

# Strengthening stakeholder relationships

Listening to the full range of our stakeholders is central to how we work. We continually seek their feedback to **strengthen stakeholder relationships and improve how we meet their needs.**

We encourage our stakeholders to share their views and concerns, and work hard to respond quickly and accurately. Gathering and analysing stakeholder feedback not only provides us with valuable insights into their needs – it also helps us manage the risks and opportunities we face and underpins our drive to achieve long-term sustainability.

In 2023, we continued to leverage a broad range of stakeholder engagement tools:

### Dialogue tools with stakeholders

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#### Clients

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##### Channels

- Client satisfaction assessment
- Brand reputation assessment
- Mystery shopping
- Instant feedback
- Focus group, workshops, seminars

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##### Key facts

**428,513**

clients and prospects interviewed for our client satisfaction survey

#### Colleagues

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##### Channels

- Internal clients' perceptions of headquarters' services
- Group Intranet Portal
- Departmental online communities

Page **86** Read more in the Human Capital chapter

##### Key facts

**30,000**

colleagues participated in the Culture Day across all UniCredit countries

## Investors/shareholders

### Channels

- Quarterly webcasts and conference calls to present results
- One-on-one and group meetings, calls
- Shareholders' meeting

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### Key facts

**284**  
meetings

**25**  
roadshows with  
institutional investors

## Regulators

### Channels

- One-on-one and group meetings, calls

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### Key facts

**Proactive engagement**  
and contribution to the debate  
on the regulatory framework

## Communities

### Channels

- Surveys
- Social media

### Key facts

**c.964,500**  
followers on social media

Deep dive

# » ESG Day: Setting a benchmark for stakeholder engagement

Our ESG responsibilities go far beyond how and what we finance. We also have a valuable opportunity to guide our stakeholders and bring them with us as we set new benchmarks for our industry. We want to be pioneers in creating behavioural change – helping clients in high-emitting sectors to transition while looking at how we can integrate ESG into our own day-to-day operations.

**Education and engagement** will be an important part of that journey, so we need to find new ways to strengthen our relationships with our clients, our people and our shareholders. We are committed to **listening to and learning** from all our stakeholders, to better understand the challenges they are facing – in turn giving us the opportunity to show them how UniCredit can help how they bank.

### Hosting our first ESG Day

To make good on our commitment, in 2023 we hosted our inaugural ESG Day. Months in the making, the one-day event saw more than 12,000 participants join either online from all the countries or in-person at our Gae Aulenti and Lampugnano offices in Milan.

At its core, the event was an opportunity to stimulate stakeholder dialogue while continuing to raise awareness of climate change, social inequalities, biodiversity and the circular economy, as well as our own role in fostering the necessary change in mindset.

Attendees included colleagues, clients and partners, alongside a host of renowned experts who dived into a series of engaging discussions covering the full spectrum of ESG topics.

In addition to opening addresses from our CEO and Head of Italy, Andrea Orcel, Head of Group Strategy & ESG, Fiona Melrose, and Joanna Carss, Head of Group Stakeholder Engagement, participants heard keynote speeches from Telmo Pievani, Full Professor at the Department of Biology, University of Padua, and Matteo Ward, sustainable fashion entrepreneur and CEO and co-founder of WRÅD.

One of the key takeaways from Mr. Pievani's opening keynote was the need for **cathedral thinking** – the concept of laying the foundations of our future more sustainable world.

### Wide-ranging sessions

Elsewhere, the opening panel session – “The road ahead: Safeguarding the climate in troubling times” – framed an important discussion. Panellists agreed that, amidst the complexity, there is still work to be done to foster transparency, ownership and strong governance when addressing the intricacies of climate change. The ideas of new ESG-focused start-ups – such as digital and AI tools for measuring resource consumption or extracting raw materials with minimal emissions – provided grounds for optimism.

This was followed by a panel called “The social debate: Putting the ‘S’ centre stage”, where participants advocated for a clear multi-stakeholder approach and precise impact measurement for social initiatives, underpinned by education for clients and communities.

