **Replaced/revised regulations and main changes introduced**

Replaced/revised regulation	Replaced/ revised regulation date	Reason/Summary of main changes	Change type <sup>4</sup>
GRETEL: UC 2014-109 IR 586/4	20/07/2016	<i>Improvement and optimization of Third party risk assessment</i>	<i>Replacement</i>

### **Linked Group regulation**

Title	GRETEL Number (for Global Rules only)/ Internal Regulation Number	Brief link explanation
<i>Global Operational Instructions - Anticorruption (Offers of Employment Charitable Donations and Sponsorships Suppliers and Contractors Relationships)</i>	<i>UC-2014-001 IR 768</i>	This Rule provides additional guidance in respect of some key anticorruption risks.
<i>Global Operational Instructions - Anti-Corruption Due Diligence M&amp;A</i>	<i>UC-2014-006 IR 777</i>	This Rule details the key requirements which must be adhered to when the Group engages in proprietary merger, acquisitions or investment activity, in order to mitigate corruption risk.
<i>Global Policy - Whistle-Blowing</i>	<i>UC-2013-069 IR 511/2</i>	This Rule defines adequate communication channels for the relevant receipt, analysis and use of Reports of Unacceptable Conduct within the Group
<i>Global Policy - Group Compliance Risk Evaluation Methodologies</i>	<i>UC-2015-124 IR 981/2</i>	This Rule aims at defining principles and rules for the identification and

<sup>4</sup> Minor change: recipient Entities' approval not necessary  
First release / Replacement: recipient Entities' approval necessary

		assessment of main compliance risks to which the Group is exposed, and at planning respective mitigation actions
<i>Global Policy - Compliance Culture</i>	<i>UC-2016-108 IR 1112/1</i>	This Global Rule has the aim to define the principles and guidelines to establish, promote and sustain culture of Compliance. The document integrates UniCredit Compliance culture framework, its components and defines the stakeholders involved
<i>Global Policy - Code of Conduct</i>	<i>UC 2017-055 IR 1187/1</i>	Code of Conduct lists the principles which all Employees and partnering Third parties of UniCredit must comply with in order to ensure high standards of professional conduct and integrity related to their activity in or on behalf of UniCredit.

### **Navigator for recipient Entities/Foreign Branches**

<b>Sections concerning UniCredit S.p.A.</b>	<i>All sections contained in the document</i>
<b>Sections concerning recipient Entities<sup>5</sup></b>	<i>All sections contained in the document</i>
<b>Sections concerning recipient UniCredit S.p.A. Foreign Branches</b>	<i>All sections contained in the document</i>

<sup>5</sup> Only the paragraphs/sections listed here must be submitted for approval and implemented by the recipient Entities or subject to calibration requests

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## **1 INTRODUCTION**

### **1.1 PURPOSE AND CONTENT SUMMARY**

This Policy aims to:

- clearly articulate UniCredit Group's commitment to prohibiting bribery and corruption and to be in compliance with applicable anti-bribery laws;
- define principles for identifying and preventing potential bribery and corruption in order to protect the integrity and reputation of UniCredit Group;
- clearly communicate anti-bribery and anti-corruption principles both to internal and external stakeholders;
- provide a framework for a Group-wide Anti-Bribery and Anti-Corruption Programme.

### **1.2 SCOPE OF APPLICATION**

This policy cancels and replaces the previous version of Anti-Corruption Global Policy issued on 20/07/2016.

This Policy is addressed to all UniCredit Group Legal Entities and applies to all members of strategic, control and executive bodies, employees, tied agents (e.g. financial advisors) and temporary employees of UniCredit (hereinafter, jointly "Employees") and across all Group business activities, and shall be applied in compliance with legal requirements and regulations locally in force. In case local legal requirements are more restrictive than the principles of this Policy, the more restrictive requirements of local laws in force are to be adopted by the respective UniCredit Group Legal Entities.

For the purpose of internal processes and procedures UniCredit Group Legal Entities should apply this Policy in conjunction with the related Rules in force.

This Policy and its related Rules are to be applied in conjunction with the relevant UniCredit Group Policy on Whistleblowing and corresponding local internal regulations.

When seeking guidance on ethics and Employees behaviours this Policy should be applied in conjunction with the Global Policy Code of Conduct in force and relevant Code of Ethics (where applicable, e.g. Italy).

This Policy is also to be made available to various external stakeholders to inform them about the anti-bribery and anti-corruption principles followed by UniCredit Group.

This Policy does not address the issues of prevention of money laundering, fraud, competition offences or other offences that may be related to Bribery and Corruption. Those are covered by specific Group Rules.

