

# Sustainability Report 2015

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## Strategy and analysis

### G4-1 Declaration of the Chairman of the Supervisory Board

*The year 2015 marked a change of great importance in the life of our Bank – a change imposed by law, moreover – from a joint stock co-operative company into an ordinary joint-stock company. It is certainly a moment of discontinuity in our history, but it is not an interruption of that thread which has run through almost two centuries now of our active and vital presence in the areas and local economic and social communities in which we operate.*

*The ownership structure has changed due to the different way in which shareholders express their will in meetings as a result of the change in our legal form, but our value framework has not changed and neither has our corporate culture which is embodied in our people.*

*Our mission remains unchanged and our creed "Fare banca per bene" (to bank fairly and well) also remains firm, to generate economic and social value by considering the interests of all our stakeholders and the needs expressed by the communities in which we operate.*

*In a world which is afflicted by a period of economic, social and environmental crisis, triggered and fuelled also by the huge inequalities in the distribution of wealth and in access to natural resources, we identify with the United Nations appeal of the Global Compact made to all public and private organisations and we maintain our commitment to apply its principles in our sphere of responsibility, an account of which is given in this document.*

*In 2015, we conducted a detailed analysis of the meaning which we must give to the social responsibility of our Bank as a key factor of our own sustainability and that of the economic and social system in which we live. We updated the map of our stakeholders and we identified key aspects of operations around this on which to work with consistent policies, objectives and actions and for which the results achieved from time to time are to be monitored.*

*It is an open project through which we intend to manage competition on the market making full use of both our traditional identity and our propensity to change in order to grasp all potential improvements through open and constructive dialogue with all our stakeholders.*

The Chairman of the Supervisory Board

Andrea Moltrasio



## G4-2 Key impacts, risks and opportunities

The international scenario in 2015 was one of slow economic recovery, unevenly spread across different geographical areas, and of considerable volatility on financial markets. The European environment experienced a recovery which turned out to be fragile especially in Italy.

This fragility has continued to affect the banking sector, in which the trend for funding remains negative, due amongst other things to the weakness of lending, which was weaker during the year, compared with a slight improvement in credit quality.

This still evolving context, which in Italy also includes the well known cases of banking crises, now also comprises the new harmonised European Union framework regarding recovery and resolution for credit institutions and investment firms, "bail ins" and the focus areas identified by the new priorities for 2016 published by the ECB Banking Supervision Function: business model and profitability risk, credit risk, capital adequacy and risk governance and data quality.

The areas identified by the ECB relate primarily to risk governance for banking activities due to the impacts that a failure to comply with the principles of sound and prudent management can have in terms of social impact, due to the extent and seriousness of the potential consequences for customers and society in general. These risks have their effect on the banking sector itself, both because it is called upon to contribute financially to the resolution of crises and because of the inevitable repercussions on its reputation.

UBI Banca has always placed a high level of attention on risk management, putting the pursuit of sound liquidity and capital adequacy before short-term profits and today it now benefits from a position of the highest level of reliability on the market.

The analysis conducted to draw up a "Materiality Matrix", as part of the project for transition to the new GRI-G4 reporting model, confirmed this orientation and identified among the matters related to the single material aspects reported on in this document, those areas that carry the greatest risks to be managed and the opportunities to be grasped from an economic, social and environmental viewpoint.

In consideration of the nature and location of the activities carried out by the UBI Banca Group – primarily credit intermediation and transaction banking services within Italy – environmental risks appear less important both in terms of the impact they may have on the bank's activities and the impact that banking activity may have on those risks. Nevertheless, opportunities exist that the bank intends to grasp from the viewpoint of the contribution that it can make on its value chain to the development of economic activities that are more eco-compatible and also internally by reducing direct impacts connected with its premises and its operations.

The opportunities for making an impact on society through the Bank's commercial action are considered significant as this action not only has a high ethical profile but also has a particular orientation to the presence of its business in local communities in terms above all of the ability to interpret and satisfy the needs of all groups in society and all its components.

From this viewpoint, the experience of UBI Comunità – a brand specially for business with nonprofit institutions and organisations operating in the social economy – represents an important factor for the strategic positioning of UBI Banca as the go-to bank for local communities, in which to make further investments. In fact in 2015, UBI Comunità acted as an experimental workshop for financial innovation with a social impact, which not only brought the Bank recognition that enhanced its reputation, but also had positive side-effects not limited to its specific market segment.

At the same time work must continue on innovation to bring organisational models, processes, distribution channels, products and services into line with the evolving digital world which is having a rapidly accelerating effect on the banking and financial market.

☞ [Reports and Accounts 2015 p. 194-198](#)



## Group profile

### G4-3 Name of the organisation

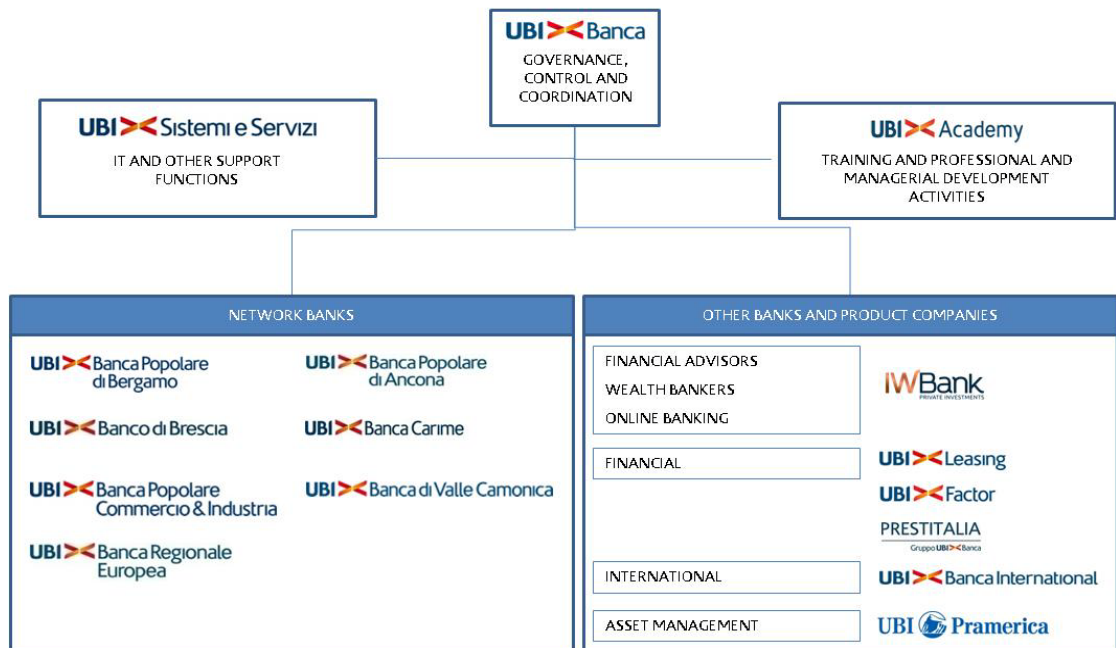
Unione di Banche Italiane S.p.A. (UBI Banca in abbreviated form) is the parent bank of the UBI Banca Group and was formed on 1<sup>st</sup> April 2007 following the merger of Banca Lombarda e Piemontese into Banche Popolari Unite, with the consequent integration of the two groups of the same name.

☞ G4-7

### G4-4 Primary brands, products and services

The UBI Banca Group operates mainly in the retail banking and financial services sector, under the brand names of its seven Network Banks, its other banks and its Product Companies.

#### The operational structure of the Group



The commercial offering is designed to **focus increasingly on customer demands**, through the **segmentation** and **specialisation** of the service model and a focus on local specifics, with a broad range of banking, insurance, credit and savings products and services.

☞ Reports and Accounts 2015 p. 8-9

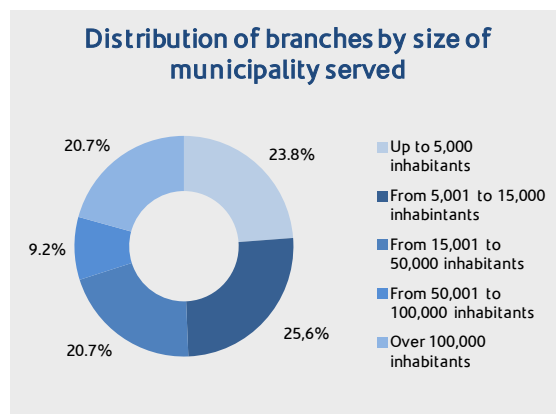
### G4-5 Headquarters

UBI Banca has its registered address at 8, Piazza Vittorio Veneto and its operational headquarters in Bergamo and Brescia. Meetings of the Supervisory Board and the Management Board are held alternating between Bergamo and Brescia and a meeting is held around once a year in Milan. Shareholders' Meetings are also held alternating between the two cities of Bergamo and Brescia.

**Countries where significant operations are carried out or that are specifically relevant to sustainability**  
**Presence in low populated or economically disadvantaged areas**

The UBI Banca Group operates mainly in Italy, where it is present in all regions except Sicily, with 1,554 branches and 125 private and corporate banking units. The Network Bank branches cover the retail market and also provide support to private and corporate banking units in over 1,070 municipalities in 84 provinces.

23.8% of branches are in small municipalities (less than 5,000 inhabitants) and the Group provides the only banking facility present in 163 municipalities. 275 branches (17.7% of the total) are located in regions with low development rates (Basilicata, Calabria, Campania and Apulia), which receive subsidies from the European Union as part of the "Competition and Employment" objective programmes.



GEOGRAPHICAL DIMENSION		2015	2014	2013
Total branches including branches abroad <sup>1</sup>		1,560	1,676	1,731
Branches in Italy <sup>1</sup>		1,554	1,670	1,725
of which:				
	<i>Banca Popolare di Bergamo</i>	349	354	357
	<i>Banco di Brescia</i>	288	316	322
	<i>Banca Popolare Commercio e Industria</i>	196	212	219
	<i>Banca Regionale Europea</i> <sup>2</sup>	207	240	256
	<i>Banca Popolare di Ancona</i>	208	213	219
	<i>Banca Carime</i>	216	242	255
	<i>Banca di Valle Camonica</i>	65	66	66
Market Share <sup>3</sup>		5.1%	5.4%	5.4%
of which:				
	<i>North West</i>	10.4%	11.0%	10.9%
	<i>North East</i>	1.0%	1.1%	1.1%
	<i>Central</i>	3.3%	3.3%	3.4%
	<i>South</i>	7.1%	7.7%	7.7%
Provinces with market share over 10% <sup>3</sup>		13	15	15

<sup>1</sup> Included branches of UBI Banca and IWBanck.

<sup>2</sup> Included branches of Banco di San Giorgio.

<sup>3</sup> Data as at 30.09.2015

In addition to the distribution network of the local banks, the Group also has a network of 824 financial advisors and wealth bankers belonging to IWBanck Private Investments, which operate throughout the country.

To supplement its traditional bricks and mortar channels, the Group has strengthened its tools and applications to support direct channels as follows:

- internet banking (approximately 1.5 million customers, +11% approx. compared with 2014) and mobile banking (approximately 600 thousand accesses on average per month and 500 thousand apps downloaded, a substantial increase on 2014);
- telephone assistance (approximately 1.6 million commercial contacts per year);
- self-service channels (over 2,100 Bancomat ATMs, of which 308 equipped to receive payments in banknotes and cheques and over 68 thousand POS terminals);
- remote selling and payment instrument platform (debit, credit and prepaid cards).

## Number and market share of branches in Italy<sup>1</sup>

■ > 10/20% ■ > 5/10% ■ > 2/5% ■ < 2%



The main provinces by market share	Branches <sup>1</sup>	Loans <sup>2</sup>
Bergamo	22.6%	36.4%
Brescia	22.0%	36.1%
Varese	24.2%	21.5%
Vibo Valentia	19.4%	19.2%
Cosenza	22.3%	18.4%
Cuneo	20.4%	16.4%
Isernia	6.35%	15.6%
Fermo	10.6%	15.3%
Reggio Calabria	20.2%	11.7%
Pavia	13.1%	11.5%
Ancona	9.8%	11.1%
Viterbo	13.4%	10.8%
Alessandria	10.8%	10.2%
Milan	9.0%	3.8%
Rome	4.1%	3.0%

<sup>1</sup> As at 30/09/2015  
<sup>2</sup> As at 30/6/2015



\* Joint-venture in which UBI Banca holds 35% of the total share.

\* New York from January 2016, Casablanca from February 2016



The Group's presence abroad is designed primarily to support corporate clients with their international activities, especially in emerging markets, where they have the greatest opportunities for development and also the greatest difficulty in gaining access to financial services appropriate to their requirements.

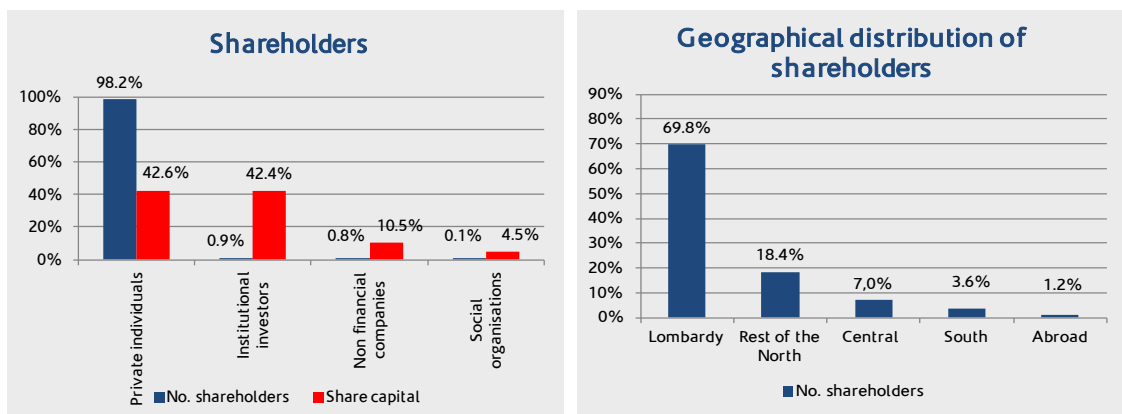
The Group operates in 11 countries (13 at the beginning of 2016). None of these are tax havens, or other financial centres that have not yet complied with international tax standards, as laid down by the OECD, or countries classified as at risk of money-laundering or terrorism by the lists of the FATF and/or the Italian Ministry of the Economy and Finance. As concerns Brazil, China, India and Russia which, according to the assessment criteria contained in the Group's armaments policy, are classified as countries at risk with regard to respect for human rights, we do not provide any banking and financial services connected with international arms trade transactions.

☞ Reports and Accounts 2015 p. 73-75

## G4-7 Nature of ownership and legal form<sup>1</sup>

Formed in 2007 as a "popular" co-operative bank, UBI Banca acquired its current legal form as an ordinary joint-stock company following a resolution of an Extraordinary Shareholders' Meeting held on 10<sup>th</sup> October 2015 in accordance with Law No. 33 of 24<sup>th</sup> March 2015<sup>2</sup>.

As a result of its transformation into an ordinary joint-stock company the distinction between a "registered shareholder" and an ordinary "shareholder" no longer applies there being only persons (pursuant to the new Articles Association termed simply "shareholders") who are automatically holders of corporate and financial rights with no need for approval procedures by the management body. The principle of per capita voting (one vote for each shareholder independently of the number of shares possessed) also disappeared to be replaced by the normal principle for joint stock companies which confers one vote for each share possessed. The Articles of Association also place a transitional limit on voting rights equal to 5% of the share capital until 26<sup>th</sup> March 2017 (24 months following the entry into force of the law).



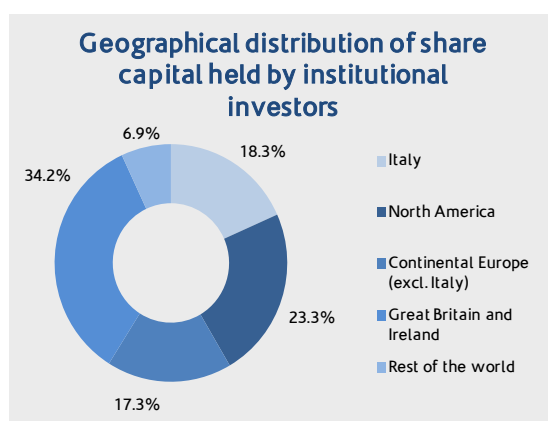
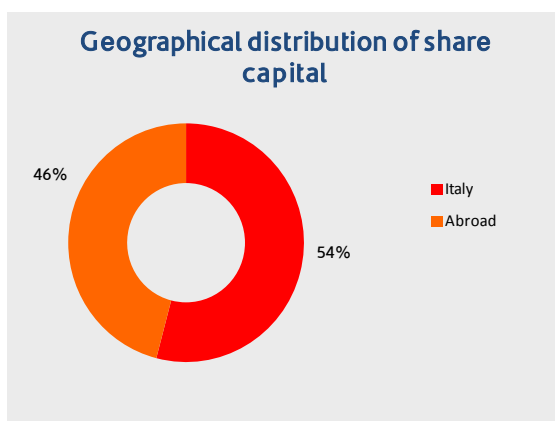
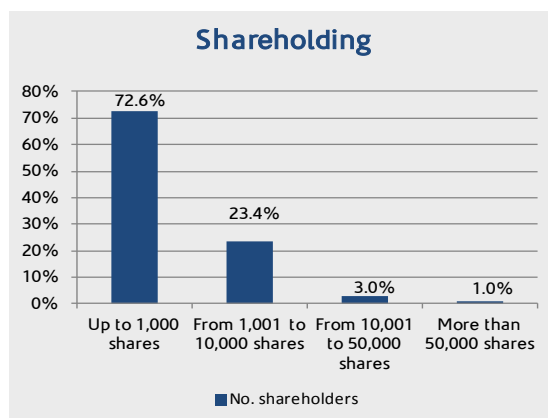
The share capital as at 31<sup>st</sup> December 2015 was composed of 901,748,572 ordinary non-bearer shares with no nominal value, listed by Borsa Italiana on the *Mercato Telematico Azionario* (MTA - electronic stock exchange) in the FTSE MIB index (companies with the largest capitalisation) and on "the after hours" market (TAH). The Report on Corporate Governance and the Ownership Structure gives a list of the shareholders who hold stakes of greater than 2% in the share capital of UBI Banca.

☞ Reports and accounts 2015 p.47\*-48\*

<sup>1</sup> The figures for shareholders are taken from dividend payment requests (May 2015).

<sup>2</sup> The reform requires "popular" co-operative banks that exceed the threshold of €8 billion of total assets to take one of the following measures within twelve months of exceeding that limit, (18 months from the date of entry into force of the decree for "popular" banks which on that date were already authorised to carry on banking business): the reduction of assets below that limit; transformation into an ordinary joint-stock company; voluntary liquidation (Art. 29, Para. 2-ter, Consolidated Banking Act).

Over 70% of the shareholders are small individual investors (holders of less than 1,000 shares per person, to give an investment of a little more than €6 thousand at the end-of-year stock market price). In terms of capital, according to the results of the latest survey conducted on the composition of shareholders completed in August 2015, institutional investors identified by name hold around 40% of the share capital. These are investors who operate mainly with a medium to long-term time horizon: GARP style (40.4%), index style (27.9%), value style (4.5%), growth style (1%) and other styles (26.2%).



The UBI Banca share is covered by 23 brokerage houses, 18 of which international, and is also included in 100 of the main international stock market indices<sup>3</sup> and in some of the most important national and international ethical and sustainability indices:



**ECPI EMU Ethical Equity**



**FTSE4Good Global,  
FTSE4Good Europe**



**Euro Ethical Index,  
Euro CSR Index,  
Sustainable Index  
(rating A++)**



**Italian Index,  
Italian Banks Index  
(rating EE)**



**ESI Excellence Europe**



**Rating Outperformer**

<sup>3</sup> <http://www.ubibanca.it/pagine/Ratings-and-Ethical-Indexes-EN.aspx>

Reports and Accounts 2015 p. 188, 7\*\*-9\*\*

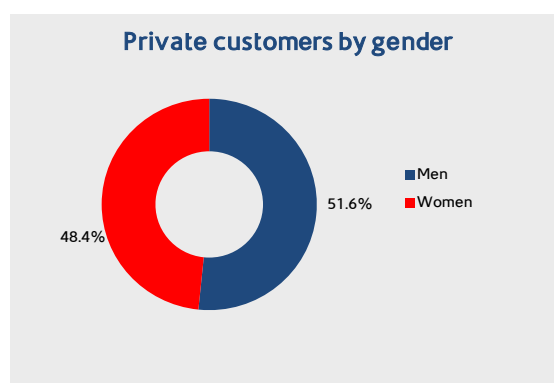
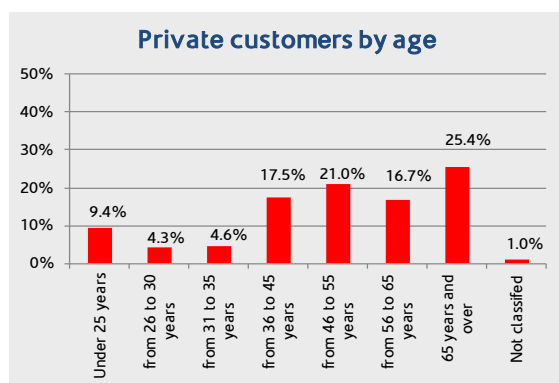
<sup>3</sup> Data as at 30/12/2015, source Bloomberg.

UBI Banca is mainly a retail Group and has always been at the service of families and small to medium-size companies in the community. It has almost 3.8 million customers (customers of the Network Banks and of IWBank – considered core – to which all the statistics reported relate, except for some specific differences indicated in the reporting boundary). If UBI Banca International and the product companies are also included the number of customers rises to a little over 3.8 million. The Group’s market is divided into two major groups:

- the **retail market**, which comprises 97.7% of customers, consisting of individuals (“mass market” and “affluent market” segments on the basis of the financial wealth owned, up to €100 thousand and €500 thousand respectively) and all the small economic operators with turnover of up to €300 thousand (“small business” and “small economic operator” segments) and small to medium-size enterprises with turnover of less than €15 million (SME segment). The “retail market” also includes the Church and non-Church related nonprofit organisation segment (commonly referred to as the “third sector”);
- the **private and corporate banking market**, which includes individual customers with financial wealth of greater than €500 thousand and businesses with turnover of over €15 million.

CUSTOMER PROFILE		2015	2014	2013
Number of customers (thousands)		3,786	3,753	3,722
<i>of which:</i>				
	<i>Banca Popolare di Bergamo</i>	967	967	957
	<i>Banco di Brescia</i>	560	565	560
	<i>Banca Popolare Commercio e Industria</i>	378	378	371
	<i>Banca Regionale Europea<sup>1</sup></i>	402	408	402
	<i>Banca Popolare di Ancona</i>	470	470	460
	<i>Banca Carime</i>	729	816	824
	<i>Banca di Valle Camonica</i>	79	78	77
	<i>IWB Bank<sup>2</sup></i>	202	72	72
Retail Market		97.7%	97.7%	97.6%
<i>of which:</i>				
	<i>Mass</i>	75.9%	79.4%	70.1%
	<i>Affluent</i>	14.9%	13.7%	20.4%
	<i>Small Business (POE e PMI)</i>	6.3%	5.7%	8.7%
	<i>Enti e istituzionali</i>	0.7%	1.1%	0.8%
Corporate Market		0.8%	0.7%	0.8%
Private banking market		1.5%	1.6%	1.6%
Private individuals		89.1%	89.1%	88.9%
Businessess		8.7%	8.7%	9.0%
Authorities and Institutions		1.7%	1.7%	0.7%
Other		0.5%	0.5%	1.3%
North		65.0%	61.5%	61.5%
South and Island		24.2%	27.3%	27.6%
Center		10.8%	11.2%	11.0%

<sup>1</sup> Company resulting from the merger between IWBank and UBI Banca Private Investment in 2015.



A total of 7.5% of individual customers are from abroad and come mainly from Eastern Europe (32.93%), Western Europe (22.46%), North Africa (10.70%) and Latin America (9.65%).

☞ Reports and Accounts 2015 p. 50, 65

## G4-9 Scale of the Group

The UBI Banca Group is the third largest banking group<sup>4</sup> in Italy by stock market capitalisation, fourth for funding and lending and fifth by number of branches<sup>5</sup>.

ECONOMIC DIMENSION (thousands of euro)	2015	2014	2013
Funding from customers	171,060,356	169,099,677	164,255,722
of which:			
<i>indirect funding</i>	79,547,957	75,892,408	71,651,786
<i>assets under management</i>	48,567,539	43,353,237	39,553,848
Net loans to customers	84,586,200	85,644,223	88,421,467
Total assets	117,200,765	121,786,704	124,241,837
Equity <sup>1</sup>	9,981,862	9,804,048	10,339,392
Revenues <sup>2</sup>	4,655,993	5,086,725	5,329,470
Profit for the year	116,765	(725,767)	250,830
Economic value created	2,732,089	2,747,782	2,585,515
Contributions to communities for donations and sponsorships	15,182	10,997	12,515

<sup>1</sup> Inclusive of profit/loss for the year.

<sup>2</sup> Sum of items 10, 40, 70, 80, 90, 100, 110, 220 e 240 of the Consolidated Income Statements.

SOCIAL DIMENSION	2015	2014	2013
Personnel <sup>1</sup>	17,757	18,168	18,366
of which:			
<i>employees<sup>2</sup></i>	17,734	18,144	18,350
<i>permanent</i>	99.5%	98.9%	99.0%
<i>Women in management positions (out of total senior managers)</i>	10.7%	9.9%	9.7%
Customers (thousands)	3,786	3,753	3,722
<i>of which private individuals</i>	89.1%	89.1%	88.9%
Shareholders <sup>3</sup>	148,427	151,992	151,533
Suppliers	9,655	10,120	10,182
<i>of which strategic and/or regular on the approved list</i>	874	818	763

<sup>1</sup> The figure includes the associate workers at the end of the year.

<sup>2</sup> Recognised on the payroll.

<sup>3</sup> Shareholder numbers are taken from dividend payment requests (May 2015).

ENVIRONMENTAL DIMENSION	2015	2015	2013
Total floor area of offices and branches (sq.m.) <sup>1</sup>	982,431	977,068	1,001,478
Energy consumption (Gj) <sup>2</sup>	559,140	584,997	668,664
CO <sub>2</sub> Emissions (tons) <sup>2</sup>	10,371	11,480	21,184
Paper consumption (tons) <sup>3</sup>	2,600	2,245	2,167
Waste products (tons)	1,394	1,748	1,861
Portfolio of loans granted for environmental investments (€million)	2,022	2,058	2,170

<sup>1</sup> Floor area on which environmental data are calculated

<sup>2</sup> This does not include energy consumption outside the organisation and the consequent emissions.

<sup>3</sup> The increase in 2015 was affected by the enlargement of the perimeter measured [G4-EN1]

<sup>4</sup> Stock market capitalisation as at 30/12/2015.

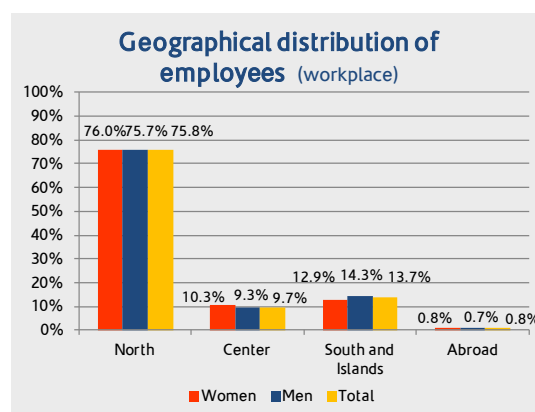
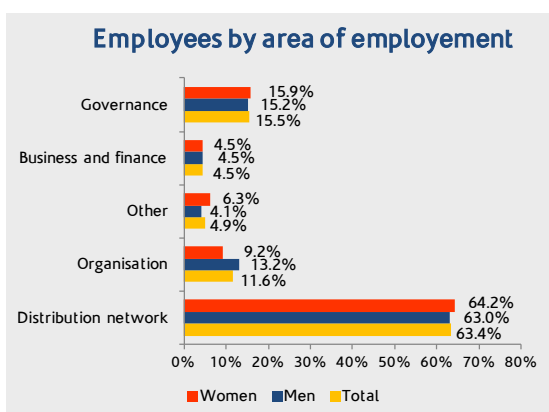
<sup>5</sup> Lending, funding and branches as at 30/09/2015.

## G4-10 The Group workforce

PERSONNEL AT THE END OF THE YEAR	2015		2014		2013	
	Total	Women	Total	Women	Total	Women
Employees	17,734	6,825	18,144	6,860	18,350	6,861
of which:						
<i>permanent</i>	17,647	6,775	17,947	6,759	18,168	6,771
<i>on temporary contracts</i>	84	48	153	78	140	68
<i>apprentices</i>	3	2	44	23	42	22
Associate workers	23	14	24	11	16	8
of which:						
<i>personnel leasing</i>	-	-	-	-	1	-
<i>other contracts (e.g. internship/agency)</i>	23	14	24	11	15	8
<b>TOTAL</b>	<b>17,757</b>	<b>6,839</b>	<b>18,168</b>	<b>6,871</b>	<b>18,366</b>	<b>6,869</b>

In 2015 average associate workers during the year numbered 26, of which 15 were women, almost all on internships under arrangements with the universities to which they belonged.

PART-TIME WORK CONTRACTS	2015			2014			2013		
	Total	Women	Women out of staff	Total	Women	Women out of staff	Total	Women	Women out of staff
Employees	2,116	1,966	11.9%	1,681	1,592	9.3%	1,637	1,557	8.9%



## G4-11 Percentage of employees covered by collective bargaining agreements

Total employees in banks and other companies registered in Italy (over 99% of all Group employees) are covered by national collective bargaining agreements.

## G4-12 G4-EC9 Description of the supply chain Local suppliers

The Group's Code of Ethics has a specific section on relations with suppliers which must be oriented towards mutual satisfaction and be based on the observance of the principles of transparency, fairness, loyalty, integrity and competition.