# 12,112

participants (online and in-person)

# 14,032

visits to our ESG Day landing page during the event



There was a dedicated session on two nascent topics at the heart of UniCredit's future plans: "Bolstering biodiversity and shifting to the circular economy". The discussion focused on the intrinsic link between climate change and biodiversity – as the climate changes, habitats get lost, and so does the biodiversity that relies on those habitats. Ecosystems are tightly interconnected and interdependent, and this balance can be quickly undone.

The event was intersected by two impressive creative interludes – the first an immersive journey through the sights and sounds of climate change, "Silence Makes Noise", and the second an inspirational performance by the AllegroModerato orchestra.

The event continued with a dynamic and interactive format where participants were fully immersed in ESG workshops. Topics included materiality – gathering feedback from clients, NGOs, investors, partners and our colleagues on UniCredit's materiality analysis to support our business strategy and long-term value creation – climate change and transition, circular economy and biodiversity, youth and education, and green- and social-washing prevention strategies.

We also held an interview with Professor Marco Giorgino, Full Professor of Financial Markets & Institutions at Politecnico di Milano, on the relevance that governance could have for the sustainability of a company.

We are already planning our **ESG Day 2024** and look forward to continuing our rich and invaluable stakeholder dialogue throughout the year.

**"The purpose of this event was to enrich our ongoing dialogue with key stakeholders by creating a space for impactful discussions around some of the most critical challenges we all face today. This dialogue is fundamental in helping us fine-tune our approach as we continue our path to be the Bank for Europe's future."**

**Rossella Iorio**

Head of ESG Service Excellence, UniCredit

[Read more on the website](#)

## Materiality analysis

**The creation of long-term value for the Group depends on our ability to meet stakeholder needs. We therefore carry out an annual materiality analysis to make sure we gather and take into account feedback on bank industry topics from a variety of stakeholder sources. This process helps us to identify and address the issues that are most material to stakeholders, including emerging risks.**

During 2023, our impact materiality assessment set out our progress toward implementing the 2021 GRI Standards Update. This update guides how we report sustainability information and is helping us modify our analysis to pave the way for the introduction of the new **Corporate Sustainability Reporting Directive (CSRD)**. We have assessed sustainability impacts, risks, and opportunities (IRO) across the environmental, social, and governance matters deemed to be material from a double materiality perspective: impact materiality and financial materiality.

This year's analysis has led us to make some changes to material topics. We have reduced the list of material topics from 14 to 10, in line with our understanding of what is significant to our business and our stakeholders. We have also adjusted the scope of our material inputs to align with external trends. The following material topics, which were presented in our 2022 analysis, have now been merged into single topics: the "Bank Solidity" and "Lean and Transparent Organisation" topics have been merged as "Lean and Solid Bank"; "Employee Empowerment", "Diversity and Inclusion", and "Future of Work" have become "Diversity, Inclusion and Employee Engagement"; and "Business Ethics" and "Fair Business Behaviour" have been brought together as "Business Ethics".

For each material topic, we have identified the related impacts, risks, and opportunities – based on our activities and business relationships, the context in which these take place, and our understanding of the stakeholders most affected.

The list of negative and positive impacts for each material topic informed our impact materiality assessment. Also known as an **inside-out** perspective, this details our impact on people or the environment, which are both key stakeholders. The list of risks and opportunities informed our financial materiality assessment. Frequently referred to as an **outside-in** perspective, this identifies the effects of sustainability matters on our cash flow, financial performance, financial position, access to finance in the short-, medium- or long-term, or cost of capital.

The groundwork for our double materiality perspective involved leveraging different **internal and external sources**.

