

A Corporate Foundation for communities



Report and Accounts

2017

A Corporate Foundation for Communities

Report and Accounts 2017



Report and Accounts

CHAIRMAN'S LETTER	06
SYNTHESIS OF DATA	09
A CORPORATE FOUNDATION FOR COMMUNITIES	10
ADDED VALUE FOR UNICREDIT AND FOR COMMUNITIES	12
PROJECTS	
THE BIG BANG OF PHILANTHROPY	18
Entrepreneurship & Social Innovation	20
Advocacy & Social Inclusion	33
Employee Community Involvement	34
Culture & Solidarity	38
A Centre of Non Profit Expertise	40
PROJECT MONITORING	42

Financial Statements

BALANCE SHEET	46
REPORT ON OPERATIONS	47
NOTES TO THE ACCOUNTS	48
Accounting principles and valuation criteria	49
Comments on the Balance Sheet and on the Report on Operations	50
ANNEXES	60
A) Breakdown of the Securities Portfolio held for asset management as at 31 December 2017	60
B) Breakdown of the Funds Portfolio held for asset management as at 31 December 2017	61
REPORT OF THE BOARD OF AUDITORS	63

FOUNDATION BODIES

The Board of Directors (at 31 December 2017)

Chairman

Maurizio Carrara

Vice-chairpersons

Maria Cristina Molinari

Paolo Cornetta

Directors

Maurizio Beretta

Alberto Fontana

Enrico Gava

Francesco Giacomini

Elena Patrizia Goitini

Carlo Vivaldi

The Board of Auditors

Chairman

Giorgio Loli

Standing Auditors

Elisabetta Magistretti

Michele Paolillo

Staff

Chairman

Maurizio Carrara

General Manager

Anna Pace

Programs

Alice Aricò

Anna Cravero

Communication

Luca Mantoan

Consultants

Giuseppe Ambrosio

Barbara Grzywacz

Secretary

Annamaria Rizzi



Maurizio Carrara
Chairman
UniCredit Foundation

Dear Reader,

In 2015, when we published the Guidelines for the next three years we decided to call them "A Corporate Foundation for Communities". This title described a vision of our role and our commitment that would be developed along two important axes: support for the development of the communities in which UniCredit operates, mainly making use of the social enterprise tool, and promotion of active solidarity through Group employees.

Today we have reached the end of this path and we believe we can state that our goals have been met. The numbers, testimony and stories of numerous experiences that you will find in the report in your hands are tangible proof of the value that the Foundation has been able to produce both inside and outside of UniCredit.

Our mission, as a Corporate Foundation, was created to give weight to the values of equity, transparency, respect, reciprocity, freedom of action and trust expressed in the UniCredit Integrity Charter. How did we do it? By implementing philanthropic activities able to strengthen connections with our stakeholders: local communities, non-profit partners, beneficiaries of the project, UniCredit and its employees. All of this within a national and international network that led us to work in coordination with entities like the European Foundation Centre with the objective of creating the greatest possible social impact. And of course the European Commission itself identified social innovation as the centre of its 2014-2019 policies, with "our" 2015-2018 three-year period fitting perfectly in the middle.

Social innovation can be translated into three basic assumptions: the participation of citizens in resolving the social problems that affect them, the need to combine social actions with economic sustainability, and the principle of circular subsidiarity that involves the actors in a given community in designing and managing projects. These three assumptions are, as is clear in this Report, fundamental for our operations.

We have identified social enterprises as the most appropriate vehicle for kickstarting sustainable social/economic development and for promoting alliances with the for-profit world, which may have its outlet in the launch of a modern and competitive social bank. So in this sense our Foundation has moved past the traditional philanthropic model based on simple grants and has also managed to take advantage of the know-how of Group employees who, with increasing frequency, serve as mentors or consultants for incubation and business planning activities for the enterprises supported by UniCredit Foundation and its local partners.

Within the situation of significant demographic inversion and the global crisis of the last three years, which shone a light on the fragility of the traditional welfare state, ever more unable to meet the new needs of populations, we have tried to make ourselves available to the most vulnerable sections of the population in the countries in which our Bank operates: young and elderly people. And we have done this with a very specific goal: employment and social inclusion. One of the strengths of the social enterprises we have established has been their ability to anticipate needs and, consequently, organise efficient responses in terms of employment and social impact. Naturally our projects are also calibrated to the contexts we find ourselves operating in. In fact, if in Western Europe regulations regarding social entrepreneurship are well advanced and have allowed us to focus on developing the productive and commercial dimension, in Central and Eastern Europe, where the regulatory framework is still being defined, the Foundation has often supported local partners in pioneering work to disseminate the principles of social enterprise.

The second guiding thread that characterised the three-year period, as I anticipated above, was working to strengthen activities to involve employees. In particular, this involved two specific programmes, the Gift Matching Program and the "Your Choice, Your Project" program, for which all the figures and details are provided herein. To briefly summarise: the first integrates donations made by groups of colleagues to non-profit organisations close to them, while the second gives UniCredit employees in all interested countries the possibility to assign an additional contribution to projects deemed to be the most deserving. This type of action makes it possible to achieve various objectives. Benefits for employers include improving their reputation and increasing employee motivation. On the other hand, with their commitment to the community, employees develop skills and competencies as well as a series of personal benefits such as strengthening trust and empathy. Finally, non-profit organizations can enlist the help of employees that, in our case, bring skills and expertise often not found in the world of the Third sector and social enterprises. I have always said that the involvement of UniCredit staff in the Foundation's activities has over the years represented one of the main strengths of UniCredit Foundation. In particular, I'm thinking of the Gift Matching Program, which I have always believed is one of the most significant and identity creating initiatives advanced by an European company.

You hold in your hands the initiatives that we have supported during the last year and these pages will inform you of the results that we have achieved. So I invite you to read our Report, where you will find the schedules of the projects which represent better than words the way your and our UniCredit Foundation works to create fully aware social actors who can make strong impacts.

Mon Coure

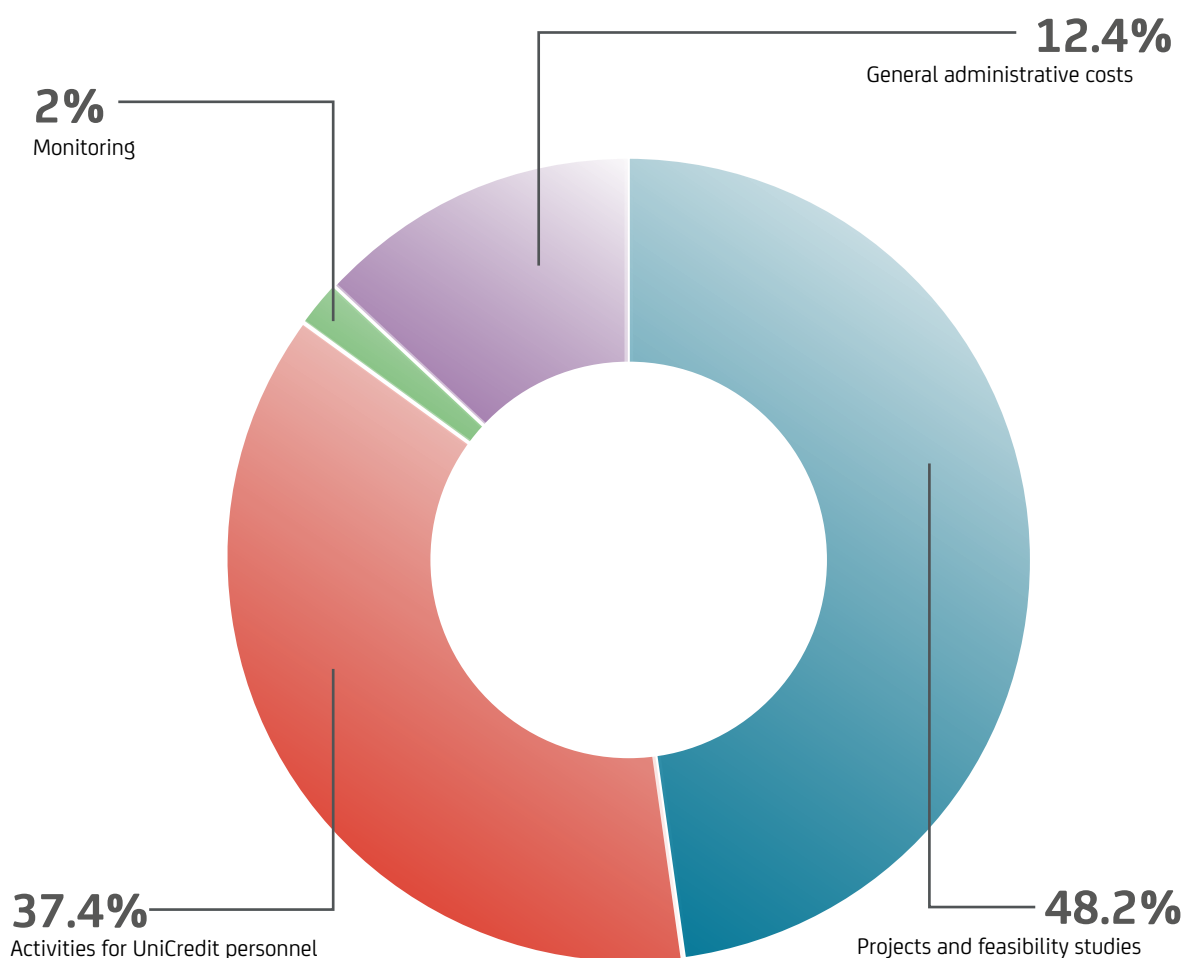
Synthesis of Data

The allocation of funds for the year 2017 shows that 48.2% of the resources were used for the design, implementation and management of UniCredit Foundation projects in Central and Eastern Europe, in Austria, Germany and Italy.

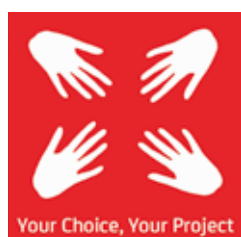
A total of 37.4% of funds was allocated to activities that the Foundation proposed to UniCredit employees through the Employee Community Involvement initiatives.

A total of 12.4% of the funds were used to cover general administrative costs.

Finally, a specific item is recognised relative to costs incurred for the monitoring of the individual projects, accounting for 2% of the Foundation's accounts.



Note to the reader



“Your Choice, Your Project”: projects accompanied by this symbol are those that UniCredit employees voted for as part of their involvement in the Foundation’s activities. The winning projects were assigned an additional grant by the Foundation.



A Corporate Foundation for Communities

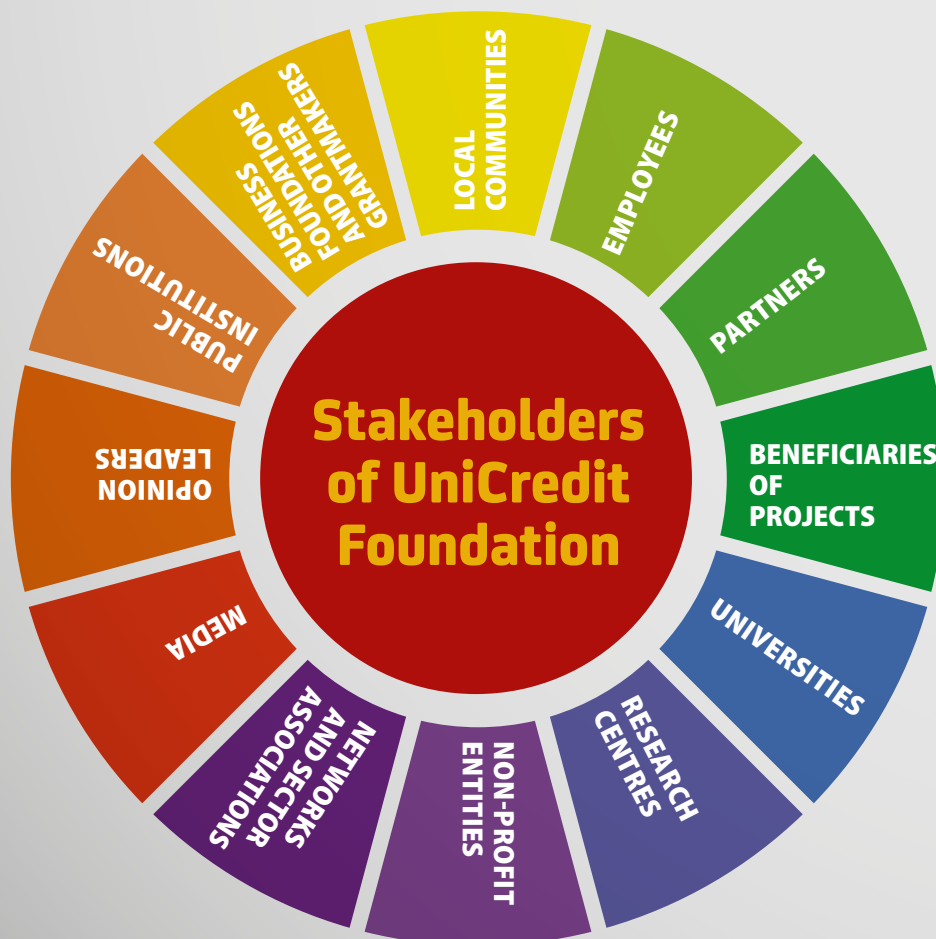
Our identity, our approach

The Foundation helps to strengthen the social and reputational capital of UniCredit, in line with the bank's sustainable approach.

The Foundation is committed to promoting sustainable initiatives over time, striving for innovation in different fields of social intervention and building effective and lasting partnerships with non-profit entities through the transfer of economic resources, of a business culture and management-specific skills.

Finally, the Foundation assigns UniCredit personnel a central role within its operations and is committed to enhancing their contribution, with the aid of new tools for encouraging participation and motivation.

In line with the principles and directives of UniCredit and the characteristics typical of a corporate foundation, the Foundation strives to bring itself closer to its target regions and communities, operating on both a local and international level, consistently with the geographic and cultural scale of UniCredit which is currently present in 15 countries.



OUR INVESTMENTS

Financial resources and skills



OUR GOAL

Added value for local communities

2015–2018 Guidelines

The guidelines described below are a continuation of what the Foundation has done in the past three years; many assumptions from the previous guidelines have been tried and tested, resulting in a consolidation of the approach in two key areas: supporting the development of the communities in which UniCredit operates, primarily through the medium of social enterprise, and promoting active solidarity among UniCredit employees. Additionally, efforts continue in raising awareness and disseminating information both within and outside of UniCredit on the concepts of philanthropy and solidarity, elements which are crucial to achieving increasingly satisfactory results and to keeping up with the group of grant-makers committed to promoting social innovation across Europe.



It's also time for reports for the members of the Board of Directors and the Board of Auditors of UniCredit Foundation, who have accompanied Chairman Maurizio Carrara over the last three years. We asked each of them three questions and have gathered their considerations here. Giorgio Loli, as the Chairman of the Board of Auditors, responded on the account of the entire Board, which also includes Elisabetta Magistretti and Michele Paolillo.

Added value for UniCredit and for communities

From your point of view, what are the most important benefits that the Foundation has generated for the communities and individuals targeted by its actions?

Paolo Cornetta, Deputy Chairperson of UniCredit Foundation was the first to speak, referencing the fact that, "the European Council in Lisbon defined social responsibility as a new strategic objective, aimed at increasing and sustaining the competitiveness of Europe's economy relative to its competitors. We have fully embraced this approach, that is fully expressed in a CSR able to create capital both inside and outside the company, that makes it possible, in turn, to generate greater economic value."

"The Foundation has adopted a dual strategy: selecting qualified partners to carry out projects while still maintaining control over them, and focussing on projects that for the most part have objectives of inclusion. This has made it possible

to successfully complete a significant number of initiatives with local resources, and often to see success stories that can be replicated." "The Alzheimer Cafe' was of particular interest to me," stated Maria Cristina Molinari, Deputy Vice President of the Board of Directors. "The most important benefit I see is in terms of social inclusion. The concept of play used has made it possible to create connections, share skills and support networking, which is the legacy and foundation for the promotion

of additional sustainable development initiatives," echoed Elena Patrizia Goitini.