### **1.3 ROLES AND RESPONSIBILITIES**

#### **1.3.1 UniCredit and Group Legal entities**

The Board of Directors of UniCredit, the Chief Executive Officer, the General Manager, as well as the rest of the Top Management of UniCredit and of Group Legal Entities are responsible for creating a general risk culture in the organization and ensuring the oversight of the desired conduct. In this regard, they play an active role to enforce the standards described in this policy.

The Holding Company and all Group Legal Entities must appoint a person responsible for its Anti-Bribery and Anti-Corruption Programme - the Local Anti-Corruption Officer; Group Legal Entities which do not have a Compliance function - due to their size - may appoint a joint Anti-Corruption Officer shared among all such entities or the role may be performed by the parent entity's Anti-Corruption Officer.

#### **1.3.2 Group Head of Anti-Corruption**

The Group Head of Anti-Corruption, appointed within the Group Anti Financial Crime function of the Holding Company is responsible for:

- the design and implementation of the Group Anti-Bribery and Anti-Corruption Programme;

- supporting and monitoring on the implementation of Group Rules setting minimum Group standards on this matter;
- advice on, co-ordination and oversight of the Anti-Bribery and Corruption Programmes of the Group Legal Entities
- providing advice on and opinions related to major Anti-Corruption and Bribery matters.

### 1.3.3 Local Anti-Corruption officer

The Local Anti-Corruption Officer is responsible for:

- defining and implementing, the execution and the oversight of the local Anti-Bribery and Anti-Corruption Programme in line with the Holding programme;
- coordinating the activities directed to the correct application of the Group Rules related to Anti-Bribery and Anti-Corruption, and, in accordance with all relevant local legal and regulatory requirements, proposing of any supplements as required, as well as;
- guidance regarding advice on the local Anti-Bribery and Anti-Corruption Programme;
- guidance to assist Employees with the performance of due diligence on anti-corruption issues including assessment of material gained during the due diligence exercise and advice on Red Flags;
- oversight regarding the investigation of any reported acts of Bribery and Corruption, involving the Group Head of Anti-Corruption, whenever deemed appropriate. For this purpose the Local Anti-Corruption Officer shall have the power to investigate any suspected or actual cases of acts of Bribery and Corruption, to ask for and review all documents and to escalate any such cases to the local Chief Executive Officer or other relevant Board member and, if necessary, to the relevant Authorities;
- translate into local language (when needed) and make publicly available/publish/communicate this policy through their official communication channels.

The Local Anti-Corruption Officer will liaise with and report to local Head of AML any suspicion of money laundering and to the Group Head of Anti-Corruption in case of severe actual or attempted acts of Bribery and Corruption, subject to and in compliance with any applicable data protection and banking secrecy rules or law.

### 1.3.4 All Employees of UniCredit Group

All Employees are responsible for complying with this Policy, any corresponding local internal rules and procedures and all applicable anti-corruption laws in the performance of their duties.

All Employees shall report to the Local Anti-Corruption Officer or the Local Head of Compliance any instances of actual or attempted acts of Bribery and Corruption they become aware of, whether the act of Bribery and Corruption is offered, given or received.

Employees should be aware of Red Flags and, where they are seen, should be alert to the potentially increased risks, and contact the Local Anti-Corruption Officer or the Local AML Officer for advice. Any issues or concerns regarding an act of Bribery and Corruption should be brought to the immediate attention of the Local Anti-Corruption Officer according to the established internal process.

Any report must be made according to the established internal process but in any case in the first instance to the Local Anti-Corruption Officer and, where actual or suspected money laundering is involved, also to the local AML Officer. Failure to make such a report may give rise to individual criminal liability on the part of the relevant Employee in certain jurisdictions, as well as exposing the Group to potential legal or regulatory action. Potential acts of Bribery and Corruptions may be reported also under the Global Policy – Whistleblowing, if locally implemented.

