

Social and environmental responsibility

We consider social responsibility as a distinctive feature of our history and identity as a “popular” co-operative bank. Today we interpret it with new tools and openly declared policies and objectives with a view to the sustainable development of our activities.

With the formation of UBI Banca and as part of the process of integrating the new Group, we commenced a plan of action, based on the establishment of a dedicated organisational unit, which is gradually implementing a model of social responsibility that is consistent with the strategic and organisational policies of the Group.

Our social responsibility model is based on the involvement of all organisational units in the formulation and achievement of social responsibility and sustainability objectives as an integral part of normal corporate activities. By progressively integrating social responsibility objectives in its 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. The objective is to create sustainable value through the control of reputational risk, to establish a strong and distinctive corporate identity and to develop a climate of trust with its staff, its shareholder base and markets.

Work was performed in the **corporate governance** area in 2009 on the preparation a new Group code of conduct scheduled for approval before the end of the first half of 2010. The process has involved all organisational units, the network banks and the main product companies in work to draw a map of stakeholders and to identify important ethical and social responsibility issues. At the same time Vigeo – a major consulting firm for ethical investors – was commissioned to analyse corporate policies and procedures concerning the application of social responsibility criteria. It will also be useful for the purposes of the code of conduct and was being completed at the data of publishing this report.

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. In addition to action taken on behalf of families and businesses reported in the section “Commercial activity”, three counters for PerMicro (a major Italian company operating in the micro credit sector in which a stake was acquired during the year) were introduced in branches of Banca Popolare di Bergamo in Bergamo, Banco di Brescia in Brescia and Banco di San Giorgio in Genoa as part of the Group’s commitment to developing micro credit for social inclusion and to support employment.

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 areas in which the Group operates. In 2009 the Group disbursed a total of more than 19 million euro in the form of donations and sponsorships in co-operation with the Parent, 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. Worthy of note in this respect is the longstanding partnership with CESVI (one of the main Italian NGOs operating in the field of humanitarian emergencies throughout the world) with which UBI Banca sponsored the initiative “One Kiss One euro” in 2009 for a total of 52.926 euro donated in support of a food security project for the children of northern Uganda.

On the issue of **environmental responsibility**, in addition to full and substantial compliance with the relative regulations in force, it is Group policy to contribute to sustainable economic performance and to the achievement of the objectives set out in the Kyoto protocol, thereby concretely implementing the principles adhered to in the Global Compact. The “Best Place for Green” prize received in 2010 bears witness to this commitment. Awarded by Demoskopea, in partnership with AzzeroCO2, it is destined to banks which effectively communicate attention and commitment to environmental issues.

The environmental policy approved in December 2008 commits the Group to reducing its environmental impact through the intelligent and responsible management of both direct impacts generated by its own operating activities, (e.g. in terms of the consumption of resources, the production of waste and emissions of harmful substances) and also indirect impacts generated by the conduct of third parties with whom the Bank does business, its customers and suppliers. In addition to controlling the direct and indirect impacts of its own commercial operations, the Group is committed to increasing general awareness of environmental issues by

promoting the responsible involvement not only of its own personnel but also of all the stakeholders with which it interacts and of society in general.

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 economic value generated and distributed), social aspects (commitments, objectives and results achieved in terms of satisfying the legitimate expectations of stakeholders) and environmental aspects (commitments, objectives and results for controlling direct and indirect impacts) of operations.

The involvement of stakeholders 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 is achieved through a special section of the customer satisfaction survey activity (the "listen project" - consultation) and through focus groups for representatives of trade associations and nonprofit organisations that are conducted on a rotating basis in the main geographical areas in which the Group operates (six focus group surveys were held in 2009 in Ancona, Varese and Cuneo).

The Corporate Social Responsibility Report

The 2009 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. Approximately 3.000 copies are printed to distribute mainly to registered shareholders at the annual general meeting, together with this report. As occurred last year, a summary version is planned in co-operation with the publishers Società Editoriale Vita to be printed in approximately 100.000 copies and distributed as a supplement to the Vita Non Profit magazine and in the branches of the Group. 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.

Attempts were made with this edition, on the basis of input from focus groups, mainly to improve communication aspects by slimming down the document substantially and giving it a new graphics format, while maintaining the quantity and quality of the indicators high enough to ensure that a B+ level of application of the GRI model is maintained.

A new method for the calculation and distribution of economic value generated was adopted for **economic reporting** which reconciles the corporate social responsibility report with the consolidated financial statements. In 2009 the UBI Banca Group generated economic value of 3,2 billion euro (-0,7% compared to 2008), 9,3% of which is retained by the Group and 90,7% is distributed to stakeholders.

Reporting on social aspects of operations highlights commitments and results in relations with different stakeholders, focusing specifically on certain issues of importance for the sector indicated in the introduction to the document, partly in relation to economic context.

The **environmental responsibility 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:

- a reduction of 55% in TOE consumed, the result of an increase in the proportion of electricity generated from renewable sources from 71% to 84%;
- a decrease of 27% in CO₂ emissions (28.194 tons compared to 33.211 tons in 2008), primarily as a result of growth in the proportion of electricity purchased generated from renewable sources;
- a reduction of 22% in total waste produced (amounting to 2.100 tonnes), 94,5% of which is paper and cardboard packaging that is fully recycled or recovered.