☞ Code of Ethics p. 15-16

The Group's environmental policy orients purchasing management towards the use of products and services which have a low environmental impact throughout their life-cycle and to procure supplies locally, where possible, also in order to reduce harmful emissions generated by transport.

☞ Environmental policy

☞ Reduction in direct environmental impacts

The Purchasing Department of UBI Sistemi e Servizi manages the purchasing cycle for Group companies in compliance with the provisions of the **Group Spending Regulations**. These regulations, which apply to all Group companies, govern roles and responsibilities of those involved in managing budgets and incurring expenses with the separation of roles between those requesting supplies and authorising payments, those that sign contracts and handle negotiations with suppliers and those keeping the accounts and paying the invoices.

### Selection of suppliers

Suppliers are selected with care on the basis of cost, service quality and technical, commercial and financial reliability. The Code of Ethics states that where requirements are the same, preference is given to those suppliers who demonstrate the implementation of **good practices of responsibility** and/or possession of **social or environmental certifications**. To ensure the independence of suppliers, we seek to avoid the establishment of exclusive business relationships, or those characterised by excessive financial dependence on the Group (the total amount paid to each Group supplier must not exceed 25% of the supplier's total turnover).

### Contractual conditions and terms of payment

Contractual conditions and terms of payment are constantly updated to comply with the legislation in force and with market conditions on the basis of periodical monitoring. Supplies which are not regular or for small amounts, and considered not strategic and which do not carry a high operational risk are regulated by the general conditions of a standard contract, while specific contracts are drawn up for recurring, strategic supplies, which carry high operational risk or which are for large amounts.

In 2014 the Group adhered to the **"Italian Responsible Payments Code" organised by Assolombarda (Lombard employers' association)**. Companies which adhere to the code are committed to compliance with terms and conditions contractually agreed for the payment of suppliers and, more generally, to spread a culture of efficient, prompt and rapid payment practices. At present Group suppliers have signed contracts which involve payment terms ranging from a minimum of on-receipt-of-invoice up to a maximum of 120 days from the date of invoice (a very marginal proportion accounting for 0.039% of the total). The average supplier payment time in 2015 was approximately 33 days.



All suppliers are required to fully comply with legislation and regulations to protect the rights of workers, which in particular means observation of national trade union agreements for the sector to which they belong and of pension, accident prevention and insurance legislation along with specific legislation on health and safety. Additionally, when an order is placed or a contract is signed, all suppliers are required to comply with the principles of the Group's **Code of Ethics**. Standard contract clauses provide for the power of UBI Sistemi e Servizi to verify or have verified by its agents – at any time and using the inspection procedures considered most appropriate – that the supply of goods or the provision of services is carried out and that this complies with the applicable legislation and regulations. They also provide for a commitment by the supplier to facilitate the exercise of these verification powers, by providing UBI Sistemi e Servizi with all the information required, including the documentation, written communications and/or documents needed to carry out appropriate controls.

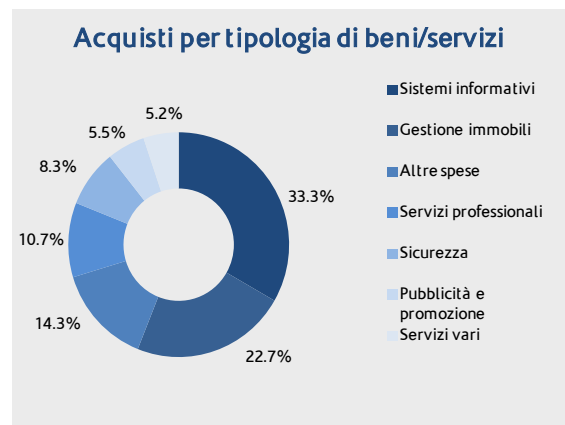
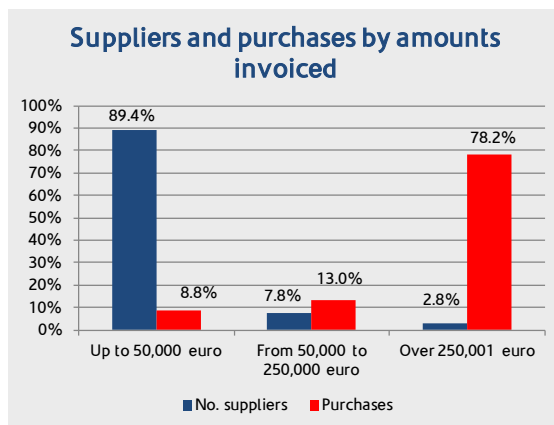
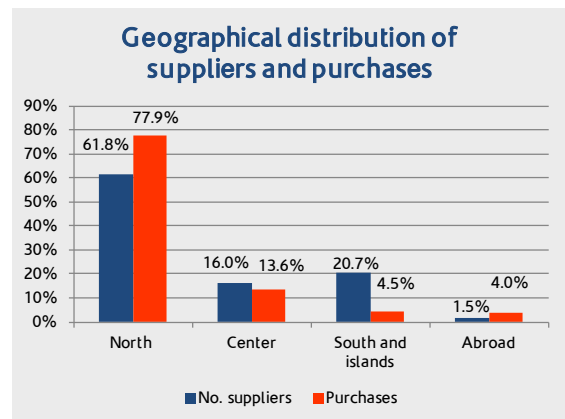
### Supply chain

The Group operates almost exclusively in Italy and 96% of purchases are from local suppliers, defined as suppliers resident in Italy. Where possible and appropriate, depending on the type of products or services, use is made of suppliers who operate in the vicinity of our single operating premises.

Suppliers who provide goods and services to the Group on a regular basis or occasional suppliers who supply goods and services for amounts greater than €30,000 are registered on a **List of Approved Suppliers** managed by the Purchasing Department of UBI Sistemi e Servizi. The approved list contains preferred suppliers for each type of good and service, listed on the basis of quality (50% weighting), competitiveness



(25% weighting) and financial and capital soundness (25%) and we periodically assess them with the involvement of the offices requesting the supplies (budget managers), the Purchasing Department and an outside database. Suppliers of utility services (local water companies, gas companies), landlords of rented properties and institutional suppliers (e.g. Italian Banking Association - and CONSOB - Italian securities market authority) are excluded from management on the list of approved suppliers. At the end of 2015 suppliers on the list numbered 874 (+56 compared with 2014, as a result of 65 new suppliers and 9 removed from the list). Management of the supplier list and the vendor rating system is supported by dedicated software that interfaces with the SAP accounting system. All buyers in the Purchasing Department can use the corporate intranet to consult a supplier's vendor rating, the class of goods sold, figures on invoicing over the last three years, the amount of orders in progress and an indicator of dependence on the Group.



## G4-13 Significant changes during the year

The main changes in 2015 regarded the following:

- the Articles of Association and the ownership structure of the Parent UBI Banca, due to the transformation of the Bank from a joint stock co-operative company into an ordinary joint-stock company (while the composition of the shareholders did not change significantly, with the end of per capita voting [↗ G4-7], the position of shareholders who either individually or as groups hold large percentages of the share capital became more important and therefore the importance of institutional investors increased);
- the Supervisory Board, with the establishment of an internal Risk Committee;
- the ownership structure of the Group with the merger of UBI Banca Private Investment (the Group's network of financial advisors) and IWBanck (the Group's bank that specialises in trading online services) and the consequent formation of IWBanck Private Investments;
- the Group's distribution network with the completion of the programme to rationalise branches on the basis of criteria that ensure the maintenance of adequate geographical coverage and a high level of customer service. The rationalisation involved the closure of 116 branches and the transformation of 57 branches into mini branches and two mini branches into branches;
- the opening of a UBI Banca representative office in Dubai [↗ G4-6].

↗ Enhancement and well-being of personnel

#### G4-14 Risk management approach

UBI Banca adopts a prudential approach, with a view to preventing and mitigating the various types of risk.

☞ Governance and risk management

#### G4-15 Adherence to external codes and principles

UBI Banca is maintaining its commitment, first made in 2003 by the then BPU Banca, to apply the ten universal principles of the **Global Compact** ([www.unglobalcompact.org](http://www.unglobalcompact.org)) in favour 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.

It adopts the **Corporate governance code for listed companies** and the **European code of conduct on housing loans** and it has adhered to the **Italian code of conduct for responsible payments** [☞G4-12] and it complies with the **Voluntary code of conduct on advertising**.

#### G4-16 Membership in associations

UBI Banca is a member of the **Italian Banking Association (ABI)** and it also belongs to the **ABI Energia – ABI Lab Competence Centre** for energy efficiency in the banking sector. It is also:

- a member of the **Sodalitas Foundation**, whose mission is to contribute to the development of the third sector and the growth of a corporate social responsibility culture, and it participates actively in various initiatives, including the Sodalitas Social Innovation Award;
- a founding member of **Social Value Italia** which, at national level, promotes the development of a culture and practice of social impact assessment as well as the use of methods to measure it. UBI Banca has a representative on the Governing Council of the Association;
- a supporting member of the **Triulza Foundation** (located in Cascina Triulza, in the civil society Pavilion at EXPO Milan 2015), whose mission is to be a special centre for representing the needs and proposals of organisations in civil society in order to encourage the active involvement of citizens and to guarantee acceptance and inclusion.

In 2015 UBI Banca took part in the preparatory works for the formation of the **Social Impact Agenda** for Italy Association, which is being formed to bring together the experience and give continuity to the activities of the Italian Advisory Board to the G8 Social Impact Investment Task Force, to which the Group has belonged since it was formed. The association, which will form part of the **Global Social Investment Steering Group (GSG)**, intends to contribute to the implementation of the 40 recommendations contained in the Italian report *“La Finanza che include”* (Finance that includes) and to strengthen social entrepreneurship through the development of an Italian ecosystem of social impact investments.

The Group CSR Manager attends the proceedings of the **CSR Manager Network Italia**, of **EBEN Italia**, and together with other colleagues participates in various working groups formed by the Italian Banking Association on specific social responsibility issues.

## Report parameters

### Report profile

#### G4-28 Reporting period

#### G4-29 Date of the most recent previous report

#### G4-30 Reporting cycle

#### G4-48 The role of the highest governing body in the sustainability reporting process

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The sustainability reporting cycle is annual. The reporting period for this document is from 1<sup>st</sup> January 2015 until 31<sup>st</sup> December 2015, the same as that of the consolidated financial report. It is the ninth consecutive report since the foundation of UBI Banca in 2007 and it was prepared by the Management Board and approved by the Supervisory Board. It is published, in Italian and translated into the English language, in electronic (PDF) format only, in the Social Responsibility section of the Group's corporate website.

A hardcopy summary report is distributed to Shareholders who attend Shareholders' Meetings, which presents the main highlights of the Sustainability Report in a simple and direct manner. This document, which is also designed for use in official presentations of the Group, is printed in 20,000 copies in Italian and a few hundred copies in English and it is also published in electronic (PDF file) format in the Social Responsibility section of the Group's corporate website.

#### G4-31 Contacts for information on the document

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The address for information on the 2015 Sustainability Report and on the Social Responsibility section of the corporate website of the Group is:

UBI Banca Spa  
Chief Financial Officer - CSR Manager  
Piazza V. Veneto, 8  
24122 Bergamo  
Tel. 035-392925  
Fax 035-392996  
e-mail: [csr@ubibanca.it](mailto:csr@ubibanca.it)

The address for information on the 2015 Sustainability Report and on the Social Responsibility section of the corporate website of the Group is:  
[www.ubibanca.it](http://www.ubibanca.it).

### GRI Contents

#### G4-32 Table of report indicators

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The 2015 Sustainability Report has been prepared according to the table of contents of version G4 of the **Guidelines for Sustainability Reporting** and the **Financial Services Sector Disclosures** (issued in 2013 by the Global Reporting Initiative). Account was also taken when defining the specific contents of the various indicators of the guidelines formulated by the Italian Banking Association in the documents "**Reporting to Stakeholders. A Guide for Banks**" (2006) and "**Guidelines on the Application in Banks of Environmental Indicators of GRI version G4**" (2014) and rules for periodic "Communication on Progress" required by the Global Compact of all the organisations which have signed the compact.

Two options are available for documents prepared according to GRI-G4 guidelines, "**core**" and "**comprehensive**" depending on the breadth of the reporting. UBI Banca has chosen the "**in accordance-comprehensive**" option.

INDICATOR G4	DESCRIPTION	PAG. OR REASON FOR OMISSION	GLOBAL COMPACT
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G4-2	Key impacts, risks and opportunities	2	
<b>GROUP PROFILE</b>			
G4-3	Name of the organization	3	
G4-4	Primary brands, products and services	3	
G4-5	Headquarters	3	
G4-6	Countries where significant operations are carried out or that are specifically relevant to sustainability	4	
G4-7	Nature of the ownership and legal form	6	
G4-8	Markets served	8	
G4-9	Scale of the Group	9	
G4-10	The Group workforce	10	
G4-11	Percentage of employees covered by collective bargaining agreements	10	1,3
G4-12	Description of the supply chain	10	1-10
G4-13	Significant changes during the year	12	
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G4-16	Membership of associations	13	1-10
<b>IMPORTANT ASPECTS AND BOUNDARIES</b>			
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G4-21	Boundary of the impact of material topics - external	22	
G4-22	Restatement of data furnished in previous reports	23	
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<b>STAKEHOLDER ENGAGEMENT</b>			
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G4-38	Composition of governing bodies and their committees	37	1-10
G4-39	Divisions of function between the Chair of the highest governing body and the CEO	37	1-10
G4-40	Selection process for members of the highest governing body and committees	37	1-10
G4-41	Process for the management of conflicts of interest	25, 37	1-10
G4-42	The role of the highest governing body in the definition of mission, values and strategies	37	
G4-43	Initiatives to enhance the highest governing body's knowledge of economic, environmental and social topics	38	
G4-44	Assessment of the highest governing body's performance and consequent actions	38	1-10
G4-45	The Highest Governing Body's role in the identification and management of economic, environmental and social impacts, risks and opportunities ità in ambito economico, ambientale e sociale	21, 38	1-10
G4-46	The highest governing body's role in reviewing the effectiveness of the risk management processes for economic, environmental and social topics	38	
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INDICATOR G4	DESCRIPTION	PAG. OR REASON FOR OMISSION	GLOBAL COMPACT
G4-48	The Highest Governing Body's role in the sustainability reporting process	14	
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G4-54	Ratio between remuneration received	41	
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<b>INTEGRITY IN CORPORATE CONDUCT</b>			
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<b>ECONOMIC PERFORMANCE</b>			
<b>ECONOMIC PERFORMANCE</b>			
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EC1	Economic value created and distributed and contributions for social initiatives	43, 64	
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EC3	Coverage of the organization's defined benefit plan obligations	81	
EC4	Financial assistance received from government	45	
<b>MARKET PRESENCE</b>			
Management approach		4,8,56	
EC5	Entry-level wage	81	1
EC6	Appointments of local personnel	81	6
<b>INDIRECT ECONOMIC IMPACTS</b>			
Management approach		58, 71, 82, 84	
EC7	Development and impact of infrastructure investments and services supported	59	
EC8	Significant indirect economic impacts	45	
<b>PROCUREMENT PRACTICES</b>			
Management approach		10 (non material)	
EC9	Local suppliers	10 (non material)	
<b>ENVIRONMENTAL PERFORMANCE</b>			
<b>MATERIALS</b>			
Management approach		91	7,8,9
EN1	Material used	94	8
EN2	Recycled raw materials	94	8,9
<b>ENERGY</b>			
Management approach		91	7,8
EN3	Energy consumption within the organisation	94	7,8
EN4	Energy consumption outside the organisation	95	7,8
EN5	Energy intensity	96	
EN6	Reduction of energy consumption	96	7,8
EN7	Reduction in energy requirements of products and services	Not applicable	7,8
<b>EMISSIONS</b>			
Management approach		91	7,8,9
EN15	Direct greenhouse emissions (scope 1)	96	7,8
EN16	Indirect greenhouse emissions (scope 2)	97	7,8
EN17	Other indirect greenhouse emissions (scope 3)	97	7,8
EN18	Greenhouse gas emissions intensity	98	
EN19	Reduction of greenhouse gas emissions	98	7,8,9
EN20	Emissions of ozone-depleting substances	99	7,8
EN21	NOx, SOx and other significant air emissions	99	7,8
<b>EFFLUENTS AND WASTE</b>			
Management approach		91	7
EN22	Water discharge	Not applicable	7
EN23	Waste by type and disposal method	100	7
EN24	Significant spills	Not applicable	7
EN25	Hazardous waste	100	7
EN26	Water habitats affected by organization's discharges	Not applicable	7

INDICATOR G4	DESCRIPTION	PAG. OR REASON FOR OMISSION	GLOBAL COMPACT
<b>COMPLIANCE</b>			
	Management approach	24	7.8
EN29	Significant fines and sanctions for non-compliance with environmental laws and regulations	100	7,8
<b>TRANSPORT</b>			
	Management approach	93	7.8
EN30	Significant environmental impacts of transporting products and materials used and of transporting personnel	100	7,8
<b>OVERALL</b>			
	Management approach	91	
EN31	Environmental protection expenditures and investments	100	
<b>LABOR PRACTICES AND DECENT WORK</b>			
<b>EMPLOYMENT</b>			
	Management approach	66, 67, 70	3-6
LA1	Employment and personnel turnover	10, 73	6
LA2	Benefits and other supplementary contributions	70, 74	
LA3	Return to work and retention rates	75	
<b>LABOR/MANAGEMENT APPROACH</b>			
	Management approach	27	3
LA4	Minimum notice period for operational changes	32	3
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
	Management approach	71	1
LA5	Health and safety committees	75	1
LA6	Injury, diseases and absenteeism	76	1
LA7	Roles at high risk of injury	77	1
LA8	Trade union agreements on health and safety	78	1
<b>TRAINING AND EDUCATION</b>			
	Management approach	68-69	
LA9	Annual training per employee and by category of worker	78	
LA10	Programmes for skills management and lifelong learning	80	
LA11	Employees regularly receiving performance and career development reviews	80	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
	Management approach	27	1.6
LA12	Composition of governance bodies and of employees per indicators of diversity	32	1,6
<b>EQUAL REMUNERATION FOR WOMEN AND MEN</b>			
	Management approach	69	1.6
LA13	Ratio of basic salary of women to men	33	1,6
<b>LABOR PRACTICES GRIEVANCE MECHANISMS</b>			
	Management approach	25	
LA16	Grievances about labour practices	33	
<b>HUMAN RIGHTS</b>			
<b>NON-DISCRIMINATION</b>			
	Management approach	27	1,2,6
HR3	Incidents of discrimination and corrective actions taken	33	1,2,6
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
	Management approach	27	
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<b>LOCAL COMMUNITIES</b>			
	Management approach	56-58, 60-64	
SO1	Operations with implemented local community engagement, impact assessment and development programs	59	
SO2	Operations with negative impacts on local communities	59	
FS13	Presence in low-populated or economically disadvantaged areas	4	
FS14	Access to financial services for disadvantaged people	89	
<b>ANTI-CORRUPTION</b>			
	Management approach	25	10
SO3	Operations assessed for risk related to corruption	31	10
SO4	Communication and training on anti-corruption policies and procedures	31	10
SO5	Casi di corruzione accertati e azioni intraprese	31	10



INDICATOR G4	DESCRIPTION	PAG. OR REASON FOR OMISSION	GLOBAL COMPACT
<b>PUBLIC POLICY</b>			
Management approach		60-62	
SO6	Contributions to political parties and related institutions	65	
<b>ANTI-COMPETITIVE BEHAVIOUR</b>			
Management approach		28	
SO7	Number of legal actions for anti-competitive behavior and monopoly practices	32	
<b>COMPLIANCE</b>			
Management approach		24	
SO8	Significant fines and non-monetary sanctions for non-compliance with laws and regulations	32	
<b>PRODUCT RESPONSIBILITY</b>			
<b>PRODUCT AND SERVICE LABELING</b>			
Management approach		46	
PR3	Product and service information required by the organization's procedures	49	
PR4	Incidents of non-compliance with regulations and voluntary codes concerning products and services information and labeling	30	
PR5	Surveys measuring customer satisfaction and results	54	
<b>MARKETING COMMUNICATION</b>			
Management approach		46	
PR6	Sale of banned or disputed products	31	
PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	31	
<b>CUSTOMER PRIVACY</b>			
Management approach		52	
PR8	Complaints regarding breaches of customer privacy and losses of customer data	55	1
<b>COMPLIANCE</b>			
Management approach		24	
PR9	Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	30	1
<b>PRODUCTS PORTFOLIO</b>			
Management approach		50	
FS6	Customer profile	8	
FS7	Products and services with social benefits	88	
FS8	Products and services with specific environmental benefits	88	
<b>AUDIT</b>			
Management approach		24	

The table does not include indicators relating to aspects that are not material for the Group's activities.

MATERIAL TOPICS	GRI ASPECTS	
Integrity in corporate conduct	Environment: Compliance	Management of trade union relations
	Society: Compliance	Diversity and equal opportunity
	Product and service labeling	Equal remuneration for women and men
	Marketing and communication	Labor practices grievance mechanisms
	Product responsibility: Compliance	Non discrimination
	Audit	Freedom of association and collective bargaining
	Anti-corruption	Anti-competitive behaviour
Governance and risk management	Governance	
Creation of value	Economic performance	Indirect economic impacts
Communication and dialogue	Product and service labeling	Marketing e comunicazione
Quality and customer satisfaction	Product and service labeling	Rispetto della privacy
Operations rooted in local communities	Product portfolio	Indirect economic impacts
	Local communities	
involment in local communities	Indirect economic impacts	Public policies
	Local communities	Product and service labeling
Enhancement and well-being of personnel	Employment	Economic performance
	Market presence	Occupational health and safety
	Training and education	
Business lines with social and environmental aims	Product portfolio	Local communities
Reduction in direct environmental impacts	Materials used	Emissions
	Effluents and waste	Transport
	Energy	Overall

## G4-33 Policy and practice for external assurance

As with previous reports, the 2015 Sustainability Report has been audited by an independent entity. The independent auditors **Deloitte & Touche S.p.A.**, also engaged for the audit of the separate and consolidated financial statements of UBI Banca, were appointed for the period 2012-2020. The auditor also verifies the option declared by the bank for the application of the GRI model.



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#### INDEPENDENT AUDITORS' REPORT ON THE SUSTAINABILITY REPORT

To the Management Board of  
**UNIONE DI BANCHE ITALIANE S.p.A.**

We have performed a limited assurance engagement on the Sustainability Report of the Unione di Banche Italiane S.p.A. and its subsidiaries (the "Unione di Banche Italiane Group") as of December 31<sup>st</sup>, 2015.

#### Management Board's responsibility on the Sustainability Report

The parent's Management Board is responsible for the preparation of the Sustainability Report in accordance with the "G4 Sustainability Reporting Guidelines" and the "Financial Services Sector Disclosures", both issued in 2013 by the GRI - *Global Reporting Initiative*, as stated in the paragraph "Report parameters" of the Sustainability Report, and for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to frauds or unintentional behaviours or events. The Management Board is also responsible for defining the Unione di Banche Italiane Group's objectives regarding the sustainability performance and the reporting of the achieved results, for the identification of the stakeholders and the significant aspects to report.

#### Auditors' responsibility

Our responsibility is to issue this report based on the procedures performed. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements 3000 (revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. The standard requires the compliance with ethical principles, including independence requirements, and that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement. These procedures included inquiries, primarily with the personnel responsible for the preparation of the Sustainability Report, analysis of documents, recalculations and other evidence gathering procedures as appropriate.

The procedures performed on the Sustainability Report consisted in verifying its compliance with the principles for defining report content and quality set out in the "G4 Sustainability Reporting Guidelines", and are summarized as follows:

- comparing the economic and financial data reported in the paragraph "Creation of value" included in the Sustainability Report with those reported in the Unione di Banche Italiane Group consolidated financial statements as of December 31<sup>st</sup>, 2015, on which we issued the auditors' report (pursuant to the articles 14 and 16 of the Legislative Decree no. 39 of January 27<sup>th</sup>, 2010), dated March 2<sup>nd</sup>, 2016;
- analysing, through interviews, the governance system and the management process of the matters related to sustainable development regarding the strategy and operations of the Unione di Banche Italiane Group;

Arcore Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova  
Palermo Palermo Roma Torino Trento Verona

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Codice Fiscale/Regione delle Imprese Milano n. 02040501505 - R.E.A. Milano n. 1701238  
Partita IVA: IT 02040501505

- analysing the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- analysing how the processes underlying the generation, collection and management of quantitative data of the Sustainability Report operate. In particular, we have performed:
  - interviews and discussions with the management of Unione di Banche Italiane S.p.A. to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;
  - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the Sustainability Report in relation to the guidelines identified in the paragraph “Management Board’s responsibility on the Sustainability Report” of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the Chief Executive Officer of Unione di Banche Italiane S.p.A., on the compliance of the Sustainability Report with the guidelines identified in the paragraph “Management Board’s responsibility on the Sustainability Report” of this report, as well as the reliability and completeness of the data and information disclosed.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

#### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Unione di Banche Italiane Group as of December 31<sup>st</sup>, 2015 is not prepared, in all material respects, in accordance with the “G4 Sustainability Reporting Guidelines” and the “Financial Services Sector Disclosures”, both issued in 2013 by the GRI - Global Reporting Initiative, as stated in the paragraph “Report parameters” of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

*Signed by*  
Marco Miccoli  
Partner

Italy, Milan,  
May 6<sup>th</sup>, 2016

*This report has been translated into the English language solely for the convenience of international readers.*

## Material topics

### G4-17 Boundary of the report

Unless specified otherwise, the boundary of the report is that of the Consolidated Financial Statements and it is consistent with the guidelines for GRI-G4 sustainability reporting.

The boundary for the data and information on the direct environmental impacts of the Group comprises the following companies: UBI Banca, UBI Sistemi e Servizi, UBI Academy, Banca Popolare di Bergamo, Banco di Brescia, Banca Popolare Commercio e Industria, Banca Regionale Europea, Banca Popolare di Ancona, Banca Carime, Banca di Valle Camonica, IWBANK, BPB Immobiliare, Prestitalia, UBI Factor, UBI Fiduciaria, UBI Leasing and UBI Pramerica.

In terms of scale, the boundary comprises 17,664 employees and associate workers, accounting for 95.5% of the Group work force, and 982,431 sq m of net indoor floor space.

### G4-18 Process for the identification of material topics

The Sustainability Report is aimed at those who wish to know and study the Group's approach to social responsibility and sustainability, to verify the consistency of its operations with its declared system of values and to assess the results achieved.

The contents of the document – primarily of a non-accounting nature – have been defined by means of an analytical and structured process (**analysis of the materiality**) which led to the identification of sustainability-related topics that are material for UBI Banca and its stakeholders.

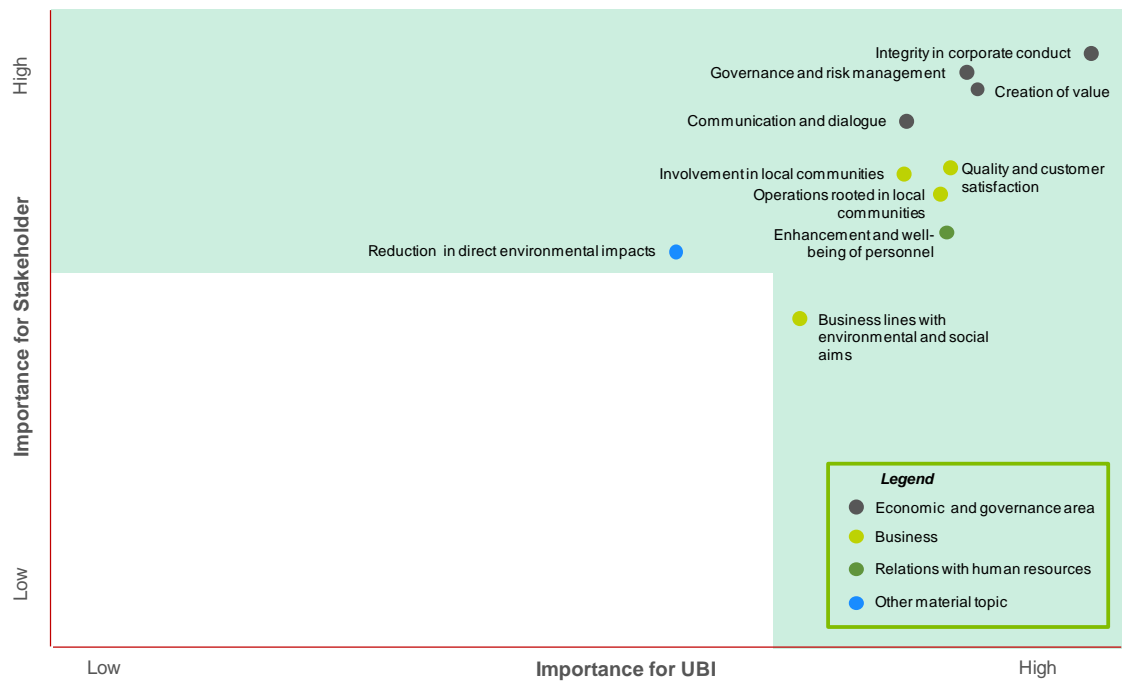
The materiality analysis was conducted by UBI Banca in compliance with the recommendations furnished in the GRI-G4 Guidelines and it consisted of a number of steps that can be summarised as follows:

1. **identification of sustainability-related topics** by considering a variety of sources e.g. the GRI-G4 Sustainability Reporting Guidelines, Financial Services Sector Disclosures, other banking Group benchmarks, an analysis of topics assessed by SRI analysts and rating agencies;
2. **assessment of the materiality of each topic for the bank**, on the basis of stakeholder priorities and business strategies, carried out (above all in a forward-looking manner) by the senior management of UBI Banca and by the CSR liaison officer network [[Governance e risk management](#)];
3. **estimation of the materiality of each topic for stakeholders**, weighted with the materiality attributed to them, on the basis of the results of customer satisfaction surveys and other stakeholder engagement activities carried out and SRI analyst and rating agency assessments (including the annual report of the Carbon Disclosure Project on environmental matters);
4. **identification of the materiality threshold** (the average of the materiality assessments described in the two previous items) and therefore of the material sustainability-related topics.