Internally, we deployed our **new Impact Measurement Model** (see deep dive below) to provide the actual and potential positive and negative impacts resulting from the Bank's activities. These activities were prioritised by involving and listening to the relevant internal functions, as well as our ESG department. The list of IROs and a **dedicated study of the priorities** were submitted to our senior management (GEC members), who were asked to assess the significance to stakeholders in terms of actual, potential, and magnitude of impact as well as the impact on our long-term value creation – in terms of risks and opportunities – to the financial effects in the short-, medium- and long-term.

External views were sourced via the **Datamaran tool**, which allows us to analyse our material topics from a double materiality perspective. The tool indicates impact materiality by leveraging the sustainability reports from industry peers, the most significant laws and directives, and the latest news on our sector in online media and social networks.

Regarding financial materiality, Datamaran takes into account the annual financial reports from industry peers, the mandatory regulations and voluntary initiatives from financial markets, and SASB standards regarding capital.

The outcome of the analysis is depicted in the materiality tornado chart on page 32, where we have aggregated the results from the different internal and external sources for both, impact and financial materiality. Moreover, the IRO table (page 33) lists the results of the internal assessment evaluating actual and potential impact as well as the impact on our long-term value creation – in terms of risks and opportunities.

### Deep dive

## » Impact Measurement Model

**In 2023, we developed an Impact Measurement Model (IMM) to measure and disclose our impact on the environment and communities, integrating both direct and indirect impacts on E (Environmental) and S (Social) dimensions.**

In order to outline causality links between outcomes and banking activities, the new IMM model builds upon the **Theory of Change** (ToC), which focuses on expected positive outcomes, with negative outcomes taken into account through an impact risks analysis and included in the model as a detriment of the positive outcomes. The perimeter of activities in scope is very extensive and heterogeneous, considering both financial and non-financial interventions and providing a framework to connect impacts at the activity level to the strategic results of the Bank and its overall impact on the goals of relevant stakeholders.

We have developed an internal methodology based on a unique, holistic, and integrated approach that considers current practices and international standards, such as the **UN SDGs**, the **EU Taxonomy**, the **Impact Management Project (IMP) norms**, the **UNEP FI Principles for Responsible Banking**, the **B4SI framework**, and the **Integrated Reporting framework**.

Our ambition is for the IMM to provide **ex-post** assessment and measurement of the impacts achieved by our intervention for the affected stakeholders. At the same time, we aim for it to be a managerial tool for **ex-ante** impact evaluation which will enable us to direct financial resources towards initiatives with greater potential for generating a positive impact.

# Stakeholder Engagement

## Materiality tornado chart

The materiality tornado chart, shown below, is a key result of this year's materiality analysis. The chart is a graphic representation of the process of identifying and prioritising material issues by assessing the **severity** of the impacts, risks, and opportunities related to them, thus applying a double materiality approach: inside-out (actual and potential impacts on each material topic) and outside-in (the impact of each material topic on the Bank's growth, performance, and position).

The different internal and external sources have been ranked according to a weighted average approach, where the same weight has been applied to each source. In the chart, each score is classified on a scale from low- (very low) to high+ (very high), and each side of the tornado graph represents one of the impact types, the financial impact and impact materiality have a scoring system from 0-1.

There is a continuity in the prioritisation of material issues compared to previous years. Indeed, this year's materiality analysis results in Digital security being one of the most outstanding material issues from both perspectives, impact and financial. This result is indeed answered by our Digital Security Strategy that ensures a suitable level of oversight and protection of digital assets, data, and information. Moreover, in 2023 we established a new organisational structure, integrating Corporate Security into Digital Security.