## 1.4 GLOSSARY AND ACRONYMS

Key word	Definition
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ABC	Anti-Bribery and Corruption
AML	Anti-Money Laundering
Advisers	Individuals or organizations providing service and advice by representing an organization towards another person, business and/or government official
Agents	Individuals or organizations authorized to act for or on behalf of, or to otherwise represent UniCredit in furtherance of its business interests
Anti-Bribery and Anti-Corruption Programme	A set of Rules and measures to detect and mitigate the risk of potential bribery and corruption within the Group
Bribery and Corruption	Giving, offering, promising, receiving, accepting, demanding or soliciting directly or indirectly of monetary or non-monetary, tangible or intangible benefits in order to obtain or retain an undue advantage in the course of business activities, irrespective of whether the recipient of Bribery and Corruption is a domestic or a foreign, public official or an individual who acts for a company or in a function of trust; irrespective of place where Bribery and Corruption is committed, and irrespective of whether the result of such Bribery and Corruption entails an actual undue advantage or the improper performance of a function or activity
Business Hospitality	Relation between a host and a guest whereby a host is providing for a guest's needs without charging costs (full or partials) to the guest. Providing accommodation, transportation, meals, trainings, invitations to events and conferences are examples of hospitality. Business Hospitality can include <i>entertainment</i> , e.g. organised activity that aims to provide interest, enjoyment or amusement to somebody as attendance to social or sport event, theatre etc.
Charity, charitable contribution and donations	A voluntary giving of help to support those in need. Can be in monetary form (cash or equivalent) or in kind (property, assets, services)
Contractors	Non-controlled individuals or organizations that provides goods or services to UniCredit under a contract
Control	A process designed to provide reasonable assurance regarding compliance with legislation in force and UniCredit's internal regulations, and mitigating bribery and corruption risk
Corruption (Offence)	Corruption offence include not only committing Bribery and Corruption, but also attempting, inciting, aiding and abetting. These may lead to: criminal prosecution of persons involved in it as participants, regulatory or criminal prosecution against their supervisors if they violated their supervisory duties, against Top Management of a company or a company itself
Due diligence	Documented reasonable steps taken to determine that a third party is honest and can be reasonably expected to refrain from bribery and corruption
Facilitation Payment	Also referred to as 'grease payment', a payment to secure or expedite routine governmental actions to which the payer of facilitation payment is already entitled to. For the purpose of this Policy Facilitation Payments are considered Bribery and Corruption and are prohibited
Favouritism	A practice of giving unfair preferential treatment to a person or group of persons (e.g. giving them employment). <i>Nepotism</i> is a form of favouritism towards relatives or friends. Favouritism or nepotism toward individuals connected to public officials, clients or individuals who act for a company

	or in a function of trust are a form of bribery and corruption
Gift	Everything of value (e.g. money, services, loans or other benefits) which is not business hospitality given willingly to somebody without payment for it
Group Legal Entity	Legal Entity directly or indirectly controlled by UniCredit S.p.A. (hereafter also "Group Company", "Legal Entity", "Entity", "Company" or "Subsidiary")
Group	UniCredit Group, composed of UniCredit S.p.A. and of the Group Legal Entities (hereafter also "UniCredit Group")
Holding Company	UniCredit S.p.A. (hereafter also "UniCredit")
Intermediaries	Individuals or organizations, other than an employees, that perform activities of introducing or developing new business, retaining or building existing business or obtaining licenses, permits or any other regulatory documents for the benefit of UniCredit
Joint venture or consortium partners	Individuals or organizations which are to enter into an agreement with UniCredit to combine resources in order to achieve common goal
Persons associated with public official (indirect benefits to public officials)	Persons which are known to be closely linked to public officials in a way that influencing this person has actually to be seen as influencing the public official him/herself, so that the public official is influenced indirectly. Those may include close family members (e.g. spouses, children, parents or siblings) or close associates (e.g. personal advisors, or owned/controlled legal entities)
Political donation	A donation, made in cash or in kind, to support a political cause. Donations in kind can include gifts of property or services, advertising or promotional activities endorsing a political party or individual, the purchase of tickets to fundraising events, donations to research organizations with close associations with a political party and the release of employees to undertake political campaigning or to stand for office

<p>Public official</p>	<p>Is an individual who is employed, appointed or elected to perform any legislative, administrative, judicial function or other public function for:</p> <ol style="list-style-type: none"> <li>a) any country or territory. This also includes any subdivision of such country or territory as well as organisations integrating more than one country or territory;</li> <li>b) any public agency, department or instrumentality of that country or territory including any subdivision of such country or territory as well as organisations integrating more than one country or territory;</li> <li>c) any enterprise, organisation or entity owned or controlled by any of the foregoing. This includes state-owned or state-controlled companies. Generally , an entity would be deemed state-controlled where a government body has at least one of the following attributes: <ul style="list-style-type: none"> <li>• More than 50% ownership</li> <li>• voting control</li> <li>• board control or</li> <li>• other indicia of control (e.g. golden share, government demonstration of control).</li> </ul> <p>This includes also central banks, sovereign wealth funds and any business venture that is in turn owned or controlled by a government entity.</p> <p>No all employees of this kind of entities should be treated as public officials, as it is necessary to actually determine whether the person in question performs a legislative, administrative, judicial function or other public function. An indication for that may be power of decision/authorization and legal representation with regard to these functions (e.g. Top Management, CEO, CFO of public companies to be treated different compared to an employee of the same company without these kind of powers);</p> </li> <li>d) any Public International Organization, e.g. United Nations, European Union, World Bank, International Monetary Fund, etc.</li> </ol> <p>This definition includes where known and when acting in an official capacity: members of any Royal Family, officials of political parties and candidates for public office</p> <p>Officers or employees of organisations that perform regulatory oversight, investigative or disciplinary authority over any of UniCredit Group Legal Entities irrespective of ownership or control over such organisations shall be treated as Public officials</p> <p>A public official who obviously acts in a strictly private role vis-à-vis the bank does not have to be treated as public official unless the benefit is intended to or could be perceived to be intended to influence the receiver in his/her public function</p> <p>However, an individual does not cease to be a Public Official by simply purporting to act in a private capacity</p>
<p>Red Flag</p>	<p>A circumstance or fact that acts as a warning signal and suggests an increased risk of bribery and corruption</p>
<p>Risk assessment</p>	<p>Documented systematic process to evaluate the anticipated likelihood and possible impact of bribery and corruption, analyse and prioritise identified risks and evaluate the controls in place for their suitability and effectiveness to mitigate the risks</p>
<p>Service providers</p>	<p>Individuals or organizations that provide UniCredit with functional or any other support (e.g. communications, logistics, storage, processing services, etc.)</p>
<p>Sponsorship</p>	<p>A transaction that involves paying a fee in exchange for providing exploitable commercial opportunities associated with the agreed consideration. Sponsorship fee can be in monetary form or in kind.</p>