A section of the Sustainability Report is devoted to each material topic identified in the "Materiality Matrix". A series of material aspects are identified and addressed for each material topic, each of which is introduced by a description of the management approach (**DMA - Disclosure on Management Approach to use the GRI terminology**) divided into two parts:

- policies, commitments, resources and responsibilities;
- goals, actions and results.

## G4-19 Materiality Matrix



## G4-20 G4-21

### Boundary of the impact of material topics

RELEVANT TOPICS	ASPECT BOUNDARY	
	INTERNAL	EXTERNAL
Integrity in corporate conduct	Group	Customers, Shareholders, Public authorities, Financial market, Community, Opinion leaders, Suppliers
Governance and risk management	Group	Customers, Shareholders, Public authorities, Financial markets, Community
Creation of value	Group	Shareholders, Public authorities, Community
Quality and customer satisfaction	UBI Banca, Network bank, Product companies	Shareholders, Community
Operations rooted in local communities	Network banks	Customers, Community
Involvement local communities	Network banks	Community
Enhancement and well-being of personnel	Group	Shareholders, Customers, Community
Communication and dialogue	Group	Customers, Shareholders, Public authorities, Financial market, Community, Opinion leaders, Suppliers
Business lines with environmental and social aims	UBI Banca, Network bank, Product companies	Customers, Community
Reduction in direct environmental impact	Group <sup>1</sup>	Community

<sup>1</sup> See G4-17.

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**G4-22 Restatements of data furnished in previous reports**

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Any changes made to information contained in previous reports are reported in footnotes to tables, charts and texts.

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**G4-23 Significant changes in the scope and topic boundaries**

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No changes occurred during the reporting year in the Group's structure and activities which might affect the general comparability of the information content of the 2015 Sustainability Report with that of previous years. Any reasons which might make the historical data series for single indicators non-comparable are given in the respective tables and charts.



## Integrity in corporate conduct

For UBI Banca “Fare Banca Per Bene” (to bank fairly and well) means creating a vision of a sound and trustworthy bank, recognised on the market for its way of management based on a constant sense of ethics, transparency and integrity in business and on results that are sustainable in the long-term. It means believing in strong and shared values and putting them into practice in observance of principles and rules of conduct which are not seen as limitations, but as the way to establish our identity on the market.

The Group’s mission, values and principles are formally set out in its **Charter of Values** and **Code of Ethics** [☞ G4-56], which are based, amongst other things, on the principles of the UN **Global Compact**. They are set out in greater detail in the general rules contained in the **Code of Conduct for Group staff** and in the specific regulations for different areas of activity, consisting of **policies, circulars and rulebooks**.

### Compliance

Policies, commitments, resources and responsibilities

The “**New Regulations for the Prudential Supervision of Banks**” issued by the Bank of Italy (Circular No. 263 of 27th December 2006 – 15th update of 2nd July 2013) and the Bank of Italy and Consob (Italian securities market authority) “Joint Regulations”, by emphasising the key importance of an adequate **Internal Control System for the purposes of sound and prudent corporate management, containing risks and capital stability**, have established that Italian banks must have a “Compliance Function” with the sole and exclusive duty of managing compliance risk with regard to all corporate activities. This risk is defined as “the risk of incurring legal or administrative penalties, or substantial financial losses or reputational damages as a consequence of violations of compulsory rules or internal regulations”.

Compliance risk management policies follow along the lines of the growing attention paid in Group regulations to organisational and internal control matters, on the assumption that **effective organisational and governance structures** constitute an essential condition **for the prevention and mitigation of corporate risk factors**.

☞ Reports and Accounts 2015 p. 51\*\*

The Compliance Function plays a proactive and preventative role, which takes the following concrete form:

- an “ex-ante assessment” of compliance with applicable regulations and of all innovative projects (including business with new products or services) that the Bank intends to undertake;
- the prevention and management of conflicts of interest both between the different activities carried out by the Bank and with reference to the Bank’s employees and senior officers;
- ex post assessment of the effectiveness of the processes adopted;
- appropriate interaction and collaboration with the competent organisational units of the Bank in order to ensure that developments in the organisation chart, the IT system, in processes and procedures and in staff training move forward in compliance with the relevant regulations for the matters in question.

The Compliance Function is therefore one of analysis, stimulation and co-ordination, for the matters for which it is responsible, that concern units in different areas with management and operational functions .

☞ Reports and Accounts 2015 p.53\*\*-55\*\*

	<p>From an organisational viewpoint, the <b>Compliance Area</b> reports directly to the Chief Executive Officer, who has also been assigned a role, exclusively in support of the Management Board, with organisational, proposal-making and reporting functions on internal control matters, in accordance with Art. 35 of the Articles of Association. At present the Area is composed (since 1st February 2016) of four services: Compliance Operations, Banking Services Compliance, Investment Services Compliance, Co-ordination of Group Companies.</p> <p><a href="#">☞ Reports and Accounts 2015 p.54**-55**</a></p> <p>Compliance activities involve not only external regulations but also internal regulations and the Group Code of Ethics in particular, and instances of non-compliance are seen as a means of improving internal procedures and processes.</p>
Goals, actions and results	<p>At the end of 2015, the Supervisory Board of the Parent also approved a <b>Group Policy on internal systems for reporting violations</b> or "<b>whistleblowing</b>", which constitutes a reserved and protected channel for Group staff to report actions and facts which may constitute a violation of the regulations governing banking and financial activities during the course of carrying out their duties at work.</p> <p>In the first months of 2016 a <b>complete revision of the UBI and Group compliance model</b> was implemented as a consequence of amendments to "Compliance risk management policies" approved by the governing bodies following the publication of a "clarification note" by the Bank of Italy.</p> <p><a href="#">☞ Reports and Accounts 2015 p.56**</a></p>
Indicators	G4-57, G4-58, G4-PR4, G4-PR7, G4-PR9, G4-SO8, G4-EN29

## Anti-corruption and anti money-laundering activities

Policies and commitment, resources and responsibilities	<p>UBI Banca co-operates fully with the authorities in their fight against all crimes relating to its sphere of activities with particular reference to corruption, money-laundering and the finance of terrorism.</p> <p>The crime of <b>corruption</b>, which UBI Banca is also committed to fighting as part of its adherence to the UN <b>Global Compact</b>, is included in Italy among the "predicate offences" falling within the sphere of Legislative Decree No. 231/2001 on the administrative liability of businesses. In order to implement the provisions of Legislative Decree No. 231/2001, UBI Banca has adopted a special <b>model of organisation, management and control (the 231/2001 Model)</b>. The model lays down rules and procedures designed to prevent the crimes covered by the decree from being committed and for the creation of a Supervisory Body and reporting and penalty systems.</p> <p>The Internal Control Committee of the bank was identified to play the role of the Supervisory Body, formed as an internal committee of the Supervisory Board, in order to ensure the proper functioning and constant update of the model itself and of the relative reporting and penalty systems. Furthermore, in its capacity as the Parent of the Group, UBI Banca informs subsidiaries of the policies it has set on the matter and recommends general criteria which they may follow. Each subsidiary adopts and updates its own Model with support from the Parent's Compliance Function for those companies that have granted a specific mandate for this.</p> <p>Oversight of <b>anti-money-laundering</b> activities, inclusive of the compliance function, is performed centrally in the Group by the <b>Anti-Money Laundering and Claims Area</b>, which reports to the Chief Risk Officer. The management model, which is organised centrally for the Network Banks and its subsidiaries UBI Leasing, UBI Factor and Prestitalia, is based on the following:</p>
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	<ul style="list-style-type: none"> <li>• effective IT system support to manage customer risk profiles and to monitor all transactions (according to the amount limits set by the relative legislation) by using various software applications including Gianos ;</li> <li>• clear, exhaustive and easy-to-use internal regulations, systematically aligned with legislative regulations and procedural and self-regulatory innovations adopted;</li> <li>• procedural regulations which govern the acquisition and storage of documents to identify customers and record their financial profiles and to perform accounting and all other operations required – in full compliance with civil law regulations and anti money-laundering legislation – and also accurate oversight and monitoring of data acquisition and storage.</li> </ul> <p>The Bank takes various types of action to ensure the effectiveness of the controls it has adopted. It maintains terrorist lists and lists of persons politically exposed, acquired from reliable and independent sources, constantly up-to-date and the relative company regulations are constantly updated too. All employees receive specific training on the basis of three-year programming, designed to increase staff culture and awareness on the matter and to provide critical knowledge of new developments introduced by Bank of Italy provisions.</p> <p>The <b>Internal Audit</b> Function carries out audits of UBI Banca and of subsidiaries who have delegated internal audit function activities to the Parent and more generally, as part of the management and control duties of the Parent, of all Group companies. With regard to that auditing perimeter, in compliance with international professional standards, the Internal Audit function also carries out on-site inspections of the operation and the appropriateness of the internal control and risk management system by means of an annual plan of activities submitted to the management and supervisory bodies of the above-mentioned subsidiaries and cumulatively to the management and supervisory bodies of the Parent.</p> <p><a href="#">☞ Reports and Accounts 2015 p.57**</a></p>
Goals, actions and results.	<p>In 2015, the 231/2001 Model was updated for compliance with the new provisions of Law No. 186 of 15/12/2014 on “self laundering”, which has similarities in common with the crime of corruption.</p> <p>New control activities have been implemented concerning anti money-laundering with particular regard to the quality of the adequate verification of customers that are not natural persons. These take account of the guidelines contained in the “Analysis of anti money-laundering and the finance of terrorism”, carried out in 2014 by the Financial Security Committee of the Ministry of the Economy and Finance. Improvements to controls continued with the study of irregularity indicators able to detect matters for submission to the attention of line and control units and with their first application on the integrated “Anti money-laundering Portal” IT platform. Updates were carried out on both corporate regulations (with dedicated circulars, which were subsequently inserted in a new edition of the Anti Money-Laundering Rulebook) and on management processes, already updated in 2014 as a result of Bank of Italy provisions dated 3rd April 2013 on the subject of “Adequate Verification” and “Keeping a Single IT Archive”. Priority was given in training programmes forming part of the 2013-2015 three-year training programme to staff in the Network Banks and the other Group companies who constitute the first point of contact with customers and also to entering data into the “Single IT Archive”.</p> <p><a href="#">[☞ G4-LA9]</a></p>
Indicators	G4-SO3, G4-SO4, G4-SO5

## Conduct in employment relationships

<p>Policies and commitment, resources and responsibilities</p>	<p>Observance of the Code of Ethics commits the Bank above all to integrity in relations with its own staff. In this respect, special importance is placed on the manner in which employment relationships are managed with particular reference to trade union protection, non-discrimination and equal opportunities, and especially in respect of gender differences.</p> <p><b>Management of trade union relations</b></p> <p>The scenario in Italy is one of a high level of worker protection which UBI Banca considers its duty to maintain both on a daily basis and with regard to the management of large organisational changes; it is a duty which goes beyond mere compliance with regulations.</p> <p>National collective bargaining, [🔗 G4-11] which sets not only minimum wage levels, but also specific negotiation procedures to protect workers in the implementation of substantial organisational changes.</p> <p>UBI Banca has always approached these negotiations with a view to seeking shared solutions, wherever possible, through transparent, concrete and continuous dialogue even beyond the minimum required by institutional procedures.</p> <p>There is no restriction on the freedom of association and membership of trade unions and all trade union organisations operate freely without restrictions. The Group makes adequate operational means available to them to conduct their activities.</p> <p>🔗 Reports and Accounts 2015 p.46-47, 80</p> <p>As concerns the management of disciplinary proceedings, UBI Banca has adopted specific guidelines, valid throughout the Group, designed to ensure they are managed properly and transparently through the formalisation of investigation, decision-making and judgement processes and through periodic reporting on the measures taken.</p>
<p>Goals, actions and results</p>	<p>The year 2015 was one of intense negotiations with trade unions, with 70 meetings for a total of 500 hours in which important agreements were signed to protect staff involved in the streamlining of the Group organisational structure.</p> <p>In addition to an approach which gives increasingly greater importance to policies to reconcile work and family demands, these agreements involve use on a voluntary basis of part-time contracts, the reduction or suspension of working hours, hour banks, smart working and working near home (using opportunities for intra group mobility where possible).</p> <p>Change of role and retraining processes, such as those for example made necessary by the optimisation of the Group's distribution network, were managed with priority given to enhancing human and professional resources, pursued also by proposing training programmes, while plans to reduce staff numbers were implemented, as always, through voluntary early retirement incentive schemes.</p> <p>Intra group mobility is also managed, insofar as it is possible, as an opportunity for the occupational growth and enhancement of individuals, by assigning employees to new duties consistent with their qualifications, experience, potential and aptitudes.</p> <p>The quality of trade union relations enabled adequate solutions to be found to requirements to optimise work and render it flexible which have been, and will be in the near future, fundamental tools for achieving objectives to improve efficiency and profitability which the whole banking sector is addressing.</p> <p>🔗 Reports and Accounts 2015 p.46-47</p>
<p>Indicators</p>	<p>G4-LA4, G4-LA16, G4-HR3, G4-HR4</p>

Policies and commitment, resources and responsibilities	<p><b>Non-discrimination</b></p> <p>All personnel management processes, starting with selection and appointment and throughout the course of an employment relationship, are based on observance of the principles of non-discrimination and equal opportunities.</p> <p>Particular attention is paid to the management of diversity – especially from the viewpoint of disabilities and gender equality – and to the management of disciplinary proceedings, two areas in which the risk of running into cases of discrimination are greatest. The first aspect is managed as part of human resource management and development policies and remuneration policies, while details of disciplinary proceedings are provided in the section on the management of trade union relations.</p>
Goals, actions and results	<p>Again in 2015, as in previous years, no reports of violation of the Code of Ethics were received for cases of discrimination.</p> <p>The Group complies with compulsory legislation and regulations on the subject of the employment of disabled persons.</p> <p>Positive results were recorded for gender diversity with further increases in the female component of personnel even for managerial positions, in retention levels in the management of parental leave [<a href="#">☞ G4-LA3</a>] and in the alignment of salaries at executive level, while a difference remains for the remaining staff due to the greater percentage of part-time contracts for female personnel (approximately 29% compared with 1% for male personnel).</p>
Indicators	G4-LA12, G4-LA13, G4-LA14, G4-LA16

## Commercial practices

Policies and commitment, resources and responsibilities	<p>It is UBI Banca's intention to develop long term economic relations with its customers based on trust and mutual satisfaction.</p> <p>To achieve this, commercial activities are based on rigorous professional and ethical standards aimed at substantial integrity in relationships (this includes accurate identification and management of possible conflicts of interest, with the provision in this respect of adequate information) and abstention from any improper commercial practice, from any form of advertising that is deceptive or which in any case does not fully reflect the quality of the products and services advertised and from any behaviour or agreement designed to impair market competition. UBI Banca is also committed to ensuring maximum transparency for customers with regard to its range of products and services, in compliance with the Bank's ethical standards [<a href="#">☞ Code of Ethics p. 22</a>] and the provisions of the relative regulations, with particular attention paid to the sale of complex financial products.</p> <p>On the question of complex financial products, the Consob (Italian securities market authority) has published communication No. 0097996/14 in which it recommends that intermediaries adopt special rules of conduct for the distribution of products to retail customers ("retail" for MiFID purposes), which, in the classification adopted by the UBI Banca Group, includes all customers, with the exception of professional or qualified counterparties. The Consob Communication follows on in line with recommendations on the matter issued at European level by the European Securities and Markets Authority (ESMA) in the context of the two "opinions" issued in 2014.</p> <p>On the basis of the analysis of the contents of the Consob Communication, the Group drew up a policy on its "Range of complex financial products" in a document entitled "<b>Risk Appetite Framework - Policy for the trading, placement and subscription of financial products</b>" approved by the Management Board and the Supervisory Board in</p>
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	meetings held on 9th and 11th June 2015 respectively. This policy sets rules for the transparency, integrity and quality of products and for customer protection in the range of financial instruments supplied to customers.
Goals, actions and results	<p>All advertising initiatives are screened by the competent units to ensure compliance with legislation and regulations concerning commercial practices, with particular attention paid to privacy, transparency and protection of the consumer.</p> <p>The Bank takes care – exploiting synergies between the different units involved – to verify compliance with the provisions of the Voluntary Code on Advertising when advertising messages are formulated, even when outside advertising agencies are brought in. “Creative” demands are always subject to compliance with the provisions of the regulations in force in terms of the clarity of the messages and the visibility and the completeness of the legal notices.</p> <p>The same lines of conduct are also followed for advertising at points of sale and for “digital” initiatives which make use of the worldwide web to deliver messages rapidly and to a wide audience.</p> <p>On the basis of the Policy for the trading, placement and subscription of financial products and in compliance with the recommendations of the supervisory authorities, UBI Banca has decided not to place any of the products identifiable as those belonging to the Consob “black list” on the primary market, because it considers that these are not appropriate to retail customers. According to Consob recommendations, these are products which could only be advised for and distributed to retail customers by adopting special precautions and following an assessment of whether they are in the interests of customers and on whether sufficient information is available to assess their characteristics and the principal risks.</p> <p>The necessary measures have also been adopted with regard to IW Bank’s online trading platform to prevent customers from trading in complex products on the blacklist.</p> <p>☞ <a href="#">Quality and customer satisfaction</a></p> <p>As part of auditing activity conducted by the various functions which contribute to the implementation of the system of internal controls, the Auditing Function also considers the effective implementation of the principles and commitments set out in the social and environmental policies which regard the Group’s commercial activities.</p>
Indicators	G4-S07, G4-PR4, G4-PR7

## Relations with market regulatory authorities

Policies and commitment, resources and responsibilities	UBI Banca is aware of the need to maintain a banking system and financial and insurance markets that are sound and efficient, as a necessary basis for the sustainable creation of value over time and its activities are therefore based on principles of co-operation and transparency, professionalism and independence. Relations with market regulatory authorities are managed by a special unit entitled “Co-ordination with relations with authorities” in the “General affairs and equity investments area”.
Goals, actions and results	<p>UBI Banca ensures the following with regard to all authorities:</p> <ul style="list-style-type: none"> <li>• prompt compliance with periodic disclosure and reporting obligations, by ensuring the completeness, integrity and truthfulness of information and data and the objectivity of assessments;</li> <li>• active co-operation with investigations by providing the information, documents and figures requested without reticence, omissions or delays;</li> <li>• support for the identification of solutions and the implementation of initiatives to improve regulation of the sector and markets, with particular reference to the prevention of fraud and the fight against criminal activities.</li> </ul>



## Indicators

### G4-56 Values principles and norms of behaviour

The Charter of Values, Code of Ethics and policies are documents adopted by UBI Banca by means of a resolution passed by the Supervisory Board and subsequently sent to all subsidiary banks and companies for formal adoption also by their respective management bodies.

The Code of Ethics in particular, due to its key role in the application of Group values and principles, is also brought to the attention of other equity investees so that they may commit to maintaining conduct consistent with the principles contained in it. It is communicated to staff through the app for the consultation of internal regulations on the corporate intranet and in hardcopy form for companies who have no access to that portal. It is delivered to members of governing bodies and to newly recruited personnel. It is published on the Group website and it is delivered to all those who work with the Group under contract or who represent the Bank without being subordinate to it, when a relationship is established. Major suppliers are required to sign a declaration of acceptance as part of the respective contract documents.

### G4-57 Advice on ethical and lawful behaviour

The Group CSR Manager provides support and advice for training and communication activities and for the interpretation and implementation of the principles of the Code of Ethics.

### G4-58 Violations of the Code of Ethics

Procedures for reporting suspected violations of the Code of Ethics and the relative processes for managing these are defined in the Code of Ethics itself and they are co-ordinated with other channels for reporting unethical and non-legal behaviours provided for in the 231/2001 model and in the Whistleblowing Policy. The Code of Ethics does not allow anonymous reports, but it does require them to be kept strictly confidential and those making reports are guaranteed protection against any form of retaliation, discrimination or penalisation.

REPORTS AND VIOLATIONS OF THE CODE OF ETHICS	2015	2014	2013
Alleged violations recorded in the year	4	2	4
<i>of which:</i>			
<i>from reports received</i>	4	2	4
<i>from internal audits of organisational units</i>			-
<i>from audit activities</i>			-
Violations defined in the year	3	4	4
<i>of which:</i>			
<i>ascertained with penalties imposed</i>			-
<i>ascertained with corrective action<sup>1</sup></i>		1	
<i>without grounds</i>	3	3	4
Violations being defined at the end of year	2	1	3

<sup>1</sup> E.g. training activities, organisational changes and improvements to the internal control system

### G4-PR4 Incidents of non-compliance with regulations and voluntary codes concerning product and service information

### G4-PR9 Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

No facts emerged in 2015 concerning the provision of products and services by the Network Banks which gave rise to fines concerning transparency and proper conduct in relations with customers.

As concerns other Group companies non-compliance arose concerning products and services provided by Prestitalia on questions of transparency and proper conduct in relations with customers: following specific inspections carried out at Prestitalia as a result of procedures started in 2014, provisions were notified in 2015 with fines for members and former members of the Board of Directors, the General Manager, the

former General Manager, members and former members of the Board of Statutory Auditors of the company for a total of €255 thousand.

More specifically, the matters contested regarded the criteria adopted to refund part of the expenses and commissions to customers when loans granted under contracts used in the past were repaid early. Failings were also found in the organisation of the internal control system. Action was taken on these matters, managed directly by the Company and the Parent, and a programme of refunds for the customers concerned was implemented.

There are no cases or instances of violations of regulations and/or codes of conduct adopted concerning the transparency of products and services to report with regard to the provision of investment services.

☞ Reports and Accounts 2015 p.179

#### **G4-PR6 Sale of banned or disputed products**

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No cases of banned or distributed products to report.

#### **G4-PR7 Incidents of the non-compliance with regulations and voluntary codes on marketing and advertising**

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No cases of violation of the regulations in force occurred, nor were there any reports of non-conformity with regard to advertising processes, which were carried out in compliance with internal Group regulations.

#### **G4-SO3 Operations assessed for risks related to corruption**

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All activities and organisational units are subject to verification connected with implementation of the 231/2001 Model, while the Supervisory Body reports to the governing bodies on its adoption and effective implementation, the supervision of its functioning and oversight of its update.

**All transactions are subject to monitoring** according to the amount limits set by the relative legislation by means of dedicated software applications which support the identification of data potentially connected with money-laundering or other illegal activities, including corruption.

The situations detected are subsequently subject to assessment by the organisational units responsible for managing the customer relationship and then by the central control unit.

#### **G4-SO4 Communication and training on anti-corruption policies and procedures**

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In 2015 approximately **17,000 hours of specialist training (31% more than in 2014)** were delivered, both in the classroom and through the e-learning platform, to **7,489 participants**. In line with the three-year training programme, training was directed above all to staff in the Network Banks and Group companies who constitute the first point of contact with customers.

Training on the principles derived from **Legislative Decree No. 231/2001**, which also addressed anti-corruption policies and procedures and was differentiated according to the level of responsibility, remained at levels appropriate to normal update requirements following the strong increase in 2014, with approximately **7,500** training hours delivered during the year.

#### **G4-SO5 Confirmed incidents of corruption and actions taken**

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Yet again in 2015, as in previous years, the operational risk management system and more specifically the loss data collection procedures recorded no incidents of "corruption, bribes and anti-money-laundering violations" (a sub-category of internal fraud).

☞ Reports and Accounts 2015 p.180-181

#### G4-S07 Number of legal actions for anti-competitive behaviour or monopoly practices

Yet again in 2015, as in previous years, no Group company was subject to legal actions for anti-competitive behaviour or monopoly practices.

#### G4-S08 Significant sanctions for non-compliance with laws and regulations

No significant sanctions for non-compliance with laws and regulations were imposed in 2015 apart from those already reported for indicators G4-PR4, G4-PR7 and G4-EN29 and in the section entitled "Inspections" contained in the document entitled "Reports and Accounts 2015".

☞ Reports and Accounts 2015 p.179-180

#### G4-LA4 Minimum notice period for operational changes

The Banking National Labour Contract sets a minimum period of 45 days for negotiations with trade union organisations.

#### G4-LA12 Composition of governance bodies and of employees per indicators of diversity

COMPONENTS OF GOVERNANCE BODIES BY DIVERSITY	2015			2014			2013		
	SUPERVISORY BOARD	MANAGEMENT BOARD	TOTAL	SUPERVISORY BOARD	MANAGEMENT BOARD	TOTAL	SUPERVISORY BOARD	MANAGEMENT BOARD	TOTAL
<b>Gender</b>									
men	78.3%	77.8%	78.1%	78.3%	77.8%	78.1%	78.3%	77.8%	78.1%
women	21.7%	22.2%	21.9%	21.7%	22.2%	21.9%	21.7%	22.2%	21.9%
<b>Qualification</b>									
Degree	8.7%	11.1%	9.4%	8.7%	11.1%	9.4%	8.7%	11.1%	9.4%
University degree	91.3%	88.9%	90.6%	91.3%	88.9%	90.6%	91.3%	88.9%	90.6%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Age</b>									
Under 30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30 to 50	13.0%	11.1%	12.5%	26.1%	22.2%	25.0%	26.1%	22.2%	25.0%
50 to 60	39.1%	22.2%	34.4%	30.4%	44.4%	34.4%	30.4%	44.4%	34.4%
Over 60	47.8%	66.7%	53.1%	43.5%	33.3%	40.6%	43.5%	33.3%	40.6%
Average age (year)	59	61		58	58		57	57	

DIVERSITY INDICATORS OF EMPLOYEES (BY GENDER)	2015			2014			2013		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
<b>Minority groups</b>									
Foreign national (EU and non-EU)	0.8%	0.8%	0.8%	0.7%	0.8%	0.7%	0.5%	0.7%	0.6%
<b>Protected categories</b>	6.8%	6.5%	6.7%	6.8%	6.5%	6.7%	6.6%	6.4%	6.6%
of which: disabled	5.4%	4.6%	5.1%	5.4%	4.5%	5.0%	5.2%	4.3%	4.9%
widows and orphans	1.3%	1.8%	1.5%	1.3%	1.9%	1.5%	1.3%	1.9%	1.6%
others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
<b>Qualification</b>									
Degree	59.1%	53.2%	56.9%	59.9%	54.8%	58.0%	60.3%	55.0%	58.3%
University degree	29.1%	36.8%	32.1%	27.8%	34.7%	30.4%	26.8%	33.8%	29.4%
Other	11.8%	9.9%	11.1%	12.3%	10.6%	11.7%	12.9%	11.2%	12.3%
<b>Age</b>									
Under 30	3.1%	5.6%	4.1%	3.2%	4.5%	3.7%	4.0%	5.4%	4.5%
30 to 50	53.6%	64.3%	57.7%	55.2%	66.6%	59.5%	57.1%	67.9%	61.1%
50 to 60	36.4%	28.0%	33.2%	35.7%	27.7%	32.6%	35.0%	26.2%	31.7%
Over 60	6.9%	2.0%	5.0%	5.9%	1.3%	4.2%	4.0%	0.6%	2.7%
Average age (year)	48	45	46	47	44	46	46	44	45
<b>TOTAL</b>	<b>61.5%</b>	<b>38.5%</b>	<b>100.0%</b>	<b>62.2%</b>	<b>37.8%</b>	<b>100.0%</b>	<b>62.6%</b>	<b>37.4%</b>	<b>100.0%</b>

DIVERSITY INDICATORS OF EMPLOYEES (BY CATEGORY)	2015			2014			2013		
	SENIOR MANAGERS	MIDDLE MANAGERS	PROFESS. AREAS	SENIOR MANAGERS	MIDDLE MANAGERS	PROFESS. AREAS	SENIOR MANAGERS	MIDDLE MANAGERS	PROFESS. AREAS
<b>Gender</b>									
men	2.7%	51.1%	46.1%	2.8%	50.5%	46.7%	2.8%	49.4%	47.9%
women	0.5%	27.8%	71.6%	0.5%	26.8%	72.7%	0.5%	25.3%	74.2%
<b>Minority groups</b>									
Foreign national (EU and non-EU)	1.5%	0.2%	1.2%	0.8%	0.3%	1.1%	2.0%	0.2%	0.8%
<b>Protected categories</b>	0.9%	4.2%	8.8%	1.1%	4.3%	8.7%	0.9%	4.0%	8.5%
of which:									
disabled	0.6%	2.8%	6.9%	0.8%	2.9%	6.8%	0.9%	2.7%	6.5%
widows and orphans	0.3%	1.3%	1.8%	0.3%	1.3%	1.8%	0.0%	1.3%	1.8%
others	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.0%	0.1%	0.2%
<b>Qualification</b>									
Degree	40.9%	62.3%	53.3%	43.3%	63.4%	54.5%	43.8%	63.9%	54.9%
University degree	46.3%	31.2%	32.3%	43.3%	29.7%	30.4%	41.5%	28.5%	29.6%
Other	12.8%	6.5%	14.5%	13.3%	6.9%	15.1%	14.8%	7.5%	15.5%
<b>Age</b>									
Under 30	0.0%	0.1%	7.2%	0.0%	0.1%	6.5%	0.0%	0.1%	7.8%
30 to 50	31.0%	51.4%	63.5%	32.6%	53.5%	64.8%	34.4%	56.7%	65.1%
50 to 60	63.9%	42.0%	25.5%	61.2%	41.0%	25.5%	61.9%	40.0%	24.9%
Over 60	5.1%	6.6%	3.8%	6.2%	5.4%	3.2%	3.7%	3.3%	2.3%
Average age (year)	52	50	44	52	49	44	52	49	43
<b>TOTAL</b>	<b>1.9%</b>	<b>42.2%</b>	<b>55.9%</b>	<b>1.9%</b>	<b>41.5%</b>	<b>56.5%</b>	<b>1.9%</b>	<b>40.4%</b>	<b>57.7%</b>

#### G4-LA13 Ratio of basic salary of women to men

AVERAGE GROSS SALARY (thousands of euro)	2015				2014				2013			
	FIXED	VARIABLE <sup>1</sup>	TOTAL	VARIABLE TO TOTAL	FIXED	VARIABLE <sup>1</sup>	TOTAL	VARIABLE TO TOTAL	FIXED	VARIABLE <sup>1</sup>	TOTAL	VARIABLE TO TOTAL
<b>Senior managers</b>												
Men	150.4	10.3	160.7	6.8%	148.9	11.4	160.3	7.7%	142.8	6.8	149.5	4.8%
Women	150.1	9.7	159.9	6.5%	144.5	12.8	157.3	8.9%	140.5	5.3	145.8	3.8%
<b>Middle managers</b>												
Men	62.5	2.1	64.6	3.4%	62.4	2.1	64.5	3.4%	60.5	2.8	63.3	4.6%
Women	53.2	2.0	55.3	3.8%	53.9	2.1	56.0	3.9%	52.9	2.4	55.3	4.5%
<b>Professional areas</b>												
Men	39.6	1.5	41.1	3.8%	39.6	1.7	41.2	4.3%	38.5	1.4	39.9	3.6%
Women	35.7	1.4	37.1	3.9%	36.2	1.6	37.8	4.4%	35.3	1.3	36.6	3.7%
<b>Foreign employees</b>												
Men	77.6	0.0	77.6	0.0%	-	-	-	-	-	-	-	-
Women	50.4	0.0	50.4	0.0%	-	-	-	-	-	-	-	-

<sup>1</sup> The figures are inclusive of: Incentive Schemes, One-off Bonuses, Company Bonuses and Commercial Contests.  
Data related to 99% of the employees, excluding extra Group

AVERAGE GROSS SALARIES OF WOMEN TO MEN	2015		2014		2013	
	TOTAL	FIXED	TOTAL	FIXED	TOTAL	FIXED
Senior managers	99.5%	99.9%	98.2%	97.0%	98.4%	97.5%
Middle managers	85.6%	85.2%	86.7%	86.3%	87.4%	87.3%
Professional areas	90.2%	90.1%	91.7%	91.6%	91.7%	91.7%
Foreign employees	64.9%	64.9%	-	-	-	-

Data related to 99% of the employees, excluding extra Group

#### G4-HR3 Incidents of discrimination and actions taken G4-LA16 Grievances about labour practices

There are no cases to report in the Group of disputes for violations of non-discrimination, not even among the 102 disciplinary proceedings initiated during the year in observance of established procedures.

