

Social impact measurement: methodology and first results of Group Social Impact Banking

Impact Integrity Webinar

Group Social Impact Banking

UniCredit Group - Internal Use Only

13th November 2020

La banca
per le cose che contano.



Social Impact Banking is a step up of our traditional offer, representing our commitment to building a fairer and more inclusive society




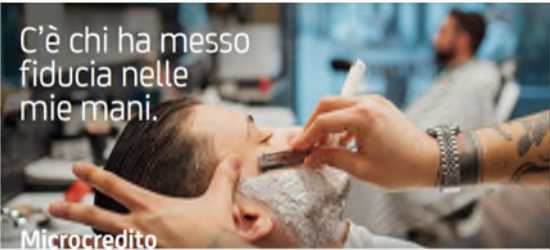


Banking that matters. |  **UniCredit**
Social Impact Banking

"We don't want to be just lenders, but also the drivers and facilitators of a positive change in our society. To do well, you have to do good."

*Jean Pierre Mustier
UniCredit CEO*

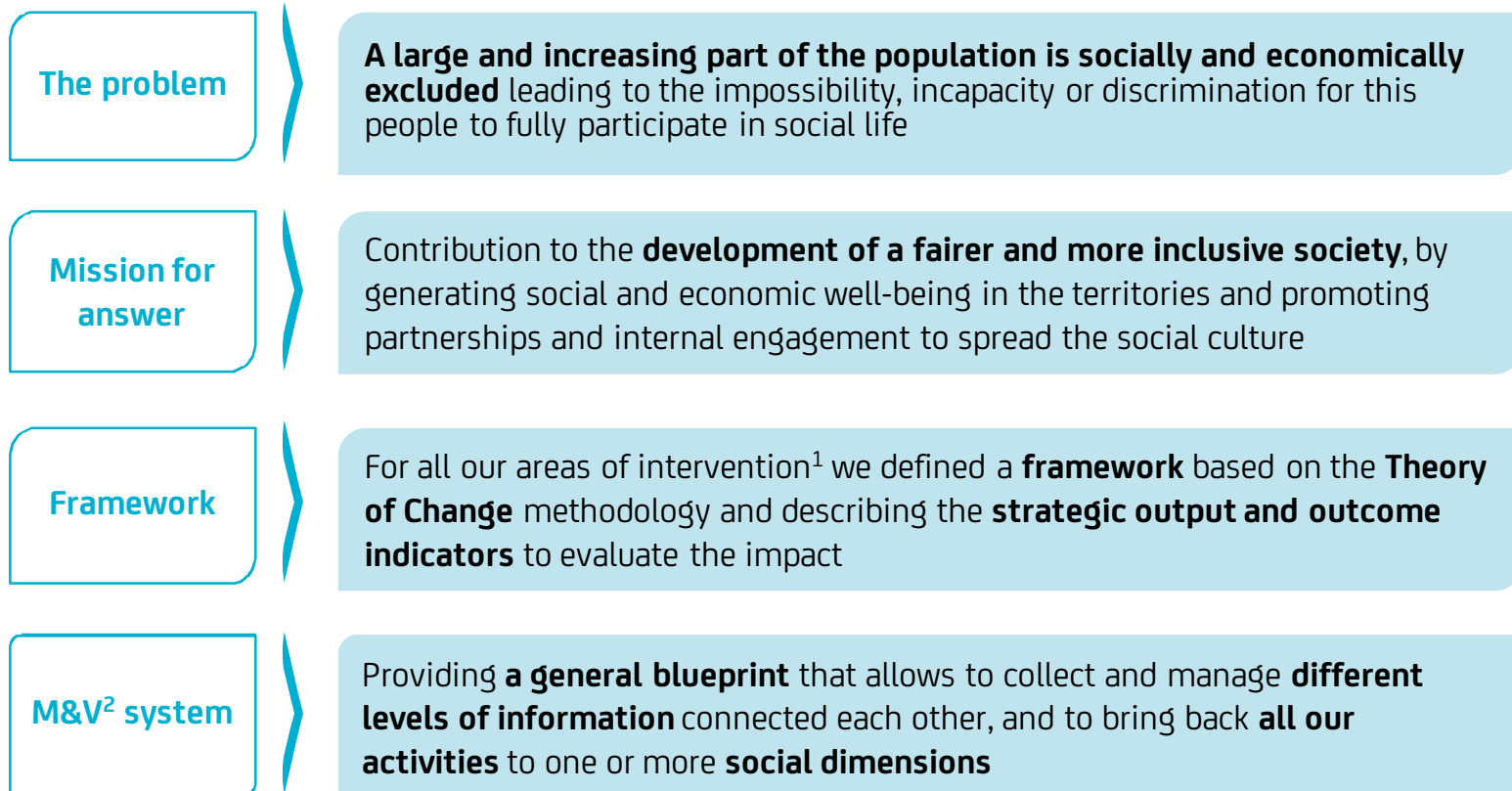


Social Impact banking: our stream of activities, targets and distribution

	MicroCredit 	Impact Financing 	Financial Education 
			
What we do	We finance micro enterprises with sustainable business projects , but potentially excluded from the traditional banking offer .	We finance projects and initiatives that, in addition to generating an economic return, have objectives of social, positive, tangible and measurable impact .	We share our financial expertise and experience to strengthen financial literacy and foster inclusion .
Our Target	<ul style="list-style-type: none"> Micro entrepreneurs Self-employed Startup 	<ul style="list-style-type: none"> Social mission-oriented companies Profit in welfare, health and education 	<ul style="list-style-type: none"> Young people Fragile individuals
Main results in Italy¹	<ul style="list-style-type: none"> 267 entrepreneurs supported by our Partners/Volunteers 2.075 hours of training to develop financial skills 	<ul style="list-style-type: none"> 1,6 Mln of beneficiaries will be reached in the first 5 years 70% of loans were matched with pay-for-success mechanism 	<ul style="list-style-type: none"> 307 schools with 41.540 unique students 9 educational initiatives reaching 930 beneficiaries



Our approach and methodology for social impact measurement



How we measure our social impact and the impact generated by the projects we finance

Direct outcomes on our beneficiaries