	Sponsorship, unlike charitable contribution is a commercial transaction and is done with the expectation of return for a sponsor following the agreed consideration
Suppliers and vendors	Individuals or organizations that supply goods and services to UniCredit Regarding suppliers/contractors the Risks include when a supplier/contractor makes payments and when they provide personal benefits to an employee of the Group in return for business mandates
Third party	Is a joint venture/consortium partner, agent, advisor, contractor, supplier and vendor, intermediary, service providers and other third party, performing similar tasks or functions For the purpose of this Policy the scope of third parties' relationships relevant to third party corruption risk are those when: <ul style="list-style-type: none"> <li>• a third party is paid a fee and;</li> <li>• as a result of the relationship, UniCredit gains or retains business, any other advantage or opportunity.</li> </ul> The Risks include when a third party providers make corrupt payments and when they provide personal benefits to an employee of the Group in return for business mandates For the purpose of this policy, relations with employees as well as with ultimate customers, who do not engage into relationships with UniCredit Group other than being the end users of its products are not in scope of third party risk management procedures
Third party risk rating	The level of bribery and corruption risk associated with or originating from relations with a particular third party
Whistleblowing	Is a process of reporting on the basis of reasonable belief on attempted, suspected or actual bribery and corruption.

## **2 GROUP PRINCIPLES OF ANTI-BRIBERY AND ANTI-CORRUPTION**

### **2.1 GENERAL PRINCIPLES**

The principles described in this policy are emanating from UniCredit commitment to integrity and sustainable way of doing business.

Through this Policy and its principles, UniCredit Board of Directors, the Chief Executive Officer, the General Manager, as well as the rest of the Top Management of UniCredit and Group Legal Entities (hereafter "Top Management") explicitly demand the Group to adhere to the fundamental values of integrity, transparency and accountability, consistently throughout the Group and in all jurisdictions where business is conducted, and to foster the culture of compliance in which bribery and corruption is never acceptable.

#### **2.1.1 Zero tolerance to corruption**

UniCredit Group has zero tolerance towards acts of bribery and corruption and prohibits them in any form, both direct and indirect. UniCredit Group will not tolerate its Employees or Third parties in any kind of relationship with UniCredit being involved in acts of bribery and corruption.

By committing to zero tolerance to bribery and corruption UniCredit Group commits that every behaviour in breach of the principles of this Policy and every concern raised as for possible act of bribery and corruption will be assessed and where appropriate investigated and disciplinary action will be taken in addition to the sanctions contained in the applicable regulations. No Employee will suffer demotion, penalty, or other adverse consequences for refusing to pay acts of corruption or reporting actual or attempted acts of corruption even if such refusal may result in the Group losing business.

The above principle is enforced by an adequate risk management processes and implementing a group-wide Anti-Bribery and Anti-Corruption Programme.

### 2.1.2 Commitment to combat bribery and corruption

UniCredit Group commits to proactively combat bribery and corruption in the environment we operate. UniCredit Group shall do this by promoting integrity and bribery and corruption-free way of doing business among the wide range of its stakeholders.

UniCredit Group is striving to be an industry role model by implementing best anti-bribery and anti-corruption standards and practices, investing into training and awareness of its Employees.

The Group is making best efforts to prevent bribery and corruption by its Third parties including deeper up or down the supply chain of our Third parties. UniCredit Group reserves the right to refrain from relationship with a Third party when doubts of possible corruption or bribery committed exist.

### 2.1.3 Commitment to global compliance

UniCredit has a large geographical presence and commit to comply with local law and regulation where we operate.