These are disciplinary provisions for operational irregularities and negligence of various kinds (69), irregularities in the disbursement and management of loans (18) and undue appropriation/diversion of funds administrated (15).

<b>CASES PENDING AT THE END OF THE YEAR CONCERNING EMPLOYMENT RELATIONS</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Pension and social security	3	6	2
Remuneration	29	33	34
Termination of contract of employment	28	32	13
Duties and job descriptions	17	19	18
Job appointments and performance of work	28	23	8
Anti trade union conduct pursuant to Art. 28	1	0	0
Other	5	4	3
<b>TOTAL</b>	<b>111</b>	<b>117</b>	<b>78</b>

<b>DISCIPLINARY MEASURES</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Verbal or written reprimand	60	42	29
Suspension from work and pay (from 1 to 10 days)	36	30	25
Dismissal for just cause or on justified grounds	6	14	11
<b>TOTAL</b>	<b>102</b>	<b>86</b>	<b>65</b>
Actions taken against employees	16	8	5
<b>TOTAL</b>	<b>118</b>	<b>94</b>	<b>70</b>

The increase in the overall number of disciplinary measures taken during 2014 is partly due to the enlargement of the scope of reporting to the entire the core perimeter (in 2012 and 2013, the reporting perimeter was limited to UBI Banca, UBI Sistemi e Servizi and the Network Banks).

#### G4-HR4

### Activities in which the freedom of association and collective bargaining may be violated and measures taken

In view of the activity carried out and its location, the indicator is considered relevant above all with reference to personnel management and relations with suppliers.

Freedom of association and collective bargaining is guaranteed for all personnel in accordance with national legislation and regulations.

<b>TRADE UNION MEMBERS</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
No. Group's trade union	7	8	8
Total members (No.)	14,519	14,880	15,052
% members	83.0%	83.0%	82.0%

<b>ABSENCES FOR TRADE UNION BUSINESS( No. hours)</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Strikes of business disputes	-	-	-
Strikes of category disputes	88,231	-	83,491
Other strikes (national policy, etc)	-	9,429	1,043
<b>TOTAL</b>	<b>88,231</b>	<b>9,429</b>	<b>84,534</b>
Trade unions leaves	225,927	231,101	227,505
<b>TOTAL ABSENCES</b>	<b>314,158</b>	<b>240,530</b>	<b>312,039</b>

With regard to supply processes [ G4-12], even considering the type of services purchased and the fact that 98.5% of suppliers are resident in Italy, all suppliers are required to fully comply with legislation on workers' rights and also with ethical principles consistent with those contained in the Code of Ethics when orders are granted or contracts are signed.

## Governance and risk management

UBI Banca pursues its business and social mission by seeking the best mix of interests between those of shareholders and other stakeholders through sound and prudent management in full observance – in substance and form – of laws and regulations currently in force and of voluntary codes of conduct and as well as corporate values and the principles of the Code of Ethics.

### Corporate governance and organisational structure

Policies, commitments, resources and responsibilities	In order to support the commitments of our business mission in a consistent manner, organisational and corporate governance solutions have been adopted which make a clear distinction between roles and responsibilities with a balanced composition of bodies, effective controls, management of all corporate risks and adequate reporting.
Goals, actions and results	The organisation of UBI Banca and the Group is subject to constant review, to take account of changes in the environment and requirements from time to time to achieve the best configuration in terms of streamlining and operational efficiency and adequate management of all components of risk and market opportunities.
Indicators	G4-34, G4-35, G4-36, G4-37, G4-38, G4-39, G4-40, G4-41, G4-42

### Risk management

Policies, commitments, resources and responsibilities	<p>UBI Banca has adopted an <b>Internal Control System</b> that aims not only to ensure the compliance of operations with the law and supervisory regulations and with internal policies, regulations and procedures.</p> <p>The structure of the system is also designed, in compliance with the principles of <b>sound and prudent management</b>: to constantly check that corporate policies and strategies are implemented and that corporate processes are effective and efficient; to safeguard the value of assets and protect them from losses; to ensure that corporate information and IT procedures are reliable and secure; to maintain the current types of risk below set limits; and to prevent the risk that the Group may be involved, even involuntarily, in illicit activities (including money-laundering, usury and the financing of terrorism).</p> <p>Risk management policies also include reputational risk, defined as the present or future risk of incurring loss of profits or capital resulting from a negative perception of the image of the Bank by customers, counterparties, the Bank's shareholders, investors or supervisory authorities. The management of reputational risk involves, amongst other things, social responsibility and sustainability issues and it is performed by issuing internal regulations required by a <b>Reputational Risk Management Policy</b> set at Group level, which outlines priority areas in which events with tangible repercussions on the Bank's reputation might manifest. An update of that policy is programmed for 2016.</p>
Goals, actions and results	As part of auditing activity conducted by the various functions which contribute to the implementation of the system of internal controls – compliance, auditing, risk management, line units – consideration is also given to the concrete implementation of the principles and commitments set out in the Group Code of Ethics and the policies and procedures adopted with regard to social and environmental aspects of operations. Furthermore, the Internal Audit Function monitors compliance with Code of Conduct rules by Group staff both through its ordinary planned audit activities and also through specific investigations were necessary.

	☞ Reports and Accounts 2015 p. 194, 38**-40**, 51**-56**
Indicators	G4-45, G4-46, G4-47

## Remuneration and fees for board members and senior managers

Policies, commitments, resources and responsibilities	The Group has set Remuneration and Incentive Policies designed to support medium to long-term strategies for the sustainable creation of value for shareholders and for all stakeholders.
Goals, actions and results	Total fees for the financial year 2015 paid to members of the governing bodies of the Group came to approximately €13.5 million (compared with €14 million in 2014) accounting for approximately 1% of staff costs. ☞ Reports and Accounts 2015 p. 118**
Indicators	G4-51, G4-52, G4-53, G4-54, G4-55

## Governance of sustainability

Policies, commitments, resources and responsibilities	<p>UBI Banca promotes a sustainable business model and identifies itself as a <b>socially responsible enterprise</b> defined as an enterprise which gives consideration, in the definition of its strategy, the formulation of its policies and in its operations, to the interests of all its stakeholders and to the impact that its operations on the economy, society and the environment .</p> <table border="1"> <thead> <tr> <th>AREAS OF INTERVENTION</th> <th>OBJECTIVES</th> <th>MECHANISMS AND TOOLS</th> <th>CSR AREAS</th> <th colspan="3">GLOBAL COMPACT</th> </tr> </thead> <tbody> <tr> <td>CORPORATE GOVERNANCE</td> <td>System of "organisational consistencies" designed to direct the action of individuals and organisational units in compliance with declared internal and external standards.</td> <td> <ul style="list-style-type: none"> <li>• Code of Ethics (policies)</li> <li>• Ethical training</li> <li>• Incentive systems</li> <li>• Formal commitments</li> </ul> </td> <td>Business ethics</td> <td></td> <td></td> <td></td> </tr> <tr> <td>MANAGEMENT OF BUSINESS</td> <td>Products and services, commercial approach models and distribution processes consistent with the ethical, social and environmental expectations of stakeholders (new combinations of product/segment/channel).</td> <td> <ul style="list-style-type: none"> <li>• Risk, production, commercial and distribution policies and guidelines</li> <li>• Industrial Plan objectives</li> <li>• Specific projects</li> </ul> </td> <td>Business innovation</td> <td rowspan="2">Environment</td> <td rowspan="2">Human rights and labour</td> <td rowspan="2">Corruption</td> </tr> <tr> <td>MANAGEMENT OF SOCIAL ACTION</td> <td>Recognition of the value of intervention in the community by means of an organic line of management consistent with identity and business choices.</td> <td> <ul style="list-style-type: none"> <li>• Policies and guidelines for social investments (sponsoring, gifts)</li> <li>• Specific projects</li> </ul> </td> <td>Community involvement</td> </tr> <tr> <td>REPORTING AND CONTROL</td> <td>An integrated system for monitoring operations and internal and external communication consistent with the models implemented.</td> <td> <ul style="list-style-type: none"> <li>• Dialogue with stakeholders</li> <li>• Management dashboards</li> <li>• Social Report</li> <li>• Website</li> <li>• Social and environmental certifications</li> </ul> </td> <td>Social audit</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>UBI Banca's model for the management of social responsibility and sustainability is based on the involvement of all organisational units in the formulation and achievement of objectives and initiatives as an integral part of normal corporate activities.</p>	AREAS OF INTERVENTION	OBJECTIVES	MECHANISMS AND TOOLS	CSR AREAS	GLOBAL COMPACT			CORPORATE GOVERNANCE	System of "organisational consistencies" designed to direct the action of individuals and organisational units in compliance with declared internal and external standards.	<ul style="list-style-type: none"> <li>• Code of Ethics (policies)</li> <li>• Ethical training</li> <li>• Incentive systems</li> <li>• Formal commitments</li> </ul>	Business ethics				MANAGEMENT OF BUSINESS	Products and services, commercial approach models and distribution processes consistent with the ethical, social and environmental expectations of stakeholders (new combinations of product/segment/channel).	<ul style="list-style-type: none"> <li>• Risk, production, commercial and distribution policies and guidelines</li> <li>• Industrial Plan objectives</li> <li>• Specific projects</li> </ul>	Business innovation	Environment	Human rights and labour	Corruption	MANAGEMENT OF SOCIAL ACTION	Recognition of the value of intervention in the community by means of an organic line of management consistent with identity and business choices.	<ul style="list-style-type: none"> <li>• Policies and guidelines for social investments (sponsoring, gifts)</li> <li>• Specific projects</li> </ul>	Community involvement	REPORTING AND CONTROL	An integrated system for monitoring operations and internal and external communication consistent with the models implemented.	<ul style="list-style-type: none"> <li>• Dialogue with stakeholders</li> <li>• Management dashboards</li> <li>• Social Report</li> <li>• Website</li> <li>• Social and environmental certifications</li> </ul>	Social audit			
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Goals, actions and results	<p>Specialist roles have been created to co-ordinate social responsibility and sustainability issues filled mainly by middle managers in the organisation chart.</p> <p>As part of the project for the transition to the new GRI-G4 guidelines for sustainability reporting, a network of <b>CSR Contacts</b> was created at Group level in 2015, which works with the CSR Manager on activities concerning proposal making, implementation and reporting on objectives and actions, in implementation of the Group's social responsibility model.</p>
Indicators	G4-34, G4-43, G4-44, G4-49, G4-50

## Indicators

- G4-34 Governance structure**
- G4-35 Delegating process**
- G4-36 Appointment**
- G4-37 Process for consultation between stakeholders and governing bodies**
- G4-38 Composition of governing bodies and their committees**
- G4-39 Division of functions between the Chair of the highest governing body and the CEO**
- G4-40 Selection process for members of the highest governing body and committees**
- G4-41 Process for the management of conflicts of interest**
- G4-42 The role of the highest governing body in the definition of mission, values and strategies**

The transformation of UBI Banca into a joint stock company took effect on 12<sup>th</sup> October 2015 when a resolution of an Extraordinary General Meeting of the Shareholders held on 10<sup>th</sup> October 2015 was filed with the Company Registrar of Bergamo. Again with this new legal form, UBI Banca has maintained its two tier governance system which involves the division of functions between a **Supervisory Board** and a **Management Board** considered better suited to the governance requirements of the Parent and more appropriate for the protection of its shareholders. In applying this system UBI Banca takes account of the provisions and principles governing listed issuers and banking activities contained in the **Consolidated Finance Act** and the relative regulations to implement it adopted by the Consob (Italian securities market authority), in the **Consolidated Banking Act** and in the Borsa Italiana Spa **Corporate Governance Code for Listed Companies**. Particular attention is paid to the management of conflicts of interest, which are regulated in compliance with the applicable legislation and regulations.

The governance system adopted involves separation of the roles of the Chair of the highest governing body – the Supervisory Board – and of the Chief Executive Officer.

☞ Reports and Accounts 2015 p. 7\*\*, 13\*\*-25\*\*, 42\*\*-49\*\*

Committees have been created within the Supervisory Board which oversee specific issues. These include an **Appointments Committee**, which oversees the update of corporate governance rules and principles of conduct which may be adopted by the Parent and its subsidiaries, also with regard to developments on the matter at national and transnational level, and it assesses the adequacy of the commitment made to corporate social responsibility issues.

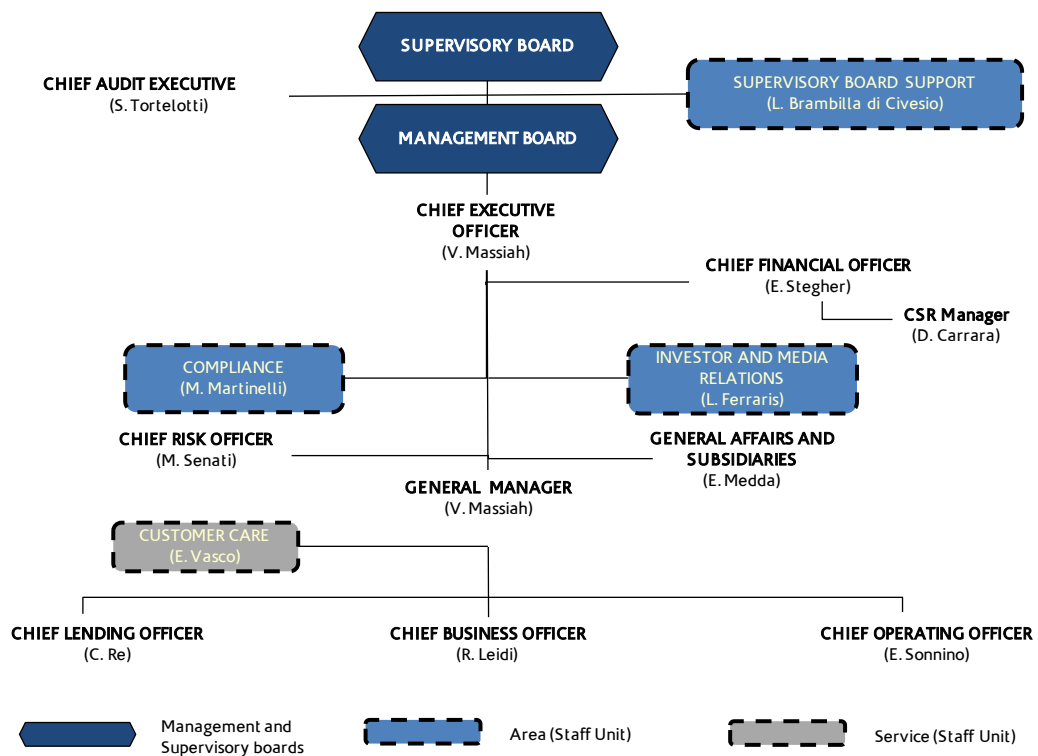
☞ Reports and Accounts 2015 p. 26\*\*-28\*\*

Ethical, social and environmental aspects of operations are co-ordinated by the **Corporate Social Responsibility (CSR) Manager**, a direct report to the Chief Financial Officer (on the staff of the Chief Executive Officer), who co-ordinates matters of an ethical nature, consistent with the strategic vision of the Bank and in implementation of the Group's social responsibility model. Specific responsibilities are delegated in the General Regulations of the Bank as follows:

- the **Welfare and Mobility Manager**, in the Human Resources Area under the Chief Operating Officer, who is responsible for optimising systematic travel by employees [☞ EN19] and for the conception and co-ordination of action to improve the quality of life of persons inside and outside the Bank, from the viewpoint of both organisational well-being and personal well-being, offering concrete opportunities in terms of services and benefits [☞ LA2];

- the **Health and Safety Manager**, head of the Prevention and Protection at the Workplace Unit, who reports to the Chief Operating Officer, responsible for the management of all aspects relating to the health and safety of workers, by means of occupational risk assessment, prevention and monitoring action and the appropriate corrective and training action [↗ LA5];
- the **Energy Manager**, head of the Energy Management Operational Unit in the Real Estate Department of UBI Sistemi e Servizi, who is responsible for analysing the energy requirement and for taking action to optimise consumption and improve the energy efficiency of buildings and services [↗ EN3].

### Organisational structure of UBI Banca



- G4-43** Initiatives to enhance the highest governing body's knowledge of economic, environmental and social topics
- G4-44** Assessment of the highest governing body's performance and consequent actions
- G4-45** The Highest Governing Body's role in the identification and management of economic, environmental and social impacts, risks and opportunities
- G4-46** The highest governing body's role in reviewing the effectiveness of the risk management processes for economic, environmental and social topics and the frequency of the reviews
- G4-47**

The activities of the Supervisory Board, which is UBI Banca's highest governing body, focus principally on economic impacts, risks and opportunities and therefore the expertise required and performance assessments are mainly of an economic nature. Updating of the expertise of the members of the management and supervisory bodies is nevertheless to be broadened to also include environmental and social aspects that may constitute risks and opportunities for banking activities.

Environmental and social aspects of operations – and the related risks and opportunities – fall specifically within the responsibilities assigned to the Appointments Committee [↗ G4-35, G4-36] and at the level of the entire Supervisory Board as part of the Reputational Risk Policy and the process for the preparation of the Sustainability Report, with regard in particular to agreement on the Stakeholder Map and the Materiality Matrix [↗ G4-18].

☞ Reports and Accounts 2015 p. 17\*\*-19\*\*, 45\*\*-47\*\*

#### **G4-49 Process for communicating critical concerns to the highest governing body**

#### **G4-50 Nature, number and management of critical concerns communicated to the highest governing body**

The only official process for communication between stakeholders and the highest governing body consists of ordinary and extraordinary Shareholders' Meetings. These may be convened by shareholders themselves in compliance with the provisions of the Articles of Association. Shareholders may also ask for matters to be added to the agendas of Shareholders' Meetings as well as to submit motions for approval on matters already on the agenda.

If they are shareholders of the Bank, employees may take part in Shareholders' Meetings and speak following the same procedures that apply to all shareholders.

Critical concerns, remarks and proposals may also be put forward by trade union representatives of companies and the Group in periodic meetings required under the various trade union agreement procedures and in other opportunities for meetings, such as equal partnership commissions and bi-lateral observatories on corporate social responsibility, corporate climate, training and equal opportunities matters [☞ G4-LA8].

☞ Reports and Accounts 2015 p. 80, 63\*\*-64\*\*

#### **G4-51 Remuneration policies for the highest governing body and senior management**

Remuneration for members of the Supervisory Board and the Management Board does not include variable forms of pay. The only exceptions to this are the remuneration of the Chief Executive Officer and members of the Management Board classified as senior management of UBI Banca, who may receive performance-based forms of pay.

The principles and procedures for management remuneration are regulated as part of Group Remuneration and Incentive Policies, which provide for remuneration packages differentiated in terms of the fixed, variable and benefit components for the category to which staff belong. The variable component of remuneration is mainly based on performance measurement, on both an annual and long-term basis with the objective of involving and orienting staff towards medium to long-term strategies, by recognising the value of individual and team contributions.

To ensure a more direct correlation between results and rewards a bonus pool has been set, to which access is gradual on the basis of the satisfaction of preliminary trigger conditions by the Group and the achievement of risk-adjusted profit targets set at the level of both the Group and the individual business entity. The measurement is related to income statement and balance sheet indicators corrected for risk, internal and external customer satisfaction levels, strategic projects and assessments of the effectiveness of their behaviour. Performance-based variable remuneration consists of:

- short-term incentive schemes (annual);
- long-term incentive schemes (three-yearly);
- the company productivity bonus (or a result bonus, as defined by the current national trade union agreement);
- commercial "contests".

To complete the variable component of remuneration, it is possible to pay one-off bonuses, for outstanding performance and with a view to motivation and retention. Once the access trigger conditions have been verified together with the main Group and company performance indicators, these are defined in a Merit Plan in accordance with the guidelines issued by the Parent, the costs set in the budget and criteria of selectivity and merit.

Again in relation to the variable performance-based component, provision has also been made for the repayment of bonuses that have already been disbursed, using clawback mechanisms that take individual behaviours into account, as set out in the regulatory framework, whether or not there are compensation or disciplinary issues. These mechanisms were not applied to any member of staff during the course of 2015.

Total expenses incurred at consolidated level in 2015 for the remuneration of board members and statutory auditors of the UBI Group amounted to approximately €13.5 million, (down on €14 million in the previous year) accounting indicatively for 1% of staff costs.

☞ Reports and Accounts 2015 p. 119\*\*, 153\*\*, 159\*\*-161\*\*,

## **G4-52 Process for determining remuneration**

### **G4-53 Stakeholders and remuneration**

The main parties involved in the process to determine remuneration are as follows:

- a UBI Banca Shareholders' Meeting;
- the Supervisory Board;
- the Remuneration Committee;
- the Risk Committee;
- the Management Board;
- Shareholders' Meetings of the Italian subsidiary banks;
- the Boards of Directors and Boards of Statutory Auditors of banks and companies;
- the Strategic Planning and Capital Management Functions;
- Human Resources, Risk Management, Compliance and Internal Audit, as corporate control functions.

A UBI Shareholders' Meeting not only determines the total remuneration for the members of the Supervisory Board, it also approves the remuneration policies of the Supervisory Board and Management Board, the incentive component based on financial instruments, and the criteria and limits for determining remuneration in the event of the early termination of employment relationships or of offices held.

The Supervisory Board, on the basis of a proposal from the Management Board within the scope of its responsibilities<sup>1</sup>, and after prior consultation with the Remuneration Committee, which involves the competent corporate functions, and with the Risk Committee for verification of compliance with the "Risk Appetite Framework" sets and reviews the remuneration and incentive policies of the Group on at least an annual basis and approves the Report on Remuneration, Section I of which is subject to a non-binding vote by a UBI Shareholders' Meeting. The policies are then submitted for approval by the Shareholders' Meetings of the Italian banks and the Boards of Directors of foreign banks and companies, except for the incentive component based on financial instruments, which is subject to approval by a UBI Shareholders' Meeting. Information is also provided to the above bodies by means of the Annual Report on Remuneration within the Group.

The Management Board, having incorporated any general recommendations made by the Remuneration Committee, formulates – with support from the competent functions – a proposal, within the scope of its responsibilities, for Remuneration and incentive policies and the relative tools to implement them which is submitted to the Supervisory Board for its approval after prior consultation with the Remuneration Committee. That same Management Board and the Boards of Directors of the banks and subsidiaries, in accordance with the policies set, approve, within the scope of their responsibilities, the relative means to implement them and, with the support of Human Resources and the other competent functions, direct choices concerning the management and remuneration of staff.

The Management Board, having taken account of any proposals from the Remuneration Committee in those cases where it is required by the regulations in force, also determines the remuneration of the Senior Management of UBI Banca and all personnel belonging to the "Material Risk Taker" perimeter and indicates the amount of the remuneration for Senior Management and Personnel belonging to the Material Risk Taker perimeter of subsidiary companies to be submitted to the Boards of Directors of those companies.

The foregoing is submitted to the Supervisory Board for verification of compliance, after prior consultation with the Remuneration Committee. With the exception of matters reserved to a Shareholders' Meeting, the Management Board submits any exceptions to the policies for an opinion from the Remuneration Committee and for the consequent resolutions of the Supervisory Board.

<sup>1</sup> Policies for the remuneration of Governing Bodies do not fall within the remit of the Management Board.

The corporate control functions are involved *ex ante*, working together to ensure the adequacy and regulatory compliance of the policies and practices adopted, and carry out *ex post* monitoring of their proper functioning and application.

The Remuneration Committee makes use of outside advisors in its advisory and supervisory activities and carries out benchmarking activity with respect to the external wage market.

☞ Reports and Accounts 2015 p. 28\*\*

Remuneration and incentives policies [G4-52] are designed with the objective of creating value over time and pursuing sustainable growth for shareholders, employees and customers. The approval procedure for them ensures the participation of shareholders in decision-making on remuneration to be implemented to support the Group's medium and long-term strategies

In addition to determining the total remuneration for the members of the Supervisory Board and acknowledging the Annual Report on Group Remuneration, UBI Banca shareholders also approve the following:

- remuneration policies for the Supervisory Board and the Management Board;
- the incentive component based on financial instruments;
- the criteria and limits for determining remuneration in the event of the early termination of an employment relationship or of an office held;
- an increase in the ratio between variable and fixed components of remuneration up to a maximum of 2:1.

Shareholders' Meetings of the Italian subsidiary banks are responsible for approving their remuneration policies and setting remuneration for their governing bodies, on the basis of proposals made by their boards of directors, in accordance with the instructions of the competent bodies of the Parent. They are also responsible for approving remuneration and/or incentive schemes based on financial instruments relating to their business, for increasing the ratio of variable to fixed remuneration above the limit of 1:1 and for the criteria and limits set for determining remuneration to be agreed in the event of the early termination of an employment relationship or of an office held, subject to the approval of a UBI Shareholders' Meeting. The Shareholders' meetings also adopt the Annual Report on Remuneration submitted by the competent bodies of the Parent. With regard to the previous year, all the resolutions submitted to the UBI Shareholders' Meeting were passed with a very large majority in favour.

#### **G4-54 Ratio between remuneration received**

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The member of staff with the highest remuneration in the Group earned €1,579,774 in 2015, 33 times the median amount of remuneration for all employees, with the exclusion of the member of staff with the highest remuneration. These calculations included both full and part-time employees (using a "full time equivalent pay rate") and fixed and variable remuneration as well as non-monetary benefits were considered inclusive of incentive schemes (figures estimated on the 2015 cash quota), one-off bonuses, company bonuses and commercial contests.

#### **G4-55 Ratio of increases in remuneration**

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The highest remuneration paid in the Group increased by 2.3% compared with the previous year, while the median increase in remuneration for all employees, with the exclusion of the highest-paid member of staff and personnel with foreign contracts, was 0.5%. These calculations included both full and part-time employees (using a "full time equivalent pay rate") and fixed and variable remuneration as well as non-monetary benefits were considered inclusive of incentive schemes (figures estimated on the 2015 cash quota), one-off bonuses, company bonuses and commercial contests.

## Creation of value

UBI Banca considers that the Group's capital strength is both a value for customers and for the stability of the banking system and that the creation of economic value (profitability) should be an advantage not only for shareholders, but also for employees and the communities in which it operates and for society in general.

The creation of value is intended in the broad sense and not only in the technical sense relating solely to quantitative metrics, except for calculation of the economic value generated and distributed to stakeholders according to the framework set out by the Italian Banking Association (ABI) in compliance with the GRI methodology.

