

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

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. In order to achieve this we are progressively implementing a system to manage ethical, social and environmental aspects of activities which is integrated in corporate processes and based on six fundamental processes:

- **organisational controls** able to direct the action of individuals and organisational units in compliance with Group principles and values;
- **formal commitments** as a stimulus for continuous improvement by sharing best practices and promoting a culture of the social responsibility and sustainability;
- **innovation in business** based on objectives of sustainability and consistency with the ethical, social and environmental expectations of stakeholders;
- **involvement in the community** to support identity choices, consistent with the business model adopted;
- **dialogue with stakeholders** that is structured and systematic in order to co-ordinate all processes;
- **reporting** both internally and externally

to support the management of dialogue with stakeholders.

Organisational controls

In 2009 we updated the **Organisation, Management and Control Model** in compliance with Legislative Decree No. **231/2001**, which regulates the responsibility of entities for administrative offences resulting from crimes committed in their interests or to their advantage by members of senior management or persons who are subject to the management or supervision of these.

At the same time we worked on the preparation of a Group Code of Conduct, with an inter-function working group which involved all the organisational “areas” of UBI Banca, the Network Banks and the main product companies in mapping out the stakeholders, identifying the most important ethical issues and drawing up principles and standards of conduct.

Future objectives

- Adoption of a Code of Conduct 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).
- Preparation of a **plan for action on policies and corporate procedures** for the implementation of the Code of Conduct, 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.



2007 The formation of the **Corporate Social Responsibility Staff Unit** as part of strategic planning and control functions.

The adoption of an **armaments policy** which forbids involvement in activities connected with arms of mass destruction and limits support for international trade in arms.

The start of a systematic programme to **engage stakeholders in the Social Report** with focus groups at Brescia and Bergamo with trade associations and non profit organisations.

2008 Adoption of a new **Charter of Values**.

Adoption of an **environmental policy** for the control and progressive reduction of direct and indirect environmental impacts caused by operations.

Launch of the **CESVI subItO** initiative to support international solidarity action following natural disasters.

The marketing campaign **Qui UBI for the environment** in co-operation with WWF Italia to promote internet banking and the relative online accounts service.

2009 *Partnership with PerMicro to develop micro-credit for financial inclusion and support for employment.*

*The **One Kiss, One euro** initiative to support CESVI projects for child nutrition in Uganda.*

*Commencement of **CSR and Sustainability Assessment**, consisting of independent auditing activity designed to assess the actual level of the inclusion of social responsibility and sustainability principles in corporate policies and procedures.*

Formal commitments

We are members of various technical commissions and working groups organised by the Italian Banking Association and we adhere to the voluntary codes of conduct recommended by the Italian Banking Association and other trade associations. We support associations and working groups committed to the diffusion of a culture of social responsibility and culture by, amongst other things, bringing our experiences and ideas to seminars, conventions and meetings organised by university and research institutes.

We support the participation of our staff at the proceedings of **CSR Manager Network Italia** (www.csmanagernetwork.it) – an association developed and formed by Altis (Alta Scuola Impresa & Società – post graduate business school – of the Cattolica University of Milan) and ISVI (Istituto per i Valori d'Impresa – business values institute – www.isvi.org) – and of **EBEN Italia** (European Business Ethics Network - www.eben.it), an association which seeks to promote and diffuse an ethic and culture of economic, social and environmental responsibility in the worlds of businesses, economic organisations (private, public and nonprofit sectors) the professions and academia and among students.



Since 2003 we have supported and promoted, within our sphere of influence, the ten universal principles of the Global Compact endorsed by the UN (www.unglobalcompact.org) in the field of human rights, the protection of labour, the environment and the fight against corruption, for the construction of a global economy that is more inclusive and sustainable.



We play an active role on the Technical Commission on Corporate Social Responsibility of the Italian Banking Association and the Italian Banking Association Consortium on Energy Efficiency in the Banking Sector.



Since 2008 we have supported the Sodalitas Foundation (www.sodalitas.org), whose mission is to contribute to the development of the third sector and the growth of a culture of corporate social responsibility.



In 2009 we supported the activities of the Centre for Research and Training in Policies and Ethics (www.politeia-centrostudi.org).

Future objectives

- 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. multistakeholder initiatives within the Global Compact).

Business innovation and community involvement

Details of activities and the objectives achieved are given in the Social Report section (customers and the community) and the Environmental Report section (indirect impacts of activities). Future objectives are declared in the section Improvement Objectives.

Dialogue with stakeholders

We listen to and dialogue with our stakeholders on a daily basis both during the course of normal business and through specific organisational units and processes. In detail:

- customers are involved in customer satisfaction surveys [page 46], complaints management [page 47] and focus groups for the development of new products and services [page 52];
- investor relations activities [page 42] and the registered shareholders service [page 42] are directed towards investors in general, the press, operators on financial markets and registered shareholders;
- dialogue with personnel is structured around trade union relations [page 36] and within performance assessment systems [page 32].

As concerns social responsibility issues in particular, we consult customers through the Progetto Ascolto project [page 46] and the community through focus groups on the Social Report [page 57].