For Maurizio Beretta, "the groups and people who have been partners of the Foundation over the years have been able to interact with a structure rich in values and specific and dedicated professional qualities. In fact, the Foundation has ensured contributions to projects and their execution that has helped the growth and strengthening of many projects in the world of solidarity and social enterprises." Francesco Giacomini also focussed on UniCredit know-how, identifying two key points: "The transfer of entrepreneurial experiences, with careful attention paid to the purest social groups and, at the same, still reactive. This is the manifestation of the sensitivity of a bank which, taking an interest in the weakest components, contributes to the growth of its communities and to their cohesion." For his part, Alberto Fontana emphasised the attention paid to the idea of social enterprises, "as subjects that serve as nodes for the establishment of important connections with local communities, relaunching a business model able to create innovation in processes and services, because it can create bonds and bridges with all stakeholders involved. The Foundation was forward looking in taking advantage of this opportunity and a pioneer of emotional projects, which have had an important impact in terms of creating



Paolo Cornetta
Deputy
Chairperson
UniCredit
Foundation



Maria Cristina Molinari
Deputy Vice
President, BoD
UniCredit
Foundation



Elena Patrizia Goitini
Director,
UniCredit
Foundation BoD



Maurizio Beretta
Director,
UniCredit
Foundation BoD



Francesco Giacomini
Director,
UniCredit BoD
Foundation

the foundation for new employment in favour of those suffering the most difficulty."

"The biggest result achieved in these last few years," said Enrico Gava, "outcome of a careful strategic planning, was to give a certain shape to the Foundation's activities, through tenders, in clearly identified sectors and involving qualified projects that created qualifications (I'm thinking, for example, of helping young people to enter the labour market). Doing this has created certainty, above all for communities and target subjects, of a change in pace of no little account relative to disbursement."

"I believe that the most significant results were those seen in projects supporting social enterprises," noted Carlo Vivaldi. He then added some numbers: "Over the last three years, with an investment of € 800,000 in 9 countries, we have created 150 new jobs in the areas of agrifood and welfare." And at the end Giorgio Loli added, "the Foundation has generated added value in the countries where UniCredit operates, allowing beneficiaries to achieve personal development that would otherwise have been impossible due to a lack of means and public support."

At the personal level, what will be the legacy of this experience guiding UniCredit's Corporate Foundation?

"It was a wonderful opportunity to learn more about issues that are so important to our stakeholders and for the involvement of our employees, coinciding with the growth of a common feeling shared by all of us," answered Cornetta.

Molinari commented, "The challenge of joining the Foundation's objectives with possible benefits for the shareholder - the Bank - was very interesting for me. In my opinion this challenge was met by activating projects that involved employees and the areas in which the Bank is present." Goitini extended the area of reflection, "Only by starting with generosity we can construct a better future. And if our generosity is structured then the effectiveness of our actions increases exponentially." Beretta didn't hide the fact that he had "learned about a world, the Third



Sector, that is more and more becoming an extremely important galaxy that can be explored and worked with, both in Italy and abroad. Naturally, at the same time the drive to take personal action also grew." Giacomini also made similar comments, "Over these past years I have obtained more knowledge about certain social and economic problems, especially in the countries of Eastern Europe, in Russia and in Turkey. This has given me a sense of gratitude for having participated in bettering the living conditions of populations with low income levels. All of this in addition to the satisfaction that our projects were mainly aimed at families, women and young people."

"Reading through the numerous projects supported, in Italy and abroad, I feel immense joy for the involvement of so many people who gave their commitment and trust to support good causes," said Fontana. "They offered their brains, their bodies and their hands to ethically support the establishment of economically sustainable projects that offer solidarity. This is needed today, but is also a treasure that future generations can make use of. They will continue to commit to do things better, having understood that a more just and supportive society is possible."

"It's obvious that for me this was an important experience, both personally and professionally," said Gava. "Having been able to synergistically combine various Foundation activities with those of the manager of the Italian bank's strategic/commercial activities in the social realm is without doubt something that was unimaginable when in May 2008 top management entrusted me with the task of creating a service model dedicated to the Third sector - the Universo Non-Profit. And no less, I will always carry with me the experience of working with the people of the Foundation, highly prepared and helpful, the best companions for this voyage."

Vivaldi's response was also significant. "I consider myself to be privileged. We were able to make use of volunteers and resources for issues connected to social and welfare issues and at the same time we were able to offer our employees new experiences and the possibility to create new relationships." This doubly advantageous mechanism also had a personal impact on those involved in auditing the Foundation's management, such as Loli. "This experience developed a great sensitivity in me about the appropriate and balanced use of wealth and enhanced my perception of social needs, together with an awareness of how difficult it is to select the needs that take priority and how to face them."

For you what is the value generated by the Foundation relative to UniCredit and its workers?

"Generating solidarity tools that are made available to employees is not a hindrance to our work, but on the contrary represents a value that facilitates relationships and closeness between communities which, in the absence of these types of initiatives, would be more distant," stated Cornetta. "It's in this context that UniCredit Foundation has created value out of its mission, made concrete through the active involvement of all Group employees coming from various countries and cultures."

Molinari added, "The involvement of Group employees in programs like the Gift Matching Program has stimulated healthy and ethical competition for projects which have created bonds between employees to support the various projects and at the same time a sense of shared objectives. The sense of belonging to the company for which they work is strengthened by the respect they have for it, which is obviously reinforced by social responsibility initiatives carried out and publicised." On the other hand, the aspect highlighted by Goitini



Alberto Fontana
Director, UniCredit
Foundation BoD



Enrico Gava
Director,
UniCredit
Foundation
BoD



Carlo Vivaldi
Director, UniCredit
Foundation BoD



Giorgio Loli
Chairman
Board of
Auditors
UniCredit
Foundation

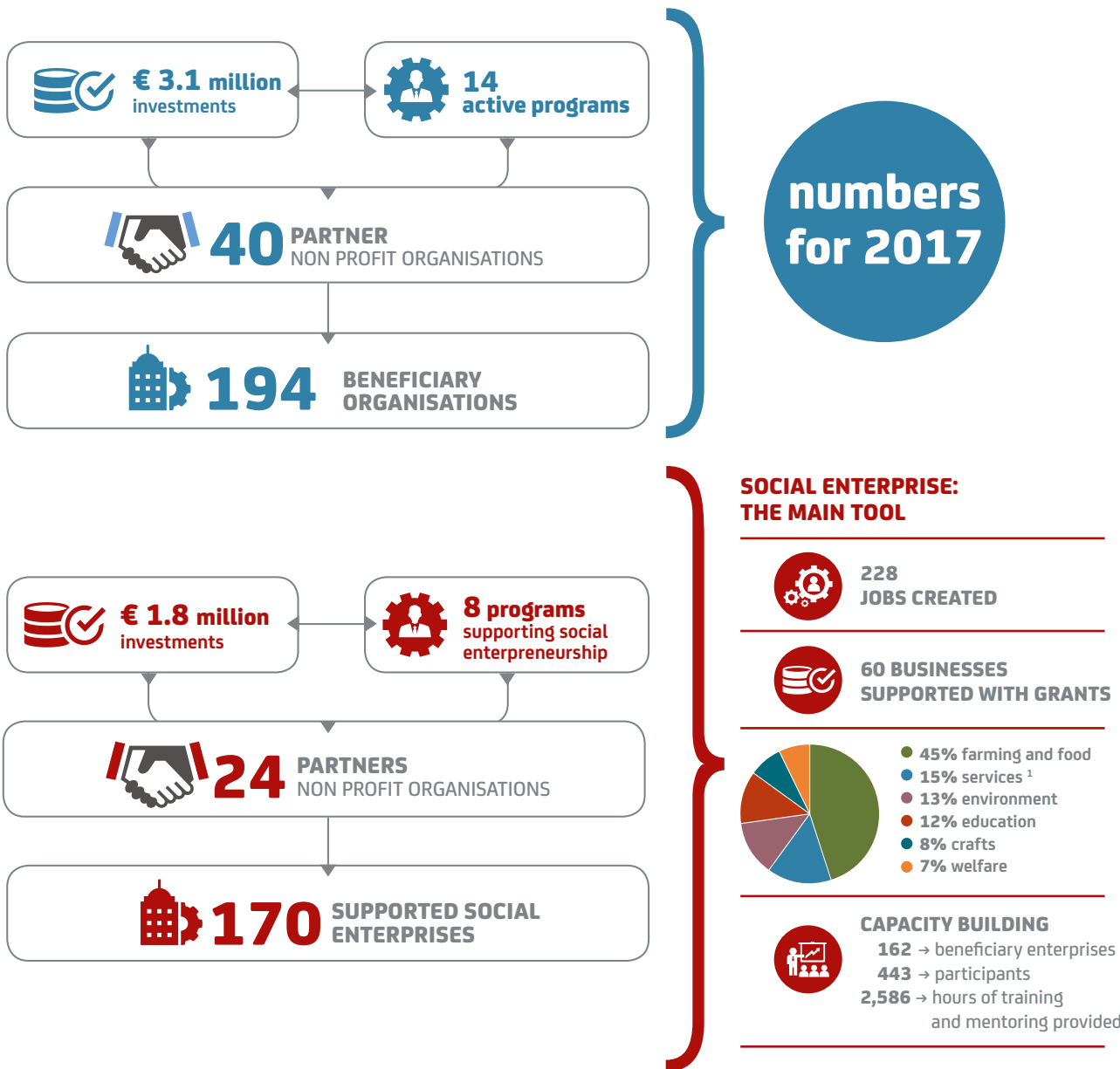
was, "the awareness of the importance of a culture of personal commitment as a requirement for the promotion of sustainable growth." Beretta remembered that our CEO, Jean Pierre Mustier, "who always references the saying *to do well you need to do good*. I believe that for all of us this is a reference point that we cannot ignore." Giacomini identified three targets that had been met, "Greater awareness of the Bank's possible role as a social/economic actor. The possibility, for the UniCredit community, both employees and customers, to have simple and reliable opportunities available to participate in targeted objectives, participating in their identification. Strengthening of a sustainability culture and the culture and practice of donations."

"The social value generated," reflected Fontana, "has certainly increased the sense of belonging to the UniCredit group, a workplace where everyone has gotten involved, with excellent participation that is shared and motivated. In this way, the workers got to know the Third Sector and vice versa." Gava noted, "I believe that even with the limited sums available every year we did things that were truly important. I'll briefly summarise what I believe were the most important: enhancing the Gift Matching Program and promoting it - with extremely important results in all aspects - in the countries in which the Group operates. Management of the UniCredit Card Flexia E funds, an entirely Italian story - this was clearly an initiative greatly appreciated by our colleagues as well as by the local communities involved. Support for various initiatives associated with management of assets confiscated from the Mafia, an activity which I believe is unique in the banking world. And finally participation in social innovation activities promoted by the EU." For his part, Vivaldi spoke of "an increased sense of social responsibility and improvement in the solidarity and individual commitment for each of use." "UniCredit has perhaps gained some points in the public perception of its sensitivity towards social responsibility, but the largest benefit probably comes from opening channels towards the social sector for our employees, distinguishing this work within the Group," concluded Loli.



2017 Active programs

SUPPORT FOR SOCIAL INCLUSION AND
UNICREDIT PERSONNEL ENGAGEMENT



Note

¹ mainly includes activities to produce and supply commercial services (for example, sustainable tourism and online services)



342 PROJECTS SUPPORTED **€ 2 million** DONATED **15 countries**



Activities in Europe

- Programs supporting social enterprise
- Programs with UniCredit personnel involvement

● Austria
● ● Bosnia and Herzegovina
● ● Bulgaria
● Croatia
● Germany
● ● Italy
● ● Poland
● ● Romania
● Czech Republic
● Russia
● ● Serbia
● Slovakia
● Slovenia
● ● Turkey
● ● Hungary

Philanthropy is undergoing a true Big Bang. In these last few years, much has changed at the European level: we're thinking of the Social Business Initiative and the EuSEF European Social Entrepreneurship Funds directive but also of the work of the Social Impact Investment Task Force created by the former British Prime Minister David Cameron. In Italy, the recent approval of the reform of the Third sector and social enterprises may well represent a significant change of path in our world of non-profits. The projects whose schedules you will find in the following pages were, for the most part, ideated and developed within this context.

The Big Bang of Philanthropy

We owe the image of the Big Bang to Lester Salamon, a professor at Johns Hopkins University, where he directs the Johns Hopkins Institute for Health and Social Policy Studies, and author of *New Frontiers of Philosophy*, published by Oxford University. Published a bit more than three years ago, the book continues to serve as a reference point for identifying the dynamics that are changing the connotations associated with philanthropy and the rules of engagement between non-profits and other social subjects. Salamon defines philanthropy in this way, "The provision of private resources for social or environmental purposes." Two preliminary notes. First, he speaks of private resources and not exclusively of money. This means opening the door to other types of resources: mentoring, consulting,

work, volunteer hours, etc. Second, he doesn't provide a legal definition of the recipient, but of the ability to provide a social or environmental purpose. This makes it possible to obtain a wider interpretation of non-profits, which extends at least to social enterprises, which are not required to be associations or cooperatives. If not beyond. And so at the frontier of the new philanthropy we can see new actors, new instruments and new resources. Salamon identifies four directives: going beyond the logic of grants, overcoming the principle of donations, overcoming the traditional concept of a donating Foundation and going beyond cash donations. Looking closer, these are simply the four sides of a single square.

One that represents a new paradigm in which, to achieve the objective of the new function for foundations, they become "philanthropic banks" in which the distinction made until now between investments aimed at managing assets and payments made for charity gradually fades away. Achieving social impacts becomes part of the strategy to make full use of equity through a blended view with significant added value.

In this new context, non-profits and social enterprises find themselves working with financial entities (from institutional investors to investment funds) and experimenting with new financial instruments (consider the social bonds introduced through the Third sector reform or "pay for result" finance tools). So the balancing point is no longer determined by the goodness of the output (what a given initiative produces) but, on the contrary, by the efficiency of the outcome (the long-term results and changes). Therefore, to measure the success or failure of a social investment, one doesn't count the number of participants in a given hour of training but how

many of those participants were able to find a job thanks to the lessons they were given.

In this sense, the creation of social value and economic value comes together after years of travelling on separate paths. Salamon says, "the new philanthropy is diversified, global, cooperative and above all, more entrepreneurial. It involves measuring results, economic and social. The focus is on investments that are sustainable over time and therefore able to offer permanent solutions."

But why did the Big Bang of philanthropy happen now? For Salamon there are a number of reasons.

The new global issues are playing a role: the environment, terrorism and economic crises. And there is the ever clearer gap between needs and public resources that requires a systemic response.

The new generation of social entrepreneurs is also providing an important push, with their innovative ideas and ability to follow the trends of a modern technological economy while still maintaining their ethical and social foundation. Finally, the major global players of the dot-com economy are paying ever greater attention to social issues. For the professor from Johns Hopkins, the die has been cast. Philanthropy has turned the corner.

ENTREPRENEURSHIP & SOCIAL INNOVATION



ADVOCACY & SOCIAL INCLUSION



EMPLOYEE COMMUNITY INVOLVEMENT



CULTURE & SOLIDARITY



A CENTRE OF EXPERTISE FOR NON PROFITS



Empowering the Breakthrough Generation

COUNTRY **BOSNIA AND HERZEGOVINA** | REGION **NATIONAL** | DURATION **JUNE 2017 - JUNE 2018** | PARTNER **MOZAIK FOUNDATION**

9,800
YOUNG PEOPLE
ENROLLED IN
THE PROGRAM

**Over
7000**
HOURS OF
TRAINING AND
MENTORING
OFFERED
BY EXPERTS
FOR 250
PARTICIPANTS

In 2017, UniCredit Foundation renewed its commitment to the Mozaik Foundation's Strategy project, *Empowering the breakthrough generation in Bosnia and Herzegovina*, in support of young social entrepreneurs.