### Profitability

Policies, commitments, resources and responsibilities	<p>The creation of sustainable value in the long-term for shareholders and for all the Group's stakeholders is a priority objective for UBI Banca. It is pursued by means of projects to rationalise the Group, its distribution network and its workforce in order to improve efficiency and contain costs and by means of projects to innovate processes, products and services in order to increase the Group's competitiveness on the market in terms of quality and value for money.</p>
Goals, actions and results	<p><b>Growth in the ordinary profitability of the Group</b> was confirmed at the end of 2015 with consolidated profit net of non-recurring items of €195.1 million (+33.2% compared with 2014 and +95% compared with 2013). The profit actually recognised was €116.8 million, compared with a loss of €725.8 million in 2014, following the recognition of impairment losses on intangible assets.</p> <p>This also made it possible to propose the distribution of a <b>dividend</b> to shareholders of 11 eurocents per share (+37.5% compared with 2014).</p> <p>The operating results for the Group in 2015 confirmed the following:</p> <ul style="list-style-type: none"> <li>• good progress by net fee and commission income which accounted for approximately 39% of operating income (+6% compared with 2014), driven by investment products;</li> <li>• consolidation of the improvement in credit quality with less need for provisions (-13.6%).</li> </ul> <p>These improvements more than compensated for performance by net interest income (-10.3%), affected mainly by a smaller contribution from the securities portfolio – progressively reducing in size with a change in the mix – but also for strong competition on markets for new lending and a smaller contribution from the loan portfolios that are being run off.</p> <p>As concerns operating expenses, towards the end of the year the Group, together with two other major Italian banks, contributed to the <b>rescue of four banks in difficulty</b>, by making loans to the Resolution Fund, in addition to paying extraordinary contributions, required of all banks in the country. <b>Constant control over costs</b> succeeded in absorbing the entire impact of the ordinary annual contributions to the Resolution Fund and to the Deposit Guarantee Scheme, leaving recurring operating expenses largely unchanged compared with 2014. The extraordinary contributions to the Resolution Fund and expenses relating to the integration of IW Bank temporarily raised costs for the year by 3.7% compared with 2014.</p> <p>☞ G4-13, Reports and Accounts 2015 p. 37, 45, 97, 104-105</p>
Indicators	G4-EC1, G4-EC2, G4-EC4, G4-EC8

## Capital strength

Policies, commitments, resources and responsibilities	<p>In consideration of the particularly volatile conditions on financial markets, which have now been affecting the economic situation for some time, the Bank's stock market capitalisation is now substantially different from its book value.</p> <p>Since it is the various components of the latter and the various ratios by which it is measured that the supervisory authorities refer to in order to monitor the state of health of banks and to determine sustainable levels of lending, the quality, maintenance and growth over time of this value are priority objectives for UBI Banca together with the quality of credit for the sustainability of its business model.</p>
Goals, actions and results	<p>The Group's capital strength is confirmed by a Common Equity Tier 1 ratio (an indicator of its highest quality capital) as at 31.12.2015 of 12.08% (inclusive of the impact of the right of withdrawal held by shareholders in relation to the Bank's transformation into an ordinary joint-stock company) and a Total Capital Ratio of 13.93%. More specifically, the CET1 ratio was 283 basis points above the requirement of 9.25% communicated by the ECB in November as the minimum level with which the Group must comply with from 1<sup>st</sup> January 2016.</p> <p>☞ Reports and accounts 2015 p. 42, 152-153, 463, 467-469</p>

## Indicators

### G4-EC1 Economic value created and distributed

DETERMINATION OF THE ECONOMIC VALUE CREATED (thousands of euro )	2015	2014	VARIATION
Interest and similar income	2,509,201	3,015,058	-16.8%
Interest expense and similar	(878,146)	(1,196,671)	-26.6%
Commission income	1,488,853	1,403,306	+6.1%
Commission expense	(188,734)	(176,719)	+6.8%
Dividends and similar income	10,349	10,044	+3.0%
Net trading income (loss)	63,919	63,166	+1.2%
Net hedging income	10,968	(11,217)	n.s.
Income (loss) from disposal or repurchase of:	211,390	144,636	+46.2%
a) loans and receivables	(34,527)	(15,348)	+125.0%
b) available-for-sale financial assets	262,251	168,304	+55.8%
c) held-to-maturity investments	-	-	-
d) financial liabilities	(16,334)	(8,320)	+96.3%
Net income (loss) on financial assets and liabilities at fair value	4,356	3,073	+41.8%
Net impairment losses on:	(819,512)	(937,267)	-12.6%
a) loans	(802,646)	(928,617)	-13.6%
b) available-for-sale financial assets	(18,290)	(4,821)	+279.4%
c) held-to-maturity investments	-	-	-
d) other financial transactions	1,424	(3,829)	n.s.
Net insurance premiums	-	-	-
Other income/expense on insurance operations	-	-	-
Other net operating income	321,441	336,366	-4.4%
Profits of equity investments (for the part from disposals)	(2,204)	85,278	n.s.
Profits on disposal of investments	208	8,729	-97.6%
Post-tax profit from discontinued operations	-	-	-
<b>TOTAL ECONOMIC VALUE CREATED</b>	<b>2,732,089</b>	<b>2,747,782</b>	<b>-0.6%</b>



DISTRIBUTION OF THE ECONOMIC VALUE CREATED (thousands of euro)	2015	2014	VARIATION
b) other administrative expenses <sup>1</sup>	573,459	576,270	-0.5%
<b>ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS</b>	<b>573,459</b>	<b>576,270</b>	<b>-0.5%</b>
a) personnel expense <sup>2</sup>	1,391,732	1,413,312	-1.5%
<b>ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES</b>	<b>1,391,732</b>	<b>1,413,312</b>	<b>-1.5%</b>
Profit (loss) for the year attributable to non controlling interests	27,701	22,177	+24.9%
<b>ECONOMIC VALUE ATTRIBUTABLE TO NON CONTROLLING INTERESTS</b>	<b>27,701</b>	<b>22,177</b>	<b>+24.9%</b>
Share of profit destined to dividend payments <sup>3</sup>	99,035	72,021	+37.5%
<b>ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS (REGISTERED AND UNREGISTERED)</b>	<b>99,035</b>	<b>72,021</b>	<b>+37.5%</b>
b) other administrative expenses: indirect and capital taxes, contributions to the Resolution Fund for the banking sector and to the Deposit County Scheme and contributions as part of treasury services	368,644	279,396	+31.9%
Current taxes on income for the year <sup>4</sup>	154,861	230,970	-33.0%
<b>ECONOMIC VALUE DISTRIBUTED TO CENTRAL AND LOCAL PUBLIC ADMINISTRATIONS</b>	<b>523,505</b>	<b>510,366</b>	<b>+2.6%</b>
b) other administrative expenses: charitable donations and sponsorships for social purposes <sup>5</sup>	6,412	4,165	+53.9%
Share of profits allocated to the fund for social purposes <sup>6</sup>	5,121	3,690	+38.8%
<b>ECONOMIC VALUE DISTRIBUTED TO THE COMMUNITY AND THE ENVIRONMENT</b>	<b>11,533</b>	<b>7,855</b>	<b>+46.8%</b>
<b>TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>2,626,965</b>	<b>2,602,001</b>	<b>+1.0%</b>
Net provisions for risks and charges	2,975	9,074	-67.2%
Net impairment losses on property, equipment and investment property	88,096	88,924	-0.9%
Net impairment losses on intangible assets	66,523	143,141	-53.5%
Profits (losses) of equity investments (the fair value part: write-downs/write-backs, impairment losses/reversals, other expenses/income)	(37,720)	(37,015)	+1.9%
Change in fair value of property, equipment and investment property and intangible assets	-	-	
Net impairment losses on goodwill	-	1,046,419	-100.0%
Change in deferred tax assets and liabilities	(27,359)	(303,284)	n.s.
Profit allocated to reserves	12,609	(801,478)	n.s.
<b>TOTAL ECONOMIC VALUE RETAINED</b>	<b>105,124</b>	<b>145,781</b>	<b>-27.9%</b>

<sup>1</sup> Excluding indirect taxes, contributions as part of treasury services, charitable donations and sponsorships for social purposes, contributions to the Resolution Fund for the banking sector and to the Deposit County Scheme (DGS European Directive).

<sup>2</sup> Inclusive of board members' fees and expenses for external distribution networks (e.g. agents and financial advisors).

<sup>3</sup> The figures for 2015 are based on the allocation of profits proposed to the Shareholders' Meeting.

<sup>4</sup> Includes the changes in current taxes of prior years and the reduction in current taxes for the year.

<sup>5</sup> The 2014 figure was restated, with a deduction of €40,000, erroneously classified under charitable donations.

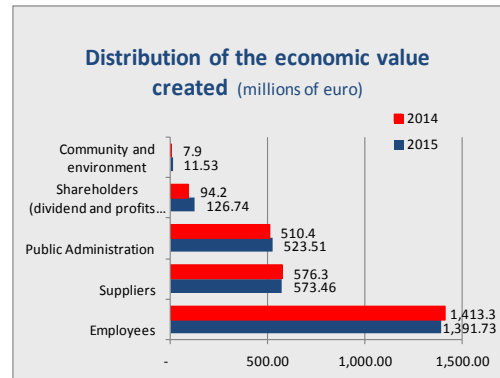
<sup>6</sup> Includes, where it is the case, the shares of profits allocated by the Network Banks to their respective funds for social purposes.

Again in 2015 the Group continued to create value for **shareholders** with dividends – always paid even in the most difficult years – and with growth in the assets of the Bank. UBI Club, an exclusive package of products and concessions on banking and insurance products, continues to be reserved for all those who were already “registered shareholders” of the Bank at the time of its transformation into an ordinary joint-stock company. The Group delivers continuous training to **employees** during the whole of their working careers in order to promote their professional growth, it makes investments in their health and safety at the workplace and it offers a substantial corporate welfare package.

With its purchases of goods and services, UBI Banca supports a substantial local supply industry, composed of small and large **suppliers** who are managed according to criteria of independence, transparency and fairness.

UBI Banca is an important taxpayer for **local and central government administrations**. In addition to taxes and duties, there is also the value of the contributions due from 2015 onwards to finance the **Resolution Fund for banks and the Deposit Guarantee Scheme**. The whole community benefits not only from the economic value of payments made for social intervention, but additionally also from the value of important activities, not measured,

such as those carried out by the Group for the protection of the privacy and security of the personal data of customers, for the prevention of criminal activities (e.g. money laundering and the finance of terrorism) and in general for obligations to co-operate with investigating authorities.



## G4-EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change

In consideration of the activities it performs, the Group has no significant direct exposure to risks connected with climate change. Minor impacts may occur in relation to supply processes, especially with regard to fuel and electricity costs and commercial and lending processes relating to the occurrence of extreme climatic events which could affect the operating capacities and solvency prospects of corporate clients (a risk which is, however, mitigated by the high sector diversification of the Group's lending). On the other hand, business opportunities may be created as a result of investments by individuals and businesses in energy savings and in the use of alternative energies and investments by businesses to comply with evolving regulations and the efficiency standards for products and production processes.

☞ DMA Policies, products and services with environmental aims, G4-FS8

## G4-EC4 Financial assistance received from government

UBI Banca has never received any form of government assistance. UBI Banca has carried out operations with central banks for financial stability purposes and to facilitate the transmission of monetary policy.

## G4-EC8 Significant indirect economic impacts

Given its nature and its distribution network in the community, the UBI Banca Group generates significant indirect impacts on the economy, that are very difficult to quantify. They mainly regard the following:

- the competitiveness of the economy, as a result of support to small and medium-sized enterprises to promote growth and technological innovation and to overcome the crisis [☞ DMA Support for household and businesses in difficulty, UBI-3, G4-FS7];
- the development of depressed economic areas, through geographical choices for the location of branches and the allocation of economic resources [☞ G4-6, G4-FS13];
- the development of the green economy and the reduction of environmental costs through support for investments for energy savings and the development and use of renewable energies [☞ DMA Policies, products and services with environmental aims, G4-FS8];
- the reduction of risks and the maximisation of the social benefits of development through attention to issues such as financial inclusion and education, growth of a financial civil economy (the third sector) [☞ DMA Policies, products and services with social aims, G4-FS7, DMA Access to financial services by disadvantaged persons, G4-FS14, DMA Financial education, UBI-4], protection of health and safety at the workplace lavoro [☞ DMA Health and Safety, G4-LA5-LA8], non-discrimination and equal opportunities [☞ DMA Conduct in employment relationship, G4-LA12].

On a national scale, UBI Banca can help reduce the social costs of economic inequalities, increase the efficiency and stability of the financial system and act to fight against illegal conduct.

## Communication and dialogue

The UBI Banca Group recognises the value of communication and dialogue with stakeholders to seek, where possible, shared solutions for the economic, social and environmental problems that affect the communities in which it operates and society in general. The Group's objective is to increase its capacity to generate new ideas through listening to all its partners with a view to constantly improving decision-making processes, products and service efficiency, and to base its activities on a constant sense of business ethics, transparency and integrity, in pursuit of a relationship of trust with all its stakeholders.

Stakeholder engagement activities are structured with consideration given to the intensity of the relationship and the breadth and urgency of the interests held by different stakeholders, in addition to the procedures laid down by specific legislation and regulations (e.g. Shareholders' Meetings, negotiations with trade unions) and established practice (e.g. investor relations).

### Communication and Marketing

Policies, commitments, resources and responsibilities	Dialogue with the community, especially at local level is based on the intense personal interaction, not only of a commercial nature, which characterises UBI Banca's presence on its markets. <b>Direct communication</b> is a determining factor in the establishment of clear and transparent relationships with customers. News about the services provided is communicated to customers by using websites and social media, telephone campaigns (outbound campaigns), specialist newsletters, SMSs, ATMs and avatars in the reserved area of the banking website. Communication activities are supported by organisational and IT procedures to meet customers' requirements for transparency, a key factor in all long-term relationships based on mutual respect.
Goals, actions and results	In 2015 it was considered whether to broaden dialogue to include venues outside institutional and operational premises in order to find agreement on sustainability practices and acquire proposals for possible future lines of action. Two initiatives were taken in Bergamo and Brescia to launch a new programme of multi-stakeholder involvement in important issues for local communities and in interpretation of what the Bank might do through its activities and initiatives. In addition to inviting representatives of important institutions, bodies and organisations present in local communities, an attempt was made to attract the interest and involvement of a broader stakeholder base with a campaign of communication and interaction on Twitter and Facebook.
Indicators	G4-24, G4-25, G4-26, G4-27, G4-PR3

### Internal communications

Policies, commitments, resources and responsibilities	The Group is committed to ensuring adequate circulation of information by means of internal communication based on principles of completeness, promptness, clarity and transparency in order to share the Bank's patrimony of values, knowledge and experience and for each worker to <b>knowledgeably participate</b> in the implementation and achievement of corporate policies and objectives.  ☞ <a href="#">Code of ethics p.14</a>
Goals, actions and results	Internal communication activity continued in 2015 designed, amongst other things, to further develop motivational engagement and a sense of identity by using the Group's corporate internet entitled UBILife to publish news and video messages to conduct

	<p>surveys and to offer spaces where personnel can share information and chat with each other. Employees were also involved in the now firmly established <b>internal customer satisfaction</b> surveys and also in a new <b>organisational climate survey</b>.</p> <p>☞ Reports and accounts 2015 p. 66-68, 82-83, 200</p>
Indicators	G4-24, G4-25, G4-26, G4-27

## Relations with opinion leaders

Policies, commitments, resources and responsibilities	<p>Relations with opinion leaders are mainly developed through the media. These are carried out solely by the competent organisational units and they are designed to provide <b>relevant and reliable information</b> on the structure, activity, and financial position of the Bank, its policies and strategies, including social and environmental policies, and the impacts of action taken. Relations are conducted according to the principles of <b>integrity, transparency, independence and equal treatment</b> for each newspaper and journalist. Mirroring the communication strategy of UBI Banca, the Network Banks themselves work to obtain adequate coverage in the press (the local press especially), for their activities and initiatives.</p>
Goals, actions and results	<p>A more proactive approach was taken to both conventional and digital media in 2015 in order to project a positioning that is consistent with: the importance, solidity and reliability of the Group in the processes in which the Italian banking system is evolving; with the quality of its commercial activities according to the "<i>Fare banca per bene</i>" (to bank fairly and well) principle; and with its capacity to innovate especially in view of the mass digitisation processes in progress. The result is an increase of 11% in relevant articles<sup>1</sup> in print editions and an even greater increase in online editions. Online articles have more than doubled over the last two years (+88% in 2015 with virality that has more than tripled).</p> <p>Activity on social media intensified during the year with the Group's launch on Instagram exactly one year after its debut on Facebook and the development of positioning on LinkedIn by identifying the first employer branding activities and the creation of a dedicated campaign to tell people of the Group's values in a clear and appealing fashion. The Group received 53,000 likes on its <b>Facebook</b> page (+53% compared with 2014) and almost 500 for posts published, to reach a total of 67 million views for channels and contents carrying the UBI Banca logo. The Group reached first place on the <b>Instagram</b> channel in the banking sector for number of followers and interactions in just two weeks. Good results were also achieved on the <b>YouTube</b> channel with 1,700,000 minutes of videos viewed during the year.</p> <p>Launch on the <b>Twitter</b> channel is programmed for 2016.</p> <p>☞ Reports and Accounts 2015 p. 188-189</p>
Indicators	G4-24, G4-25, G4-26, G4-27

## Relations with the financial market

Policies, commitments, resources and responsibilities	<p>All disclosures, and financial reporting and other compulsory disclosures in particular, must always be made punctually and must always be full, truthful and accurate, for the benefit not only of shareholders and investors but also of all stakeholders. Particular attention is reserved to the continuous management of relations with shareholders and</p>
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<sup>1</sup> Relevant articles are defined as those which explicitly mention the UBI Banca Group's brand, its business activities, behaviours, initiatives and structure, including those on the Network Banks and other subsidiary companies which explicitly mentioned the Group.

	<p>with the national and international financial community and also to ensure the systematic disclosure of reliable, exhaustive and timely information on the Group's activities, results and strategies. The following work to achieve this:</p> <ul style="list-style-type: none"> <li>• the <b>"Shareholder Relations Service"</b>, as part of the Corporate Affairs, Participation and Relations with the Authorities Area, which oversees relations with retail shareholders;</li> <li>• the <b>Investor and Media Relations Area</b> – that reports directly to the Chief Executive Officer - which is responsible for relations with institutional investors and with the media, as well as for events and sponsorships.</li> </ul> <p>Information of significant importance to shareholders is also provided in special sections of the Group's corporate website.</p> <p>☞ Reports and accounts 2015 p. 188-189, 63**-64**</p>
Goals, actions and results	The UBI Group is actively followed by 23 brokerage houses and in 2015 meetings were held with over 500 institutional investors and a series of meetings were also held with shareholders in which UBI Banca's chairmen and senior management illustrated and discussed the results achieved and the guidelines of the projects to be implemented.
Indicators	G4-24, G4-25, G4-26, G4-27

## Indicators

### G4-24 Stakeholder groups engaged G4-25 Procedures for selection of stakeholders for engagement

The UBI Banca Code of Ethics defines Group stakeholders by dividing them into three classes:

- entities and parties which have essential or significant interests with respect to carrying on business, due to the direct and specific nature of the relationships established or of the investments made (e.g. customers, personnel, suppliers, investors);
- entities and parties which have significant interests, not based on direct business relationships, that are affected by the external impacts of the Group's activities or by which UBI's activity is directly influenced or conditioned (the community, with particular reference to local communities);
- organisations and institutions which represent widespread interests or interests specific to different categories of stakeholder which are able to exert influence over UBI (e.g. public sector authorities, operators on financial markets, the media and opinion leaders, stakeholder organisations).

☞ Code of Ethics p.5-6

The stakeholder map contained in the Code of Ethics was drawn up as part of the project for the transition to the new G4 guidelines on the basis of six characteristics (direct influence, responsibility, dependence, closeness, political and strategic intention, representativity) and with account taken of the Bank's existing activities and objectives on the question of sustainability.

### G4-26 Stakeholder engagement activities G4-27 Key topics and concerns that have been raised through stakeholder engagement activities and the actions undertaken

No particular concerns were raised regarding stakeholder engagement activities, although useful ideas for improvement were suggested, acquired as part of processes to innovate products, services and operational and management models.

## Investors

FINANCIAL COMMUNICATION <sup>1</sup>	2015		2014		2013	
	No. of Events	No. of Events	No. of Events	No. of Events	No. of Events	No. of Events
Conference calls/presentations	4	492	4	463	4	467
International conferences	13	201	9	242	7	171
Road shows	26	190	13	160	9	125
Individual and group meetings	38	107	37	148	35	134
<b>TOTAL</b>	<b>81</b>	<b>990</b>	<b>63</b>	<b>1,013</b>	<b>55</b>	<b>897</b>

<sup>1</sup> Events organised with investors and analysts of the share and with investors in debt instruments. The number of contacts are the number of interactions, which may even be with the same parties, at different events on different dates.

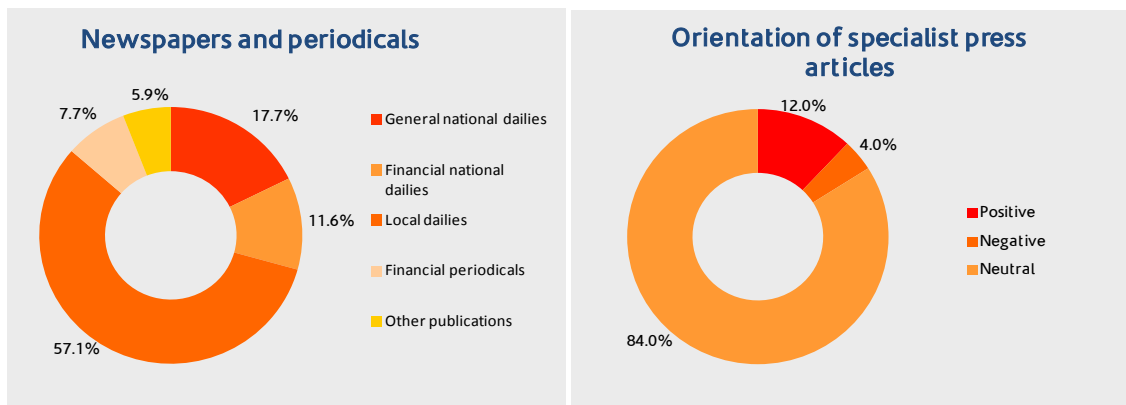
## Internal communications

☞ Reports and accounts 2015 p. 82-83

## Customers

☞ Quality and customer satisfaction

## Opinion leaders



## G4-PR3 Product and service information required by company procedures

The Bank of Italy has issued specific provisions on the transparency of banking and financial operations and services. These set minimum and general standards for the preparation of the documentation used to provide customers with information (structure of the documents, essential information, choice of terminology, standardisation of some common types of contract) and they also introduce obligations for banking and financial intermediaries as well as for the marketing of traditional banking services of an organisational or control nature for compliance with regulations governing transparency and integrity in relations with customers.

The transparency provisions apply to the purchase of traditional **banking and financial products** (e.g. current accounts and other forms of deposit, financing, payment instruments) and to **each stage of relationships** between intermediaries and customers: the precontract stage, before the contract is signed (document on customer rights and information sheet, distribution of summary cost indicators, prevention of disputes through organisational controls), the stage at which the contract is signed (summary documents, form of the contracts) and the post-contract stage involving relations between intermediaries and customers (periodic documentation, dispute management). These rules sit alongside other sets of regulations governing transparency and integrity in relations with customers such as for example those that govern the provision of investment services, regulated by the Consolidated Finance Act, or of insurance products as well as the regulations contained in the "Consumer Code". Compliance with these is subject to particular attention within the Group, which has also introduced a commitment in its Code of Ethics to always provide customers with full, clear and easy to understand information at every stage of customer relationships.

## Quality and customer satisfaction

Historically, Group banks have a strong direct relationship with customers which, together with the high quality of the products and services offered, has always been a distinctive feature of UBI Banca and it is an important factor for customer fidelity and its competitiveness on the market.

Even with the transfer of a large part of current business onto remote channels, the quality of relationships remains of key importance in making commercial propositions and in delivering advisory and value added services.

With “digital bank” services, the protection of customers’ privacy and their data has become a key factor in the integrity of relationships.

### The quality and adequacy of products and services

<p>Policies, commitments, resources and responsibilities</p>	<p>The Group has set a specific <b>Policy for the development of products</b> in order to define explicit and rigorous measures for the development and distribution of new products and to maintain those for existing products, with the exception of those for which specific regulations apply, or are currently being issued (e.g. subsidised loans). This process is designed to help achieve objectives of quality, technological innovation, competitiveness and compliance with regulations, consistent with our mission, strategy, business goals and the overall corporate architecture of the Group.</p> <p>The process is designed to ensure that products and services are consistent with customers’ needs and that response times to market demands (time to market) are reduced, and it requires the involvement of different organisational units. Some organisational units (at the Parent) must always be involved: Communication and Marketing, Legal Affairs and Litigation, Risk Management, Administration and Tax, Compliance.</p> <p>The characteristics (e.g. age, occupation, investment plans) and needs of customers (e.g. financial, protection) are surveyed through special consultation and interview procedures (e.g. focus groups with customers and potential customers and with commercial distribution network staff) or systematic procedures (e.g. the customer satisfaction survey project or complaints management) and through the analysis of competitor’s products and services. Active participation in observatories and working groups (e.g. through the Italian Banking Association) or research centre initiatives are also the source of valuable information, for example in relation to the possibilities offered by new technologies.</p> <p>Competitiveness is based on a pricing policy oriented towards transparency and fairness to customers and it involves analysis and constant monitoring of the relationships between the risk taken (if present), the return, the costs incurred and the market context, with account taken of the need to provide financial support to local communities and businesses.</p>
<p>Goals, actions and results</p>	<p>Our products and services are constantly updated, with advantage taken of opportunities offered by technological progress to improve them and broaden the range.</p> <p>Activities continued in 2015 with the Digital Innovation Project – launched in 2014 – to develop and reinforce the range of services available using a multi-channel approach. The objective of the project, managed by a dedicated team, is to monitor, study and implement best services using technology to generate a better user experience that is both simple and transparent. Those same guidelines also apply to communication, which follows evolving digital technology to provide customer</p>



	<p>contact channels that are clearer, faster and more interactive.</p> <p>A multi-year study is also underway to define and renew the interior layout of branches, where the goal is to make them more comfortable and attractive with a strong emotional content and digital innovation.</p> <p>☞ Reports and Accounts 2015, p. 61-62</p>
Indicators	UBI-1

## The quality of customer relationships

Policies, commitments, resources and responsibilities	<p>The quality of customer relationships and customer satisfaction are monitored by means of fidelity indicators such as the life of the relationship, customer satisfaction surveys (the “<b>Consultation Project</b>”) and the analysis of complaints. More specifically, the level of satisfaction is measured through the <b>UBIndex</b> (a summary index which measures the quality perceived, calculated monthly by bank, market, segment, local management area and branch) and it is also one of the determining criteria for the Group staff incentive scheme.</p> <p>The UBI Banca <b>Customer Care Service</b>, which reports directly to the General Manager, oversees the quality of the services provided by the Group to its customers and it supports Senior Management in the formulation of corporate policies designed to foster a culture of internal and external customer care and satisfaction. In detail:</p> <ul style="list-style-type: none"> <li>• it designs the structure of internal and external customer satisfaction surveys, which are always conducted by an outside independent party;</li> <li>• it monitors the quality expected and the quality perceived by external customers in order to improve the service model;</li> <li>• it makes periodic reports on the results of the surveys conducted, providing support to the Network Banks in the distribution of the data and, in agreement with the functions involved, it proposes the most appropriate corrective action.</li> </ul> <p>The UBI <b>Claims Function</b>, located within the Anti-Money Laundering &amp; Claims Area:</p> <ul style="list-style-type: none"> <li>• manages complaints made by customers of the Parent and the relative “alternative dispute resolution” (ADR) procedures and, in co-operation with the Legal Affairs and Litigation Area and the Global Transaction and Operations Area, carries out activities relating to applications for mediation;</li> <li>• it monitors the progress and content of complaints made by the Network Bank and Group Company customers and the relative ADR procedures and it also furnishes information on the proper management of the different types of dispute;</li> <li>• it supports the Compliance Area with work to analyse claims designed to identify possible improvement action from an organisational and procedural viewpoint.</li> </ul>
Goals, actions and results	<p>The Customer Care Unit uses internal (mainly commercial distribution network staff) and external <b>customer satisfaction</b> surveys to monitor and study two quality dimensions: the <b>quality perceived</b> by external customers in their relationships with the bank and the <b>quality delivered</b> and that is the service provided by the bank through its various products, software applications and processes. With the new <b>Quality Project</b>, the <b>quality expected</b> by Group customers is now also measured.</p> <p>In 2015, customer satisfaction surveys involved over 120 thousand customers (including individuals and businesses) of the Group. The comparison benchmark was constructed by interviewing approximately 11 thousand customers of competitor banks using the same methodology as that used for UBI Banca customers.</p> <p>The year 2015 saw a <b>significant increase in customer satisfaction</b> on all markets: +8</p>

	<p>points for the “Unity” market (corporate and private banking) and +4 points for the retail market. The increases in Group customer satisfaction broadened the gap between UBI and the benchmark: +8 points for the retail market, +5 points for the private banking market and +3 points for the corporate market .</p> <p>☞ Reports and Accounts 2015, p. 66-67</p> <p>The Consultation Project focused on specific aspects which included UBI Banca’s image and its social responsibility and customer knowledge of the brand.</p> <p>The survey of <b>UBI Banca’s image</b> found strengths such as the trust that the Bank conveys and its efficiency (aspects recognised by 86% of the customers interviewed and which position the Group well above the entire banking sector). The Group was well-positioned compared with the banking sector as a whole also with regard to institutional aspects such as solidity and future prospects.</p> <p>With regard to <b>social responsibility</b>, which is perceived as having improved compared with 2014, the level of satisfaction is high with regard to the following: the commitment shown by the bank to clear and full information on the management of personal data and customer rights with regard to privacy; integrity in its commercial approach; support to families and businesses (also with regard to natural disasters); and loans for the environment (e.g. to improve energy efficiency in homes).</p> <p>The <b>UBI Banca brand</b> was known to over 60% of those interviewed.</p> <p>The survey of complaints and claims is also an important tool for identifying potential problem areas in the product range, in the delivery of services and in the overall quality of customer relationships and it constitutes an opportunity to restore or improve a constructive and satisfactory customer relationship.</p> <p>In line with directives on transparency and the guiding principles adopted by the Group, various channels have been made available to the public to submit complaints and claims: local branches, conventional mail and fax channels, ordinary and certified electronic mail, the websites of Group companies and the Customer Telephone Service. All the channels are advertised on information pamphlets pinned up in branches and in dedicated sections of the Group’s websites.</p> <p>First-time complaints received in 2015 by the Group numbered 19,520 of which: 5,353 by UBI Banca, 6,944 by the Network Banks and 7,223 by the product companies.</p> <p>☞ Reports and Accounts 2015, p. 69-72</p>
Indicators	G4-PR5

## Protection of privacy

Policies, commitments, resources and responsibilities	Increasingly greater recourse to new technologies, not only to manage information but also for payment services and for the purchase of banking and financial products brings with it greater importance to the protection of customer data as part of the protection of privacy.
Goals, actions and results	<p>In order to achieve this, the Group employs a “<b>Protection of privacy</b>” <b>handbook</b> and a series of <b>organisational and technical measures</b>, with locks and other protective instruments on IT systems, designed to ensure not only the necessary compliance with security and data protection requirements, but also observance of the consents granted by customers regarding the processing of their personal data for commercial and marketing purposes.</p> <p>Customer protection is also implemented by keeping customers constantly up-to-date with information on the most appropriate anti-fraud procedures and measures for the secure use of Internet and mobile banking services and with a business continuity plan,</p>

	<p>which involves both a series of technical and organisational measures designed to ensure that the most critical processes will be operational even in emergency situations and also a series of periodic disaster recovery controls and tests.</p> <p>As concerns the acquisition and processing of personal data for commercial purposes, the fundamental rights and freedoms and the dignity of those concerned are always guaranteed in compliance with Legislative Decree No. 196 of 30<sup>th</sup> June 2003 (<b>Privacy Code</b>) on the protection of personal data.</p>
Indicators	G4-PR8

## Indicators

### UBI-1 Awards and prizes received

The quality and value of UBI Banca's presence on the market is recognised each year with the award of various prizes.