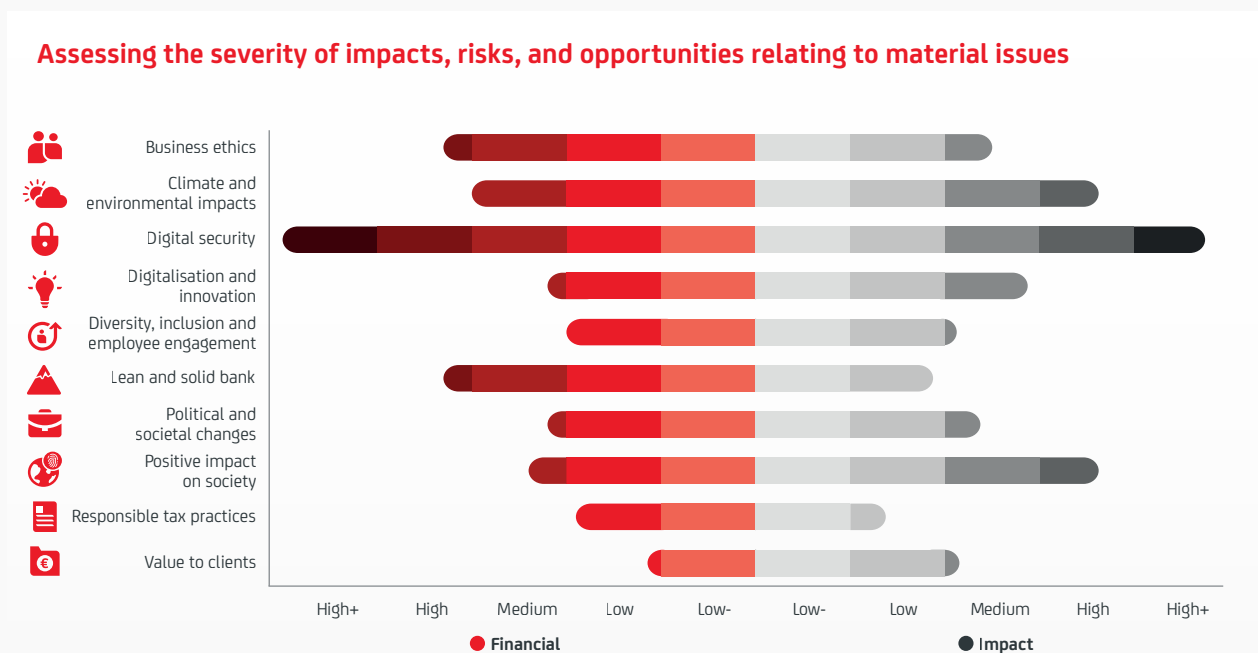
**Page 126** Read more in the Intellectual Capital chapter

More specifically, from the impact materiality analysis, the topics that ranked the highest are Climate and environmental impacts and Positive impacts on society. The several commitments undertaken by our Group represent the answer to these results: the Net Zero progress, the Biodiversity pledge, and the circular economy new initiatives demonstrate our impact towards a more sustainable UniCredit. Moreover, we acknowledge that we have a social role that goes far beyond lending, assisting our clients and communities in making meaningful progress towards a more sustainable, inclusive, and equitable society in the long term.

**Page 138** Read more in the Natural Capital chapter and Social and Relationship Capital chapter

From the financial materiality analysis, the topics that ranked the highest are Business ethics and Lean and solid bank. In that regard, our outstanding Group results prove that we keep transforming and structurally improving our Bank with a clear vision, strategy, and quality growth underpinned by capital and operational excellence. We are introducing several initiatives to simplify and delay our organisation while streamlining our processes.

**Page 80** Read more in the Financial Capital chapter



## Table of impacts, risks and opportunities

The table of impacts, risks and opportunities, so-called IRO table, is another key result of this year's materiality analysis that will inform our focus and priorities.

For each material topic, we identified the actual and the potential positive and negative impacts directly caused by UniCredit's operations and value chain on people or the environment. This can be seen under "Impact materiality" in the table below, which covers material information about our impacts on sustainability matters.

The table also outlines risks and opportunities that may cause financial effects – for example, an impact on the Bank's cash flow, financial performance, and position in the short, medium and long term. This can be seen under "Financial materiality" in the table below, which covers material information about risks and opportunities resulting from sustainability matters.

The outcome is a list of six impacts (three positives and three negatives), three risks, and three opportunities for each material topic.