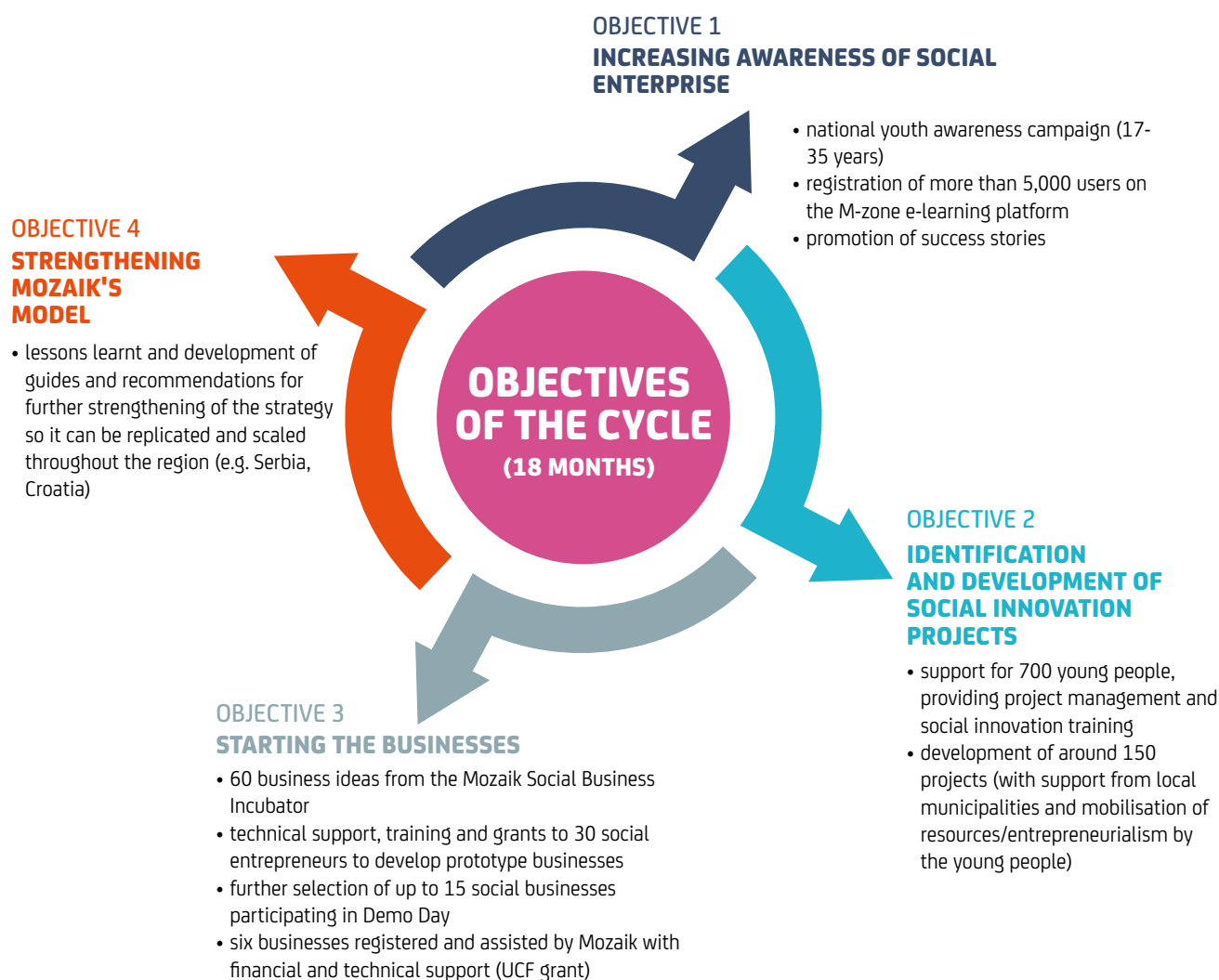
This was developed through a detailed program providing technical and financial support through the promotion of social enterprises, both as a means of individual activation and growth and as a lever for innovation and development of the local area.

Created in 2000, Mozaik Foundation is now a reference point for the social economy in Bosnia and Herzegovina, as well as being known as one of the major actors in the European Third sector. With the objective of supporting the development

of social enterprises, UniCredit Foundation began cooperating with the Mozaik Foundation in 2012. The most recently financed project, known as Strategy, has a ten-year timeframe (2015-2025) and was developed by the Mozaik Foundation on the basis of previous experience and analysis of the context and requirements. In fact, unemployment in the country continues to be one of the highest in Europe (38.81%, figure from the national statistics agency, updated in November 2017).

So, as occurred with the first cycle in 2016-2017, UniCredit Foundation will also support the execution of the 2017-2018 cycle in relation to its four main objectives.

MOZAIK'S TEN-YEAR STRATEGY IS BASED ON A CYCLICAL MODEL





At present four social enterprises have been selected to participate in the program.

- **Play Learn Grow.** This organisation was founded in the municipality of Tešanj (in the Northwest of the country) and it designs and produces playing cards used to help the cognitive development of preschool and elementary school-aged children. The cards are also produced in the Cyrillic alphabet so as to support widespread circulation. There are two versions of the game: the basic model and the advanced one. The first was distributed free of charge, so that it would also be available to the most needy members of the population.

- **Steady Hand.** The objective of this new social enterprise is to assist the elderly in three different areas of the country: Bosanska Krupa, Bihać and Cazin. Improving domestic life is the main goal of the project, which is developed by providing

support for housework and offering night-time caregiving.

- **Agrorevolution.** The objective of this start-up, based in Cazin, is to produce high quality beef, involving all producers in the local production chain in the process and thereby contributing to decreasing unemployment in the area.

- **Superwoman.** This social enterprise operates within the municipality of Zvornik, an area with one of the highest unemployment rates in Bosnia and Herzegovina. The project is aimed at women who are over 40 with low levels of education. The aim is to guarantee opportunities for income, offering employment through cleaning services. The Mozaik Foundation's program and its activities to select and incubate projects take place throughout the year, with the objective of progressively increasing the number of social enterprises supported in Bosnia and Herzegovina.



Samira Nuhanović-Ribić, Social Business Incubator Director, Mozaik

"Our program is intended to give power to young people who want to start a social enterprise. With one special characteristic: we believe that the key is to create an appropriate ecosystem for the entrepreneur and develop that before the enterprise."



Business with a Mission

COUNTRY **BULGARIA** | REGION **NATIONAL** | DURATION **MAY 2016 - APRIL 2018**

PARTNER **BULGARIAN CENTER FOR NOT-FOR-PROFIT LAW (BCNL)**



59

NON-PROFITS
COMING FROM
OVER 20 CITIES
IN THE COUNTRY
APPLIED FOR
THE SIXTH
EDITION OF THE
PROGRAM

24

TEAMS
PARTICIPATING
IN THE
INCUBATION
COURSE
OFFERED BY THE
PROGRAM

In February of last year, the award ceremony was held at the Vivacom Art Hall in Sofia for the sixth edition of the *Annual Competition for the Best NGO Business Plan as part of the Social Entrepreneurship Program for NGOs*, promoted by the Bulgarian Center for Not-for-Profit Law (BCNL) in cooperation with UniCredit Foundation and America for Bulgaria Foundation.

Based on BCNL's ability to sound out the local community, serving as a catalyst for the development of innovative and sustainable start-ups, and thanks to the involvement of UniCredit Bulbank employees in providing mentoring for beneficiary organisations, UniCredit Foundation chose to continue its cooperative relationship with BCNL, which began in 2013. Through the call for tender, starting with a short-list of 17 organisations who had developed a business plan with the help of BCNL, five initiatives with significant social impact and good business potential were selected, which benefited from a grant based on the determinations of an expert commission, including representatives of UniCredit Foundation and UniCredit Bulbank.

- **Maria's World Foundation.** The prize will be used to implement a catering service and start a café that will employ young people with disabilities.

- **Eyes on Four Paws Foundation.** The business plan has the goal of creating a kennel for dogs. The revenues generated will be used to train guide dogs for blind people.

- **Animus Association Foundation.** The grant will be used to open a snack bar called "Blaga Baba Blaga", which will offer snacks prepared by elderly women or victims of violence.

- **Sea Club Friends of the sea.** The objective is to develop the activities of the social enterprise "Together on Board", which offers scuba diving and sailing guide courses. 20% of revenues will be invested in similar courses, but dedicated to young people coming from poor families or to unemployed young people.

- **IDEA Association.** A catering service will be started as well as management of a tearoom, with the aim of offering employment to unemployed young people, at risk for social exclusion.

A specific mentoring process has been created to support these organisations, which will be able to count on specific training relative to management and marketing aspects.



Luben Panov, Director, Bulgarian Center for Not-for-Profit Law

"BCNL thanks the UniCredit Foundation for the continuous support it has offered over the years. We are both working towards a shared goal: resolving social problems in a sustainable manner. We hope we will continue to work together to obtain positive results."



Call for tender UniCredit Carta E

COUNTRY **ITALY** | REGION **NATIONAL**



2017 EDITION SOCIAL COHESION STRATEGIES TO SUPPORT YOUNG PEOPLE

In October 2017, UniCredit Foundation launched the new edition of the UniCredit Carta E call for tender with the objective of supporting non-profit organisations that promote youth employment in Italy through social entrepreneurship. As in the previous edition, cooperation with the incubator Make a Cube³ continued, which will assist the winning teams in best positioning themselves on their reference markets (see the interview with Matteo Bartolomeo, the Chief Executive Officer of Make a Cube³).

The investment established in the call for tender is € 500,000, which will be disbursed in the form of grants, mentoring and incubation. As in previous editions, the funds are provided thanks to the UniCredit Card Flexia Classic Ethical, a credit card which, without any additional costs for the holder, sets aside 2 thousandths of all spending to support solidarity projects.

After the deadline passed for the presentation of applications (20 December 2017), selection of the 20 finalist projects is moving forward in the initial months of 2018. These finalists will have access to the pre-incubation stage.

Applications were submitted using the IdeaTRE60 platform provided free of charge by the Italian

Accenture Foundation, the technical partner for the call for tender. A total of 86 proposals were received, broken down as follows: 25 in Lombardy, 14 in the South, 14 in the Center North, 11 in the Northwest, 9 in the Northeast, 8 in the Centre and 5 in Sicily.

Initial screening for the 20 proposals to include in the course envisaged in the call for tender will be carried out on the basis of the capacity of the teams to interpret the local context in which the entrepreneurial project will be established and grow. This means that proposals that demonstrate the ability to create a lasting, sustainable and reliable difference will find themselves in pole position. This will be evaluated both in terms of workers hired and in terms of the sustainability of the enterprise. The actual incubation and grants (€ 42,500 each) will be provided to the 10 winning projects: 7 of these must demonstrate a direct impact - that is creating employment in the context of the entrepreneurial project to be supported, in the 7 regional areas of action UniCredit has in Italy. On the other hand, 3 must be able to generate an indirect impact - able to develop actions, infrastructure and networks that can strengthen the capacity of one or more social enterprises to reach the national scale. For example, this may include social enterprise assistance and incubation projects, the formalisation/development of social enterprise networks, social franchising, etc.

Introduction

ENTREPRENEURSHIP
& SOCIAL
INNOVATION



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of Expertise
for Non Profits



Financial
Statements
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017



An incubator serving new social entrepreneurs

For the second consecutive year, Make a Cube³ is offering pre-incubation, incubation and follow-up services to selected projects, as envisaged in the Carta E call for tender. Matteo Bartolomeo is the Chief Executive Officer of Make a Cube³. With him, we take an in-depth look at the initial experience which, as we go to print, is seeing the projects of the 2016 call for tender completing the initial incubation stage, while the projects for the 2017 call for tender are being selected.



Do you feel you can give a preliminary assessment of the projects you're supporting?

The work is still under way and it will continue to be throughout 2018 considering that the post-incubation follow-up phase lasts 12 months. What I can say, though, is that I was pleasantly surprised by both the quality of the entrepreneurial projects and the quality of the professional skills brought. This tells me from the start the ability of the call for tender to attract projects of a certain level. I say this also based on experiences in other contexts. In any case, UniCredit Foundation should be applauded for having created a quality selection process for this initiative.

What do you mean specifically when you say "high quality"?

I am referring to the organisations chosen and the ability of the social entrepreneurs and project designers to propose projects that are different from the typical activities carried out by their entities of origin, as requested in the call for tender. Of course, it is only by moving on the beaten path that we can build and experiment with innovative answers to new needs.

Let's look at the three phases: pre-incubation, incubation and monitoring. We'll start with the first...

This is a workshop to which we invite the 20 pre-selected projects, to participate in "creative destruction", which means taking apart the business proposals and putting them back together in order to identify and correct any potential weaknesses. It is this stage that the starting proposal is transformed into a true entrepreneurial document that is present-

ed to the jury which selects the 10 business plans which will enter the incubation phase.

Which is?

During this period, which lasts 6 months, every proposal is accompanied step by step by one of our experts. The objective is to "package" the enterprise that will enter the market, based on a series of very precise economic and entrepreneurial benchmarks. For example, we suggest specifics like the funding mix, so that these new enterprises can diversify their incoming funds (private and public).

What happens after that?

We enter the follow-up stage. For the first 12 months of operation on the market, our consultants are available for suggestions and any needed adjustments to the business plan as it is put into process. It should be remembered that "our" entrepreneurs, even if they are well-prepared as I said, have a certain propensity to take on risks in new markets that are characterised by a certain degree of informational asymmetry. This is why following up after the initial start-up is also important.



**Matteo Bartolomeo,
Chief Executive Officer,
Make a Cube³**



2016 EDITION SOCIAL COHESION STRATEGIES TO SUPPORT YOUNG PEOPLE

On 10 May 2017, UniCredit Foundation announced the names of the ten projects, distributed throughout Italy, which won the 2016 edition of the UniCredit Carta E call for tender, each of which were awarded a grant of € 42,500. In addition to this economic contribution, each project had the opportunity in 2017 to obtain entrepreneurial support, thanks to support from Make a Cube³, with the objective of entering the market solidly and with the ability to produce economic profit and social value.

These are the projects selected:

• AgriCo.Re (Consorzio Co.Re.) - Naples

The project has the objective of creating a cooperative production system operating in the field of social agriculture, creating a National Network Contract for sector operators. This will strengthen their presence on the market, giving them the possibility to scale productive and commercial experience, while increasing their recognition and the reputation of their products. The Network Contract is supporting a series of services and actions that would not be individually sustainable, which through aggregation can instead be shared in a way that supports the productive and commercial development of adherents.

• disseminAZIONE (La Fabbrica dei Suoni Soc. Coop. Soc.) - Venasca (prov. Cuneo)

The idea is the result of La Fabbrica dei Suoni decades of experience in organising and managing musical laboratories in preschools and elementary schools. The project is focussed on opening new local units, developing a wider geographic base for the laboratories, in order to create a sort of musical ambassador to disseminate its skills even to areas that have not yet been explored.

• #Il network dei mestieri (ANFFAS Onlus) Turin

The project involved the opening within a social cooperative of a new sector of activities dedicated to light maintenance work in public housing. The objectives include identifying and training NEET young people and insertion in the job market, as well as instituting a services agency with tiered pricing, mainly intended for citizens living in public housing.

• Nata Vita (Bambù Coop. Soc.) San Sebastiano al Vesuvio (prov. Naples)

The project produces baked goods to support the employment of young people and supports rehabilitation of individuals with mental disabilities through the Centro Polifunzionale H-anto a Te of the Cooperativo Sociale Bambu.

• Percorsi di Stoffa (Arché Onlus) - Milan

Based on experience in welcoming mothers and children in difficulty, the project has the aim of serving as a catalyst to develop processes of autonomy for the mothers by creating work shadowing experiences and the creation of small social enterprises. The entities will be the result of connections with businesses in the Milan area that have been involved in employing delicate individuals for some time. For example, the meeting with the social association Arte in Tasca gave rise to the idea of creating a dressmakers shop.

• Ragazzi Harraga (CIAI) - Palermo

The project promotes the social inclusion of unaccompanied foreign minors, offering opportunities for them to enter the labour market and simultaneously providing accessible housing through an experimental temporary social housing experience. This is a structure that in addition to hosting tourists and young people participating in national and international mobility programs, will also provide housing for unaccompanied foreign minors leaving the communities that had initially taken them in. The same young people will directly participate in management of the business.





