



Improvement objectives

In 2010, a difficult year, we continued to work to achieve our declared social responsibility objectives. We have used the following symbols to report this:

- Objective fully achieved
- ▣ Objective partially achieved
- Objective not achieved

We briefly report the reasons for the objectives not achieved or partially achieved. For objectives totally or partially achieved, we give in brackets the page numbers in this Social Report in which the activities performed are reported.

The objectives not achieved or partially achieved remain among the priorities for the near future, within the context of the strategic decisions taken in the new Group business plan currently being prepared.

Corporate governance

- ▣ Adoption of a Code of Ethics by the end of the first half of 2010 and commencement by the end of the year of a structured plan of action to implement it (e.g. changes to the organisational structure, internal and external communication, personnel training and auditing for compliance with the code). [pp. 16-17]
- Preparation of a plan for action on policies and corporate procedures for the implementation of the Code of Ethics, with input from the CSR and sustainability assessment activities currently being completed.
- Integration of social responsibility and sustainability objectives in the update of the Group medium-term business plan.
- Intensification of commitments to sustainability by membership of bodies (e.g. Forum for Sustainable Finance) and adherence to codes of conduct (e.g. equator principles).
- ▣ Increase in the level of participation in existing commitments (e.g. multi-stakeholder initiatives within the Global Compact). [p. 18]

The process for the adoption of the Code of Ethics required more time than envisaged and was concluded in December, while the formulation of the new business plan was postponed mainly because of continuing macroeconomic uncertainties and it will be designed to support the increase in share capital proposed to the Shareholders' Meeting. The activities connected with the declared objectives were affected as a consequence.

Reporting and control

- Further development of focus groups on the Social Report. [p. 52]
- ▣ Implementation of stakeholder engagement according to recognised standards (e.g. AA1000) and extension of engagement to other categories of stakeholders. [pp. 34-36]
- Periodic monitoring of social responsibility and sustainability indicators as part of departmental reporting in connection with verification of the application of the code of conduct.
- A search for greater quality and effectiveness in reporting to stakeholders, through, amongst other things, diversification of the tools and communication channels. [pp. 25,52,65]
- Intensification of direct communication in the community.

Monitoring of the application of the Code of Ethics and the intensification of direct communication are already programmed for 2011.

Relations with personnel

- Update and enhancement of branch manager roles as key figures in the commercial supply chain, to be achieved partly through a training and change management programme which will reinforce professional skills and motivation for more effective management of customer demands in a context of growing organisational and market complexity. [p. 25]
- Extension of potential measurement to include product companies as a further judgement factor to support proper implementation of personnel management policies. [p. 22]
- Personnel management interviews to enhance and develop key human resources, partly as a function of the priority given to internally selected personnel to fill vacant positions of responsibility. [p. 22]
- Standardisation of the incentive schemes employed in the different company remuneration and incentive policies set by the Group, incorporating the additional new regulatory provisions of national and international supervisory authorities. [pp. 23-24]
- Refinement of training programmes designed for specific job families (management, middle-management, talents and key resources, professionals, specialists, technical and administrative roles, etc.) to further develop professional skills and the behaviour and managerial abilities of personnel. [p. 23]
- The introduction of compulsory training programmes for the qualification of new branch managers and to strengthen the specialist abilities of corporate account managers and private bankers, in order to supervise their professional growth as they fill more complex roles with greater responsibility. [p. 25]
- Improvement and strengthening of internal communication through initiatives and tools, including multimedia tools, designed to encourage the more rapid and systematic circulation of information and greater involvement of personnel. [p. 25]
- Stronger prevention activities for health and safety at the work place including the start of a programme of psychological assistance with work-related stress.

The launch of a programme of psychological assistance for work-related stress is dependent on the results of the risk assessment, which has not yet been performed, due to repeated extensions of the deadlines set by the regulations and to the priority given to psychological support provided for personnel involved in robberies. The occupational doctor nevertheless performed an important role in the management of the work-related stress difficulties of individuals, by acting as a "counselling centre".

Relations with investors

- Pursuit of remuneration of the investment and sustainable growth in value of the share in the medium to long-term, compatible with general market conditions. [p. 30-31]
- Development of concessions offered to registered shareholders, with a view to achieving the mutual objects. [p. 31]
- Increase the presence of the UBI Banca share in the portfolios of institutional investors who invest in the medium to long-term, with particular reference to the socially responsible investment sector.
- Improvement of ethical ratings and positioning in ethical indices. [p. 19]

The continuing economic crisis and the uncertainty and volatility on financial markets affected the achievement of economic objectives, in terms of both yield and the positioning of the share.

Relations with customers

- Implementation of commercial and credit policies attentive to important social and environmental issues (e.g. social inclusion and over-indebtedness, climate changes). [pp. 32-33, 36-40, 56]
- Stronger ties with the community through:
 - increased support for small to medium-sized enterprises, by improving sector specific products and relations with trade associations and guarantee bodies;
 - service models designed to support growth in the third sector and the integration of immigrants;
 - the development of micro-credit for households and businesses to encourage social inclusion and increased employment. [pp. 37-40]
- The development of consultation and dialogue initiatives to improve the ability to meet the actual demands of each customer segment and to develop relations with consumer associations, including through nationally reached agreements in the sector. [pp. 34-35]
- Promotion of financial culture and access to banking services for young people, through the use, amongst other things, of dedicated commercial initiatives. [pp. 37-38, 50-51]
- Constant improvement of the accessibility and security of branches and direct channels for all customers, including with regard to the problems of disabled persons. [p. 36]

Relations with suppliers

- Greater openness to markets, extending requests for quotes to potential new suppliers who meet the requirements of Group standards. [pp. 42-43]
- Revision of assessment criteria for the inclusion of suppliers on the approved list.
- Greater attention to ethical, social and environmental aspects of supplier relationships. [pp. 42-43]
- Constant improvement of administrative processes to ensure full compliance with contractually agreed conditions. [pp. 42-43]

The pursuit of the declared objectives in the difficult economic situation in 2010 was affected by the policy to contain costs in purchasing processes.

Community involvement

- The definition of guidelines for the transparency and adequacy of systems to monitor the results of donations to social organisations.
- ▣ Improvement of transparency and the quality of reporting on action taken and the impacts on the community and the beneficiaries.
[pp. 44-50, 65]

Attention to the environment

- ▣ The progressive reduction of the direct environmental impacts of activities in compliance with Group policy with particular reference to:
 - the reduction of emissions through the use of renewable energy, increased use of remote management systems and the adoption of higher energy efficiency standards for buildings;
 - the start of compensation programmes for the remaining emissions;
 - the implementation of a plan for travel to and from work and the introduction of sustainable mobility initiatives;
 - the progressive implementation of an environmental management system with a view, amongst other things, to obtaining environmental certifications;
 - training and information initiatives for personnel.
[pp. 54-56]
- ▣ The introduction of measures to mitigate the indirect impacts of activities through the consideration of environmental risks in the assessment of commercial counterparties and participation in initiatives for the generation of greater awareness of environmental issues.
[p. 41]

With a view to the progressive implementation of Group environmental policies, we gave priority to areas of intervention with greater margins of improvement in environment performance in the short term. We therefore focused on reducing the consumption of environmental resources and emissions of harmful substances into the environment.