## 2.2 ANTI-BRIBERY AND ANTI-CORRUPTION STANDARDS

### 2.2.1 Dealing with Public Officials

Any activity of UniCredit Group in connection with Public Officials or persons associated with Public Officials may have both additional reputation risks and increased risk of compliance with applicable laws and regulations. As a general rule an escalation to Compliance function is needed for the following activities.

For any transfer of value including gifts, business hospitality or any other items of value that may be provided by the Group directly or indirectly to a Public Official, an involvement of the relevant Compliance function is necessary. The opinion of the relevant Compliance function must be obtained prior to offering, promising or giving a gift or business hospitality.

Compliance opinion can be provided specifically for single gift/business hospitality or generically for gifts/business hospitality below the particular threshold or particular event type (e.g. conference, seminar, presentation, etc.).

Connection to Public Official is also an increased risk factor for Third party relations. When it is known that a Third party is owned, controlled or managed by a Public Official requirements for enhanced due diligence might apply where appropriate.

In order to avoid corruption risks related with possible political patronage or nepotism all employment or internship relationship with persons associated with Public Officials, where known, these are to be based on a consistent recruitment process to ensure that candidates are qualified/eligible and do not receive special treatment. Those relations include offers of employment or internship, promotion, management of compensation and benefits, etc.

### 2.2.2 Facilitation payments

Facilitation payments, even small in size, but corrupt in nature are prohibited.

The Group does not make and will not tolerate its Employees or Third parties, in their relationship with the Group, offering, promising, soliciting, demanding, giving or accepting any kind of facilitation payments to or from any Third party.

### 2.2.3 Charity, sponsorship, donations

UniCredit Group is committed to being a responsible member of communities where it operates, to supporting those in need which may include sponsoring various events, initiatives and organisations.

In no case charitable contribution, sponsorship or donation can be used as a subterfuge for bribery.

All Charity and donation activities are done in good faith and are not aimed to gain any business or other advantage *quid pro quo* that may be considered improper. Sponsorship transactions, by their nature, may be done with the aim to gain business advantage in a transparent and legitimate way.

In case a charity, donation or sponsorship raises an increased bribery or corruption risk concern, prior to such charitable contribution, donation or sponsorship, an anti-corruption due diligence is conducted to ascertain the appropriateness of such.

Political donations in any tangible or intangible form are forbidden.

#### 2.2.4 Employment related risks

Human Resources (HR) activities, such as offering employment or internship, promotions and trainings are often deemed to be something of value and therefore giving, offering, promising such in order to obtain or retain an undue business advantage is considered bribery and corruption.

UniCredit Group condemns all kinds of unethical HR activities (as described above) which violate the principles of objectivity, competence, professionalism, and equal opportunities, irrespective if they fall under the formal definition of bribery and corruption.

Whenever an HR action in relation to a particular individual is solicited directly or indirectly by any customer, business partner, or any other Third party known to have any formal or informal relationship with the Group, or by any Public Official or a person associated with a Public Official, it shall be performed through a merit based and, when applicable, the usual competitive process, shall be subject to objective assessment and it shall be documented that any decision on this particular action wasn't based on the request of such Third party.

In order to avoid the risk of being perceived as bribery or corruption all HR practices, including but not limited to, offers of employment, both full time and part time, offers of internship, both paid and unpaid, providing training or development opportunities, promotions or transfers to another position, compensation review shall be made only through merit-based and, when applicable, competitive process.

#### 2.2.5 Mergers, acquisitions and significant investments

When UniCredit Group is involved in proprietary mergers, acquisitions, or significant strategic investments resulting in some degree of control over the target, the following risks arise:

- the other entity being part of the merger and as a result a part of the merged entity has been, or continues to be involved in bribery or corruption;
- that a target of an acquisition or significant investment has been, or continues to be involved in bribery or corruption.

In many jurisdictions successor company resulting from merger, acquisition, strategic investment or reorganization assumes liabilities of predecessors, including all kinds of civil and criminal liability for possible bribery and corruption crimes. Other risks include reputational risks and risks of direct damages from losing business previously obtained through corruption, etc.

In order to manage those risks UniCredit Group takes three main mitigation activities:

- Pre-transaction due diligence to ensure that all risks of possible previous bribery or corruption have been identified;
- Decision making to include all necessary anti-bribery and anti-corruption considerations;
- Post-transaction integration of the target, including, if necessary, remediation and implementation of robust Anti-Bribery and Anti-Corruption Programme to ensure that bribery and corruption have little chance to happen in future.

These rules apply to all transactions when a UniCredit Group Company is involved in merger, acquires or invests in another company ("target") or any other reorganisation activity, including credit restructuring process, resulting in gaining control or considerable degree of influence over another company, e.g. through the power of appointing members of control and executive bodies, through exercising veto rights, etc.