The **ABI prize for innovation in banking services** in the category "Innovate for the family and young people" and the **Prize of Prizes – National Prize for Innovation of the Ministry of Education, Universities and Research** for UBI Pay



**Best integrated digital campaign** in the Banks and Insurance Companies category  
 1<sup>st</sup> place **UBI Pay** campaign.  
 2<sup>nd</sup> place **Enjoy the Music** campaign



**Project Finance International Awards 2015**  
 for Line 5 of the Milan Metro.



**MF - Milano Finanza, Innovation Award** in co-operation with Accenture for the first Social Project Finance in Italy



**Prize in the Indirect Impacts Category** for the food and agriculture start-up competition "Cultivate the right idea"



**“Trading Online Bank of the Year”** for “Its range of flexible and excellence products, innovation in its digital services, its constant customer assistance and its comprehensive training programme both for the more evolved investors and those still without consolidated experience”.



**Milano Finanza Global Awards 2015**

“Tripla A fondi comuni italiani” (Triple A Italian mutual funds) for the results achieved by the UBI Pramerica Azioni Pacifico Fund.



**Diaman Awards 2015**

**1<sup>st</sup>, 3<sup>rd</sup> and 4<sup>th</sup> places in three fund categories for risk-adjusted performance achieved in 2014**



**CFS Ratings 2015**

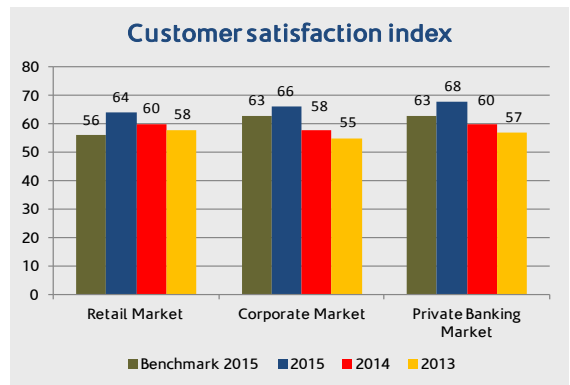
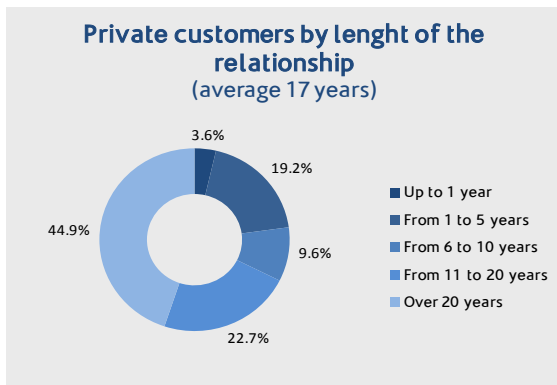
UBI Pramerica Obbligazioni globali Alto Rendimento (high return global bonds) among “The 300 best funds”



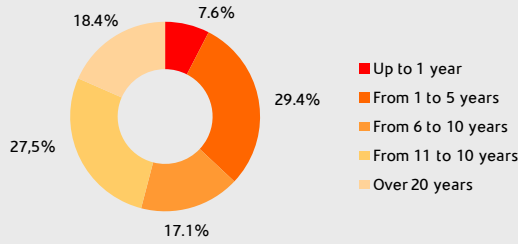
2014 Premio Alto Rendimento (high return prize – awarded in 2015) as the best Italian mutual fund manager in the big group, as a result of its performance over the last three years

**G4-PR5 Practices related to customer satisfaction**

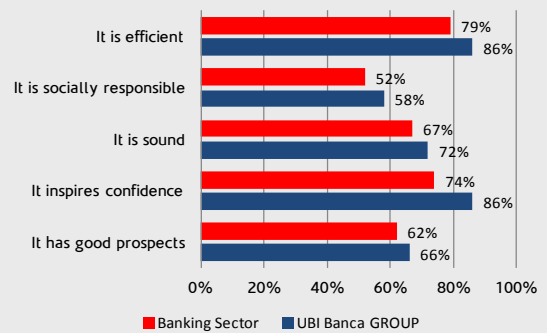
94% of UBI Banca’s customers are satisfied and they also place it above its competitors.



### Corporate customers by length of relationship (average 11 years)



### Judgment of Group image



COMPLAINTS OF NETWORK BANK		2015	2014	2013
Total complaints received		6,944	4,830	4,074
<i>of which:</i>				
	<i>ordinary on products and services</i>	6,342	4,096	3,363
	<i>for compounding of interest</i>	480	610	517
	<i>for securities in default</i>	23	11	43
	<i>on privacy</i>	99	113	151
	<i>on human rights</i>			
Complaints received through remote channels		4,967	1,603	2,314
Complaints processed <sup>1</sup>		7,121	4,811	4,072
	<i>of which accepted</i>	3,332	1,656	1,442
Average days for response <sup>2</sup>		28	20	24
Appeals to the Ombudsman		30	4	8
Appeals to the Ombudsman completed		24	4	8
	<i>of which in favour of the customer</i>	3	-	4
Appeals to the Financial Banking Arbitrator		176	122	129
Appeals to the Financial Banking Arbitrator completed		157	115	109
	<i>of which in favour of the customer</i>	60	48	46
Appeals to the Consob Chamber of Reconciliation and Arbitration		-		1
Appeals to the Consob Chamber of Reconciliation and Arbitration		-		1
	<i>of which in favour of the customer</i>	-		-
Mediation cases pursuant to Legislative Decree No. 28/2010		1,166	1,464	297
Mediation cases completed		1,142	1,443	250
	<i>of which with a settlement agreement</i>	43	52	17

<sup>1</sup> Total complaints concluded in the year, independently of the year of presentation.

<sup>2</sup> Overall average, inclusive of both ordinary complaints and investment service complaints.

## G4-PR8 Complaints regarding breaches of consumer privacy and losses of consumer data

In 2015 99 complaints were received on the question of privacy, most of which (62) regarded cases of compulsory reporting of personal data on credit to institutional data banks (central credit bureaux: Centrale dei rischi, CRIF, etc.).

No irregularities were reported concerning data treatment and no events occurred which resulted in the theft or loss of customer data.

## Operations rooted in local communities

UBI Banca is mainly a retail bank, at the service of the real economy. Its bricks and mortar presence, integrated by its digital bank services with a multichannel approach, therefore remains essential for maintaining its local roots and but it is above all through the quality of its commercial activities and its activities to support economic and social development in local communities that it adds value to society, as expressed also in the Group's Charter of Values.

### Funding and loans in local communities

<p>Policies, commitments, resources and responsibilities</p>	<p>UBI Banca pursues a path towards growth which in parallel with that of local economies. Its mission is to use the savings of families to finance the life projects of families themselves and the business projects of firms. It is a virtuous circle between <b>saving, consumption and investment</b> which generates growth and well-being in local communities and sees the bank committed to seeking to maintain its financial support even at the most difficult times.</p> <p>Great attention is placed in all assessments of credit authorisations and loans to prevent the risk of over-indebtedness on the part of customers which would compromise their ability to meet their commitments with repercussions both on their ability to gain access to new loans and on the quality of the Bank's credit quality, which is one of the main indicators monitored by supervisory authorities and market regulators.</p> <p>Proposals made to businesses consider the dynamics of the various economic sectors with the objective of creating solutions that will best support those with the best prospects for growth and the greatest ability to innovate. Co-operation with local, national and EU authorities and institutions is also important in providing support for the financial requirements of businesses. These include trade associations and the associated guarantee bodies, the Guarantee Fund for SMEs pursuant to Law No. 662/1996, the European Investment Bank (EIB) – with which substantial loan pool agreements have been stipulated – and the European Central Bank (ECB) through participation in the TLTRO long-term financing programme.</p> <p>The Group's business roots in local communities also include its ability to support the production of goods and services and of welfare services in particular, which are provided increasingly by the civil society economy of the "Third Sector". The <b>UBI Comunità</b> range is dedicated to this sector, managed by a specialist organisational unit in the Retail Commercial Area.</p>
<p>Goals, actions and results</p>	<p>Loans accounted for 72% of total consolidated balance sheet assets at the end of 2015 and they exceeded direct funding from individual and business customers in the community by over €12 billion. The additional funding needed was acquired as a result of the Group's ability to access the financial market and public sector funds, some of which subsidised, destined for small and medium-size enterprises.</p> <p>☞ <a href="#">Reports and Accounts 2015 p. 110-119</a></p> <p>In order to support the high propensity of Italian households to purchase their own homes, 18,507 mortgages were granted in 2015 for a total disbursement of almost €2 billion (231,316 mortgages with remaining principal debt of almost €19 billion outstanding at the end of the year) inclusive of mortgages for <b>young couples and "atypical" workers</b>, in addition to ordinary mortgages.</p> <p>☞ <a href="#">FS7</a></p> <p>☞ <a href="#">Reports and Accounts 2015 p. 51-52, 58-59</a></p>

	<p>Special products have been designed for businesses with (i) <b>“Farm&amp;Food”</b> for the agricultural and food sector which makes an important contribution to national GDP thanks also to the growing world interest in “Made in Italy” brands, with (ii) “HoReCa” for the hotel and catering sectors and with (iii) <b>“Moda&amp;Design”</b> for the textiles and clothing sectors. Furthermore, specific loan pools have been created especially to support growth in new business ideas (<b>“Start-up Loan”</b>) and female entrepreneurship (<b>“Invest in Women”</b> and <b>“Women in start-ups”</b>). With its international presence [<a href="#">G3-6</a>] and with its <b>UBI World</b> programme, the Bank also provides support to Italian business clients on foreign markets to make sure they obtain the necessary financial assistance together with a series of support services for the internationalisation of their activities.</p> <p><a href="#">Reports and Accounts 2015 p. 53-54</a></p> <p>With regard to <b>nonprofit organisations</b> the Group holds a market share of deposits and loans that is higher than that for the sector nationally. At the end of the year deposits totalled €1.7 billion (60.4% in Lombardy) accounting for 3.8% of total Group deposits compared with 1.7% for the banking sector nationally, €0.8 billion of loans (66.1% in Lombardy) accounting for 0.95% of total Group loans compared with 0.50% for the sector.</p> <p><a href="#">Reports and Accounts 2015 p.55-57</a></p>
Indicatori	UBI-2

### Support for households and businesses in difficulty

Policies, commitments, resources and responsibilities	<p>The importance placed on the value of local communities results naturally in the pursuit of commercial and lending policies that are attentive to the real needs of different groups in society and categories of businesses (“small economic activities” and small to medium-size enterprises in particular) and of professional communities and non-profit organisations with the objective of encouraging and supporting the growth of a healthy economic and business environment, capable of generating social value in the medium to long-term.</p>
Goals, actions and results	<p>UBI Banca has identified a series of important social causes and specific expectations of stakeholder groups for which subsidised conditions have been defined or charitable initiatives carried out:</p> <ul style="list-style-type: none"> <li>• <b>anti-crisis intervention for families</b>, either with its own initiatives or sector-wide initiatives to facilitate access to credit and to support the relative costs above all with regard to home purchase mortgages and agreements for advances on the Extraordinary State Redundancy/lay-off Scheme benefits.</li> <li>• <b>the fight against usury</b>, with loans guaranteed as part of local community agreements with foundations in order to assist individuals at risk of usury, (according to the criteria established by the Regulation to implement Art. 15 of law No. 108) and with pawn credit business, carried out by nine branches of Banca Popolare Commercio e Industria, which provides immediate cash in return for the pawn of valuable objects to meet temporary financial needs not only of families and the more vulnerable groups in the society, but also of small shopkeepers and businessmen;</li> <li>• <b>anti-crisis measures for businesses</b> with the deferment of capital repayment instalments on mortgages, loans and leases and with the extension of the repayment schedules for mortgages and for the due dates for short-term loans or for agricultural working capital credit, either on our own or sector-wide initiative;</li> <li>• support for households and businesses hit by <b>natural disasters or by exceptionally severe weather</b>, either through adherence to sector initiatives</li> </ul>



	or the application of legislative provisions. ☞ Reports and Accounts 2015 p.58-61
Indicators	UBI-3, FS7

## Development of local infrastructures

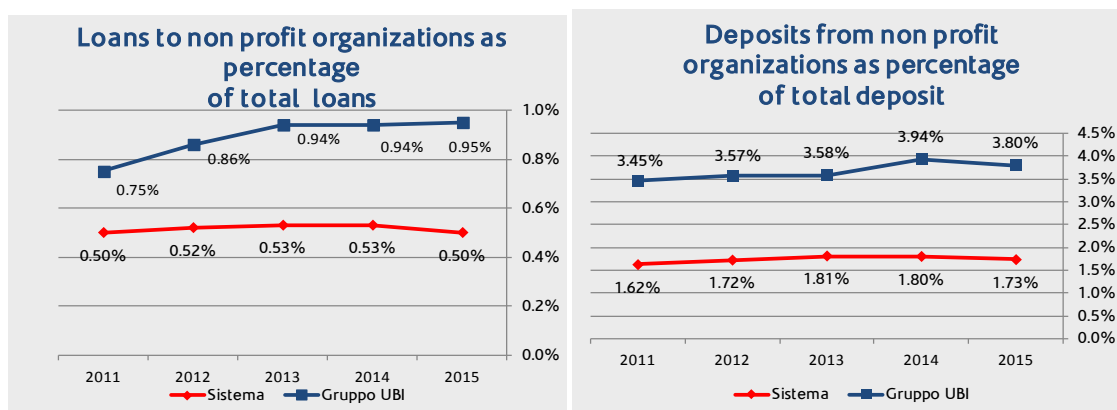
Policies, commitments, resources and responsibilities	Finance for local infrastructures is an important multiplier factor in terms of attraction and therefore in terms of possibilities for local economic and social development. UBI Banca has used the project finance technique to develop specific expertise to enable investments to be made which otherwise could not be achieved. The main sectors of implementation, in which those of an environmental nature are of great importance, are those of renewable energies followed by transport, water utilities and health. UBI Banca has made innovative use of project finance in the social welfare field.  ☞ DMA Policies, products and services with social benefits, ☞ DMA Policies, products and services with environmental aims
Goals, actions and results	Considering the operations concluded in 2015, the most important regarded the finance for <b>Line 5 of the Milan Metro</b> (a €1,360 million project for which UBI Banca is the mandated lead arranger and bookrunner for the project finance, joint bookrunner for the project bond and hedging bank) and two water utilities projects by <b>Acqua Novara VCO SpA</b> and <b>Acquedotto del Fiora SpA</b> which provide aqueducts, sewerage and purification services to 830 thousand inhabitants.
Indicators	G4-EC7, G4-SO1, G4-SO2

## Indicators

### UBI-2 Funding and loans in local communities

Thousands of euro	2015		2014	
	Direct funding <sup>1</sup>	Loans	Direct funding <sup>1</sup>	Loans
Private individuals	56,077,503	28,842,963	58,464,275	29,808,298
Entities	1,154,927	624,227	1,292,104	700,797
Businesses	15,297,360	55,119,010	14,199,035	55,135,128
<i>of which: small to medium-size businesses</i>	<i>n.d.</i>	<i>46,255,863</i>	<i>n.d.</i>	<i>47,064,764</i>
<b>TOTAL</b>	<b>72,529,790</b>	<b>84,586,200</b>	<b>73,955,414</b>	<b>85,644,223</b>

<sup>1</sup> Direct funding from ordinary customers



BASTRA data on sub-group 51 (nonprofit organisations).

Deposits are comprised of current accounts, deposits and certificates of deposit.

**UBI-3 Support for households and businesses in difficulty**

DEFERRAL/EXTENSION OF MORTGAGES TO HOUSEHOLDS	2015	
	Operations of the year	
	Number	Remaining debt (millions of euro)
Initiatives bank	5,172	502.4
System initiatives (ABI)	137	14.0
<b>TOTAL</b>	<b>5,309</b>	<b>516.4</b>

DEFERRAL/EXTENSION OF MORTGAGES TO SMALL MEDIUM ENTERPRISES	2015	
	Operations of the year	
	Number	Remaining debt (millions of euro)
Initiatives bank	2,878	915.2
System initiatives (ABI)	995	349.0
<b>TOTAL</b>	<b>3,873</b>	<b>1,264.2</b>

**G4-EC7 Development and impact of infrastructure investments and services supported**

PROJECT FINANCE ACTIVITIES	2015
<b>Financing granted during the year</b>	
Numbers of contracts	4
Amount authorised (€ million)	278
Amount disbursed (€ million)	119
<b>Financing outstanding at the end of the year</b>	
Numbers of contracts	22
Amount authorised (€ million)	1,003
Amount disbursed (€ million)	684

INFRASTRUCTURES PROJECT FINANCE OPERATIONS IN PORTFOLIO	2015	2014	2013
	Number	Number	Number
Hospitals	5	4	4
Highways	7	6	6
Metropolitan railways	1	2	2
Gas transports networks	4	4	4
Airports	2	2	2
Other	3	n.a.	n.a.
<b>TOTAL</b>	<b>22</b>	<b>18</b>	<b>18</b>

**G4-S01  
G4-S02**
**Operations which implemented local community engagement, impact assessment and development programmes  
Operations with negative impacts on local communities**

In consideration of the activity carried out and its location, this indicator is only found to be relevant with regard to project finance activities which in any case are carried out under the highly developed Italian and European regulatory framework and mainly involve investments in infrastructures for the production of energy from renewable sources. In order to receive finance, projects must have passed the authorisation procedures set under current Italian law (**environmental impact assessment**, declaration of the start of activity, single authorisations, building permit, etc.) and the technical, legal, administrative and insurance assessments performed on behalf of the Bank by major independent advisors of international standing.

## Involvement in local communities

As a driver of development in local communities, it is essential for the Bank to consider social aspects which, together with economic aspects, impact on the quality of people's lives. On this basis, it has relations with a wide variety of authorities, institutions and organisations with whom it helps to identify important needs in the community and whose actions it supports both through its banking operations and through its policy of making key philanthropic interventions for social initiatives.

While the banking activities are managed as part of its commercial units and policies, its philanthropic activities fall mainly under the responsibility of the governing bodies and they are also financed with resources allocated according to articles of association related-provisions when profits for the year are distributed.

### Dialogue with and Support for Local Institutions

Policies, commitments, resources and responsibilities	The Group is aware of the key role it plays promoting innovation and encouraging the acquisition and spread of expertise and it therefore maintains and develops constant co-operation with academic institutions and centres of knowledge. It's active presence and support for schools, universities, local institutions and research centres are important for guaranteeing the economic citizenship of the population and the competitiveness of the business and economic environments in the local areas in which it operates as well as favouring the progress and spread of knowledge.
Goals, actions and results	<p>The Group has well-established relations with numerous schools and universities (the Bocconi, Cattolica and Bicocca universities of Milan, the universities of Bergamo, Brescia, Pavia, Turin, Genoa and Bari, the Insubria University of Varese, the Carlo Cattaneo University of Castellanza, the Polytechnic University of the Marches, the University of Camerino and the Universities of Basilicata, Campania, Apulia and Calabria, the Ca' Foscari University of Venice, the University of Padua and Verona, the Federico II University of Naples), with which it co-operates to finance scholarships and for which it offers services for students and internship opportunities for newly graduated high school or university students.</p> <p>Again to support educational activities, co-operation with the Polytechnic University of the Marches has been renewed for the "World Campus" project established to support and spread technological and training innovation among university students through participation in internships abroad. The university masters courses for Group talents continued in 2015 with two university masters courses in particular in co-operation with the University of Bergamo and with the Polytechnic of Milan School of Management. Also the Masters in "Corporate Finance and the Creation of Wealth" in co-operation with Turin University was concluded.</p> <p><a href="#">DMA Attraction and management of talent</a></p> <p>Research projects at the Pope John XXIII Hospital were supported in the field of tumours and at the <i>Aiuti per la Ricerca sulle Malattie A.R.M.R.</i> Foundation and in the field of rare diseases.</p> <p>In the commercial area, with its treasury and cashier services, the Group supports over 1,800 public institutions and authorities in their receipt, reporting and reconciliation activities for their tax revenues and capital income and it makes substantial contributions to support their social and institutional aims.</p> <p><a href="#">Reports and accounts 2015 p.191-192</a></p>
Indicators	G4-EC1

## Measures taken for social initiatives

<p>Policies, commitments, resources and responsibilities</p>	<p>Mainly through the action of the Parent, the Network Banks and its foundations formed over the course years, the Group uses donations and sponsorships to support the activities and projects to protect our historical, cultural and natural heritage, to educate and train young people, to conduct scientific, academic and humanitarian research and to provide assistance with health and welfare, the arts, sports and recreation.</p> <p>This activity is conducted following a solidarity and subsidiarity approach and it involves a huge number of nonprofit organisations, both church and non-church, of local, national and international importance.</p> <p>These donations, which are both of an occasional nature and within the framework of key partnerships lasting several years, are designed to promote and enhance the identity of the Group and individual network banks, with no direct correlation with the achievement of commercial objectives, except for those of social marketing initiatives. With sponsorships<sup>1</sup>, Group Banks benefit from associating their brands with organisations and initiatives able to generate a positive return in terms of image, that is often an expression of their history and tradition in their respective local communities.</p> <p>The decisions are taken at local level with the support of UBI Banca for the more far reaching initiatives, based not on rigid and predetermined policies and guidelines, but on assessments based on criteria of the consistency, efficiency and effectiveness of the initiatives and projects found in the community.</p> <p>At UBI Banca, the allocation of budgets to the various sectors of intervention is made on the basis of an “<b>Annual intervention plan</b>” approved by the Supervisory Board on the basis of proposals formulated by the Chairman, subject to consultation with the Senior Deputy Chairman. The proposals and projects are drawn up in consultation also with the Chairman and the Deputy Chairman of the Management Board and taking account of their recommendations.</p> <p>The foundations, which have been formed over the years to promote social and cultural development in their local communities, are totally independent in their decision-making, although this must be in compliance with the areas of intervention defined in their respective constitutions, and they are not subject to powers of management, co-ordination and control by UBI Banca.</p> <p>Financial resources to support philanthropic activities come from the special budgets allocated from year-to-year and also from reserves available to the management bodies for social purposes (the “Board’s Fund”) of UBI Banca and the various Group banks, funded from portions of their distributable profits according to maximum percentages set by their respective Articles of Association.</p>
<p>Goals, actions and results</p>	<p>At the beginning of 2015, the network of Group foundations gained a new institution, the Banca Popolare Commercio e Industria Onlus Foundation, promoted by the bank of the same name, to pursue aims of social solidarity and institutional objects of health and social welfare assistance and the protection, promotion and enhancement of matters of artistic and historical interest in the Region of Lombardy and in the provinces of Milan and Pavia in particular.</p> <p>This new foundation is in addition to the UBI Banca per Varese Onlus Foundation, the Banca Popolare di Bergamo Onlus Foundation, the CAB-Istituto di Cultura Giovanni Folonari Foundation, the Banca San Paolo di Brescia Foundation and the Banca</p>

<sup>1</sup> Sponsorships of professional sports clubs are only included in the report if they are directed to activities to promote the moral education of young people through sport.

Popolare di Vigevano Foundation.

New important agreements and partnerships have been reached during the year with major nonprofit organisations as part of a distinctive strategy for positioning in this sector.

The relationship with the *Associazione Italiana per la Ricerca sul Cancro (AIRC – Italian Association for research into cancer)* is of particular importance, where UBI Banca also plays the role of an institutional partner in the fundraising campaign entitled “**The Research Days**” until 2018. The 2015 campaign enabled the AIRC to raise over €6.2 million of which approximately €640 thousand attributable to various initiatives (including the “**Chocolates for Research**” campaign) undertaken by the Group, which brought UBI Banca’s contribution to research in the field of oncology up to over €2 million over three years.

Other important partnerships regarded **Dynamo Camp, AISM-Associazione Italiana Sclerosi Multiple, the Progetto ARCA Foundation and Unicef** for which the Group has used fundraising tools and channels and the education of Group customers and employees to support their respective campaigns: the Outreach Project, the Mambretti Accommodation Centre, rehabilitation and support for persons suffering from multiple sclerosis, “Youth&Innovation Lebanon”.

In 2015 the Group made total donations for social initiatives of **€14.9 million<sup>2</sup>** (recovering for the first time since the crisis, up 35.6% compared with 2014), of which:

- €5.7 million drawn from articles of association-related retained earnings available to management bodies for social purposes of UBI Banca and the Network Banks, net of sums paid to Group Foundations (€646.5 thousand);
- €6.4 million as operating expenses of UBI Banca, the network banks and other Group companies, including charitable donations resulting from the placement of UBI Community Social Bonds;
- €2.8 million by the Foundations.

An important role is played by **UBI Comunità social bonds** in the generation of funds for donation to welfare activities and by contributions made to local authorities as part of **treasury and collection services**.

Since their launch in 2012, the Group has supported 72 important social projects in the community with the issue of an equal number of social bonds to make total charitable donations of **€3.6 million**. In 2015 14 social bonds were issued (of which four by the Parent) with donations of **€531.5 thousand**.

Almost **€3 million** of contributions were made as part of treasury and collection services, of which €679.2 thousand not included in the total donations because not classifiable by area of intervention.

Again in 2015 UBI Sistemi e Servizi – the Group’s service consortium company – donated **retired electronic equipment**, which nevertheless still functions well, to 30 schools and nonprofit operations with an estimated value of over €10,700 (120 notebooks and desktops).

Group employees were again involved in charitable initiatives through participation in the following voluntary schemes:

- **Pro Solidar**, a national fund in the credit sector for solidarity and charitable initiatives consisting of a bilateral entity managed by the Italian Banking Association and the national secretariats of the banking trade unions. It is the first body in the world formed by a national trade union agreement and it is funded on an equal basis by workers and companies. Each employee may

<sup>2</sup> This includes cash donations and the estimated monetary value of donations in kind (IT equipment donated by UBI Sistemi e Servizi), while it does not include the operating expenses of payment activities and the cost of the time for paid work provided by employees to community organisations and activities.

	<p>contribute a sum of €6 per year deducted directly from salary, against which the company pays in an equal amount (for a total of €189 thousand in 2015);</p> <ul style="list-style-type: none"> <li>• <b>Enjoy Special Edition</b>, a current account card specially for employees, with customised graphics and the possibility to support social projects simply by using the card. The Group banks that issue the cards waive their interbank commissions on the POS terminal transactions to donate them to the social project chosen each year by employees themselves (in 2015 over €33 thousand was donated to the charity project Orti di Strada run by AMREF Italia Onlus, classified first among the four projects selected as part of the Sodalitas Social Innovation 2015 [☞] and voted by employees on UBILife, the corporate intranet portal);</li> <li>• <b>Donate one day</b>, the voluntary project by which employees pass one day of their holidays doing voluntary work in a non-profit organisation which they have chosen from among those selected by UBI Banca in co-operation with the Foundation Sodalitas [☞ G4-16] and the Group makes a donation of €100 to the organisation (in 2015 approximately 1,350 employees participated in 226 voluntary activities distributed in 30 towns and cities across the country in 78 nonprofit organisations).</li> </ul> <p>☞ Reports and Accounts 2015 p.82-83</p>
Indicators	G4-EC1, G4-SO6

## Financial education

Policies, commitments, resources and responsibilities	<p>Financial education is an effective instrument of protection, because it gives a better understanding of the workings of financial markets and of the characteristics of different financial instruments and allows knowledgeable investment decisions to be taken that are consistent with an investor's risk profile. More generally, widespread possession of proficient economic and financial expertise helps to create citizens knowledgeable in their choice of banking financial products and services and growth in economic democracy and legality and makes the business environment and local economies more competitive.</p> <p>UBI Banca is aware of this and in playing its role as a bank in local communities, it has built relationships over the years and forms of co-operation with various realities that work in this field.</p>
Goals, actions and results	<p>UBI Banca takes an active part in the initiatives of the <b>Foundation for Financial Education and Savings (FEDUF)</b> created by the Italian Banking Association and it works with private sector organisations and institutions that the spread financial education initiatives even outside schools and in different groups in society. In addition to this it organises and/or takes part in <b>events, conventions and seminars</b> to educate and discuss on economic and financial issues, such as the cycle of meetings on the Italian economy held in co-operation with the <b>Studi Einaudi Centre</b>, and to support the Italian business community both at home and abroad.</p> <p>The Group's contribution – which represents almost a third of the total activity carried out by banks adhering to FEDUF – is focused on three educational programmes that are now well established and constantly updated and enhanced, partly as a result of the support from academics and communication experts, differentiated by age Group as follows:</p> <ul style="list-style-type: none"> <li>• <b>Kids</b>, for primary school children, to stimulate initial thinking about the value of money and the need to manage it responsibly, for themselves and for the community, with a view to knowledgeable citizenship;</li> <li>• <b>Junior</b>, to introduce secondary school pupils to economic and financial subjects and to stimulate them to reflect on the principal functions of finance, by illustrating their impact on people's everyday lives;</li> </ul>

- **Teens**, to teach economics and financial subjects, by introducing upper secondary school children to the social, professional and economic reality that surrounds them. At the end of the course in the classroom, the participants may take part in a national competition entitled “**Mamma che impresa**” and “**Che Impresa, Ragazzi**”, the first of which involves the publication of stories written by students in a book of winning business stories, while the second awards a prize to the class that draws up the best business plan for the start-up of a socially useful enterprise in the community (in 2015 schools supported by Banco di Brescia and by Banca Popolare di Bergamo took first and third places in the competition “**Che Impresa, Ragazzi**”).

