

## **Social and environmental responsibility**

The social responsibility of the UBI Banca Group is based principally on the values contained in its Charter of Values and in the Global Compact Principles. They are implemented in concrete form through the social responsibility plan. The Charter of Values, established after a process of in-depth analysis and discussion, which involved 120 managers of the Parent Bank and various Group banks and companies sets out the mission, vision and new values that guide strategic decisions and ordinary everyday operations. The Global Compact – signed in September 2002 – is an appeal launched in 2000 by the then secretary general of the United Nations Kofi Annan to all players in society to co-operate to build a more inclusive and sustainable global economy.

When the Group was formed in 2007 a working plan was drawn up to create a system to govern corporate responsibility with a view to integrating objectives and specific projects within the Group Business Plan. The [corporate social responsibility plan](#) – which has the same time horizon as the Business Plan, with which it will progressively be integrated – identifies four general areas of intervention (corporate governance, business management, social intervention management, reporting and control), a series of objectives to be attained and the mechanisms and tools (e.g. code of conduct, CSR policies) needed to achieve them. All the organisational units in the Group are involved in defining and achieving the objectives of the CSR plan, with support from the Corporate Social Responsibility Staff unit, which formulates proposals for policies and guidelines, contributes to the management and control system, supports the involvement of stakeholders and manages reporting activities. By progressively integrating social responsibility objectives in the Business Plan, UBI Banca pursues the convergence of corporate strategies, policies and objectives with its values and principles and with the expectations of its stakeholders to create sustainable value through the control of reputational risk, the establishment of a strong and distinctive corporate identity and the pursuit of a climate of trust with its staff, its shareholder base and markets.

With regard to [corporate governance](#), the preparation of a new Group Ethical Code was commenced in 2008 with the involvement of all the organisational units of the network banks and the main product companies to assist in mapping out the stakeholders and the most important ethical issues. The code identifies corporate rights, duties and responsibilities with regard to all its stakeholders and it details concrete commitments towards each of these. The integration of specific regulations governing conduct is currently in progress for all those who work with and/or on behalf of the Group, whether from inside or outside companies and banks, to ensure that operations comply not only with the Group values and principles, but also with the law and with the regulations and voluntary codes of conduct adopted. In addition to the adoption of specific policies, an audit was commenced in co-operation with Vigeo Italia, of all corporate policies with respect to important social responsibility issues.

[Business management](#) is oriented towards innovation in products and services, marketing approaches and distribution processes consistent with the ethical, social and environmental expectations of stakeholders and in implementation of the mutual and community vocation of the Group. Particular attention is dedicated to the environment with the development of products and services for the use of alternative energies and energy savings (e.g. New Energy and Forza Sole finance for photovoltaic installations) and dedicated advertising campaigns (e.g. an environmental marketing campaign in partnership with the WWF to develop home banking) and also to the more disadvantaged end of the market particularly exposed to the effects of the serious economic crisis that has hit the world including Italy. More specifically, agreements have been strengthened with trade associations and credit guarantee bodies to maintain adequate access to credit by small to medium sized enterprises and partnerships are currently being formed for the development of microcredit as an instrument for social inclusion, in response to crises resulting from immigration, insecure employment and the extension of areas of poverty.

[Social intervention management](#) is designed to strengthen and support those large numbers of nonprofit organisations and initiatives which contribute to growth in cultural and social capital, to the development of a spirit of solidarity, to maintaining our traditions and history and to enhancing and conserving the urban and natural environments of the local areas in which the Group operates. In 2008 UBI Banca disbursed a total of more than 24,3 million euro (+20,3% compared to 2007) in the form of donations and sponsorships in co-operation with the network banks, the main product companies and the foundations. Each entity operates independently in response to the demands it encounters and considers consistent with its own values and

social responsibility objectives. At Group level the current account "CESVI sUBItO" that was opened in the ambit of a long standing strategic partnership with CESVI, one of the main Italian NGOs operating in the field of humanitarian emergencies throughout the world. The account was used in 2008 for two fundraising initiatives addressed to customers on the occasion of two emergencies: the Sidr cyclone which hit Bangladesh and the Nargis hurricane which caused havoc in Myanmar. More than 80.000 euro was raised for Bangladesh which together with the matching donation made by Banca made it possible to rehouse 450 families. Thanks to the contributions made by Banca Popolare di Bergamo and Banco di Brescia, the UBI Group was able to donate 100.000 euro, which was in addition to more than 60.000 euro raised from customers.