### 1. Digitalisation and innovation

Being proactive, acting promptly and promoting innovation; contributing to social and economic progress and innovation as well as the well-being of countries, developing products and services to support research and innovation-intensive industries, by leveraging analytics, as they become increasingly significant, with positive and negative implications

#### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Transformation of the distribution and production model of the Bank, making it more sustainable through greater digitalisation, the adoption of cloud solutions, and the widespread and effective use of analytics and artificial intelligence	Actual	Potential failure to manage innovation and digital transformation processes	Potential
Creation of new technology solutions that enhance the product user experience through personalised services and innovative solutions	Actual	Exclusion of groups that may not be able to adapt to digitalisation (e.g. due to lack of technology, age, sociological context)	Potential
Development of sustainable finance products and services for business growth that support sustainable transition	Actual	Potentially, employees could be impacted if workplaces disappear due to man-machine replacement	Potential

#### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Large investments in digital infrastructure are required, yet still risk underdelivering on customer expectations	Medium term	Positioning and recognition by stakeholders, especially customers, as an innovative and digital company	Medium term
Unexpected shifts in client expectations and disruptive technologies	Medium term	Leveraging new technologies and analytics (e.g. big data, machine learning) to enhance the risk management process	Medium term
Loss of market share due to a non-competitive and non-inclusive digital and ESG products offering	Medium term	Development of innovative digital and ESG product offerings which reflect client needs in order to create sustainable long-term value	Medium term



## 2. Lean and solid bank

Being a stable and solid reference point for all stakeholders by building a long-term foundation for financial stability while supporting all stakeholders in an uncertain environment; being a simple and lean organisation by guaranteeing lean and efficient bank procedures and processes, proposing and offering simple and easy to understand products/services, using effective and clear communications

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Maximum generation of value and its distribution to shareholders/ stakeholders	Actual	Dissatisfaction of the company's shareholders/stakeholders due to potential reduction in the value of the organisation as a result of poor corporate performance	Potential
Full customer satisfaction in terms of the quality of product or service provided, including adherence to timelines in delivery and transparent communications	Actual	Negative impacts on customers and end users caused by misleading communications and misrepresentation or in terms of product and service presentation	Potential
Positive contribution to the health of economies and socioeconomic well-being	Actual	No contribution or negative contribution to the health of economies or socioeconomic well-being	Potential

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Uncertain and volatile economic, geopolitical and environmental scenarios affecting our short- and long-term planning	Short term	Strong capital position, with a lean and solid structure increase stakeholder confidence	Short term
Negative market developments can spread from economies, exacerbating the Bank's environment	Short term	Leaner processes can increase our flexibility and speed of response to external challenges	Short term
Bank's internal structures not ready to respond to a constant expansion of the regulatory framework	Medium term	Anticipating the regulatory framework updates can help us expand and strengthen our business	Medium term

### 3. Diversity, inclusion and employee engagement

Fostering and improving a Culture of inclusion, fairness and respect by promoting equal opportunities in the workplace and valuing employees' well-being so all can maximise their potential; enhancing employees' professional skills and accelerating their professional development through transparent and fair mechanisms; being committed to managing the impacts that global trends such as digitalisation and demographic change have on jobs, ensuring that employees are able to perform new and future jobs well

#### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Promotion of employee well-being through the implementation of dedicated well-being activities and benefits within a healthy and stimulating working environment	Actual	Adoption of practices in terms of well-being that do not meet employees' expectations, with consequent impacts in terms of satisfaction and increased turnover	Potential
Respect for diversity and promotion of an inclusive corporate climate through anti-discrimination activities and corporate initiatives	Actual	Negative impacts on employee satisfaction and motivation due to discrimination (related to gender, age, ethnicity, etc.) or other non-inclusive practices	Potential
Improved workers' skills through training and professional development activities, general and technical programmes, also linked to personalised growth and evaluation objectives (e.g. career development plans)	Actual	Failure to meet staff growth and well-being expectations, with a consequent negative impact on staff satisfaction	Potential

#### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Low attraction and retention of talent impacts on succession plans and pioneering in new business areas	Medium term	Transform employees into an innovative and tech-oriented workforce, anticipating future trends	Medium term
Disruptive technologies and tough competition may force a significant reskilling of employees	Medium term	Investing in training employees in modern skills can maintain our leadership in evolving market conditions	Medium term
Decrease in people engagement due to lack of incentives in terms of development, inclusion and work-life balance	Medium term	Becoming an employer of choice with widespread diversity, a culture of inclusion and concrete work-life balance solutions which encompass a new, flexible approach	Medium term

## 4. Climate and environmental impacts

Develop a climate change strategy to manage transition risks and physical risks arising from a changing climate; seizing related opportunities in order to mitigate the impacts on global temperature and to enhance climate resilience as well as ecosystems other than climate

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Fostering greater awareness and shared commitments related to climate and environmental issues across companies and other organisations	Actual	Exclusion of clients exposed to relevant climate and environmental risks, which in turn might mean loss of financing and economic losses	Actual
Acceleration of business transformation and support for the long-term development of companies	Actual	Unintended environmental consequences given that climate change mitigation actions might negatively impact other ecosystems and social structures (e.g. biodiversity loss due to large renewable energy infrastructures; communities' displacement; land loss)	Potential
Support for projects and activities that foster positive environmental outcomes such as renewable energy and nature-friendly companies, thereby supporting regulations and efforts to enable an effective transition to a low-carbon economy	Actual	Unintended social consequences given that the exclusion of sectors exposed to climate and environmental risks could affect social structures (e.g. job losses)	Potential

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Reputational risk – the Bank's communications and commitments could potentially be perceived as greenwashing	Short term	Integrating environmental criteria in risk assessment and financing decisions helps mitigate credit and financial risks through a proper evaluation of the climate/environmental risks and inclusion in existing processes and procedures	Short term
Regulatory risk – regulations might quickly change therefore requiring a strong and costly effort for the Bank to adapt and change strategy	Short term	Creation and promotion of innovative financial products focused on green and sustainable investments, thereby contributing to the protection of natural capital through the development and financing of activities not related to the organisation's core business	Short term
Exposure to environmentally-related activities can result in the loss of value of assets in response to environmental crises or changes in environmental policies	Medium term	Foster collaboration among environmental organisations and other stakeholders to develop shared solutions and enhance the effectiveness of initiatives and products	Medium term

## 5. Business ethics

Basing our business practices on strong ethical fundamentals: respecting and supporting human rights within our sphere of influence and reinforcing a culture of compliance at all levels of our organisation; recognising the importance of environmental, social and governance issues and embedding them into specific business strategies; maintaining high standards for fair business behaviour and responsible procurement practices and expecting senior management and employees to treat all stakeholders with fairness and respect

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Positive contribution to the achievement of ethical, resilient and solvent institutions	Actual	Failure to maintain a strong ethical corporate culture could lead to internal challenges, such as increased employee turnover, reduced morale, and weakened commitment to fair business practices	Potential
Positive contribution to the health of the economy through access to quality and transparent financial services	Actual	Implementing stringent ethical standards may disrupt traditional market practices, for example, challenging suppliers or competitors that may not be as quick to adapt – this could lead to a complex competitive landscape and introduce uncertainties in the industry	Potential
Awareness and dissemination of the culture of ethics and human rights by the management, employees, business partners and other stakeholders increases responsibility and fair practices across value chains	Actual	An ethical stance may inadvertently contribute to broader economic changes with localised negative effects (e.g. job displacement)	Potential