CALL FOR
TENDER
UNICREDIT
CARTA E

COUNTRY
ITALY

REGION



• **Sapori di Langa (Terra Mia Soc. Coop. Soc.)
Dogliani (prov. Cuneo)**

The project is creating a chain to enlarge the entire productive and commercial sector of Terra Mia by opening an agriculture/food artisan workshop in Dogliano to produce baked goods and process organic products.

• **Semino (Pictor Coop. Soc.) - Bologna**

The social cooperative Pictor is working on a spin-off. In the initial phase a half hectare will be set aside for cultivation of products that are either not produced in Italy or produced very little, but demonstrate growing market demand. The project, in addition to cultivation and commercialisation which will involve migrant workers, also will work to disseminate information about the plants and a culture of healthy eating.

• **SocialWash (Rinascere Soc. Coop. Soc.)
Fontaniva (prov. Padua)**

The project is aimed at lowering the threshold for accessing the employment market, offering training opportunities to develop widely applicable skills and create new employment by starting an innovative home-based car wash service with low environmental impact.

• **Unchained Solidarity (ARPJ Tetto Onlus) - Rome**

The project is intended to create a new event organisation and management service, both inside and outside of the spaces managed by the association ARPJ Tetto Onlus, intended for private citizens and businesses, with the objective of creating a virtuous connection between the for profit and non-profit sectors.

**2015 EDITION
SOCIAL COHESION STRATEGIES
FOR THE ELDERLY**

The 2015 edition of the UniCredit Carta E call for tender focussed on supporting the oldest segment

of the population. The seven winning projects, whose activities were carried out also in 2017, were selected by Cergas (Health and Social Assistance Management Research Centre), at Bocconi University of Milan (the complete list is available in the 2016 Annual Report).

These included Abitare Solidale, promoted by Auser Marche. The project, which was carried out in the town of Osimo, worked to develop propensities towards solidarity actions and concrete reciprocal support through the sharing of residential spaces and by opening a small guidance office for social co-housing - the first in the region. Finally, it worked to begin supportive co-housing experiences to be extended over the years to other communities in the Marche.

**2014 EDITION
SOCIAL COHESION STRATEGIES
TO SUPPORT YOUNG PEOPLE**

The social enterprise projects for young people selected through the 2014 call for tender are now well-established. At the time 7 organisations (the complete list is available in the 2016 Annual Report) were identified by Cergas (Health and Social Assistance Management Research Centre) at Bocconi University in Milan. The project *SHARE* - Second HAndREuse, was particularly significant, carried out in Milan by the Cooperativa Sociale Vesti Solidale. *SHARE* is a place for those who love to shop and do good, where unique pieces can be found, while saving money and helping those in difficulty. Revenues from the commercial activities of the stores (the one in viale Umbria in Milan was opened thanks to a contribution from the UniCredit Foundation) contributes, in fact, to supporting social projects that benefit at-risk people and makes it possible to provide jobs for disadvantaged people (ex-convicts, disabled persons, political refugees, female victims of abuse). All clothing is unique, both in size and style. Thanks to the internet, through a dedicated website and a Facebook page customers can verify how their purchases are contributing to helping beneficiaries. In this sense, *SHARE* is not just a store, but a community.

Occupiamoci! 2015

COUNTRY **ITALY** | REGION **NATIONAL** | DURATION **OCTOBER 2015 - NOVEMBER 2018**

PARTNER **FOND. MISSION BAMBINI; FOND. CANALI; FOND. SAN ZENO**

8
TENDER
BENEFICIARY
ORGANISATIONS
13
JOBS CREATED

The activities for the call for tender launched in 2015 continued in 2017. Eight projects were financed: *Caseificio Solidale* of Laveno-Monbello (prov. Varese), *È Buono! United Ice Cream Lab* of Genoa, *DegustiBUS* of Verona, *PiadaLab* of Forlì, *Bottega dei Miracoli* of Pisa, *Centro per l'infanzia Barbalbero* of San Benedetto del Tronto (prov. Ascoli Piceno), *Palermo non conventional tour* and *Bike economy* of Naples. All these initiatives were aimed at young people between 16 and 29 years old, working within non-profit organisations. *È Buono!* is an interesting and innovative case. It makes and sells ice cream, and was developed with the support of the Associazione

Consulta Diocesana, Agevolando e Ancoraggio as well as other foundations and companies, including Costa Crociere, Amiu and Latte Tigullio. The objective of the project is to offer employment opportunities to young people coming from difficult family situations, thanks to the opening of sales points through a social franchising formula. The first was the one opened in Genoa in the San Fruttuoso neighbourhood, where the first jobs have been assigned, with contracts signed. The second one opened last July in the Nervi area. Both of them offer ice cream that focusses on excellence - through all-natural ingredients, artisan tradition and a quality product.



Alberto Barengi,
Head of National Programs Office, Fondazione Mission Bambini Onlus
"The projects in this tender are associated with productive sectors of great significance to our country (restaurants, tourism, food and agriculture) and are notable for offering mentoring services to social enterprises provided by volunteer managers".

Belfiore 1

COUNTRY **ITALY** | REGION **LOMBARDY** | DURATION **JANUARY 2017 - DECEMBER 2017**

PARTNER **LA FABBRICA DI OLINDA COOPERATIVA SOCIALE**

7
JOBS CREATED
65
AVERAGE DAILY
CUSTOMERS

Business, socialising and culture: the *Belfiore 1* project is developed along these three lines. *The flavours and knowledge of legality and social inclusion*. Objective: return the former Wall Street to the citizens of Lecco, a building confiscated from an organised crime group a good 25 years ago. The target was achieved thanks to the promoters and supporters of *Belfiore 1*. A social start-up that will manage a pizzeria/restaurant, with particular focus on a culture of legality, welcoming and providing work for disadvantaged people. The following groups participated in the project: Agenzia Nazionale dei beni confiscati, the Municipality of Lecco, Region of Lombardy, the Prefecture, Aler, Libera, Fondazione Comunitaria del Lecchese, Fondazione Cariplo and, of course, UniCredit Foundation. The project is managed by a Temporary Non-Profit Association (ATS), made up of La Fabbrica di Olinda (lead entity),

Arci Lecco and Auser Lecco and, as stated, has a three-pronged approach: entrepreneurial, social and cultural. The entrepreneurial aspect refers to the public pizzeria and restaurant, with special attention paid to the quality of the ingredients, local suppliers and processing. On the other hand, the social aspect regards the activation of processes to insert disadvantaged individuals in jobs, as well as participatory, pre-work and training courses focused on taking advantage of the different qualities of participants. Cooperation with the social services of the Municipality of Lecco and a jobs network with other organisations, including the Department of Mental Health of Milan, is also essential. Finally, the cultural aspect is focussed on promoting a culture of legality through the involvement of citizens. Its centre point is books - used to decorate the rooms and the reference point for a new book crossing service in Lecco.



Thomas Emmenegger,
Chairman, La Fabbrica di Olinda
"Our distinctive feature is the quality of service: the restaurant doesn't just return an asset sequestered from the Mafia to residents and employ people with mental health issues, it uses top quality ingredients from local suppliers."

Introduction

ENTREPRENEURSHIP
& SOCIAL
INNOVATION



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of Expertise
for Non Profits



Financial
Statements
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017

Social StartUp

COUNTRY **POLAND** | REGION **NATIONAL** | DURATION **JUNE 2016 - AUGUST 2017** | PARTNER **ASHOKA POLAND**



14

ORGANISATIONS
BENEFITING
FROM TWO
EDITIONS OF THE
PROGRAM

550

HOURS OF
CAPACITY
BUILDING
PROVIDED
TO TEAMS
PARTICIPATING
IN THE PROGRAM



In 2016, the second edition of *Social StartUp* (2016-2017) was launched. This was the first initiative to support social enterprises in Poland promoted by UniCredit Foundation, in cooperation with Bank Pekao and Ashoka Poland. As part of the second call for tender five social enterprises were selected from those in a start-up or consolidation stage, to be placed in an incubation program, together with the nine organisations that took part in the first edition (2015-2016). The full list can be found in the 2016 Annual Report on page 24 of the Italian edition. Beneficiary organisations were offered both grants and mentoring, consulting and networking services thanks to the national and international network of Ashoka partners.

The activities seen during these two years demonstrated that it is possible to successfully support the growth of a local social economy in Poland. Social enterprises by now constitute a segment of the economy that is aware of the need to take on

the challenges of the local market. From this point of view, the personalised assistance that Bank Pekao and Ashoka mentors provide to the local social entrepreneurs is decisive. Promoting development and incentivising employability for the most at-risk segments of the population also creates benefits in terms of lower social service costs. One of the key elements of *Social StartUp*, if not the main one, is specifically that of participating in the construction of an ecosystem that supports proliferation of hybrid entities: able to remain on the market and ensure true social impact over a medium/long-term timeframe. Also in this second edition an extra "Your Choice, Your Project" grant is planned, with a value of € 5,000, to be assigned by the employees of Bank Pekao to HospiCare. The project intends to create a smartphone application that allows relatives of terminally ill individuals to maintain constant and direct contact with doctors, even at a distance.



Agata Stafiej-Bartosik, Program Coordinator, Ashoka Poland

"We strongly believe in the idea that any one of us can become an agent of change. Thanks to this project we have seen many people with Downs Syndrome, formerly homeless people, those with autism and many other people who are generally excluded create value for their communities."

Step with Us!

COUNTRY **HUNGARY** | REGION **NATIONAL** | DURATION **SEPTEMBER 2017 - MARCH 2019** | PARTNER **NESsT HUNGARY**



4
GRANTS GIVEN
TOTTALLING
€ 60,000

10
SOCIAL
ENTERPRISES
WHO WILL
RECEIVE
STRATEGIC
SUPPORT
DURING
THE PRE-
INCUBATION
STAGE

During 2017, UniCredit Foundation launched the third *Step with Us!* call for tender in favour of social enterprises in Hungary, in cooperation with UniCredit Bank Hungary and NESsT Hungary. There is no specific legislation in the country, but it is estimated that there are around 3,000 non-profit organisations operating under an entrepreneurial approach. In any case, in Hungary the practice of making donations still predominates with respect to income-generating activities in the non-profit sector.

The initiative introduced a number of changes with respect to the past. In fact, the pre-incubation phase to refine candidate business plans was introduced (open to 10 organisations). One of the three final winning teams will be selected from among those at advanced stage (prototype/scaling), while the other two from those in the start-up/early stage. All will receive financial support. The amount of the three grants provided on the basis of the jury's decision is € 55,000. During the incubation stage, beneficiaries receive targeted support from the experts at NESsT and employees of UniCredit Bank Hungary. Additionally, the Bank has created a dedicated

website for the initiative and will coordinate the third edition of "Your Choice, Your Project" to assign an additional € 5,000 grant in favour of the project receiving the most votes from Bank employees, selected from the three winners of the national call for tender.

The objective of *Step with Us!* is to promote economic inclusion and empowerment for disadvantaged social groups through work and income opportunities deriving from the activities of the winning social enterprises. The program also contributes to:

- increasing the value of social enterprises and sustainable and scalable business projects, able to interrupt the short circuit of social marginalisation
- offering strategic, management and financial support to ensure business projects become scalable and sustainable
- giving greater visibility to social problems and the possible solutions designed by social enterprises
- encouraging non-profit organisations and social cooperatives to adopt the organisational models typical of the social enterprise.



NESsT

Annamaria Horvath,
Portfolio Director, NESsT Hungary

"UniCredit Foundation didn't limit itself to just providing financial support, but also helped with capacity building through partnership and pro bono consulting from UniCredit Bank staff in Hungary".

Introduction

ENTREPRENEURSHIP
& SOCIAL
INNOVATION



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of Expertise
for Non Profits



Financial
Statements
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017

Change with Business

COUNTRY **TURKEY** | REGION **NATIONAL** | DURATION **AUGUST 2016 - JULY 2018**

PARTNER **KOÇ UNIVERSITY SOCIAL IMPACT FORUM (KUSIF); VEHBI KOÇ FOUNDATION**

5

€ 3,000
GRANTS GIVEN
TO THE SAME
NUMBER
OF SOCIAL
ENTERPRISES.

30

SOCIAL
ENTREPRENEURS
INVOLVED IN THE
PRE-INCUBATION
PHASE

During 2017, after an initial project promotion phase, this initiative was developed, which had been promoted the previous year thanks to cooperation between UniCredit Foundation, Vehbi Koç Foundation and KUSIF (Social Impact Research Centre at University of Koç). *Change with Business* has the objective of ensuring the economic sustainability of social enterprises, so that they can achieve the best possible social impact. To achieve this goal, a focus group of 20 individual and institutional experts in the areas of finance, social enterprise, the university and the public sector was created for the first time in Turkey. The project also benefits from support from Mikado (a consulting centre specialising in sustainable development), Ashoka Turkey and Impact Hub Istanbul. There are three main goals: developing know-how and skills in social entrepreneurs, supporting the creation of financial mechanisms in favour of social enterprises and strengthening the social business ecosystem. Organisations who had demonstrated the ability to provide concrete answers to emerging social needs were provided with a training and mentoring program that has already allowed around thirty social entrepreneurs to start accessing financial instruments that are more appropriate for this type of business.

The five social enterprises who have successfully completed this initial stage made use of a grant of € 3,000 each.

The selection was made on the basis of careful assessment of the business models presented. The five entities that proposed the best social business models with impacts then became part of the Scale-Up Supporting Program.

Here are the five winning organisations:

- **Chapputz.** This social enterprise works to insert women coming from the periphery of the country into the productive segment by returning to the traditional weaving methods of Turkish nomads. Chapputz collects used clothing in poor condition that would normally be thrown away and reuses the fabric to make elegant handmade rugs (kilim), as well as satchels, tablet cases and other objects which are then sold in specialised stores.

- **Harmoni.** The organisation's objective is to take part in the development of communities, by strengthening women's skills and their access to the job market.

- **Önemsiyoruz.** Self-awareness and the ability to interact positively with the context one lives in: these are the two guiding aims for Önemsiyoruz workers, with a particular focus on developing games for children between 0 - 6 growing up in particularly disadvantaged environments. The organisation is building alliances with other public and private entities.

- **Düşler Mutfacı.** This is a social business developing within the framework of the Ayder Dreams Academy, which works to ensure disabled and socially disadvantaged people have equal access to social life through musical and artistic projects and other creative activities. Düşler Mutfacı - Dreams Kitchen in English - works to create intervention models able to generate income, so that disadvantaged young people can create an independent life for themselves. The ad hoc specialisation courses mainly focus on baked goods and healthy food products.

- **EAGD.** The acronym in Turkish stands for "Organisation to support recycling of electronic waste". In fact, the entity focusses on implementing projects to recover this type of waste through close cooperation with other organisations in the chain: recycling companies, municipalities, other non-profit entities, universities and sellers.

In addition to the grant, they were also ensured access to an ad hoc training program that provided instruction in finance, business plan development, marketing and social impact management. The training was high level, and part of the EU Program for Employment and Social Innovation (EaSI).

In addition to supporting offshoot social enterprises able to remain on the market, this program also helps support the development of an ecosystem favourable to social businesses in Turkey thanks to advocacy, strengthening of the existing network, dissemination of information to stakeholders and conferences on the theme.



Agata Fortuna, Project Manager, Koç University Social Impact Forum / KUSIF

"This program has the notable merit of having generated significant interest in social enterprises and the finance associated with them. This is making it possible to develop social organisations that are also able to guarantee the required economic sustainability."