Future objectives

- Further development of focus groups on the Social Report.
- Implementation of an engagement methodology according to recognised standards (e.g. AA1000).
- Extension of engagement to other stakeholder categories.

Reporting

The Social Report and the group website constitute the main channels for reporting to stakeholders on social responsibility and sustainability.

We worked in 2009 on expanding and updating the contents of the corporate website and, in response to communication shortcomings

underlined during dialogue with stakeholders, we produced a summary version of the Social Report distributed in 100,000 copies as a supplement to the weekly "Vita non profit magazine" and to the branches of the Group.

Future objectives

- 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.
- Intensification of direct communication in the community.

Recognition received



In 2008 we received the Oscar di Bilancio – financial reporting Oscar – from FERPI (Italian Federation of Public Relations – www.ferpi.it) in the major and large banking and financial companies category. The Oscar is awarded to companies that produce the best financial, social and environmental reporting in a continuous, effective and innovative manner to all interested parties of the public.



On 25th February 2010 we received the first **Best Place for Green** award granted by Demoskopea (www.demoskopea.it) and AzzeroCO2 (www.azzeroco2.it) to businesses for distinction as perceived by consumers in their ecological commitment. This first edition of the prize was dedicated to the banking sector in consideration of the large numbers of participants in the survey.



We are now regularly among the leaders in the league table published by the financial reporting firm Lundquist (www.lundquist.it), which assesses how listed companies in the S&P/Mib index report their CSR policies and initiatives each year through the Italian version of our corporate website.

		Score ¹
1	Banca MPS	64.0
2	UBI Banca	60.0
3	Unicredit	51.0
6 th Absolute position		
1 st Place in absolute terms for communication of socially responsible investments		
¹ Classification for the banking sector only		



Presence in ethical indices

We consider inclusion in ethical indices or in the universe of companies declared as ethically investable to be an important assessment factor for all those investors, whether individuals or institutions, who are concerned about the corporate social responsibility and sustainability of a company in addition to its financial performance. In December 2009 our share was included in the following indices:

- **AXIA Ethical Index** of AXIA Financial Research (www.axia.org) – the first 40 shares in the Eurostoxx50 index in order of stock market capitalisation which passed ethical valuation criteria (class A ethical rating). Our share is included with an A++¹ rating;
- **AXIA CSR Index** of AXIA Financial Research – the first 40 shares in the Eurostoxx60 index in order of stock market capitalisation with an ethical rating from A+++ to B++. Our share is included with an A++¹ rating;
- **ECPI Ethical Index Euro** of E. Capital Indices (www.ecpindices.com) – 150 largest European companies by stock market capitalisation which meet the specified social responsibility criteria;
- **ECPI Ethical Index EMU** di E. Capital Indices – 150 largest European companies by stock market capitalisation in the euro area which meet the specified ethical criteria.

The share is also included in the **Ethibel Excellence Investment Register**, which identifies those companies that are investable according to the Ethibel Excellence Index of Ethibel (www.ethibel.org).

¹ The sign ++ indicates medium to high promotion of positive criteria (the company is trying to introduce CSR into general strategies; it uses a model which is oriented towards maximising satisfaction for all stakeholders even if there are still problems with implementation).

Rating

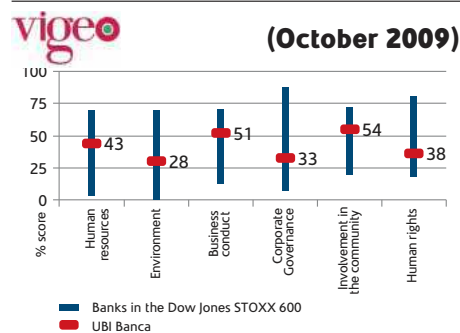
In addition to the AXIA Financial Research for ethical and CSR indices in which our share is included, we are also regularly rated by **Vigeo** (www.vigeo.com), which analyses almost 1,500 European companies from the viewpoint of how they integrate ethical and social responsibility criteria in their way of doing business and also by SCS Consulting for their **AccountAbility Rating** (www.accountabilityrating.it), which publishes a league table of companies belonging to the FTSE MIB index assessing their capacity to report to stakeholders explaining and justifying their actions and assuming responsibility for those actions from a sustainability viewpoint. The methodology used is that of AccountAbility, an international research organisation also known for its series of AA1000 reporting standards.

Generally we are among the average for the sector for social responsibility practices and among the best for our level of accountability.

Each year we participate voluntarily in the **SAM**

Group rating (www.sam-group.com) for the Dow Jones Sustainability Indexes, one of the main families of ethical indices at global level. We are not included in the index, but we have recorded a constant improvement in our score, even with respect to the average for the sector, with points of excellence in our risk management, customer relationships and social and environmental reporting.

We also participate in the new **Italian Banking Association CSR Benchmark** service which monitors the degree to which social responsibility is integrated in the corporate processes of the banks that participate in the benchmark. All the main banking groups in Italy participate and therefore we are able to assess our positioning with respect to best practices in the sector.



Rank	Company	Score ¹
1	Banca MPS	58.4
2	Intesa Sanpaolo	57.5
3	Unicredit Group	55.1
4	UBI Banca	43.2
5	Banca Popolare di Milano	37.8

¹ Classification for the banking sector only