For the avoidance of doubts this chapter of the Policy does not apply to:

- intra-group transactions;

- M&A transactions where UniCredit has an advisory role only or only provides services to its customers;
- transactions performed by UniCredit Group in the course of proprietary trading for its own profit book or for hedging purposes.

Bribery and corruption risk related to engagement of a Third party in the course of a merger, acquisition or investment are covered by chapters related to Third party relationship management.

The purpose of anti-bribery and anti-corruption due diligence process is to discover or determine the likelihood of both current and historical bribery and corruption in relation to the target or other parties involved in the transaction.

Detailed guidance on anti-bribery and anti-corruption due diligence methodology is provided by the relevant connected Rules.

The final decision as to whether to proceed with the transaction shall include the detailed consideration of the due diligence findings related to bribery and corruption.

In case serious bribery or corruption risks are identified by due diligence, the decision shall also be taken as for whether remediation actions are needed post-transaction. Those remediation actions may include: seeking specific legal advice, renegotiating or re-tendering any contracts that have signs of bribery or corruption, removing employees or associates that might have been involved in corruption from the target company, reporting concerns to the relevant authority, etc.

After the closing of transaction, in case the acquired control over target allows the full integration, post transaction target integration shall, where possible, include implementation of all essential components of Anti-Bribery and Anti-Corruption Programme as per chapter 3 of this Policy.

## 2.2.6 Gifts and business hospitality

UniCredit Group acknowledges that giving gifts and providing business hospitality in order to express esteem, appreciation or gratitude is normal, legitimate part of doing business.

However in cases when the value or nature of gift, or business hospitality could be considered disproportionate or unreasonable to the circumstances, a gift or business hospitality may be seen as placing undue influence on its recipient, and such practice risks being perceived as bribery and corruption.

Therefore in order to avoid the risk of being perceived as bribing or being bribed the following principles are followed by the Group:

- gifts or business hospitality should be exclusively aimed at promoting, maintaining and strengthening the overall business relationship or expressing appreciation;
- gifts or business hospitality may not be given or received where they could be considered as placing an obligation or undue influence on the recipient or as a quid pro quo for pending or anticipated business;
- gifts in cash or a cash equivalent are prohibited;
- all gifts or business hospitality above certain threshold need pre-approval by relevant manager;
- all gifts or business hospitality to public officials or persons associated with public official are subject to the prior opinion of the Compliance function; more senior approval may be required by Compliance function in some cases;
- every gift or business hospitality shall be in compliance with laws and regulations of countries local to both giver (host, inviter) and recipient (guest, invitee);
- Employees are strictly prohibited from asking for gifts or business hospitality from any Third party and from accepting them if it is likely to conflict with any duties that employees owe.

All expenditure relating to gifts or business hospitality must be accurately and completely recorded and disclosed in the books and records by the relevant competent functions. Any undisclosed or unrecorded accounts, funds, assets or transactions are strictly prohibited in UniCredit Group.

Each UniCredit Group Legal Entity runs a register of all gifts and business hospitality which require approval in order to keep basic information of every approval and to enable controls to be performed.

## 2.2.7 Third party' compliance expectation

In the course of its business activity the Group engages in large number of relationships with Third parties.

As under many laws and regulations UniCredit Group may be called liable for bribery and corruption committed by a Third party, those relationships can present high risk of being involved or perceived to be involved in bribery and corruption.

Therefore, in order to effectively mitigate the risk of third party corruption the Group requests all Third parties, dealing with UniCredit and the Group Legal Entities, to comply with the relevant laws and regulations applicable, including local laws and laws that have extraterritorial applicability.

UniCredit Group requests every Third party to read and understand this Policy that is made available to them by publishing electronically on the web-site of UniCredit and its Companies (or in any case communicated through official communication channels).

The Group requests related to Third party' anti-bribery and anti-corruption compliance are expressed in the form of anti-bribery and anti-corruption clause that is to be included in written agreements with Third parties. This includes UniCredit Group right to suspend or terminate the relationship whenever any Third party is known or may reasonably be suspected to be involved in bribery or corruption.

The compensation paid by UniCredit and any Group Legal Entity to any Third party can only be a fair remuneration for legitimate goods/services. Funds paid shall under no condition be paid as bribes or channelled, including through any other party, for any corrupt purposes.

UniCredit Group encourages all Third parties it is doing business with to implement Anti-Bribery and Anti-Corruption Programme as the one of UniCredit where local laws and regulations may permit so.

## 2.2.8 Management of Third party risk

Payments to any Third party, knowing that all or part of the money paid will be used for corrupt purposes may lead to civil and criminal liability. Therefore UniCredit Group manages relationship with Third parties based on the Third party' corruption risk.