- Increasing education accessibility, level of **education and future opportunities**
- Increasing vulnerable people/organization's **financial inclusion**
- Increasing the **economic and financial sustainability** of organizations
- Contributing to the **spread of an "impact culture"** through capacity building and networking initiatives
- **Expansion** of the **social impact of our stakeholders** through an ecosystem of partnerships
- Strengthening of **relationships** with our **customers** and of their **awareness** to their **social impact** on society
- Increased **satisfaction and commitment** in their role by UniCredit **employees**

Indirect outcomes on beneficiaries of the projects we finance

- Improving people's **physical health** and self-sufficiency
- Improving people's **psychological well-being** and self-esteem
- Increasing **social cohesion and integration**
- **Increasing and maintaining employment**
- **Work inclusion** of people belonging to **disadvantaged categories**
- Improving **accessibility to primary goods and social services** of vulnerable individuals and families
- Increasing **economic and cultural valorization of the territory**, improving livability and access to cultural services

Managing our impact we aim to contribute to solutions for both direct and indirect beneficiaries



Our methodology alignment to international standards: Impact Management Project (IMP)

IMP Dimension	Social Impact Banking methodology
What	Measurement of positive intended outcomes and directly linked to SDGs
Who	Identified stakeholders as beneficiaries expected to experience changes in outcomes
How much	Indicators and targets refer to the number of people who experience changes
Contribution	Contribution to outcomes based on both stakeholders feedback and secondary sources of information (capacity building and networking offer)
Risk	Assessment on the project proposal and its proponent on financial, environmental and social risks

A **feasible and rigorous model of impact measurement** to ensure **impact integrity**

Key factor for the **transparency and competitiveness** of the social finance industry