## 5. Business ethics continued

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Risks associated with corporate criminal liability due to unethical business practices, which may result in legal actions or financial penalties	Medium term	Maintain a high reputation and positioning among stakeholders with strong business ethics, by avoiding non-compliance sanctions and contributing to communities' well-being; and differentiate the Bank through ethical branding	Short term
Loss of competitiveness/revenue due to inadequate product and service design, including abusive clauses, wrong target audience, misallocation of customer risk level, etc.	Medium term	Increasing awareness of the importance of human rights and ethics in general within the Bank and client base, helps build a safe workplace for employees	Short term
Reputational risk related to non-compliance with ethical standards, leading to loss of trust among clients, investors, and other stakeholders	Short term	Opportunities to invest in projects and companies aligned with ethical standards and sustainable principles, attracting socially conscious investors and contributing to positive social and environmental impacts	Medium term

## 6. Political and societal changes

Considering the impacts of political and societal changes on all our banking business activities, in terms of supply and demand for products and services as well as the well-being of clients and colleagues

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Support and promotion of financial products and initiatives that foster social inclusivity, aligning with evolving societal values	Actual	Changes in political and social regulations may disrupt the Bank's operations or require adjustments	Potential
Financial support for projects or investments that contribute to political stability, enhancing economic development and investor confidence	Actual	Changes in political landscapes may result in the adoption of economic policies that inadvertently exclude certain demographics or industries, potentially leading to economic disparities and limiting opportunities for inclusive growth	Potential
Engagement with community empowerment programmes, contributing to social development and fostering positive relationships with diverse communities	Actual	Political and social change might contribute to the erosion of social cohesion (e.g. tension within communities), with potentially negative implications for the overall well-being in societies where the Bank operates	Potential

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Political and regulatory risk, affecting the Bank's ability to operate or comply with new requirements	Short term	Invest in socially responsible projects or industries aligned with emerging political and social values, thereby mitigating regulatory and reputational risk	Medium term
Social unrest or dissatisfaction that could harm the reputation and the trust of stakeholders	Medium term	Opportunities for the Bank to advocate for positive social changes that align with ethical and sustainable principles, contributing to long-term stability	Medium term
Challenges related to evolving legal and compliance requirements in response to political and social changes, requiring ongoing monitoring and adaptation and introducing operational risks	Medium term	Manage potential sociodemographic shifts that could impact our business	Medium term

## 7. Positive impact on society

Understanding the priorities of communities to support sectors and enterprises which can create environmental, social, and economic positive impacts for individuals and the community, fostering a just and fair transition

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Inclusive financial products and services that cater to underrepresented or marginalised communities, promoting financial inclusion	Potential	Potential over-indebtedness of clients	Potential
Support for community development programmes that can drive positive socioeconomic impacts	Actual	Overreliance on philanthropic efforts may create dependencies within communities, thereby affecting their long-term sustainability	Potential
Contributions to various social causes such as education, health, and community development	Actual	Uneven distribution of resources could result in the Bank's efforts inadvertently leading to certain communities receiving more support than others. This could contribute to disparities and reinforce social inequalities	Potential

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Risks associated with the financial performance of inclusive products and services such as unexpected costs or lower-than-anticipated rates of adaptation	Medium term	Opportunities to expand financial access and education to underserved communities	Medium term
Reputational risk associated with social washing, with potential negative perceptions if the philanthropic efforts or support initiatives are not effectively communicated or implemented	Short term	Strategic community partnerships, collaborations with local organisations and community groups to create sustainable and impactful programmes	Medium term
A heavy reliance on local economies may lead to vulnerability in the face of economic downturns or regional challenges	Medium term	Establish and promote employee volunteering programmes that contribute to local communities, but also create a positive work environment for employees	Short term

## 8. Digital security

Building and maintaining an environment in which the confidentiality, integrity and availability of all data and information are protected from relevant cyber threats

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Increase in digital skills, knowledge and opportunities of employees	Actual	Increased difficulty in accessing products and services of vulnerable customers with low digital skills (e.g. elderly people)	Actual
Improved user experience and increased digital accessibility of clients, attracting new customers and solidifying relationships with existing ones	Actual	User resistance to enhanced security management if they perceive them as overly complex or time-consuming, potentially leading to dissatisfaction	Potential
Increase in the Bank's detection and response capabilities and strengthening the cybersecurity of sensitive data and IT infrastructures across the financial industry	Actual	Breach and loss of customer data and poor cybersecurity management	Potential