The Third parties in scope of this Policy include but are not limited to the following:

- Intermediaries;
- Joint venture or consortium partners;
- Agents;
- Advisers;
- Contractors and direct sub-contractors;
- Suppliers and vendors;
- Service providers;
- Other Third parties, performing similar tasks or functions.

For the purpose of this Policy, relations with ultimate customers, who do not engage into relationships with UniCredit Group other than being the end users of its products are not in scope of Third party risk management procedures.

UniCredit Group sets the significance threshold to determine the annual value of the relationship below which the risk of Third party bribery and corruption is not significant enough and no application of due diligence and controls is required.

Prior to establishing a relationship, the bribery and corruption risk of the Third party should be assessed, and a risk rating should be assigned. All Third party relationships above the set significance threshold should be assigned one of the three risk ratings – low medium or high.

Assigning a risk rating to the relationship is the responsibility of a business sponsor – an Employee, who is initiating the relationship.

Prior to establishing a relationship with Third party the anti-bribery and anti-corruption due diligence has to be performed.

The purpose of Third party due diligence is to gain reasonable confidence that a Third party does not make corrupt payments, and that business relationship is a normal, legitimate one. Due diligence should be documented so that the business sponsor or local Compliance function performing it could clearly demonstrate to others that his/her confidence is justified.



Due diligence procedure is usually performed by a business sponsor, approved by a business sponsoring unit/department manager or by Compliance function when requested and reported to Compliance function.

When entering into a relationship, a written agreement with a Third party must include an anti-bribery and anti-corruption clause. When due to any legal constraints signing of written contract with a Third party is not possible, a representation letter should be obtained from a Third party before engaging into a relationship.

For all long term relationships, risk rating assigned should be periodically reconfirmed or changed by re-applying the checklists to the relationship after some time and re-evaluation can trigger a need for additional due diligence.

Detailed instructions on how to perform bribery and corruption risk rating assignment, due diligence, relevant checklists and questionnaires as well as specific agreement clauses are provided by the relevant connected Rules.

### **3 ANTI-BRIBERY AND ANTI-CORRUPTION PROGRAMME**

In order to adhere to commitments and principles of this Policy UniCredit runs a group-wide Anti-Bribery and Anti-Corruption Programme.

Each Group Legal Entity is to run a local Anti-Bribery and Anti-Corruption Programme that is mirroring the group-wide program taking into account local legal requirements.

Each Group Company that has a Compliance function shall appoint a person responsible for its Anti-Bribery and Anti-Corruption Programme - the Local Anti-Corruption Officer. Group Legal Entities which do not have Compliance function - due to their limited dimensions - may appoint a joint Anti-Corruption Officer shared among all such entities or the role may be performed by the parent entity's Anti-Corruption Officer.

The group Anti-Bribery and Anti-Corruption Programme consists of the following essential components, which altogether set a minimum standard for Anti-Bribery and Anti-Corruption Programmes of the Group Legal Entity:

- Group Anti-Bribery and Corruption Risk Assessment;
- Policies and written procedures;
- Tone from the Top;
- Controls;
- Raising concerns;
- Management information and periodic reporting;
- Records' keeping.

#### **3.1 GROUP ANTI-BRIBERY AND CORRUPTION RISK ASSESSMENT**

The purpose of the bribery and corruption risk assessment is to enable the Group to identify the bribery and corruption risks to which its Legal Entities are exposed in their activities, to determine the extent to which Legal Entities' control frameworks manage those risks and to measure the residual risk level.

A periodically updated risk assessment of business activities conducted by a Legal Entity is giving a comprehensive picture of which parts of the business or other activities might be most vulnerable to corrupt practices and whether the controls in place mitigate the existing inherent risks.

The results of the risk assessment should be reported to and reviewed by the local Governance body and Group function in accordance with GP - Group Compliance Risk Evaluation Methodologies.

#### **3.2 POLICIES AND WRITTEN PROCEDURES**

The Anti-Bribery and Anti-Corruption Programme requires the design and maintenance of dedicated written internal rules, policies and procedures. These have to be in line with the applied legislation and the Group standards.

The minimum standard of compliance for any local policies or operational regulations is in any case set by the current Policy and corresponding Rules. Should some of the requirements contained in this Rule be less restrictive than the local law, the Group Legal Entities should adopt the more restrictive local regulations in force.

### 3.2.1 Training

One of the key tasks of UniCredit Group's Anti-Bribery and Anti-Corruption Programme is to establish and maintain a culture where bribery or corruption is never acceptable. For this purpose the Group is investing in its Employees' knowledge and awareness.

In order to ensure a minimum Employees' knowledge of anti-bribery and anti-corruption, UniCredit and its Legal Entities put in place a mandatory training. All employees are required to undertake an anti-bribery and anti-corruption training at least every two years, and new joiners for the Group within three months of joining. Both types of training should incorporate information on the Company's anti-bribery and anti-corruption internal rules, including details of relevant contacts for anti-bribery and anti-corruption reporting and escalation. In most case the training is to be provided online. Whenever not possible to deliver it online, face-to-face trainings are to be provided.