Group banks, again in co-operation with FEDUF, contributed to the organisation of further events destined not only to pupils in schools, including “**Economic Citizenship**” which involved around 700 students throughout the country.

Banca Regionale Europea organised the competition **AAA Economania** in Turin and in Genoa the third edition of a literary competition for pupils in the first year of secondary schools in Liguria who were invited to write stories taken from ideas received on the knowledgeable use of money while participating in the Junior financial education programme. The best stories were read out during an event organised at the Youth Theatre and the best three also won the recognition of being published in full in an important daily national newspaper. Over the Christmas period this bank together with the municipalities of Turin and Cuneo put up Christmas lights with entertainment and communication activities for children, with games on the subject of savings, pocket money and waste.

Important activities were also carried out by Banca di Valle Camonica with the organisation of educational events for around 500 students on the subjects of financial markets and how they function, usury and innovative payment systems.

Indicators UBI-4

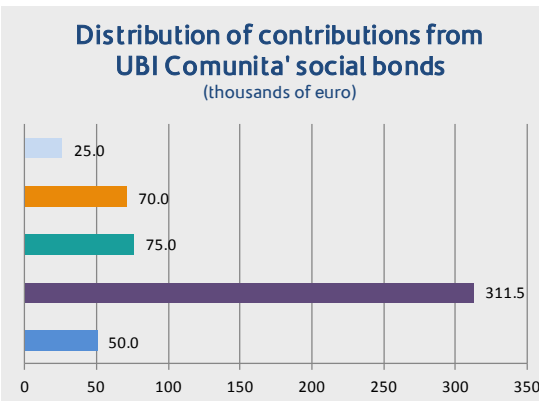
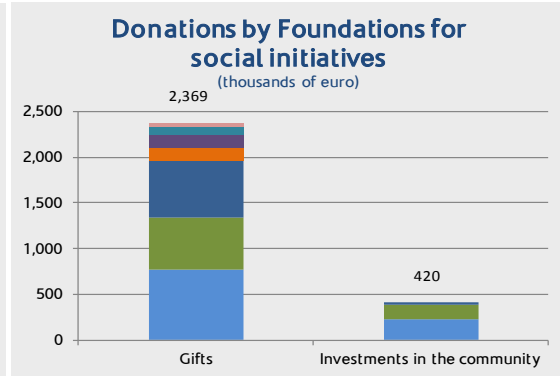
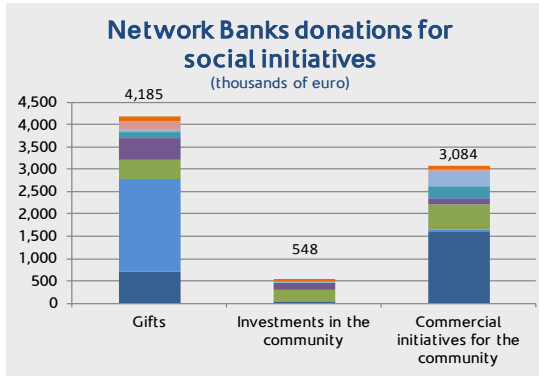
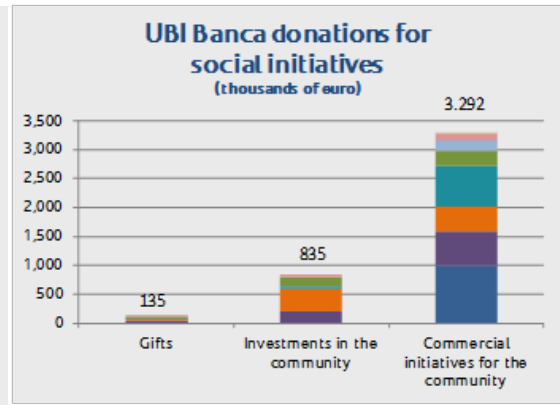
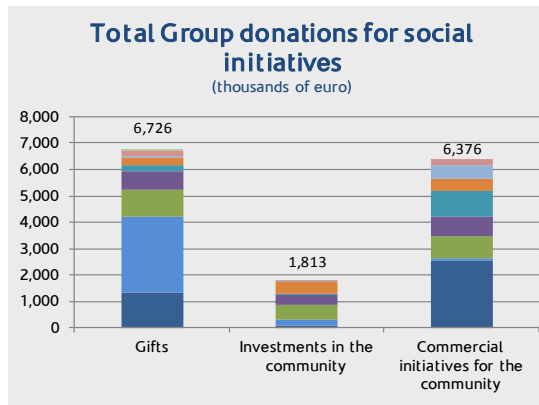
## Indicatori

### G4-EC1 Contributions for social initiatives

RESERVES OF PROFITS AVAILABLE IN ACCORDANCE WITH BY-LAWS TO GOVERNING BODIES FOR SOCIAL PURPOSES <sup>1</sup> (thousands of euro)	HIGHEST % OF ALLOCATIONS FROM FINANCIAL STATEMENT	BALANCE AS AT 31.12.2014	2015 ALLOCATIONS FROM 2014 FINANCIAL STATEMENT	DONATIONS 2015	BALANCE AS AT 31.12.2015
UBI Banca	1.5%	6,482,304	-	924,800	5,557,504
Banca Popolare di Bergamo	2.0%	1,872,141	2,727,810	3,726,767	873,184
Banco di Brescia	2.0%	4,282,329	171,867	958,934	3,495,262
Banca Popolare Commercio e Industria	1.0%	206,282	340,000	195,000	351,282
Banca Regionale Europea	2.0%	142,613	-	-	142,613
Banca Popolare di Ancona	4.0%	2,885	300,000	232,357	70,528
Banca Carime	3.0%	365,732	-	150,970	214,762
Banca di Valle Camonica	n.a.	23,169	150,000	172,050	1,119
<b>TOTAL</b>		<b>13,377,455</b>	<b>3,689,677</b>	<b>6,360,878</b>	<b>10,706,254</b>

<sup>1</sup> The amounts relate exclusively to the contributions made from the reserves of profit of individual banks, including € 646,500 paid to foundations promoted by the Group.





## G4-S06 Contributions to political parties and related institutions

No payments – neither direct nor indirect and in any form – are permitted to: political parties, movements, political committees and other political organisations, their representatives and candidates, congresses or festivals with political propaganda purposes.

## UBI-4 Financial education

COMMITMENT IN FINANCIAL EDUCATION INITIATIVES	SCHOOLS	CLASSES	PARTECIPANTS	BANK TEACHERS	TEACHING HOURS
Programs Kids, Junior and Teens	102	274	6,703	76	425
Other initiatives and events			1,632	24	104
<b>TOTALE</b>	<b>102</b>	<b>274</b>	<b>8,335</b>	<b>100</b>	<b>529</b>

## Enhancement and well-being of personnel

The people of the UBI Group represent UBI Banca's main investment in terms of human, professional and intellectual capital, a patrimony of values, expertise and experience on which the Bank's success depends. At the same time these are people who trust the Bank with their expectations of professional growth and permanent employment to achieve their life and work plans on the basis of a commitment to work that is sustainable over time and based on mutual trust.

The principles of **ILO (International Labour Organisation)** conventions are applied throughout the Group. The local and national standards which Group companies and banks must observe are based on those principles. The policies and processes for personnel management comply with these principles and those of the **Global Compact** for the protection of labour.

UBI Banca's commitment to the enhancement and well-being of its personnel has been confirmed again in 2015 by its "Top Employer" certification a programme that acknowledges companies throughout the world for their excellence in their human resource management processes, assessed according to recognised international standards.



### Employment and turnover

<p>Policies, commitments, resources and responsibilities</p>	<p>On the basis of the general market and banking sector context, in 2015 the Group continued to reduce its Labour costs with the objective of <b>recovering efficiency and profitability</b>.</p> <p>This path has always been based on criteria of the social sustainability of the intervention by stipulating agreements with trade union organisations which involve forms of protection to appoint the staff involved to new positions in the organisation chart and to make recourse on a voluntary basis to forms of flexible working and early retirement incentive schemes associated with generation turnover plans.</p> <p><a href="#">📄 Reports and accounts 2015 p. 46-47</a></p> <p>Geographical mobility is an important component of the employment conditions of personnel for companies that are distributed across large geographical areas. Group companies make efforts as far as possible to manage mobility necessities as opportunities for career growth and they try to satisfy requests to work close to home with priority given to employees belonging to professional areas and to the requirements of those who have been working for at least two years in organisational units at travelling distances of over 40 km (to and from work) from their homes. Moving personnel closer to their homes may result in new or different duties from those performed in their original organisational units.</p>
<p>Goals, actions and results</p>	<p>Data on appointments confirms the Group's constant orientation towards recruiting <b>young talent</b> with good academic qualifications and to developing merit, which also privileges the <b>female component</b> accounting for 60.75% of new recruits.</p> <p>Total <b>turnover</b> is affected mainly by personnel leaving (523) on redundancy schemes implemented under the trade union agreement signed on 26<sup>th</sup> November 2014. Women accounted for 34.20% of the personnel leaving and 74.34% of those leaving were in service at locations in North Italy. Voluntary turnover was more or less unchanged at 0.7% compared with 0.6% in 2014 and 0.5% in 2013.</p>
<p>Indicators</p>	<p>G4-LA1, G4-LA3, G4-EC6</p>

## Attraction and management of talent

<p>Policies, commitments, resources and responsibilities</p>	<p>Activities to find and select personnel are carried out by the Human Resources Area of UBI Banca for the whole Group and they seek to increase the attractiveness of the Group as an employer with the aim of ensuring the recruitment of “excellence” candidates motivated to set-off on an important career path.</p> <p>Company presentations at <b>counselling days</b> and <b>career days</b> in local schools and universities are much used opportunities for contacts, but the importance of the <b>digital world</b> is growing, especially on professional social networks.</p> <p>The selection process is based on criteria of transparency, independent judgement and consists of a variety of tests, which measure the training, professional and human experience of candidates. The procedures are comprised of aptitude and behavioural tests taken online, individual and Group exercises and individual interviews designed to investigate career plans, abilities and motivation.</p>
<p>Goals, actions and results</p>	<p>Activity to find and select staff in 2015 was designed both to support generation turnover action required under trade union agreements signed within the framework to optimise staff numbers and also to strengthen governance and support units at the Parent. Over 31,000 CVs were acquired and selection activity involved around 2,000 candidates, focusing on both new university graduates and candidates with career profiles showing experience in various specialist areas.</p> <p>Partnerships with schools and universities took the concrete form of <b>57 internships for university undergraduate</b> and <b>freshly graduated students</b> and <b>32 trainee appointments for high school graduates</b> who were given the opportunity to train in units both at the Parent and in the Network Banks as well as nine international traineeships at representative offices in China, India and Russia.</p> <p>Profitable and long-standing co-operation with major schools and universities present in the local areas in which the Group operates has been enhanced by careful analysis of the Group’s distinctive features, which enabled an innovative <b>advertising campaign</b> to be drawn up, set for the start of 2016.</p> <p>☞ G4-LA1, G4-LA2, G4-LA13</p>
<p>Indicators</p>	<p>G4-EC5</p>

## Development of employees

<p>Policies, commitments, resources and responsibilities</p>	<p>For all its employees UBI Banca is committed to ensuring equal opportunities for career growth and access to training, salary levels and career advancement, with special attention paid to the needs of young people, to the reconciliation of work and family commitments (work-life balance) and to the enhancement of diversity (diversity management), with reference, amongst other things, to gender issues.</p> <p>To achieve this it pursues policies and <b>management</b> systems based on criteria of fairness, consistency, uniformity and meritocracy, with respect to skills acquired, services delivered and individual growth potential.</p>
<p>Goals, actions and results</p>	<p>In 2015 the implementation of a new professional assessment model was completed, which unifies performance assessment and skill measurement, setting specific goals in terms of results, technical and specialist expertise, behaviours and capacities for each role. This professional assessment applies to all employees with the exception of “Key Personnel”, for whom specific performance assessment tools are used, and of some smaller companies in the Group.</p>

	Professional assessment is an important part of the <b>Human Resources Quality Project</b> , designed to further reinforce a culture of assessment, professional growth and recognition of merit.
Indicators	G4-LA10, G4-LA11

## Training and education

Policies, commitments, resources and responsibilities	<p>All training activities are managed by <b>UBI Academy</b>, the Group's corporate university, whose mission is the study, planning, consultancy and the provision of services for the training and the professional and managerial development of staff belonging to Group companies to support the achievement of business results.</p> <p>Appropriately structured and integrated with other systems for the development of human resources and accompanied by intense internal communication activity, training proposals are designed to be effective tools for organising, developing and enhancing technical and professional know-how, managerial experiences and skills and the ethical and cultural conduct of the personnel in companies belonging to the UBI Banca Group and for encouraging the development of a unified corporate identity.</p> <p>The instructors involved in training activity consist of both colleagues from Group banks and companies and also outside professionals. Training and refresher courses for the instructor corps are organised on training and qualification programmes and on the best techniques for teaching, classroom management and diffusion of virtuous conduct. Instructors are responsible not only for imparting knowledge but also for facilitating the sharing of experiences, positive examples and distinguished conduct in order to diffuse a common language, values and corporate culture and a sense of belonging to the Group. A compliance opinion by the Compliance Area of the Parent is required on the technical teaching material on banking, commercial and financial subjects.</p> <p>Consistent with the Group's social responsibility policies and its roots in local communities, UBI Academy carries out its activities also by means of important partnerships with national and local academic centres (<b>universities and business schools</b>). <b>University masters</b> courses for training young Group talents are particularly important in this respect: the masters in "Corporate Finance and the creation of Value" in co-operation with the University of Turin and masters courses in collaboration with the University of Bergamo and the Polytechnic of Milan School of Management.</p> <p>In order to finance training activities, Group companies contribute to joint inter-professional funds for FONDIR continuous professional development (a fund for senior management training in the services sector) and to the FBA (a banking and insurance fund for training employees working in the banking and insurance sectors - Fondo Banche Assicurazioni). These are private sector funds to which the Group contributes financially, together with other Italian banks. In compliance with the contents and parameters contained in relative notices, the training programmes submitted are always agreed with the trade union organisations (on the basis of a Group framework agreement for the FBA).</p>
Goals, actions and results	<p>The <b>ascertainment of requirements</b> and the formulation of training programmes is performed on a periodic basis using a variety of complementary tools: annual meetings with the Human Resources Departments of Group banks and companies, focus groups on specific career families, indications from the Group Commercial Plan and training needs detected from the skills survey, in which all Group employees are involved.</p> <p>Training activity in 2015 totalled approximately <b>87,000 training days delivered</b> to UBI</p>

	<p>Group staff in line with the objectives set, with an average of approximately five training days per person. <b>Classroom training and/or internships</b> accounted for around <b>57%</b> of training activity, while the remaining part consisted of remote online training. <b>The in-house instructor corps</b> delivered approximately <b>17 thousand training days</b> (approximately 57% of total classroom training delivered net of insurance training).</p> <p>All the different types of training activities involve compilation of a questionnaire on the perceived quality and – mainly for technical and occupational courses – a learning questionnaire, by which an assessment can be made of the acquisition of the training contents and therefore the effectiveness of the course.</p> <p>On the basis of requirements surveyed, a total investment of approximately 80 million training days is planned for 2016 (50% conventional classroom, 35% remote training, 15% other methods: internships, on-the- job training, etc.).</p> <p><a href="#">☞ Reports and accounts p. 2015 p.81-82</a></p>
Indicators	G4-LA9, G4-LA10, G4-LA11

## Remuneration policies and incentive schemes

Policies, commitments, resources and responsibilities	<p>Remuneration policies and incentive schemes are key tools to support the Group's medium to long term strategies. They also work to attract, motivate and retain talents, creating a sense of identity and developing a culture linked to performance and merit in compliance with the following criteria:</p> <ul style="list-style-type: none"> <li>• fairness understood as the principle of consistency in the remuneration of comparable roles and responsibilities, offering the same career opportunities to all, without distinction in terms of gender or other social discriminants;</li> <li>• attention to risk and compliance, for sustainable growth over time;</li> <li>• prudence as a basic criteria for banking activities;</li> <li>• competitiveness, interpreted as a continuous comparison with best practices;</li> <li>• rewarding merit as recognition of the results, expertise, behaviours, and values in the actions of each individual. The policies are designed to recognise individual merit, but at the same time consolidate team spirit and a sense of belonging, relating the objectives and results of each employee to their own business unit, bank or company and to the Group.</li> </ul> <p><a href="#">☞ Reports and accounts 2015 p.119**-124**</a></p>
Goals, actions and results	<p>Compliance with this principle of fairness is guaranteed by using tools to analyse and assess the positions in the organisation which enable the regular evaluation of internal remuneration levels and their consistency on the basis of the complexity and strategic function of the role within the Group. At the same time the performance level of the functions of each role are continuously monitored, using tools for the assessment of performance, skills and potential to ensure that the most deserving staff are assigned to the highest remuneration bands.</p> <p>Merit is measured on several levels using structured processes of analysis and assessment. Among these, incentive schemes are a key lever for recognising merit and continuing the commitment to bring variable remuneration into line with the results that have actually been achieved.</p> <p><a href="#">☞ Reports and accounts 2015 p. 118**, G4-LA13</a></p>
Indicators	G4-EC5

## Corporate Welfare

<p>Policies, commitments, resources and responsibilities</p>	<p>All Group employees, whether full-time or part-time, benefit, depending on the company to which they belong, from a substantial corporate welfare package. These consist of: supplementary forms of <b>pension and health care</b>; <b>insurance policies</b> covering death or permanent disablement (whether work-related or not) and the risk of death from disease; <b>gifts</b> on important occasions such as marriages, births and adoptions, scholarship grants for children; <b>paid leave</b> – even above the legal minimum – to care for disabled family members, the emergency hospitalisation of family members, the birth or adoption of children and when they start nursery schooling; financial contributions to support single income families or families with disabled persons.</p> <p>All Group employees have the possibility to participate in <b>supplementary pension</b> schemes through either internal or external pension funds, benefiting from a defined contribution by the employer as part of supplementary company labour agreements. Employees may also allocate a part of their salaries to supplementary pension schemes.</p> <p>On the question of leave for the birth or adoption of children, the Group complies with Italian law on <b>parental leave</b> which provides for a compulsory period of leave for women employees, normally during the two weeks prior to the presumed date of childbirth and three months after childbirth, and leave from work is optional<sup>1</sup>.</p> <p>Welfare <b>services</b> include company crèches, eight company cultural and recreational clubs, holiday accommodation facilities at tourist locations at attractive prices and eight shuttle bus services provided for travel to-and-from work at work places with large concentrations of personnel. Favourable terms and conditions are granted on charges and commissions for banking services, on loans for the purchase of homes and on credit lines, in line with the best market conditions.</p> <p>UBI Banca has also developed policies to reconcile work and family demands with the use of <b>flexible forms of working</b> such as part-time, the reduction or suspension of working hours, hour banks and smart working. Priority is given in allowing part-time work contracts to applicants with good grounds and in particular to those justified by the need to care for children, whether biological or fostered (below maximum junior school age) or by serious family reasons and/or because of the health of the applicant, a spouse, first degree relatives and person's under the legal guardianship of the applicant.</p> <p>As a sign of solidarity, the bank is attentive to the needs of families hit by particular tragedies or in emergency situations. Since 2002 the families of employees both in service and retired, with disabled children who are not self-sufficient, have been able to count on the support of the <b>Clematis Onlus Association</b> (<a href="http://www.clematisonlus.org">www.clematisonlus.org</a>), created on the initiative of a group of employees and supported financially by the Group. The association has signed an insurance agreement to provide the disabled children with an annual supplementary, revaluable, income of €12,000 payable on the death of both parents and it also pays grants toward the costs of “rehabilitation training” and for the purchase of facilities. Sixty-nine families have taken advantage of the insurance agreement – of which 34 are families of retired employees – for 74 disabled children.</p>
<p>Indicators</p>	<p>G4-EC3, G4-LA2, G4-LA3</p>



<sup>1</sup> Natural parents have the right to optional leave (if the employment relationship is continuous) up to the first 12 years of the life of a child, for a period of between two and not more than 10 months that can be increased to 11 if the working father takes leave from work for either a continuous or staggered period of not less than three months. That total period can be taken by the parents even simultaneously.

## Health and safety

Policies, commitments, resources and responsibilities	<p>According to the definition of the World Health Organisation (WHO) “Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity” and Italian legislation is also based on that same concept (Legislative Decree No. 81/08 Art. 2 paragraph 0) and UBI Banca adopts it too.</p> <p>Therefore “<b>organisational well-being</b>” is the objective that the Group pursues on health and safety matters with policies and processes oriented towards the substantial and not merely formal application of regulations on health and safety at the workplace. This is also pursued in the knowledge of achieving both a greater competitive advantage as a result of higher productivity and improved performance by workers (less absenteeism and staff turnover and greater customer satisfaction) and savings for society in general in terms of both tangible and intangible social costs generated for example by accidents, operating areas, legal disputes, insurance claims, litigation and care expenses.</p> <p>The scientific literature has shown that organisational well-being is strongly associated with factors such as the corporate climate, the <i>commitment</i> of employees, work satisfaction and the work-life balance. These are aspects taken into account by the <b>health and safety at the workplace management system</b> (HSMS), which also constitutes the concrete implementation of the guidelines contained in the <b>Model of Management and Organisation</b> provided for by Legislative Decree No. 231/2001 and in the UNI-INAIL (Italian standards authority and Italian national accident insurance institute) guidelines.</p> <p>The main regulatory reference is Legislative Decree No. 81/2008 and subsequent amendments, the provisions of which are applied in all Group companies operating within Italy. Responsibilities on this matter are centralised in the Health &amp; Safety Manager Function on the staff of the Chief Operating Officer and they are exercised by means of a regulation to implement corporate policies on the matter which lay down the following:</p> <ul style="list-style-type: none"> <li>• the duties and responsibilities of the various persons directly involved (the Official Employer, Senior Management, Management of the Prevention and Protection Service; Corporate Physician) and the company and Group units involved (the Human Resources and Organisation Departments of the various companies, Real Estate Department, Security and Business Continuity Department, UBIS Purchasing Department and UBI Academy);</li> <li>• processes for the active and knowledgeable involvement of personnel;</li> <li>• lines of reporting between the various units and mechanisms for the integration of the HSMS in corporate processes;</li> <li>• processes for the planning, monitoring and periodic review of the effectiveness of the system itself, explicitly recommended in UNI-INAIL guidelines.</li> </ul> <p><a href="#">🔗 Reports and accounts 2015 p. 199</a></p>
Goals, actions and results	<p>All actions undertaken have the dual objective of regulatory compliance and risk reduction, also in relation to savings on costs connected with accident reduction and the lower insurance premiums that INAIL charges companies that can demonstrate that they have adopted virtuous practices on prevention and protection from occupational risks.</p> <p>Prevention relies primarily on constant monitoring of the adequacy of workplaces and equipment [<a href="#">🔗 Reports and accounts 2015 p.199</a>]. In this respect, technical specifications have been refined for external suppliers, who are required both to</p>



	<p>document the conformity of their activities in greater detail and to update IT procedures already available to Group staff for reporting the emergence of new risks and/or malfunctions. Projects to build new premises or to refurbish existing premises involve prior examination of documents by the Prevention and Protection Service, which programmes on-site conformity inspections on completion of the works and the entry into service of the premises.</p> <p>From the more specific viewpoint of <b>health</b>, the activities of corporate physicians provide continuous monitoring of the state of health of personnel and the healthiness of working environments both by means of the annual plan of periodic checkups for staff (compulsory health screening by law) and by on-site inspections of working environments. Staff may also report specific problems to the corporate physician by means of a dedicated and confidential email address.</p> <p>Other important aspects include <b>work-related stress</b> assessment, conducted, amongst other things, through the acquisition of the subjective perceptions of employees by means of a special questionnaire and the management of the impacts of <b>criminal incidents</b> to which distribution network staff in particular are exposed. The progressive emergence of a new type of aggression, mainly verbal, but also physical perpetrated by customers as a consequence of a deterioration in their socio-economic conditions and connected with more rigid rules for granting credit has resulted in the extension of psychological assistance to include these situations as well. Fortunately, yet again in 2015 the cases that actually occurred were both extremely limited in number and in the seriousness of the events.</p> <p><b>Training</b> (18,500 hours in the 2015) is the second cornerstone of prevention designed to achieve maximum diffusion of the concept of “participated safety”. The training programmes are prepared in co-operation with UBI Academy and the corporate physicians with account taken of the different levels of risk to which employees are exposed as a function of their individual roles. The degree to which these are completed by each employee is monitored by means of an integrated IT system which is used to programme training activity and report on it at individual company level.</p> <p>A special section on health and safety is maintained and kept up-to-date on the <b>UBI Life</b> intranet portal on which the following can be easily found: references to laws and corporate regulations; news on safety organisation in the Group (e.g. emergency plans and exit routes to follow in different premises illustrated by actual photographs); material used in classroom training initiatives; and also useful advice and information on correct life-styles to remain in good physical and mental condition.</p> <p>As occurs every year, as required by the Management System procedures, again in 2015 monitoring was carried out in all units concerned by an outside independent auditor from a leading consulting firm.</p> <p>All activities to implement the Health and Safety at the Workplace Management System are accounted for and reported and specific meetings are held with Senior Management to review them in order to verify that goals have been achieved and to set future goals.</p> <p><a href="#">🔗 Reports and accounts 2015 p.199-201</a></p>
Indicators	G4-LA5, G4-LA6, G4-LA7, G4-LA8

## Indicators

### G4-LA1 Employment and personnel turnover

The average length of service is 20.41 years for men and 19.73 for women, while the overall average length of service is 19.76 years.

STAFF LEAVING	2015		2014		2013	
	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN
Business Plan reductions	523	156	203	35	742	213
of which:						
<i>“solidarity fund”</i>	445	124	187	28	677	192
<i>incentivised redundancies</i>	78	32	16	7	65	21
Voluntary resignations	122	31	111	28	93	23
End of contract	108	68	143	90	157	105
Retirement	1	0	12	4	5	1
Dismissal	11	4	16	2	18	3
Other	42	17	24	6	25	11
<b>TOTAL</b>	<b>807</b>	<b>276</b>	<b>509</b>	<b>165</b>	<b>1,040</b>	<b>356</b>

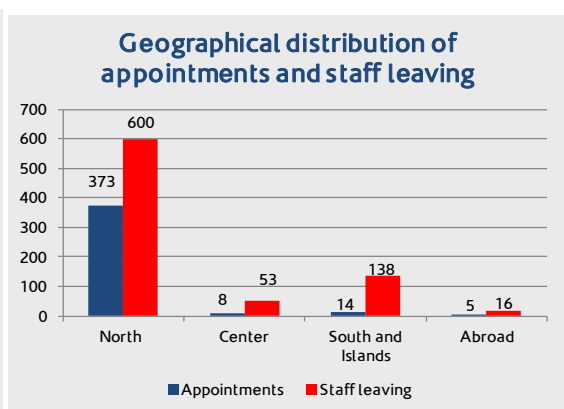
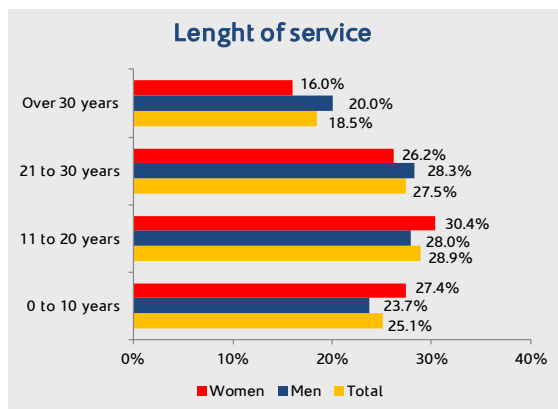
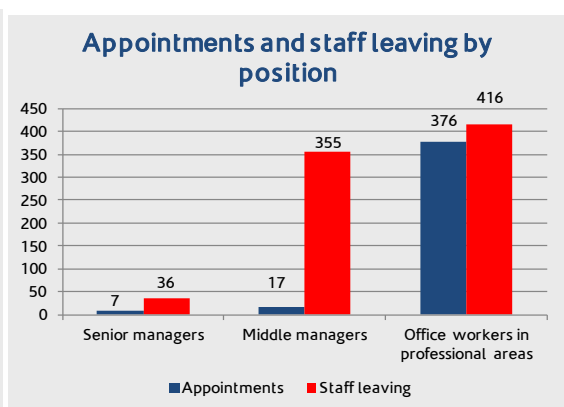
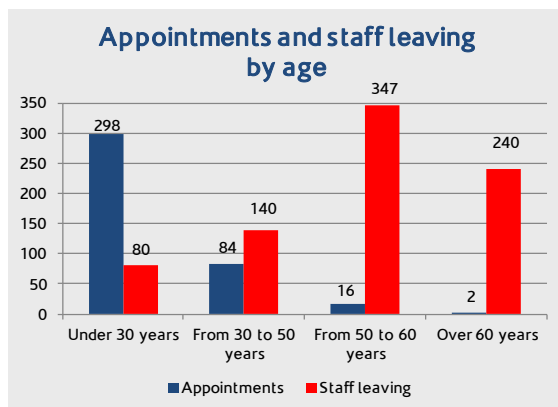
CONVERSION FROM TEMPORARY CONTRACTS	2015		2014		2013	
	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN
From apprentices	39	20	0	0	8	0
Other	200	119	90	46	63	31
<b>TOTAL</b>	<b>239</b>	<b>139</b>	<b>90</b>	<b>46</b>	<b>71</b>	<b>31</b>

APPOINTMENTS	2015		2014		2013	
	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN
On temporary contracts	239	158	255	148	315	181
of which from:						
<i>personnel leasing</i>	0	0	0	0	0	0
<i>apprentices</i>	0	0	4	1	42	22
<i>internship</i>	0	0	0	0	0	0
Permanent	161	85	48	14	39	18
of which from:						
<i>personnel leasing</i>	0	0	0	0	0	0
<i>internship</i>	0	0	0	0	0	0
<b>TOTAL</b>	<b>400</b>	<b>243</b>	<b>303</b>	<b>162</b>	<b>354</b>	<b>199</b>

RATE NEW EMPLOYEE HIRES RATE AND TURNOVER	2015		2014		2013	
	NEW EMPLOYEE	TURNOVER <sup>2</sup>	NEW EMPLOYEE	TURNOVER <sup>2</sup>	NEW EMPLOYEE	TURNOVER <sup>2</sup>
<b>By position</b>						
Senior managers	2.1%	10.7%	1.7%	4.2%	0.0%	17.3%
Middle managers	0.2%	4.7%	0.1%	2.5%	0.0%	6.5%
Other personnel	3.8%	4.2%	2.8%	3.0%	3.3%	4.7%
<b>By gender</b>						
Men	1.4%	4.9%	1.2%	3.0%	1.3%	6.0%
Women	3.6%	4.0%	2.4%	2.4%	2.9%	5.2%
<b>By age</b>						
Under 30	41.4%	11.1%	31.9%	16.2%	33.4%	14.3%
30 to 50	0.8%	1.4%	0.7%	1.2%	0.6%	1.1%
50 to 60	0.3%	5.9%	0.2%	2.3%	0.2%	8.8%
over 60	0.2%	27.1%	0.1%	17.5%	0.2%	57.4%
<b>By geographical area</b>						
North	2.8%	4.5%	1.9%	3.2%	2.0%	5.2%
Central	0.5%	3.1%	1.1%	1.5%	2.2%	5.9%
South and Islands	0.6%	5.5%	0.5%	1.2%	0.9%	7.9%
Abroad	3.7%	11.9%	6.2%	6.9%	6.8%	9.5%
<b>TOTAL</b>	<b>2.3%</b>	<b>4.6%</b>	<b>1.7%</b>	<b>2.8%</b>	<b>1.9%</b>	<b>5.7%</b>

<sup>1</sup> Ratio appointments by category on total employees by category at the end of the year

<sup>2</sup> Ratio staff leaving by category on total employees by category at the end of the year.