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Threat of critical breakdown and cyber attacks to our ICT systems, potentially exacerbated by the increase in smart-working	Short term	Strong and safe ICT systems represent a building block for stakeholder trust	Short term
Increased risk of data breaches (cybersecurity incidents), as the Bank may attract more attention from sophisticated cyber attackers seeking to exploit vulnerabilities	Short term	Opportunities to partner with cybersecurity innovators, fostering collaboration to develop and implement cutting-edge security solutions	Short term
The rapid evolution of digital security technologies as well as regulatory requirements could pose risks in terms of noncompliance and therefore have legal consequences, due to challenges in keeping pace with change	Short term	Enhance the Bank's reputation for trustworthiness, which can be leveraged to increase the customer base and enhance relationships with existing clients	Short term



## 9. Value to clients

Being close to clients, understanding their needs and promptly developing products and services for families and companies that support their prosperity and growth (e.g. innovation, internationalisation, research and development) and are good value for money

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Greater financial education leading to an increase in knowledge of participants within the communities	Actual	Misleading advertising and marketing strategies	Potential
Increased customer satisfaction as the Bank meets their expectations	Actual	Failure to satisfy customers and meet their expectations (expectation mismatch)	Potential
Improvement of the user experience	Actual	Over-reliance on the Bank's support for community development may create dependencies among local organisations and with some initiatives	Potential

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Loss of market share due to a non-competitive products offering	Short term	Develop a product offer and commercial strategy which really reflects client needs in order to create sustainable long-term value	Medium term
Loss of market share and business focus if banking is not driven by client needs	Medium term	Positively differentiate the Bank's brand, attracting clients aligned with these values	Medium term
Over-reliance on supporting local economies may expose the Bank to economic downturns in specific regions, posing risks if local economies face challenges	Medium term	Enhance client loyalty and retention	Short term

## 10. Responsible tax practices

Respecting and maintaining fair competition, ensuring transparent management of taxation matters, rigorous and accountable reporting of non-financial performance in compliance with public policy practices; protecting and consolidating the corporate reputation against any illegal activities aimed at evading the imposition or payment of a tax

### Impact materiality

Positive impacts	Actual or Potential	Negative impacts	Actual or Potential
Contribution to the creation of an environment of fair competition, encouraging businesses to compete based on innovation and efficiency rather than aggressive tax practices	Actual	The implementation phase of responsible tax practices may initially lead to increased operational costs as the Bank adjusts its strategies and systems, therefore potentially impacting short-term profitability	Potential
Potential contribution to a reduction in national tax evasion, improving overall economic stability	Potential	While the long-term impact is beneficial, in the short term the adoption of ethical tax practices could make the Bank less competitive if competitors use more aggressive tax strategies	Potential
Contribution to the sustainability of public finances, ensuring that the government has sufficient resources to invest in essential public services	Actual	Complex ethical dilemmas could require consideration, such as balancing tax responsibility with the need to preserve competitiveness	Potential

### Financial materiality

Risks	Timeframe	Opportunities	Timeframe
Clients who prioritise cost optimisation over ethical considerations may choose competitors with more aggressive tax strategies, leading to potential loss of certain client segments	Medium term	Over the long term, embracing and maintaining responsible tax practices can be a source of competitive advantage, attracting conscientious customers and investors	Long term
Regulatory risk associated with changes in tax laws or regulations, leading to compliance challenges, costs, legal consequences or operational disruptions	Medium term	An improvement in the Bank's corporate reputation would help build trust among investors, customers and other stakeholders	Long term
Risks related to public perception of the company's tax practices, if these are misunderstood or misrepresented by media or advocacy groups	Medium term	Responsible tax practices could facilitate positive engagement with public policies, thereby fostering collaboration with regulatory authorities	Long term