Idea for a Better Tomorrow

COUNTRY **SERBIA** | REGION **NATIONAL** | DURATION **MAY 2017 - JUNE 2018** | PARTNER **DIVAC FOUNDATION, SMART KOLEKTIV**



40,000

EURO
TOTAL GRANTS
GIVEN TO THE
SEVEN WINNING
ORGANISATIONS

200

HOURS OF
CAPACITY
BUILDING
OFFERED TO
15 FINALIST
ORGANISATIONS

In November 2017, UniCredit Foundation, in cooperation with Divac Foundation, Smart Kolektiv and UniCredit Bank Serbia, awarded the winners of the third edition of the *Idea for a Better Tomorrow* call for tender. Serbia is affected by serious social problems, poverty above all (24.5% of the population is at risk), as well as unemployment (19.7%, with youth unemployment at 42.2%) and the current migration issues along the Balkan route, which make it a country whose equilibrium is still fragile, with urgent social needs. The social economy is slowly growing. In 2017 there were around 1,200 organisations operating under models and with objectives that could be classified as social enterprises (even if there is no specific legislation). With an eye to contributing to the creation of an ecosystem suitable for the development of social businesses, since 2012, with the call for tender "*Idea for a Better Tomorrow*", again in cooperation with Divac Foundation and, since 2014, with Smart Kolektiv, UniCredit Foundation has supported 23 social enterprise projects. The seven projects which won the 2017 call for tender received total grants of € 40,000 (of which € 5,000 assigned through "Your Choice, Your Project" to the project receiving the most votes from UniCredit Bank Serbia employees).

• **Initiative for social empowerment.** The *Chrono.rs* project produces flour mixes appropriate for those who must follow specific dietary regimes (e.g. diabetics). Three disabled individuals are employed for preparation and packaging, supported by the Muscular Dystrophy Association in the district of Jablanica.

• **Vunena Citizens Association.** The *Vunena goes international* project has the goal of commercialising handmade sweaters and other clothing made in the Serbian tradition abroad. Vunena employs around 20 women in the rural area of Homolja. The grant funds will be used to create the fall/winter 2018-2019 collection to be presented at international fairs.

• **ZaJedno Association for the Support of Persons with Psychophysical Disorders.** The *Fuel for All* project, in line with the goals of the Association, works to support the social inclusion of people with disabilities. The funds provided will be used to improve the laboratory that employs beneficiaries in Subotica to produce briquettes and pellets to be sold for retail and to purchase a vehicle for home deliveries and facilitate worker movement.

• **The Citizens Association for Combating Trafficking in Human Beings and All Forms of Gender-Based Violence Atina.** The *Bagel Bejgl* project in Belgrade will provide work to four women from disadvantaged categories who will produce baked goods. Income from this activity will be invested to support the association Atina, which protects victims of human trafficking. Grant funds will be used to increase production and sales capacity.

• **Social Agricultural Cooperative Nova Perspektiva.** The cooperative supports an incubator for agricultural businesses in the city of Pirot, near the border with Bulgaria. The objective of the project is to reduce unemployment and poverty in the area. Combining entrepreneurial knowledge with production practices and agricultural transformation, the project will contribute to training six women over a two-year period. The funds will be used to construct new greenhouses and purchase equipment.

• **Association for Support to Persons with Disabilities Naša Kuća.** The funds will be used to support the *Healthy Garden* project in Belgrade. Naša Kuća is an association founded by the parents of children with disabilities, which has set itself the goal of supporting social inclusion and employing beneficiaries through a wide array of economic activities. All profits of the '*Healthy Garden* - Hydroponic vegetable production centre and other activities are used to support the day centre and the other services provided by the association.

• **Citizens Association LICEULICE.** The objective of the association is to empower members of marginalised groups - the homeless, people with disabilities, Rom and those living in poverty - through sales of the magazine *LICEULICE* on the street. Over the last seven years, this activity has seen the involvement of 400 beneficiaries. Revenues from sales of the magazine are in part given to sellers and in part contribute to supporting printing costs and other *LICEULICE* programs, including the creation of a crowdfunding platform for online communication, promotion and fundraising through cause-related marketing activities.



**Aleksandra Kecojevic, Programme Manager,
Ana and Vlade Divac Foundation**



**Ivana Stancic, The Be A Man Campaign Project
Coordinator, Smart Kolektiv**

"We were founded with the mission of ensuring a quality of life even for the most vulnerable sectors of the population. To meet the goal of social integration, we are actively working to promote social businesses in Serbia."

Introduction

ENTREPRENEURSHIP
& SOCIAL
INNOVATION



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of Expertise
for Non Profits



Financial
Statements
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017

The Power of Social Enterprise

COUNTRY **ROMANIA** | REGION **NATIONAL** | DURATION **MARCH 2016 - MARCH 2017** | PARTNER **NESST ROMANIA**



17
OPPORTUNITIES
FOR EMPLOYMENT
AND ADDITIONAL
INCOME
GENERATED
THROUGH THE
CALL FOR TENDER
THE POWER
OF SOCIAL
ENTERPRISE
(2016-2017)

1,400
TRAINING HOURS
ENJOYED BY THE
PARTICIPANTS
IN THE VARIOUS
CALLS FOR
TENDER ISSUED IN
ROMANIA SINCE
2012

Development of social enterprises in Romania occurs in the context of a country that is marked by significant social and economic disparity: around 40% of the population lives in conditions of poverty (or is at risk of such), where the Central Western European average stands at around 30%. The most vulnerable people, such as people with disabilities, women excluded from the job market and ethnic minorities are the focus of the worries of social entrepreneurs, who with increasing urgency are asked to identify innovative, effective and lasting solutions which may include forms of employment, sustainable income, fair pay and access to basic welfare services. In 2015, a framework law was issued on the social economy, which still requires tools that are fully adequate for its implementation. Based on estimates, between 5,000 and 10,000 non-profit organisations in Romania could be considered social enterprises of some type.

It is this context that UniCredit Foundation decided to renew its commitment in favour of social enterprises with the initiative *The Power of Social Enterprise*. In its 2016-2017 edition the initiative - in cooperation with NESsT Romania, UniCredit Bank and UniCredit Business Integrated Solutions - targeted social enterprises already active in Romania, with a presence on the market of at least one year and with a medium/high level of development (in the validation/scaling-up phase), already able to generate revenue and ready to commit themselves to creating employment through innovative and sustainable business ideas, with significant social impact. Selected through a national call for tender, the two best social enterprises chosen each received a grant of € 12,500, as well as training, mentoring and dedicated consulting. Additionally, together with the company ranked third, these two organisations also received "Your Choice, Your Project" grants, for a total value of € 10,000, distributed on the basis of the votes cast by employees of UniCredit Bank and UniCredit Business Integrated Solutions. These are the organisations and projects selected:

- **Ghirbom Bakery.** The objective of this social enterprise is to create employment for women at risk of marginalisation, through the production of bread and other traditional baked products, using organic and traditional ingredients.



- **Meștешukar ButiQ (MBQ).** The organisation employs local artisans, while also promoting Rom art and traditions. The network has set the objective of developing new products and increasing production efficiency.

- **Remesh.** This is a project developed by Ateliere Fara Frontiere, which supports social and employment inclusion for disadvantaged people, through laboratories that recover and regenerate used materials, for example accessory production. Since 2012 UniCredit Foundation and NESsT - in cooperation with UniCredit Bank and UniCredit Business Integrated Solutions - have achieved significant results through the national calls for tender promoted:

- 51 project teams supported with incubation
- 20 social enterprises supported through grants and capacity building, including in the NESsT portfolio
- around 700 jobs created thanks to the activities of the winning organisations, which have reached over 5,000 beneficiaries (direct and indirect)
- 4 editions of "Your Choice, Your Project" involving the participation of around 3,000 employees of UniCredit Bank and UniCredit Business Integrated Solutions
- 13 companies benefiting from extra "Your Choice, Your Project" grants for a total value of € 75,000.



NESST

Zoltan Bereczki, Country Director, NESsT Romania

"When the results of an initiative are assessed, often it is measurements of impact that demonstrate its success. In our program, success is indicated by the number of jobs created in particularly depressed areas in rural Romania."

160

JOBLINGE
EMPLOYEES
PARTICIPATING
IN TRAINING
ACTIVITIES

**Over
1,000**

YOUNG
PEOPLE WHO
FOUND WORK
IN 2017
THANKS TO
JOBLINGE



Again in 2017-2018, UniCredit Foundation confirmed its support for the activities of JOBLINGE, actively supported through numerous large German partner companies, including HypoVereinsbank (HVB), whose employees are involved as mentors.

Cooperation between UniCredit Foundation and JOBLINGE began in 2012 and is now quite solid. The organisation operates through a social franchising system: the umbrella organisation (headquarters) allows local offices to make use of the brand and the operating model. These offices are located throughout Germany, in geographic areas identified by analysis of the concrete needs of the zone. Thanks to support from UniCredit Foundation, three offices have been inaugurated over the years (Hamburg, Stuttgart and Darmstadt) of the 26 currently active, which employ around 130 JOBLINGE employees. Between 2017 and 2018 UniCredit Foundation has set itself the objective of renewing its support, paying particular attention to strengthening employee expertise and disseminating best practices within the network.

In addition to the work done by the organisation's staff, a large number of volunteers mobilised through JOBLINGE's partner companies serve as mentors, sharing their life and work experiences with the young people. The employees of HVB also serve as mentors and are involved in the Kompass project, dedicated to young refugees, including as language teachers. A number of workshops are also held at

HVB offices, which has been able to mobilise the largest number of mentors of JOBLINGE's partner companies - around 200 employees since cooperation began between the German bank and the organisation, in 2011. The duration of each mentoring process is generally around 6 months. During this period, the young people work with employees of the organisation, with trainers, mentors and volunteer coaches. Additionally, participants continue to be supported for another 6/10 months after they complete the program, during the delicate transition into the world of work.

The numbers confirm the effectiveness of the model. Starting in 2008 over 5,700 people have been involved in the program. On average 73% find work once the program is completed, and 80% are still working six months after they leave the program (sustainability rate).

With its program to bring people into the world of work, JOBLINGE combines a wide array of training and support activities in order to offer participants the opportunity to put themselves to the test thanks to training and internships, with the objective of identifying their natural skills and capacities to help in future job searches.

It is estimated that thanks to actions like JOBLINGE, for every stable job kept for at least 10 years, German welfare will save up to € 117,000 - for example through subsidies not paid, as the HessenChemie study carried out for JOBLINGE in 2015 demonstrated.



JOBLINGE

Ulrike Garanin, Director, JOBLINGE:

"The biggest factors in the success of our work is the excellent motivation of our participants and their training. In fact, our focus is not just selecting the workers but, above all, on developing their talent and on their professional progress."

Introduction

ENTREPRENEURSHIP
& SOCIAL
INNOVATION



ADVOCACY
& SOCIAL INCLUSION



Employee Community
Involvement



Culture
& Solidarity



A Centre of Expertise
for Non Profits



Financial
Statements
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017



Gift Matching Program

Launched for the first time in 2003, the Gift Matching Program (GMP) is active in 15 countries and in 2017 celebrated its 15th anniversary. This is the initiative that UniCredit Foundation uses to support UniCredit employees in their approach to philanthropy, following the tradition of the most important Anglo-Saxon corporate foundations. GMP is a genuine "solidarity multiplier" which, in terms of grants made, is UniCredit Foundation's largest solidarity program and in terms of numbers of participants is one of the most important European personnel involvement initiatives. In 2017, 342 projects were supported, 9,167 donations were made and over €2 million was donated by colleagues and the Foundation. Since it first started, the Program has supported over 5,600 projects, with €24.6 million donated by employees and €22.4 million in additional funds from the Foundation, for a grand total of over €47 million donated. The mechanism is simple: the Foundation adds to the donations made by employees for non profit organisations, matching donations until the funds are gone. Beneficiary organisations are selected by employees and donation groups are coordinated by colleagues, who also serve as promoters. The program regulations require a minimum number of participants and a minimum donation amount per group, based on the country. These aspects make the donations for beneficiaries more meaningful and also demonstrate the importance of the donation group coordinators who, due to the fundamental responsibility of promoting solidarity networks among their colleagues, are the most precious element of the GMP.

Gift Matching Program Award 2017

Gold medal to Turkey, silver to Croatia, bronze to Italy. With Austria just behind. These were the final results by country for the 2016 edition of the Gift Matching Program, based on number of colleagues involved. In fact, in Turkey Nur Erinc and Kerim Sakli (YapiKredi) saw 258 and 188 people involved, respectively. In Croatia, Mirko Hršak of Zagrebačka Banka placed second, with 123 colleagues. And in Italy Marco Ogliaro (UniCredit) took the bronze with 109 colleagues. Austria was just a bit behind, as Helmut Siutz (UniCredit Bank Austria) had 105 colleagues. The award ceremony was held on 5 April 2017 at the offices of UniCredit in Milan, in piazza Gae Aulenti. The Chief Executive Officer of UniCredit, Jean Pierre Mustier, did the honours and, before delivering the awards, emphasised the value of the commitment shared by the entire Group, above all by its employees, in favour of the target communities. Marco Ogliaro was nominated as the new GMP Ambassador for Italy, while colleagues Martin Šesták (Czech Republic) and Jana Voberova (Slovakia), both from UniCredit Bank Czech Republic

and Slovakia, saw their commitment recognised, showing the largest increase in colleagues involved in comparison to the previous edition (over 85%). "The GMP adds value to my daily work," explained Voberova, "because it lets me share a truly significant commitment with my coworkers, giving me the possibility contribute to improving the world around me, helping people who genuinely need it." "The people of UniCredit continue to demonstrate their solidarity and the numbers for the 2016 GMP prove it," added the Chairman of the UniCredit Foundation Maurizio Carrara, "with the support that our colleagues give all these non-profit organisations every year, contributing not just to making our society more lively and productive, but also more cohesive." In association with the award ceremony, a round table was held, led by Alice Aricò, Program Officer of UniCredit Foundation, dedicated to best practices for employee involvement in solidarity initiatives, with the participation of Anneliese Gfrerer (Germany), Dunja Prgomet (Croatia) and Luigino Raimondi (Italy).

Top row, from left to right:
Anneliese Gfrerer (Germany)

- Dunja Prgomet (Croatia) •
- Maurizio Carrara (Chairman
UniCredit Foundation) •
- Jean Pierre Mustier (CEO
UniCredit) • Helmut Siutz
(award Austria) • Luigino
Raimondi (Italy)

Bottom row, from left to
right: Martin Šesták (award
Czech Republic) • Jana
Voberova (award Slovakia)

- Kerim Sakli (award
Turkey) • Gianni Franco
Papa (General Manager
UniCredit) • Nur Erinc
(award Turkey)
- Marco Ogliaro (award Italy
- new Ambassador)
- Mirko Hršak (award
Croatia) • Nina Siutz
(daughter of Helmut Siutz)

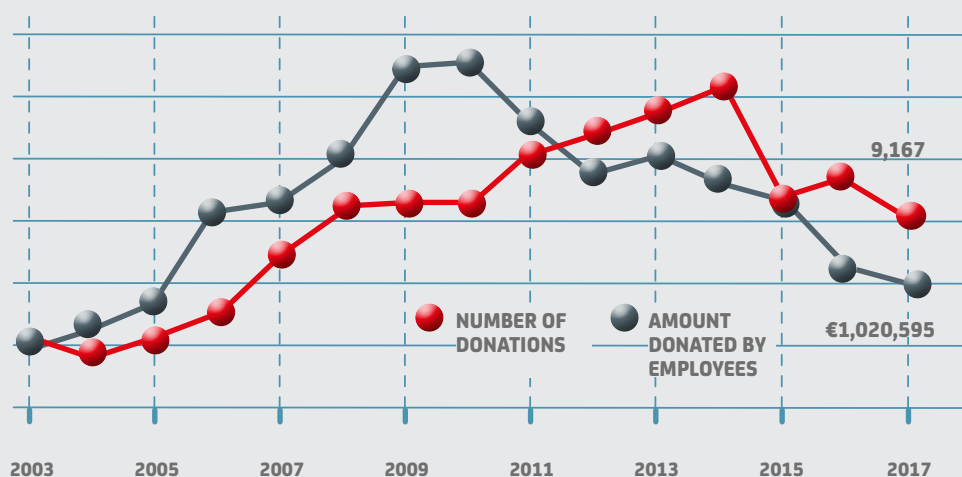


GMP 2017: results

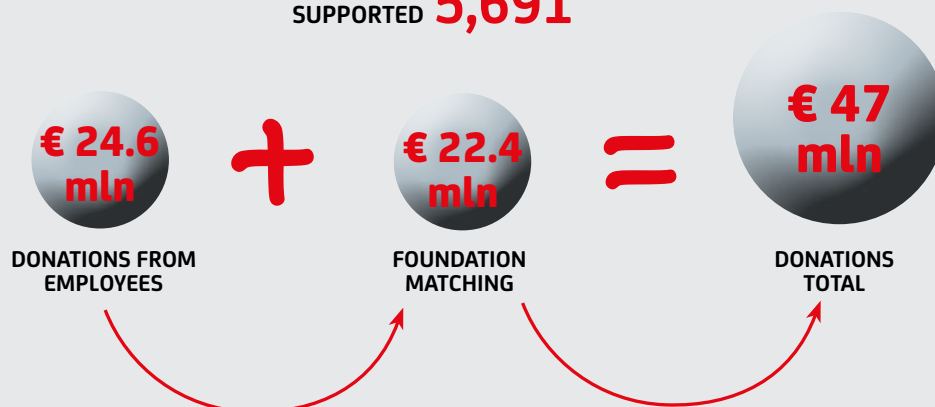


Data relative to period
1 January/
30 November 2017

GMP 2003 - 2017: participation/donation trends



PROJECTS SUPPORTED **5,691**



A REPORT IN TWO LANGUAGES

“Our Joint Efforts” (or “In prima persona” in the Italian version) is the title of the publication that UniCredit Foundation has been printing for the last six years to offer a complete overview of all the projects supported through the GMP.