On the issue of **environmental responsibility**, in December 2008 an official environmental policy was adopted (in addition to the policy on armaments set in 2007), which identifies the procedures by which the UBI Banca Group intends to manage its own environmental responsibilities towards the community in which it operates and towards future generations in the medium-to-long term. The implementation of a "carbon neutrality" plan is in the pipeline for the management of climate change with progressive intervention to reduce direct (e.g. in heating and mobility systems) and indirect (purchased electricity) greenhouse gas emissions and to compensate residual emissions.

Finally with regard to **reporting and control** activity for social and environmental responsibility, the Group's efforts are focused on the implementation of an integrated internal and external communication and operational monitoring system, in line with best practices in the sector and consistent with the relative models. The Corporate Social Responsibility Report, together with the social responsibility section of the Group website, is the main instrument for integrated reporting on the economic aspects (the value added created and distributed), social aspects and environmental aspects of operations. Systematic activity in which stakeholders are involved in monitoring the level of awareness and agreement with the social responsibility strategies of the Group and the quality of the reporting provided in relation to expectations included the launch in 2008 of a systematic customer satisfaction survey (named "Progetto Ascolto" i.e. the "consultation" project which also has a special section dedicated to social responsibility) and the formation of four focus groups (two in Brescia and two in Bergamo) with local trade associations and nonprofit organisations.

## The Corporate Social Responsibility Report

The 2008 Corporate Social Responsibility Report was prepared in compliance with the 2006 Sustainability Reporting Guidelines (G3) and the Financial Services Sector Supplement issued by the Global Reporting Initiative and it was subjected to an independent audit by the audit firm KPMG Spa. It is planned to print 3.500 copies, the same number as for the previous edition, for distribution to registered shareholders at the annual general meeting, together with the annual separate and consolidated financial reports. As occurred last year, a summary version will also be published in co-operation with the publishers Societa Editoriale Vita to be printed in 55.000 copies and distributed as a supplement to the Vita Non Profit Magazine. Both the full and the summary versions are available (the former also in the English language) in the social responsibility section of the Group website.

The **operating report** focuses on the determination and distribution of value added generated by operations. The total gross value added of the UBI Banca Group in 2008, net of non-recurring items, was 2,83 billion euro (-17,2% compared to 2007), consisting of 13,6% withheld by the Group and 86,4% distributed to stakeholders. If non-recurring items are included, the total gross value added falls to 2,27 billion euro, of which only 1,2% withheld by the Group.

The **social report** gives an account of the commitments undertaken and the results achieved with regard to important ethical and social questions for the different categories of stakeholder with a view to the sustainable creation of value over time.

The **environment report** gives an account of Group performance on containing the consumption of resources and the production of harmful emissions and waste and reports the following:

- an increase of 16% in total energy consumption amounting to 37.595 TOE, but with an increase in the proportion of electricity generated from renewable sources from 61% to 71%; a decrease of 10% in CO<sub>2</sub> emissions (33.211 tons compared to 36.705 tons in 2007), primarily as a result of growth in the proportion of electricity purchased generated from renewable sources;
- basic stability in the consumption of paper (9,6 million kg if paper for printouts is considered which was not included in the calculation in 2007) and a slight fall in the consumption of toner (16.700 kg, 10% less than in 2007) and in the consumption of water (1,4 million m<sup>3</sup>, 13% less than in the previous year); a reduction of 8% in total waste produced (amounting to 2,7 million kg), 90% of which is paper and cardboard packaging that is fully recycled or recovered.