Each Group Legal Entity should also ensure a tailored training to different business areas or key senior management, front office and/or support staff, identified as having greatest exposure to anti-bribery and anti-corruption issues or who are involved in the operation of key anti-bribery and anti-corruption controls.

Each Group Legal Entity should ensure it promptly communicates significant changes to anti-bribery and anti-corruption regimes, changes to local policies and operational regulation or internal systems and controls, to all relevant staff.

## 3.3 TONE FROM THE TOP

To ensure the right level of attention and importance of the anti-bribery and anti-corruption topic to employees, and thus maintain the culture compliance where bribery or corruption is never acceptable, the Top Management of UniCredit and the Group Legal Entities are periodically vocal and, act as supervisors for the activities aimed at emphasizing the importance of anti-corruption compliance. Those may be part of larger internal communication initiatives.

## 3.4 CONTROLS

In order to mitigate the risks related to bribery and corruption UniCredit Group Legal Entities perform regular controls. Those include first-level and second level controls.

The minimum set of first level controls to be performed by UniCredit Group Legal Entities to cover major bribery and corruption risks are:

- Ex-ante controls for gifts and business hospitality provided and received;
- Ex-ante controls on mergers, acquisitions, significant investments;
- Ex-ante controls on engagement of Third parties;
- Ex-ante controls on charity, sponsorships and donations;
- Ex-ante controls on employment related activities, i.e. hiring, internships, promotions, etc.;

First level controls may be performed by both business sponsor and relevant manager to business sponsor or relevant competence line (e.g. Procurement, HR, etc.).

Each UniCredit Group Legal Entity performs second level controls per country control catalogue approved by Group Anti Financial Crime and other Group Compliance functions as may be required. Second level controls are performed by local Compliance function.

Whenever due to the size or quantity of transactions it is not possible to perform the second level control on the full scope of transactions performed, a representative sample is determined for such second level control.

Any Group Legal Entity, based on the local anti-bribery and anti-corruption risk assessment, and local legal requirements in force, may introduce controls additional to the minimum requirements of this group Policy. This is relevant for both first and second level controls.

For the avoidance of doubts, controls performed by internal Audit or external audit functions are not subject to this Policy.

### 3.5 RAISING CONCERNS

In order to detect any possible act of bribery or corruption, any behavior in breach of anti-corruption laws and regulations, breach of principles of this policy or any anti-bribery and anti-corruption local internal regulations, the Group relies on its Employees, customers, partners and other third parties it does business with, and encourages them, to raise concerns and report suspicions, related to possible bribery, as early as possible.

For these purposes UniCredit provides several safe and secure channels, as regulated by the relevant Group Policy on Whistleblowing and corresponding local regulations implemented by the Group Legal Entities.

Those channels usually include:

- telephone line for a whistleblower to leave a voice message;
- website for whistleblower to leave a written message;
- e-mail address for whistleblower to send an electronic message;
- physical address for whistleblower to report in paper form.

UniCredit Group legal entities may decide to use different channels. However, those should always provide an option of anonymous whistleblowing, where allowed by local law.

UniCredit Group guarantees full confidentiality of whistleblower's identity, where allowed by local law as well as full protection against any discrimination or retaliation of its employees when raising concerns. Equal attention is given to anonymous reports.

Any action aimed to illegally uncover the identity of a whistleblower, or retaliate on a whistleblower is considered a breach of this policy and is subject to relevant disciplinary proceedings.

Information on the whistleblowing channels in place is made available by each UniCredit Group Legal Entity, usually by publishing electronically at corporate web-site.

UniCredit investigates all bribery and corruption whistleblowing reports unless there is a lack of important information to start an investigation or when the received signals are clearly false.

### 3.6 MANAGEMENT INFORMATION AND PERIODIC REPORTING

Each Group Legal Entity periodically reports to the Group Head of Anti-Corruption on the status of implementation of the local Anti-Bribery and Anti-Corruption Programme and on all events relevant to anti-bribery and anti-corruption (to the extent allowed by the local law). The reporting period is at least quarterly.

Each Legal Entity has to report the status of the local Anti-Bribery and Anti-Corruption Programme to the relevant local governing body at least annually. At the Group level the report on status of implementation and the effectiveness of Group Anti-Bribery and Anti-Corruption Programme is reported to relevant Committee annually.

### 3.7 RECORD KEEPING

All Group Legal Entities recipients of the current rules maintain accurate and fair recordings of all transactions in official books and records and no undisclosed or unrecorded accounts, funds, assets or transactions for any purpose.