The edition relative to 2016 initiatives can be downloaded as a PDF on the Foundation's website at www.unicreditfoundation.org/it/publications.html

Introduction

Entrepreneurship & Social Innovation



Advocacy & Social Inclusion



EMPLOYEE COMMUNITY INVOLVEMENT



Culture & Solidarity



A Centre of Expertise for Non Profits

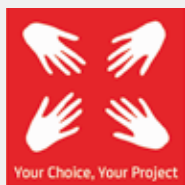


Financial Statements 2017

Report of the Board of Auditors

UniCredit Foundation
Report and Account 2017

Your Choice, Your Project



The reader will have realized while going through these pages that some of the descriptions of the projects have been marked with the “Your Choice, Your Project” logo (YCYP). The wording on the logo is the same as the name of the initiative designed to involve employees in the decision making process that was extended to include all of UniCredit Foundation’s activities. The mechanism is simple: after a nationwide competition or a preliminary scouting in different regions and an ensuing selection process, the projects that the Foundation will support in each individual country are presented to the employees of the UniCredit Group.

At this point, a click of the mouse is all that is required to express a preference and indicate to the Foundation which project should receive an additional donation. In this way employees can participate directly in the decision-making processes that direct the philanthropic activities of our Group. Moreover, some colleagues have gone further and have participated in person as volunteers in field projects. In 2017 “Your Choice, Your Project” celebrated six years of activity (2012-2017). Over the years, 34 voting sessions have been held in 11 different countries, for a total of 76,938 votes cast.

Intervention Areas



Rest-Cent-Initiative

COUNTRY **GERMANY** ■ REGION **NATIONAL** ■ DURATION **JANUARY 2017 - DECEMBER 2017**

4,700

EMPLOYEES
PARTICIPATING
IN THE
INITIATIVE
EACH YEAR

300,000

AMOUNT
PROVIDED TO THE
18 BENEFICIARY
ORGANISATIONS
OF REST-CENT IN
2012 (INCLUDING
UNICREDIT
FOUNDATION
MATCHING)

The *Rest-Cent-Initiative* allows Hypo-Vereinsbank (HVB) employees in Germany to decide to make a monthly donation of a given percentage of their net salary to non profit organisations operating in the country.

They have an active role and - on the basis of a preliminary selection made by HVB with the help of Phineo philanthropic advisory experts - choose the beneficiaries by means of the online voting mechanism "Your Choice, Your Project". The total amount raised during the year is then doubled by the UniCredit Foundation.

In 2017 the two associations that received the donations were:

- **Spielmobil Falkenflitzer – Verein zur Förderung der Jugendarbeit e.V.** Based in Hamburg, it provides care for children and adolescents taken into dedicated structures for refugees in the periphery of the city. A colourful bus moves throughout the area, inviting them to participate in recreational activities like playing, singing and creative manual work.

- **Internationaler Bund e.V. – Jugendhilfe & Migration.** In Munich, IB helps non-accompanied female refugee minors in Germany. The association manages five residential and care structures, where girls between 12 and 18 years of age are supported by a team of female assistants. The objective is to help the guests from both a pedagogical and professional standpoint.



Anneliese Gfrerer,

Head of Corporate and Digital Relationship Management

"Together with UniCredit Foundation we promote social activities and organisations in favour of our community. Employees are deeply involved in this activity, which is part of the strategy to create value in the local area."

We for the Region Award

COUNTRY **GERMANY** ■ REGION **NATIONAL** ■ DURATION **JUNE 2017 - DECEMBER 2017**

2,262

HVB EMPLOYEES
WHO EXPRESSED
A VOTE TO
DETERMINE THE
2017 AWARDS

In 2017, UniCredit Foundation supported the second edition of the initiative *We for the Region Award*, in cooperation with HVB. Through the Award, UniCredit Foundation and HVB assigned three grants to three volunteer projects involving HVB employees at non-profit organisations active in Germany. In 2016 2,093 HVB employees expressed their preferences by voting online, and in the second edition the number of votes rose to 2,262.

First prize went to **Inklusion durch Förderung und Betreuung e.V.** which supports sick and disabled children and adolescents. Second prize was awarded to **Schweinfurter Kindertafel e.V.**, which provides healthy bag lunches for distribution in the primary and secondary schools and nursery schools of Schweinfurt. Finally,

Aktivspielplatz am Wöhrder See received third prize. It runs a day centre where children and teenagers between 6 and 14 years can spend their afternoons, playing, doing artisan work or climbing.



Ulrich Mönius, Head of Region Munich Retail Banking, HVB

"We for the region" is an integral part of HVB's social programs. Hundreds of our colleagues are personally involved and support less privileged people in the region where they live and work. All of them are very passionate about their volunteering work as it enriches also their personal life.

Introduction

Entrepreneurship &
Social Innovation



Advocacy
& Social Inclusion



EMPLOYEE
COMMUNITY
INVOLVEMENT



Culture
& Solidarity



A Centre of Expertise
for Non Profits



Financial
Statements
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017

Open Rehearsals

COUNTRY **ITALY** | AREA **MILAN** | DURATION **OCTOBER 2017 - NOVEMBER 2018**

PARTNERS **SOCIETÀ UMANITARIA, FONDAZIONE IRCCS CA' GRANDA OSPEDALE MAGGIORE POLICLINICO, COOPERATIVA SOCIALE EUREKA!, SOCIETÀ DI SAN VINCENZO DE PAOLI**

9,763

ATTENDEES FOR
THE 2016-2017
EDITION

**Over
1 mln**

EURO DISTRIBUTED
TO NON-PROFIT
ORGANISATIONS
IN MILAN DURING
THE FIRST 9
EDITIONS

Open Rehearsals for Scala Philharmonic Orchestra are by now a recognised model for supporting the non-profit organisation in Milan, thanks to the notable synergy it creates with the public, private entities and associations. In this ninth edition, the million Euro mark was surpassed in funds disbursed to socially useful projects. This amount demonstrates just how much Open Rehearsals capture the interest of citizens, the musicians of Scala Philharmonic Orchestra, its conductors, guest soloists and the world of non-profits in Milan.

The success that the initiative has achieved over the years is testified to by the always impressive numbers of those attending and the constant increase in the rate of repeat attendees. The 2016-2017 edition again saw every rehearsal sold out, with a total of 9,763 in attendance. The season pass formula, which makes it possible to purchase tickets for every rehearsal at once, was selected by 1,119 people. The total amount given to the four beneficiary organisations involved in the most recent edition was € 120,000. As is by now established tradition, again in 2017-2018 the new cycle will involve five appointments, the first of which is entirely free of charge and dedicated to the city. The inaugural rehearsal is for the opening concert of the Philharmonic Season, destined for the people supported by the social services of the City of Milan,

who were able to observe preparation of the concert conducted by Riccardo Chailly, free of charge. Subsequent appointments are by now an eagerly anticipated occasion for the public to visit the Scala Theatre at an affordable price (tickets range from € 5 - 35) while also taking part in a significant philanthropic project. In fact, each year all revenue from ticket sales is donated to four non-profit organisations. This is in part thanks to the cooperation provided by Scala Philharmonic Orchestra, the City of Milan, its main partner UniCredit and support from the UniCredit Foundation, which identifies the focus area, assesses the projects of the non-profit organisations and covers organisational costs. This year the decision was made to support projects that focus on senior citizen well-being and quality of life. The four organisations benefiting from the Open Rehearsals - **Società Umanitaria, Fondazione IRCCS Ca' Granda Ospedale Maggiore Policlinico, Cooperativa Sociale Eureka!, and Società di San Vincenzo De Paoli** - are all organisations that deal with various aspects of the ageing process. They work on projects that address different issues, to enrich and improve this delicate stage of life: from healthcare and increasing needs for assistance in managing free time, to fighting solitude, to providing support for economic difficulties.

Prove Aperte
LA FILARMONICA DELLA SCALA INCONTRA LA CITTÀ





Nine years of Open Rehearsals: a concrete commitment

The Philharmonic's dedication to social issues is demonstrated by the numerous initiatives the Orchestra has supported since 1984, with evenings dedicated to fund-raising and public concerts of enormous symbolic value that have characterised its activities since the start with Claudio Abbado. The Open Rehearsals project began in 2010 through cooperation between Scala Philharmonic Orchestra, the City of Milan, main partner UniCredit and UniCredit Foundation. Over eight years it has distributed around € 980,000 to social projects supported by

numerous non-profit organisations in Milan and with this ninth edition € 1 million has already been exceeded. Beneficiaries include: in 2010 Don Gnocchi Foundation, Arché Foundation, Casa della Carità and Floriani Foundation; in 2011 Comunità Nuova, Vidas, Centro per anziani "Erocole Ratti", Scuola Italiana di Senologia and Opera San Francesco per i Poveri; in 2012 OBM Onlus, CasAmica, Bambinisenzasbarre and COMIN; in 2013 Opera Cardinal Ferrari, Centro Francescano Maria della Passione, Cena dell'Amicizia and Pane Quotidiano; in 2014 Caritas Ambrosiana, Auser Volontariato Milano, Progetto Arca Foundation and the Seneca Association; in 2015 UILDM Milano, HANDICAP...su la testal, iSemprevivi+onlus Association and the Itaca Project; in 2016 IEO-CCM Foundation, IRCCS Istituto Neurologico Carlo Besta Foundation, Centro San Raffaele Foundation, IRCCS Istituto Nazionale dei Tumori Foundation; in 2017 La Strada Onlus, La Lanterna Onlus, Amici di Edoardo Onlus and Azione Solidale Onlus. Some of the most important musicians of our time have participated in the Scala Philharmonic Orchestra's project, including: Marc Albrecht, Daniel Barenboim, Semyon Bychkov, Riccardo Chailly, Myung-Whun Chung, Ottavio Dantone, Christoph Eschenbach, Daniele Gatti, Valery Gergiev, Daniel Harding, Fabio Luisi, Zubin Mehta, Gianandrea Noseda, Andrés Orozco-Estrada, Georges Prêtre and of course the musicians of the Orchestra.



Chailly: The public? Ever more loyal and passionate

By Riccardo Chailly *

I find it more and more lovely to open the Philharmonic's rehearsals to the public, because something that normally is just between me and the musicians is opened up during the rehearsals. And it is much more interesting as an effective tool for dissemination: on one hand participation, on the other hand sharing. The music becomes the foundation, but it's not just enjoying the final result of a process but enjoying participation in the process itself, listening to the music for the music itself. It fills me with joy to see the loyalty grow in the public, which has fully understood the meaning of this successful initiative.

We can say that there is a human and emotional result that is even more important through involvement in a solidarity project. For me and

the musicians, all the Open Rehearsals have by now become an integral part of our work as the Philharmonic. But this is even more true for our guests, who increasingly request the possibility of participating. I've always been touched by the ability our work has to affect the public: the frequent skill of understanding when a passage, maybe one repeated several times, has finally reached maturity and the ability to rejoice in it with applause or the desire that many have to understand even the smallest signal, every cue I give. This is why I often enjoy providing guidance to the public as they listen. I have to emphasise that I greet the constant participation of the public with enthusiasm. Many times I recognise them as regular visitors and I'm happy to see increasing numbers of young people attend, attracted by the informal situation but ready to take in the more profound aspects of the experience. It is truly a charming sign of change.

* Main conductor of Scala Philharmonic Orchestra

Introduction

Entrepreneurship & Social Innovation



Advocacy & Social Inclusion



Employee Community Involvement



CULTURE & SOLIDARITY



A Centre of Expertise for Non Profits



Financial Statements 2017

Report of the Board of Auditors

UniCredit Foundation Report and Account 2017

In addition to the many projects it supports, UniCredit Foundation continues to fulfil its fundamental role as a knowledge centre for non-profits and philanthropy for the entire Group. This role has a well-defined objective: provide a specific professional contribution to the Bank that on the one hand supports the development of the non profit sector in the best and most innovative way and on the other, to raise awareness within and outside UniCredit of the importance of strategic philanthropy as a development tool within the communities that the Bank serves.

A Foundation that serves socially responsible investors

This is a task that requires constant and continuous learning based on the changing nature and complexity of the needs coming from the local areas: **it is no longer possible to have a real impact on social fragility without fostering knowledge and awareness of the vital role modern philanthropic activities play.**

In this sense, one of the most significant actions is that carried out by the Foundation with the UniCredit Private Banking Division and the newly established Cordusio SIM that offers a complete

array of services to High Net Worth Individual clients who want to "invest" in beneficial initiatives. **This is the Philanthropy Advisory model which, starting with the desires and focus on specific individual sensibilities, supports clients in establishing their personal philanthropic profile.** How? For example, by identifying the most effective tools to achieve the objectives set or, in the case of direct donations, helping the client to select the entities to be supported based on their effectiveness and social impact, which are frequently not facts known by the general public. The array of solutions also

includes: the establishment of a foundation or the activation, through the philanthropic brokering tool, of a fund managed by the Foundation itself on the account of the philanthropist - known as a Donor Advised Fund (DAF).

The centre of expertise is also engaged in supporting the Bank's business activities aimed at the Third sector. In fact, the Foundation's decision to finance social enterprises, those already established as well as those in the start-up phase, places the Bank to better benefit from its role as a credit provider to the non profit system. Finally, UniCredit Foundation contributes to fostering best practices among the diverse countries where it operates, assisting local banks in their choice of social interventions.

"Fondo Giancesini" Call for Tender

COUNTRY **ITALY** | REGION **VENETO** | DURATION **JUNE 2017 - OCTOBER 2017** | PARTNER **VERONA UNIVERSITY**



In 2017, the study/research scholarships provided by the *Fondo Giancesini* reached their fourth edition, established thanks to a donation made by a private citizen of Verona, in cooperation with UniCredit Foundation and the University of Verona. The objective is to finance four recent graduates of higher education for a further experience abroad (study or research), in the fields of economics and medicine. Two of the scholarships, with a value of € 25,000 each, are destined for the Department of Economic Science, while another two go to the School of Medicine and Surgery at the University of Verona (with one reserved for new graduates and another for doctors/specialists).

Last 12 December the winners were announced, after being selected by a Commission nominated by the University, and an external member nominated by UniCredit Foundation. Elisabetta Longo and Vincenzo Prete received the scholarships from the Department of Economic Science. Anna Reni and Shahbaz

Khan received the scholarships from the School of Medicine and Surgery. "In 2017," commented Nicola Sartor, the President of the University of Verona, "we have reached the fourth time the research scholarship has been awarded by the *Fondo Giancesini*, benefiting four new graduates of our school. Being able to count on this generous support is invaluable for us, being able to count on its continuation is even more useful, because it allows us to plan out research activity with an eye to the future. We are grateful for this gesture of trust relative to our young people and to scientific research. We will work hard to achieve the best possible results." "Thanks to the significant philanthropic gift made by a citizen of Verona," remarked Maurizio Carrara, Chairman of the UniCredit Foundation, "four students at the University of Verona will have the opportunity to develop their research projects in a well-regarded international scientific context. I always say young people are our future and we need to invest in them."



Nicola Sartor, President, University of Verona

"Being able to rely on this generous financial support is invaluable for us. Being able to count on its continuation is even more useful, because it allows us to plan research activities."

Introduction

Entrepreneurship & Social Innovation



Advocacy & Social Inclusion



Employee Community Involvement



Culture & Solidarity



A CENTRE OF EXPERTISE FOR NON PROFITS



Financial Statements 2017

Report of the Board of Auditors

UniCredit Foundation
Report and Account
2017



Project monitoring

All Foundation projects are regularly monitored in terms of implementation and execution. Additionally, in 2017 Deloitte & Touche S.p.A. carried out agreed verification procedures relative to accounting and administration for the following projects:

- La Kumpania Impresa Sociale (Chikù)
- Soccorso Clown Coop. Soc. (Azione Anziani)
- Fondazione Mission Bambini (Occupiamoci! 2013)
- Corallo Coop. Soc. (Sweet Home)
- Vedogiovane Coop. Soc. (Badante di condominio)
- NESsT Romania (The Power of Social Enterprise)
- Joblinge Germany (JOBLINGE 2016/2017)
- Mozaik Community Development Foundation BiH (Empowering the Breakthrough Generation in Bosnia and Herzegovina 2016/2017)
- Auser Volontariato Territoriale Firenze (Abitare Solidale)
- Fondazione Ricovero Martinelli (The Decentralized Hospice: the other Baggina-new ways of living and a support network for the elderly and the entire community)
- Ashoka Poland (Support to Social Entrepreneurship in Poland 2016/2017 - Social StartUp)
- Associazione Neuropsiche (Noi da voi: Specialized home support and home adjustment service for the management of people with dementia and self-sufficiency)
- Vesti Solidale Coop. Soc. Onlus ("SHARE" - Second HAndREuse)
- Scurpiddu Coop. Soc. (C.O.E.S.I. - Costruzione di Opportunità Educative Sociali ed Imprenditoriali)
- La Fabbrica di Olinda Coop. Soc. (Belfiore 1 - The flavours and knowledge of legality and social inclusion)
- Coop. Soc. Centro di Lavoro San Giovanni Calabria (La Bottega dello speciale)



Index

BALANCE SHEET	46
REPORT ON OPERATIONS	47
NOTES TO THE ACCOUNTS	48
Accounting principles and valuation criteria	49
Comments on the Balance Sheet and on the Report on Operations	50
ANNEXES	60
A) Breakdown of the Securities Portfolio held for asset management as at 31 December 2017	60
B) Breakdown of the Funds Portfolio held for asset management as at 31 December 2017	61
REPORT OF THE BOARD OF AUDITORS	63



Dear Board Members,

I kindly ask you to approve the 2017 Financial Statements presented here which show an operating deficit of €1,016,132 which I propose to you to subtract from the operating reserve.

The Chairman
Maurizio Carrara

Introduction

Entrepreneurship
& Social Innovation



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of
Non Profit Expertise



**FINANCIAL
STATEMENTS
2017**

**Report of
the Board
of Auditors**

**UniCredit
Foundation**
Report and
Account
2017

BALANCE SHEET AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

ASSETS	31/12/2017	31/12/2016
C) Current assets	6,285,238	7,917,732
II - Receivables	28,105	22,907
5) Due from others	28,105	22,907
III - Financial assets not classified as fixed assets	4,105,389	5,711,544
2) Other securities	4,105,389	5,711,544
IV - Liquid assets	2,151,744	2,183,281
1) Bank deposits	2,129,997	2,144,767
2) Cash held at asset management companies	21,247	38,014
3) Cash and cash equivalents on hand	500	500
TOTAL ASSETS	6,285,238	7,917,732

LIABILITIES	31/12/2017	31/12/2016
A) Net equity	2,711,545	3,727,677
I - Operating reserve	2,648,545	3,664,677
1) Surplus/Deficit on operations	-1,016,132	-430,724
2) Surpluses of previous years	3,664,677	4,095,401
II - Endowment fund	63,000	63,000
D) Payables, with separate indication for each item of the amounts due after the following period	3,573,693	4,190,055
2) Payables for contributions to be disbursed	3,556,961	4,167,617
2.1) Projects in countries in which the Group is present within the following period after the following period	772,868	746,423
2.2) Projects involving personnel of the Group within the following period after the following period	665,374	646,423
2.3) Specific projects within the following period after the following period	107,494	100,000
6) Accounts payable	755	4,557
7) Taxes payable	15,977	17,881
TOTAL LIABILITIES	6,285,238	7,917,732

MEMORANDUM ACCOUNTS	31/12/2017	31/12/2016
Funds to be received from 'Fondazione con il Sud' for specific projects.	0	21,675

REPORT ON OPERATIONS FOR FINANCIAL YEAR 2017 (AMOUNTS IN EURO)

EXPENSES	2017	2016
1) Expenses from ordinary operations	3,159,914	3,172,413
1.1) Projects in countries in which the Group is present	971,000	519,500
1.2) Projects involving personnel of the Group	1,348,288	2,015,000
1.3) Specific projects	765,675	540,000
1.4) Studies and expenses for feasibility, assessment and promotion of projects	2,453	27,516
1.5) Project monitoring	72,498	70,397
4) Financial expenses and losses	17,904	0
4.4) From other assets	17,904	0
6) General administrative costs	447,105	485,512
6.1) Employees	219,008	216,863
6.2) Other operating costs	228,097	268,649
TOTAL EXPENSES	3,624,923	3,657,925
OPERATING SURPLUS	0	0
TOTALS	3,624,923	3,657,925

REVENUES	2017	2016
1) Revenues from ordinary operations	1,756,073	2,680,200
1.1) Contributions received	1,756,073	2,680,200
4) Financial income and gains	802	2,400
4.1) From bank deposits	802	1,753
4.4) From other assets	0	647
7) Other income	851,916	544,601
7.1) Recovery of surpluses from projects completed or not implemented	851,916	544,601
TOTAL REVENUES	2,608,791	3,227,201
OPERATING DEFICIT	1,016,132	430,724
TOTALS	3,624,923	3,657,925

Introduction

Entrepreneurship
& Social Innovation



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of
Non Profit Expertise



FINANCIAL
STATEMENTS
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017

NOTES TO THE ACCOUNTS FOR FINANCIAL YEAR 2017

Preliminary Information

UniCredit Foundation was established on 5 March 2003 as Unidea – UniCredit Foundation, with an endowment of €63,000.

It is a non profit private foundation and is registered in the Registry of Entities of the Prefecture of Milan under number 414.

The purpose of the Foundation is to promote, implement and manage support actions in the field of solidarity, assistance and charity, orienting its commitment in particular in countries where the UniCredit Group has a presence.

The Foundation's Bodies are: the Board of Directors, the Chairman and the Board of Auditors.

Contents and form of the Financial Statements

The Financial Statements were drawn up in accordance with the recommendations issued by the "Non profit Enterprises Commission" of the National Board of Chartered and Expert Accountants. The accounting principles and valuation criteria have been applied consistently over time and have not been changed unless otherwise noted.

The Financial Statements consist of the Balance Sheet, the Report on Operations and the Notes to the Accounts, and are accompanied by the Annual Report above.

The year ending at 31/12/2017 shows an operating deficit of €1,016,132, representing a negative balance for the financial year in question. This amount, in its entirety, will be covered through a reduction in the operating reserve.

The statements are audited by the Board of Auditors.

Since the Foundation does not conduct commercial business, it is not subject to VAT; due to the nature of its income it is not subject to income tax, but only to IRAP (Regional Business Tax).

Accounting principles and valuation criteria

Income and Expenses are reported on an accrual basis with the exception of contributions received, which are recorded on a cash basis. Accrual of the costs from ordinary activities is determined on the basis of the spending resolutions approved by the Board of Directors.

Assets CURRENT ASSETS

Receivables are posted at their nominal value which is the same as their estimated realizable value.

The item **Financial assets not classified as fixed assets – Other securities** includes securities in the portfolio for asset management purposes, which the Foundation's reserves are invested in until they are used by the institution. These securities are all measured at market value understood as the price reported on the last trading day of the period, including any accrued income due.

Liquid assets are reported at nominal value.

Liabilities NET EQUITY

The **Operating Reserve** consists of operating results for the current and previous periods.

The **Endowment Fund** is recognized at nominal value and represents the value of contributions made at the time the Foundation was established.

Payables, with separate indication for each item of the amounts due after the following period.

Payables are reported at their nominal value.

Payables for contributions to be disbursed represent the Foundation's commitment for projects that have been approved but not yet funded. They are broken down by the type of project supported.

Accounts payable include amounts owed with respect to invoices or bills received as well as the amount of any invoices/bills to be received for services received but not invoiced by the end of the year.

Taxes payable include the withholding tax on the income of self-employed workers, taxes withheld from workers and the amount of IRAP tax due.

Memorandum Accounts

The Memorandum Accounts represent commitments from third parties to make donations to fund specific projects.

Expenses

Expenses from ordinary activities include all contributions and expenses for projects approved during the period by the Board of Directors.

Financial expenses and losses include losses made on investments in Asset Management, including expenses and taxes.

General administrative costs reflect the costs incurred by the Foundation during the reporting period to conduct its operations.

Revenues

Revenues from ordinary operations represent donations received during the period.

Financial income and gains are related to gains on investments and bank deposits. Income is reported net of expenses and taxes.

The item **Other Income** brings together the remaining revenues, which by nature cannot be included in the previous categories, including sums recovered due to restructuring of financial commitments relative to projects and surpluses recovered on projects completed or not implemented.



COMMENTS ON THE BALANCE SHEET AND ON THE REPORT ON OPERATIONS

(AMOUNTS IN EURO)

	31/12/2017	31/12/2016
C) Current assets	6,285,238	7,917,732
II – Receivables	28,105	22,907
5) Due from others	28,105	22,907

Receivables due from others include the balance of prepayments for IRAP (€15,344) and INAIL (€131) taxation, withholdings from income deriving from asset management (€11,130) and from prepaid credit cards provided to workers (€1,500).

	31/12/2017	31/12/2016
III – Financial assets not classified as fixed assets	4,105,389	5,711,544
2) Other securities	4,105,389	5,711,544

The item **Other securities 2017**, following the sale of securities made during the first quarter of 2017, decreased compared to the amount of the previous year.

Given the trend in interest rates and the absolutely conservative profile of operations, it was decided to keep the investments in asset management, giving priority to both Italian and foreign government bonds (BTP, CCT, OAT, BUNDES, BELGIUM, PORTUGAL, SPAIN, IRISH, etc.) mainly with short-term maturities. The modified duration of the portfolio is 0.93 years.

Asset management includes:

- Italian and European government securities of €3,284,883 measured at market value on the last business day of December 2017 and include accrued interest of €33,985. A breakdown of the securities portfolio as at 31/12/2017 is provided in the table in Annex A).
- European Bond Securities Funds for a total value of €820,506 measured on the basis of values of the units of those Funds at 31/12/2017. Annex B) provides information on the composition of and movements related to the aforementioned funds portfolio.

Compared to the previous year there is a component invested in Bond Absolute Return Strategies, implemented through the use of Securities Funds, which at 31/12/2017 amounted to approximately €601,000 for a total proportion of 14.5%. The investment was introduced during the year to mitigate the negative impact of the yields of short-term government bonds.

	31/12/2017	31/12/2016
IV – Liquid assets	2,151,744	2,183,281
1) Bank deposits	2,129,997	2,144,767
2) Cash held at asset management companies	21,247	38,014
3) Cash and cash equivalents on hand	500	500

Bank deposits represent the total of current account balances held at UniCredit S.p.A.

Cash held at asset management companies is the cash generated from the asset management relationship indicated under "Other securities".

Cash and cash equivalents on hand is the balance of petty cash used for current expenses.



Memorandum Accounts

	31/12/2017	31/12/2016
The commitment of 'Fondazione con il Sud' ended in April 2017 with payment to UniCredit Foundation of €21,675 given in the same month to La Kumpania (in the context of the International Tender Social Innovation Competition Naples 2.0).	0	21,675
<i>Total</i>	<i>0</i>	<i>21,675</i>

Liabilities

	31/12/2017	31/12/2016
A) Net equity	2,711,545	3,727,677

I – Operating reserve

The operating reserve amounts to **€2,648,545** and represents the algebraic sum of the operating deficit for the year of €1,016,132 and the surpluses from previous years of €3,664,677.

II – Endowment fund

This amount – totalling **€63,000** – was contributed when the Foundation was established.

Changes in Net Equity are indicated in the table below.

Statement of change to the items of the net equity for financial year 2017

	Operating reserve	Endowment fund	Total net equity
Start of year	3,664,677	63,000	3,727,677
Operating result for the period	-1,016,132		-1,016,132
Balance as at 31/12/2017	2,648,545	63,000	2,711,545

	31/12/2017	31/12/2016
D) Payables, with separate indication for each item of the amounts due after the following period	3,573,693	4,190,055

Payables, for contributions to be disbursed, totalling **€3,556,961**, represent the Foundation's commitment to projects that have been approved with disbursements to occur in future periods.

The following table provides a breakdown of projects by type and by disbursement period.

Payables Due	31/12/2017		
	within the following period	after the following period	Totals
Projects in countries in which the Group is present	665,374	107,494	772,868
Business with a Mission - Bulgaria	8,324	0	8,324
Grameen - Italy	14,654	0	14,654
Philanthropic activities	5,467	0	5,467
Initiatives with European Foundation Center 2014	6,329	0	6,329
Change with Business: Social Entrepreneurship Development Program - Turkey 2015/2016	12,175	0	12,175
Call for tender for 2015 Occupiamoci! - Italy	40,000	0	40,000
Contribution to Philanthropy Survey	1,373	0	1,373
Change with Business: Social Entrepreneurship Development Program - Turkey 2017/2018	65,000	0	65,000
Belfiore 1 - The flavours and knowledge of legality and social inclusion - Lecco	19,971	0	19,971
Filarmonica della Scala - Open Rehearsals 2017/2018	39,000	0	39,000
Idea for a Better Tomorrow in Serbia 2017/2018	8,456	0	8,456
Empowering the breakthrough generation in Bosnia 2017/2018	4,500	0	4,500
JOBLINGE - Jointly Against Youth Unemployment 2017	20,500	7,500	28,000
Initiatives in support of social enterprises 2017	419,625	99,994	519,619
Projects involving UniCredit employees	1,077,070	324,850	1,401,920
Rest-Cent-Initiative - Germany	26,594	46,850	73,444
ECI – Three-year program	22,975	0	22,975
Support for the Dissemination Activities of the Philanthropic Advisory	5,501	0	5,501
Gift Matching Program 2017	1,022,000	278,000	1,300,000
Specific Projects	751,388	630,785	1,382,173
Call for tender UniCredit Carta E 2013 Social cohesion strategies for the elderly - Italy	69,304	0	69,304
Call for tender UniCredit Carta E 2014 Social cohesion strategies for young people - Italy	79,885	0	79,885
Call for tender UniCredit Carta E 2015 Social cohesion strategies for the elderly - Italy	167,699	40,000	207,699
Call for tender UniCredit Card Flexia Classic E 2016: Social cohesion strategies for young people - Italy	147,000	129,421	276,421
Call for tender UniCredit Card Flexia Classic E 2017: Social cohesion strategies for young people - Italy	202,500	307,424	509,924
The Ganesini Emma Fund Initiatives	85,000	153,940	238,940
Total	2,493,832	1,063,129	3,556,961

Accounts payable amounted to **€755** and related to amounts owed to UniCredit S.p.A, in relation to the cost of personnel seconded to the Foundation.

Taxes payable totalling **€15,977** included the worker-related withholding tax, paid to the tax authorities in January 2018 (€1,160) and the balance of IRAP due for 2017 (€14,817).

Introduction

Entrepreneurship
& Social Innovation



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of
Non Profit Expertise



FINANCIAL
STATEMENTS
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017

Expenses

	2017	2016
1) Expenses from ordinary operations	3,159,914	3,172,413
These can be broken down as follows:		
1.1) Projects in countries in which the Group is present	971,000	519,500
1.2) Projects involving personnel of the Group	1,348,288	2,015,000
1.3) Specific projects	765,675	540,000
1.4) Studies and expenses for feasibility, assessment and promotion of projects	2,453	27,516
1.5) Project monitoring	72,498	70,397

Details of the projects are below, grouped by the Foundation's main areas of activity: Social Entrepreneurship and Social Innovation (€717,000), Social Inclusion (€254,000) for a total of €971,000. Below are the details:

Social entrepreneurship and Social innovation	717,000
<i>Empowering the breakthrough generation in Bosnia 2017/2018</i>	<i>42,000</i>
<i>Idea for a Better Tomorrow in Serbia 2017/2018</i>	<i>75,000</i>
<i>Initiatives in support of social enterprises 2017/2019</i>	<i>600,000</i>

Social Inclusion	254,000
<i>Support for the Scala Philharmonic Orchestra meets the City 2017/2018</i>	<i>195,000</i>
<i>Initiatives with European Foundation Center 2014</i>	<i>14,000</i>
<i>JOBLINGE – Jointly Against Youth Unemployment 2017</i>	<i>45,000</i>

Also during the financial year 2017, in support of the social initiatives of employees of the UniCredit Group, the amount of €1,300,000 was approved for the Gift Matching Program (GMP), which, as usual, consists of a contribution by the Foundation to supplement the donations made by employees of UniCredit in favour of non profit organisations.

This initiative, along with the others listed below, was recorded under the item Projects involving UniCredit employees, which totals €1,348,288.

Projects involving UniCredit employees	1,348,288
<i>Gift Matching Program 2017</i>	<i>1,300,000</i>
<i>Rest-Cent-Initiative in Germany</i>	<i>25,000</i>
<i>We for the Region Award – Germany 2017</i>	<i>5,000</i>
<i>Central Italy Earthquake Emergency/Caritas</i>	<i>1,045</i>
<i>Naga Onlus</i>	<i>1,710</i>
<i>Xmas for Kids</i>	<i>15,533</i>

The "Gift Matching Program" was resolved for €1,300,000 compared to €1,960,000 of the previous year, of which €740,216 carried forward (cf. Table on page 58).

Specific Projects

Payment to “Specific projects” during 2017 amounted to €765,675. Below are the details:

Specific Projects	765,675
<i>International Tender Social Innovation Competition Naples 2.0 contributed by Fondazione con il Sud</i>	21,675
<i>The Giancesini Emma Fund Initiatives</i>	204,000
<i>Call for tender UniCredit Card Flexia Classic E 2017</i>	540,000

Studies and expenses for feasibility, assessment and promotion of projects

The expenses accruing to this period totalled **€2,453**.

The following table shows a breakdown by type of expense:

	2017	2016
Expenses for promotion activities:		
Expenses for seminars for project development	0	1,516
Research and publication expense	0	26,000
Preliminary expenses and feasibility studies for projects	2,453	0
TOTAL	2,453	27,516

Project monitoring

Starting in the financial year 2015, it was decided that a specific item should be included for the costs of project monitoring, which had previously been individually allocated to each project. The same criteria was maintained in 2017 and the total value of this item came to **€72,498**.

4) Financial expenses and losses

The item (€17,904) includes the negative result of asset management including expenses and taxes achieved in financial year 2017.

General administrative costs

	2017	2016
6) General administrative costs	447,105	485,512

These are the expenses incurred for the performance of activities aimed at achieving the Foundation's goals. They decreased from 2016 to 2017 by 7.9%.

The breakdown of this item is as follows:

	2017	2016
6.1) Employees	219,008	216,863
6.2) Other operating costs	228,097	268,649

Employees

The Foundation does not have its own employees and uses staff seconded from the UniCredit Group, for which it is charged by UniCredit S.p.A.

In 2017 the number of workers within the Foundation amounted to 4, of whom one in maternity from November. In addition, the Foundation made use of an intern for about 6 months, the cost of whom can be seen in the table on page 56.

Please note that, in keeping with the method used in 2016, a portion of personnel expenses incurred during the year of reference, equivalent to €36,153, was charged to the “Employee Community Involvement” (ECI) three-year program, due to the fact that employee participation is an essential part of this program for the development of initiatives to promote employee involvement.



Other operating costs (€228,097) were composed of the following:

	2017	2016
Fees for professionals and professional services	197,925	200,269
Taxes and withholdings:	15,081	15,667
• <i>IRAP</i>	14,817	15,344
• <i>Revenue stamps and various indirect taxes</i>	264	323
Other:	15,091	52,713
• <i>Entertainment expenses</i>	941	1,770
• <i>Stationery, printing and office supplies</i>	0	1,721
• <i>Travel expenses</i>	62	424
• <i>Rent</i>	0	36,920
• <i>Postage and Telephone</i>	9,961	9,139
• <i>Various (subscriptions, publications, membership fees, etc.)</i>	4,127	2,739
Total	228,097	268,649

The item "Other" mainly declined due to:

- rent paid (which includes also ancillary items such as utilities and condominium fees): the amount was reduced to zero following withdrawal from the sub-rental contract for non-residential use with UniCredit Business Integrated Solutions S.C.p.A. after transfer of the headquarters during 2016 from Via San Protaso 3 at the UniCredit Tower at Piazza Gae Aulenti 3, also in Milan (-€36,920);
- stationery costs (-€1,721): item eliminated because extraordinary supplies of material were not necessary;
- Entertainment costs (-€829);
- travel and trip costs not directly attributable to individual projects (-€362);

Below is the breakdown of the item "Fees for professionals and professional services" compared with the previous year:

	2017	2016
Project activity consulting	86,572	88,460
Communication	37,578	48,328
• <i>Website maintenance and updates</i>	0	2,882
• <i>Communication agencies and services</i>	37,454	41,969
• <i>Misc. - Communication</i>	124	3,477
Annual Report	21,729	7,989
External professionals	6,606	2,281
• <i>Notary/legal/employment advice, etc.</i>	5,106	2,281
• <i>Consulting for brand registration</i>	1,500	0
Services from UBIS Group	35,000	50,630
Participation in courses and conventions	5,053	1,328
Interns	5,387	1,253
Total	197,925	200,269

The item "Annual Report" increased by €13,740 compared to 2016 because costs were attributed to it which in the previous year were included in the item "Misc. - Communication".

The item "Services from UBIS Group Companies" decreased by €15,630 thanks to an improvement on revising the costs of the existing contract, due to a decrease in the activity resulting from the reduction in funds received and disbursed.

Revenues

	2017	2016
1) Revenues from ordinary operations	1,756,073	2,680,200

Contributions received, totalling €1,756,073 with a decrease of around 34% compared to 2016, represent the donations received from UniCredit Factoring S.p.A. and donations from other contributors (€1,030,398) as well as the contributions listed below destined for the execution of specific projects (€725,675), as described in the Annual Report.

Ordinary contributions	
from UniCredit Factoring S.p.A.	1,000,000
from UniCredit Group employees	18,998
from third parties for achieving institutional purposes	11,400
Total	1,030,398

Contributions for specific projects	
Call for tender UniCredit Card Flexia Classic E 2017	500,000
The Giancesini Emma fund	204,000
'Fondazione con il Sud' - International Tender Social Innovation Competition Naples 2.0	21,675
Total	725,675

Contributions received for a Total of	1,756,073
--	------------------

	2017	2016
4) Financial income and gains	802	2,400
4.1) From bank deposits	802	1,753
4.4) From other assets	0	647

The item **From bank deposits** totalling **€802**, consists entirely of interest accrued on current accounts. Income is reported net of taxes.

The Foundation ended the year 2017 with a small loss on asset management, a comment on which is presented in the Expenses section, point **4) Financial expenses and losses**.



	2017	2016
7) Other income	851,916	544,601
7.1) Recovery of surpluses from projects completed or not implemented	851,916	544,601

The item **Other Income** totalling €851,916 represents the amounts recovered for the year on projects completed or not implemented, as detailed below.

Projects in countries in which the Group is present	
Bank Austria Social Award 2016	3,000
Support to social entrepreneurship in Poland	1,726
Support to Social Entrepreneurship in Poland 2016/2017	6,225
The Inkubator: Social Business in Croatia 2014/2015	3,235
The Power of Social Enterprise in Romania 2016/2017	3,689
Social Innovation Tender and Capacity Building for Non profit Organisations - Hungary	1,682
Support to Social Entrepreneurship - Czech Republic and Slovakia 2015	11,239
International Call for Tender Social Innovation Competition Naples 2.0	15,373
Call for tender for Establishment or Implementation of 2 Alzheimer Cafés	9,092
UniCredit Factoring for Alzheimer Cafés	11,182
Radici di Memoria Castelvetro 2016	10,000
2013 Tender "Young people at work"	21,415
Empowering the breakthrough generation in Bosnia 2016/2017	3,506
JOBLINGE - Jointly Against Youth Unemployment 2016	5,000
Total	106,364

Projects involving UniCredit employees	
Gift Matching Program 2015	5,336
Gift Matching Program 2016	740,216
Total	745,552

Grand Total	851,916
--------------------	----------------

Other Information

The Foundation does not hold, nor did it acquire or sell during the year, any shares of the Founder or of any companies of the UniCredit Group.

Members of the Board of Directors and Board of Auditors receive no compensation.

Milan, 28 February 2018

The Chairman
Maurizio Carrara

Introduction

Entrepreneurship
& Social Innovation



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of
Non Profit Expertise



FINANCIAL
STATEMENTS
2017

Report of
the Board
of Auditors

UniCredit
Foundation
Report and
Account
2017

ANNEXES

**A) Breakdown
of the Securities
Portfolio
held for asset
management as
at 31 December
2017**
(Amounts in €)

Type of securities	Balance			Accrued Interest	Closing Balance
	Nominal Value	Market Value	Exchange Value		
BELGIUM 1.25% 22/06/2018	259,000	100.85	261,202	1,703.00	262,905
BELGIUM 4.25% 28/09/2021	49,000	117.142	57,400	536.31	57,936
BTP 0.5% 20/04/2023	53,000	101.714	53,908	52.25	53,961
BTP 01/08/2018 4.5%	270,000	102.91	277,857	5,018.49	282,875
BTP 3.75% 01/09/2024	36,000	115.3845	41,538	451.24	41,990
BTP 4% 01/09/2020	8,000	110.39	8,831	106.96	8,938
BTP 5.5% 01/11/2022	12,000	122.4357	14,692	109.39	14,802
BTP 23 April 2020 1.65%	59,000	105.6241	62,318	183.87	62,502
BUNDES 1% 12/10/2018	428,000	101.307	433,594	938.09	434,532
CCT 15/11/2019	68,000	102.4	69,632	80.37	69,712
CCT APRIL 2018	257,000	100.3696	257,950	399.07	258,349
CCTEU 2.117% 01 NOV 2018	356,000	101.7162	362,110	904.24	363,014
EFSF 2.625% 02.05.2019	91,000	104.185	94,808	1,590.32	96,399
IRISH GOVT 4.5% 18/04/2020	84,000	111.558	93,709	2,661.53	96,370
OAT 3.75% 25/04/2021	53,000	113.623	60,220	1,361.30	61,581
PORT 4.75 14/06/2019	563,000	107.016	602,500	14,653.43	617,154
PORTUGAL GOVT OT 4.80% 15/06/2020	52,000	111.725	58,097	1,360.83	59,458
SPAIN 0.25% 30/04/2018 TLX	369,000	100.2	369,738	619.22	370,357
SPAIN 2.75% 30/04/2019	68,000	104.108	70,793	1,255.21	72,049
Totals	3,135,000		3,250,898	33,985	3,284,883

**B) Breakdown
of the Funds
Portfolio
held for asset
management as
at 31 December
2017**
(Amounts in €)

Type of securities	Balance			Accrued Interest	Closing Balance
	Nominal Value	Market Value	Exchange Value		
BLUEBAY INV GRADE ABS RET BOND CL Q	757.332	100.37	76,013	-	76,013
BLACKROCK STRATEGIC FD FIXED INC	1,824.43	125.93	229,750	-	229,750
CREDIT SUISSE AB RET BOND	479.835	102.72	49,289	-	49,289
DB PORTFOLIO EURO LIQ	463.241	76.98	35,660	-	35,660
DEUTSCHE FLOATING RATE NOTES FC	475.411	84.54	40,191	-	40,191
H2O ADAGIO	0.984	67,692.52	66,609	-	66,609
ING L LIQUID EURIBOR 3M A	20.407	1,024.81	20,913	-	20,913
LA FRANCAISE TRESORERIE I ACC	0.452	108,400.8	48,997	-	48,997
TCW METWEST UNCONST BOND FUND CL IE	51.24	1,038.478	53,212	-	53,212
PIMCO EURO SHORT SOURCE INC.	523	101.44	53,053	-	53,053
PIONEER FUNDS DIVERS. S.T. BOND H	20.235	1,022.51	20,690	-	20,690
PIONEER FUNDS OPTIM H EUR	77.583	1,032.58	80,111	-	80,111
UBAM UNCONSTRAINED BOND IP	440.682	104.42	46,016	-	46,016
Totals			820,506		820,506



REPORT OF THE BOARD OF AUDITORS ON THE 2017 FINANCIAL STATEMENTS

To the Board of Directors

The Financial Statements as at December 31, 2017, drafted by the Chairman and submitted for our attention, consist of the Balance Sheet, the Statement of Operations and the Notes to the Accounts, and are accompanied by the Mission Statement. They show the following results:

Balance Sheet

Assets	Euro 6.285.238
Liabilities	Euro 3.573.693
Net Equity	Euro 2.711.545

Statement of Operations

Expenses	Euro 3.624.923
Revenues	Euro 2.608.791
Operating deficit	Euro 1.016.132

The Notes to the Accounts include all the informations considered relevant in order to present a true and accurate picture of the situation. The Mission Statement describes in detail the activities carried out by the Foundation during this fifteenth year of activity.

During the year we have carried out the necessary audits in order to ensure compliance with the Law and with the Articles of Association as well as to check the financial operations of the Foundation, the accuracy of its accounting books and the integrity of the values of the Foundation, as required by the Articles of Association.

Our audit of the Financial Statements has been carried out in accordance with the auditing standards recommended by the "Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili" and, in accordance with these standards, we have made reference to the provisions of law regulating the Financial Statements, as detailed in the accounting standards issued by the above mentioned National Council.

We wish to emphasize that the Financial Statements are based on the accruals principles of accounting, except for contributions received, which are accounted on a cash basis. The exception to the general rule, on which we agree, has been adopted in accordance with the principle of prudence, to prevent use of funds that are not yet available.

On the basis of the audits carried out during the year and on these Financial Statements, we express a positive opinion on the approval of these Financial Statements and on the proposal to set aside the operating deficit for the decrease of the Operating Reserve, as indicated by the Chairman.

Milan, February 28, 2018

The Board of Auditors

Giorgio Loli	Chairman
Elisabetta Magistretti	Regular Auditor
Michele Paolillo	Regular Auditor

Introduction

Entrepreneurship
& Social Innovation



Advocacy
& Social Inclusion



Employee Community
Involvement



Culture
& Solidarity



A Centre of
Non Profit Expertise



Financial
Statements
2017

REPORT OF
THE BOARD
OF AUDITORS

UniCredit
Foundation
Report and
Account
2017

UniCredit Foundation

Registered offices:

Milan, Piazza Gae Aulenti, 3

UniCredit Tower A

Registered in the juridical persons

register of the Prefecture of Milan

under number 414 on 21 May 2003

Tax code: 97342960156

Graphic Design
New Target Agency Srl
Bergamo

Printed
CPZ Spa
Costa di Mezzate - Bergamo

19040S





www.unicreditfoundation.org



[@UC_Foundation](https://twitter.com/UC_Foundation)



[unicredit_foundation](https://www.instagram.com/unicredit_foundation)