INTRAGROUP MOBILITY (Displacements with contract detachment or transfer)	2015		2014		2013	
	TOTAL	of which contract transfers	TOTAL	of which contract transfers	TOTAL	of which contract transfers
Men	397	5	246	2	236	16
Women	259	2	101	1	141	11
<b>TOTAL</b>	<b>656</b>	<b>7</b>	<b>347</b>	<b>3</b>	<b>377</b>	<b>27</b>

## G4-LA2 Benefits and other supplementary contributions

EMPLOYEES WHO BENEFITED FROM LEAVE	2015			2014			2013		
	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
Maternity and childcare	1,920	401	1,519	1,649	563	1,086	2,884	750	2,134
Study	220	119	101	153	93	60	238	136	102
Other personal needs	5,924	2,891	3,033	5,373	2,789	2,584	5,841	2,981	2,860
<b>TOTAL</b>	<b>8,064</b>	<b>3,411</b>	<b>4,653</b>	<b>7,175</b>	<b>3,445</b>	<b>3,730</b>	<b>8,963</b>	<b>3,867</b>	<b>5,096</b>

LEAVE DAYS	2015			2014			2013		
	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
Maternity and childcare	54,510	2,263	52,247	70,843	4,026	66,817	66,093	4,439	61,654
Study	858	481	377	912	552	360	820	460	360
Other personal needs	8,790	4,625	4,165	14,995	7,008	7,987	9,078	4,818	4,260
<b>TOTAL</b>	<b>64,158</b>	<b>7,369</b>	<b>56,789</b>	<b>86,750</b>	<b>11,586</b>	<b>75,164</b>	<b>75,991</b>	<b>9,717</b>	<b>66,274</b>

SERVICES AND CONCESSIONS FOR EMPLOYEES	2015		2014		2013	
	NO. USERS	COSTS INCURRED (thousands of euro)	LEVEL OF USE	COSTS INCURRED (thousands of euro)	NO. USERS	COSTS INCURRED (thousands of euro)
Children's nurseries <sup>1</sup>	67	371	77	339	83	352
of which:						
<i>Bergamo</i>	41		46		46	
<i>Brescia</i>	4		8		13	
<i>Milan</i>	12		12		12	
<i>Jesi</i>	10		11		12	
Summer recreational center for children	153		133	31	90	23
of which:						
<i>Bergamo</i>	92	20	90	19	90	23
<i>Brescia</i>	61	26	43	12	-	-
Company cultural and recreational clubs <sup>2</sup>	25,062		20,726	490	29,063	529
of which for:						
<i>sport</i>	3,642		4,162		2,972	
<i>tourist activities</i>	2,520		3,313		2,382	
<i>cultural activities</i>	5,519		4,727		4,411	
<i>recreational activities</i>	10,145		7,464		9,506	
<i>activities and services for children</i>	3,236		1,060		9,792	
Shuttle coach service		794		907		906
Supplementary pensions and insurance policies		51,756		50,861		52,466
Study grants and contributions to families		4,842		4,593		4,372
<b>TOTAL COSTS</b>		<b>58,292</b>		<b>57,252</b>		<b>58,671</b>

<sup>1</sup> Places available: 46 in Bergamo, 20 in Brescia, 12 in Milano and Jesi.

<sup>2</sup> Cral BPA, Cral BPB, Cral BPCI, Cral ex BSG, Cral CARIME, Circolo del Personale BRE and G.I.D UBI Banca, BVC.

#### G4-LA3 Return to work and retention rates

COMPULSORY PARENTAL LEAVE	2015	2014	2013
Employees taking leave during the year	365	399	429
of which:			
<i>still on leave at the end of the year</i>	129	126	147
<i>returned from leave during the year</i>	236	273	282
<i>resigned when leave ended</i>	2	-	2
Employees in work 12 months after leave ended	278	286	308
Rate of return <sup>1</sup>	99.2%	100.0%	99.3%
Retention rate <sup>2</sup>	98.6%	92.3%	95.4%

<sup>1</sup> At the end of the parental leave.

<sup>2</sup> One year after the end of the parental leave.

OPTIONAL PARENTAL LEAVE	2015	2014	2013
Employees taking leave during the year	409	500	405
<i>of which women</i>	95.8%	94.2%	96.3%

#### G4-LA5 Health and safety committees

In accordance with article 35 of Legislative Decree No. 81/2008 and in implementation of Management System mechanisms, periodic meetings are held in all companies, attended by company representatives (the employer and its representatives), the manager and the staff of the Prevention and Protection Service, the Corporate Physician and workers safety representatives, where appointed. Additional meetings are held, sometimes separately, between the Prevention and Protection Service and each of the parties mentioned above, to study specific issues in detail. The Manager of the Prevention and Protection Service is also periodically convened by the 231 (administrative liability) Supervisory Bodies and takes part, as Group representative, in the proceedings of the "health and safety working group" formed as part of the Trade Union and Labour Department of the Italian Banking Association Trade Association. This manager also fills the role of manager of the Health and Safety at the Workplace Management System as already described.

## G4-LA6 Injury, diseases and absenteeism

No fatal accidents occurred in 2015, neither at work, nor travelling to and from work.

ACCIDENTS BY GENDER	2015			2014			2013		
	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
<b>At work</b>									
No. of events	44	27	17	60	37	23	51	20	31
Injury rate	0.35	0.33	0.39	0.46	0.43	0.52	0.40	0.24	0.72
GRI 4.0 Injury rate	0.000002	0.000002	0.000002	0.000002	0.000002	0.000003	0.000002	0.000001	0.000004
No. of days lost	624	276	348	948	520	428	1,051.00	384.00	667.00
Seriousness index	4.93	3.35	7.89	7.32	6.09	9.69	8.28	4.58	15.52
GRI 4.0 Seriousness index	0.000019	0.000013	0.000029	0.000028	0.000024	0.000036	0.000030	0.000017	0.000054
<b>Commuting</b>									
No. of events	109	55	54	150	102	48	135	86	49
Injury rate	0.86	0.67	1.22	1.16	1.20	1.09	1.06	1.02	1.14
GRI 4.0 Injury rate	0.000004	0.000003	0.000006	0.000006	0.000006	0.000005	0.000005	0.000005	0.000006
No. of days lost	1,980	1,065	915	2,453	1,654	799	3,356	2,328	1,028
Seriousness index	15.64	12.92	20.75	18.94	19.38	18.09	26.45	27.75	23.92
GRI 4.0 Seriousness index	0.000061	0.000052	0.000077	0.000074	0.000078	0.000066	0.000097	0.000105	0.000083
<b>TOTAL NO. OF EVENTS</b>	<b>153</b>	<b>82</b>	<b>71</b>	<b>210</b>	<b>139</b>	<b>71</b>	<b>186</b>	<b>106</b>	<b>80</b>
<b>Injury rate</b>	<b>1.21</b>	<b>0.99</b>	<b>1.61</b>	<b>1.62</b>	<b>1.63</b>	<b>1.61</b>	<b>1.47</b>	<b>1.26</b>	<b>1.86</b>
<b>GRI 4.0 injury rate</b>	<b>0.000006</b>	<b>0.000005</b>	<b>0.000008</b>	<b>0.000008</b>	<b>0.000008</b>	<b>0.000008</b>	<b>0.000007</b>	<b>0.000006</b>	<b>0.000009</b>
<b>TOTAL NO. OF DAYS LOST</b>	<b>2,604</b>	<b>1,341</b>	<b>1,263</b>	<b>3,401</b>	<b>2,174</b>	<b>1,227</b>	<b>4,407</b>	<b>2,712</b>	<b>1,695</b>
<b>Seriousness Index</b>	<b>20.57</b>	<b>16.26</b>	<b>28.64</b>	<b>26.26</b>	<b>25.47</b>	<b>27.77</b>	<b>34.73</b>	<b>32.32</b>	<b>39.44</b>
<b>GRI 4.0 Seriousness index</b>	<b>0.000080</b>	<b>0.000065</b>	<b>0.000107</b>	<b>0.000102</b>	<b>0.000102</b>	<b>0.000102</b>	<b>0.000127</b>	<b>0.000122</b>	<b>0.000137</b>

ACCIDENTS BY GEOGRAPHICAL AREA	2015			2014			2013		
	NORTH	CENTRAL	SOUTH AND ISLANDS	NORTH	CENTRAL	SOUTH AND ISLANDS	NORTH	CENTRAL	SOUTH AND ISLANDS
<b>At work</b>									
No. of events	32	2	10	31	14	15	29	5	17
Injury rate	0.34	0.16	0.51	0.32	1.09	0.72	0.31	0.39	0.82
GRI 4.0 Injury rate	0.000002	0.000001	0.000003	0.000002	0.000005	0.000004	0.000002	0.000002	0.000004
No. of days lost	493	11	120	516	189	243	510	122	419
Seriousness index	5.23	0.87	6.11	5.38	14.70	11.70	5.46	9.55	20.28
GRI Seriousness index	0.000020	0.000003	0.000025	0.000021	0.000056	0.000048	0.000020	0.000035	0.000080
<b>Commuting</b>									
No. of events	87	9	13	110	12	28	111	11	13
Injury rate	0.92	0.71	0.66	1.15	0.93	1.35	1.19	0.86	0.63
GRI 4.0 Injury rate	0.000005	0.000004	0.000003	0.000006	0.000005	0.000007	0.000006	0.000004	0.000003
No. of days lost	1,488	168	324	1,583	394	476	2,896	179	281
Seriousness index	15.79	13.25	16.49	16.51	30.64	22.92	30.99	14.01	13.60
GRI 4.0 seriousness index	0.00006	0.00005	0.00007	0.00006	0.00012	0.00009	0.00011	0.00005	0.00005
<b>TOTAL NO. OF EVENTS</b>	<b>119</b>	<b>11</b>	<b>23</b>	<b>141</b>	<b>26</b>	<b>43</b>	<b>140</b>	<b>16</b>	<b>30</b>
<b>Injury rate</b>	<b>1.26</b>	<b>0.87</b>	<b>1.17</b>	<b>1.47</b>	<b>2.02</b>	<b>2.07</b>	<b>1.50</b>	<b>1.25</b>	<b>1.45</b>
<b>GRI 4.0 injury rate</b>	<b>0.000006</b>	<b>0.000004</b>	<b>0.000006</b>	<b>0.000007</b>	<b>0.000010</b>	<b>0.000010</b>	<b>0.000007</b>	<b>0.000006</b>	<b>0.000007</b>
<b>TOTAL NO. OF DAYS LOST</b>	<b>1,981</b>	<b>179</b>	<b>444</b>	<b>2,099</b>	<b>583</b>	<b>719</b>	<b>3,406</b>	<b>301</b>	<b>707</b>
<b>Seriousness index</b>	<b>21.02</b>	<b>14.12</b>	<b>22.60</b>	<b>21.89</b>	<b>45.34</b>	<b>34.62</b>	<b>36.45</b>	<b>23.55</b>	<b>33.89</b>
<b>GRI 4.0 seriousness index</b>	<b>0.000082</b>	<b>0.000055</b>	<b>0.000093</b>	<b>0.000084</b>	<b>0.000174</b>	<b>0.000143</b>	<b>0.000131</b>	<b>0.000087</b>	<b>0.000134</b>

ABSENCE BY GENDER (NO. DAYS)	2015			2014			2013		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Illness	110,263	63,102	47,161	110,789	64,098	46,691	111,310	63,357	47,953
of which professional	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>
Accidents	2,604	1,341	1,263	3,401	2,174	1,227	4,407	2,712	1,695
of which:									
at work	624	276	348	948	520	428	1,051	384	667
commuting	1,980	1,065	915	2,453	1,654	799	3,356	2,328	1,028
Other absences	74,297	51,569	22,728	62,321	44,787	17,534	57,427	37,068	20,359
of which:									
public or elective positions	1,733	1,694	39	2,238	2,034	204	2,906	2,539	367
blood donations	1,812	1,512	300	1,862	1,565	297	1,837	1,555	282
assistance for disabled	22,625	11,484	11,141	21,967	11,354	10,613	20,469	10,277	10,192
union permits <sup>1</sup>	33,285	27,903	5,382	33,148	27,944	5,204	14,693	12,321	2,372
security permits	15	15	0	12	12	0	23	22	1
strikes	12,021	7,317	4,704	1,144	713	431	11,599	7,138	4,461
other <sup>2</sup>	2,806	1,644	1,162	1,950	1,165	785	5,900	3,216	2,684
<b>TOTAL</b>	<b>187,164</b>	<b>116,012</b>	<b>71,152</b>	<b>176,511</b>	<b>111,059</b>	<b>65,452</b>	<b>173,144</b>	<b>103,137</b>	<b>70,007</b>
<b>Rate of absenteeism</b>	<b>11,648.19</b>	<b>11,205.85</b>	<b>12,449.48</b>	<b>10,265.92</b>	<b>9,805.31</b>	<b>11,155.07</b>	<b>10,234.38</b>	<b>9,219.13</b>	<b>12,216.35</b>
<b>GRI 4.0 rate of absenteeism</b>	<b>0.04</b>	<b>0.04</b>	<b>0.05</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.03</b>	<b>0.04</b>

<sup>1</sup> Permits recognized by sectoral agreements at national and local union leaders ("coupon" permits) are not included

<sup>2</sup> The figures include permits for thermal treatment and for union meetings.

ABSENCE BY GEOGRAPHICAL AREA (NO. DAYS)	2015			2014			2013		
	North	Central	South and islands	North	Central	South and islands	North	Central	South and islands
Illness	74,764	11,334	24,165	76,232	11,184	23,373	75,988	11,700	23,622
of which professional	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Accidents	1,981	179	444	2,099	583	719	3,406	301	700
of which:									
at work	493	11	120	516	189	243	510	122	419
commuting	1,488	168	324	1,583	394	476	2,896	179	281
Other absences	50,541	9,248	14,508	36,998	12,214	13,109	37,219	6,425	13,783
of which:									
public or elective positions	1,010	182	542	1,549	197	492	2,288	335	283
blood donations	1,478	203	131	1,487	240	135	1,494	211	132
assistance for disabled	14,393	2,863	5,369	13,770	2,795	5,402	13,165	2,382	4,922
union permits <sup>1</sup>	22,932	4,345	6,008	18,176	8,548	6,424	7,708	1,657	5,328
security permits	15	0	0	12	0	0	23	0	0
strikes	8,705	1,348	1,968	554	263	327	8,368	1,302	1,929
other <sup>2</sup>	2,008	307	490	1,450	171	329	4,173	538	1,189
<b>TOTAL</b>	<b>127,286</b>	<b>20,761</b>	<b>39,117</b>	<b>115,329</b>	<b>23,981</b>	<b>37,201</b>	<b>116,613</b>	<b>18,426</b>	<b>38,105</b>
Rate of absenteeism	10,438.26	12,762.14	17,407.54	9,055.60	13,999.38	13,551.19	9,359.16	10,814.20	13,835.04
GRI 4.0 rate of absenteeism	0.04	0.05	0.06	0.03	0.05	0.05	0.03	0.04	0.05

<sup>1</sup> Permits recognized by sectoral agreements at national and local union leaders ("coupon" permits) are not included

<sup>2</sup> The figures include permits for thermal treatment and for union meetings.

ILLNESS BY GENDER	2015			2014			2013		
	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
No. of days lost	110,263	63,102	47,161	110,789	64,098	46,691	111,310	63,357	47,953

ILLNESS BY GEOGRAPHICAL AREA	2015			2014			2013		
	NORTH	CENTRAL	SOUTH AND ISLANDS	NORTH	CENTRAL	SOUTH AND ISLANDS	NORTH	CENTRAL	SOUTH AND ISLANDS
No. of days lost	74,764	11,334	24,165	76,232	11,184	23,373	75,988	11,700	23,622

## G4-LA7 Roles at high risk of injury

An examination of data on accidents finds no categories of workers more exposed to others at risk of accidents in relation to their occupational role.

Again in 2015 the highest percentage of accidents recorded continues to be that relating to events occurring to employees in travelling to and from work [G4-LA6], a risk to which all employees are exposed without distinction<sup>2</sup>.

The number of accidents occurring while travelling on business is very small notwithstanding the significant number of personnel who use company cars on a daily basis to carry out their working activities and the total number of kilometres travelled. As concerns the risk of suffering physical harm during the course of robberies or being involved in aggression by customers, a total of five events occurred accounting for 16% of injuries occurring at the workplace and 4.23% of total injuries recorded.

TRAINING ON HEALTH AND SAFETY	2015			2014			2013		
	TS	SESSIONS <sup>2</sup>	HOURS	TS	SESSIONS <sup>2</sup>	HOURS	TS	SESSIONS <sup>1</sup>	HOURS
Video terminal workers	75	1	73	335	1	326	365	1	356
Emergency personnel	361	29	2,947	442	35	3,578	782	60	6,237
of which:									
fire prevention	183	16	914	221	19	1,103	424	31	1,941
first aid	178	13	2,033	221	16	2,475	358	29	4,296
New recruits	-	-	-	-	-	-	-	-	-
Safety figures <sup>1</sup>	281	13	1,354	254	11	968	737	50	3,505
Robbery risk	999	39	5,648	508	37	3,780	833	50	5,230
Other (updates)	2,192	94	8,451	2,316	89	8,328	2,334	83	7,519
<b>TOTAL</b>	<b>3,908</b>	<b>176</b>	<b>18,473</b>	<b>3,855</b>	<b>173</b>	<b>16,979</b>	<b>5,051</b>	<b>244</b>	<b>22,847</b>

<sup>1</sup> Training for senior managers, safety officers, company trade union representatives, etc.

<sup>2</sup> Data of FAD courses are calculated as 1 session.

<sup>2</sup> The INAIL has recently decided to include events amongst accidents occurring travelling to and from work not considered in previous years, such as deviations from the shortest route to work in order to take children to school.

PREVENTION AND ASSISTANCE ACTIVITY	2015	2014	2013
Medical visits	1,449	1,561	1,218
On site inspections	408	415	441
Training courses (number of participants)	3,886	3,855	5,826
Evacuation drills with assistance	35	40	33
Environment monitoring	20	30	19
Post-robbery psychological assistance	28	16	32

TECHNICAL INTERVENTION TO REDUCE RISKS	2015	2014	2013
Fire prevention, emergency management, emergency exits	3,101	5,165	2,123
Plant (machinery, maintenance)	1,142	1,480	1,466
Premises (floors, walls, window ledges, staircases, architectural barriers)	842	1,354	730
Ergonomics (lighting, work stations, micro-climate)	480	850	434
Certificates and documents	46	60	60
<b>TOTAL</b>	<b>5,611</b>	<b>8,909</b>	<b>4,813</b>

COSTS INCURRED FOR OCCUPATIONAL HEALTH AND SAFETY (thousands of euro)	2015	2014	2013
Intervention required by Law No. 81/08	795	1,094	847
Prevention and protection at the workplace consulting services	405	712	881
Occupational health and safety training	172	172	213
Corporate Physician services (medical visits to monitor health) and post robbery psychological assistance	153	142	136
<b>TOTAL</b>	<b>1,525</b>	<b>2,120</b>	<b>2,077</b>

#### G4-LA8 Trade union agreements on health and safety

An internal agreement was signed in 2015 with trade unions to regulate the adoption, in accordance with Art. 4 of Law No. 300 on the remote surveillance of workers, of an innovative remote surveillance system entitled "Virtual Guard", as an additional tool to prevent the risk of robbery. Trade union delegations have also been fully involved, together with formally elected workers' health and safety representatives, in the work-related stress assessment project conducted in co-operation with the Occupational Psychology Department of a prestigious Italian university.

#### G4-LA9 Annual training per employee and by category of worker

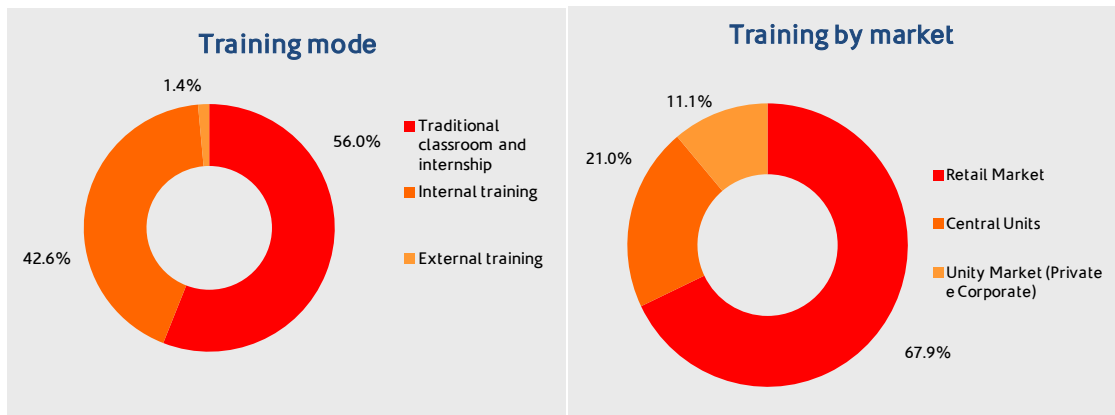
An average of approximately 38 hours of training per capita was delivered in 2015 involving all professional areas: senior managers (15,800 hr approx.), middle managers (347,000 hr approx.), professional areas (290,000 hr approx.). Women involved in training activity numbered 6,412, accounting for 38% of the total employees involved.

TRAINING	2015	2014	2013
<b>Group</b>			
Hours of training	652,400	609,233	638,042
<i>of which compulsory training<sup>1</sup></i>	<i>304,392</i>	<i>310,726</i>	<i>289,335</i>
Cost of training (million euro)	2.2	2.2	3.4
Employees involved	98%	98%	96%
Average hours of training per capita	38	35	37
Average satisfaction in hundreds (objective 69/100)	80	78	78
<b>Network Banks</b>			
Employees involved	99%	99%	97%
Average hours of training per capita	45	41	43

<sup>1</sup> Includes regulatory training on insurance required by IVASS (insurance authority).



TRAINING BY POSITION AND GENDER	2015			2014			2013		
	EMPLOYEES	HOURS	AVERAGE HOURS PER CAPITA	EMPLOYEES	HOURS	AVERAGE HOURS PER CAPITA	EMPLOYEES	HOURS	AVERAGE HOURS PER CAPITA
Senior managers	342	15,846	48	331	11,639	34	314	8,813	26
of which women	34	1,220	35	28	844	26	29	699	20
Middle managers	7,358	346,877	47	7,276	286,280	39	7,026	279,578	38
of which women	1,865	81,055	44	1,731	62,055	35	1,595	58,404	35
Professional areas	9,056	289,678	31	9,595	311,314	32	9,332	349,650	35
of which women	4,513	140,633	31	4,687	148,406	32	4,529	163,104	34
<b>TOTAL</b>	<b>16,756</b>	<b>652,401</b>	<b>38</b>	<b>17,202</b>	<b>609,233</b>	<b>35</b>	<b>16,672</b>	<b>638,040</b>	<b>37</b>
of which women	<b>6,412</b>	<b>222,908</b>	<b>35</b>	<b>6,446</b>	<b>211,305</b>	<b>33</b>	<b>6,153</b>	<b>222,207</b>	<b>34</b>



TRAINING BY SUBJECT AREA	2015			
	HOURS	PARTICIPANTS <sup>1</sup>		
		SENIOR MANAGERS	MIDDLE MANAGERS	PROFESSIO NAL AREAS
Insurance	210,029	13	3,320	3,494
Regulatory	82,074	222	5,881	7,329
Finance and MiFID	8,185	-	169	519
Behavioural/Managerial	101,858	303	6,323	7,365
Credit	66,644	71	4,511	3,103
Operational/IT/languages	38,143	151	1,872	1,642
Commercial <sup>2</sup>	133,178	257	6,202	7,194
Social responsibility and Code of Ethics	12,289	180	5,376	6,907
<b>TOTAL</b>	<b>652,400</b>	<b>342</b>	<b>7,358</b>	<b>9,056</b>

<sup>1</sup> Total participants is not the sum of the participants in each subject area, because a given employee may have attended more than one course in different subject areas.

<sup>2</sup> Commercial training includes "Onboarding for Sales Managers Fliale" programmes, wich address also MiFID and PCF issues for a total of about 2,700 hours.

DETAILS OF REGULATORY TRAINING <sup>1</sup>	2015			
	HOURS	PARTICIPANTS <sup>2</sup>		
		SENIOR MANAGERS	MIDDLE MANAGERS	PROFESS. AREAS
Administrative liability of entities (Legislative Decree No. 231/2001)	7,574	33	844	840
Transparency and usury	12,429	72	3,572	4,672
Safety (Legislative Decree No. 81/2008)	18,473	27	1,327	1,816
Privacy	5,962	67	2,153	2,849
Anti Money-Laundering	16,886	61	3,395	4,033
Other regulatory subjects	20,751	192	4,378	5,265
<b>TOTAL</b>	<b>82,074</b>	<b>222</b>	<b>5,881</b>	<b>7,329</b>

<sup>1</sup> Does not include regulatory training on the MiFID Directive, which is included in the "Finance and MiFID".

<sup>2</sup> Total participants is not the sum of the participants in each subject area, because a given employee may have attended more than one course in different subject areas.

## G4-LA10 Programmes for skills management and lifelong learning

The 2014 Professional Assessment process was concluded in 2015. It involved 92.6% of personnel and in addition to an overall assessment and detailed assessments for individually assessed items, it included an indication of management and development components in order to encourage customised career growth based on improvement areas, career ambitions and the potential of each person.

The assessment is based on role profiles that define both expected technical and specialist knowledge divided by area and across-the-board abilities with the relative expected score. Knowledge measurement initiatives were undertaken in 2015 for some account manager roles in the commercial distribution network. They were designed to detect gaps on which to design targeted training measures in order to fill them.

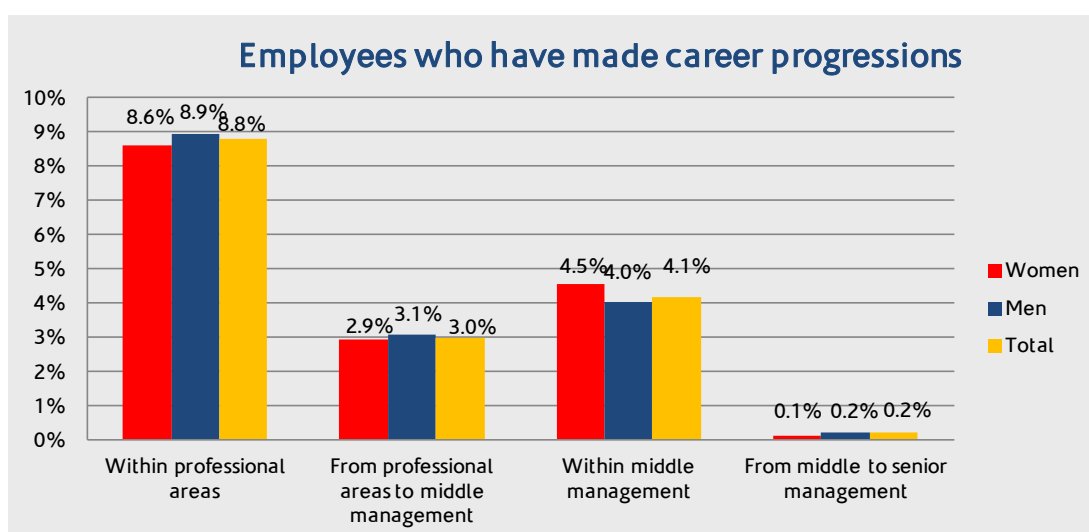
Refresher and change management courses were delivered consistent with the results of the assessment process, designed to support people in maintaining their professionalism constantly in line with the new expertise that is increasingly required in a constantly evolving environment, providing support to staff especially during the delicate times of role change. Additionally, mentoring initiatives were undertaken to facilitate the transfer of knowledge and experience from senior to junior staff in order to create a generation bridge that prevents the loss of human capital present in the Group, by making it available to new staff.

As part of differentiated human resource management, activities focusing on key resources also continued (this included ability assessment initiatives, in order to verify coverage of managerial roles, with feedback given to those concerned and the identification of specific development goals) as did the Talents Project started in 2014 with an intense job rotation and training programme (Group talents took part in training days on technical knowledge, they challenged each other in business cases and were involved in university masters courses co-designed in partnership with the MIP – Milan Polytechnic Business School).

## G4-LA11 Employees regularly receiving performance and career development reviews

PERFORMANCE ASSESSMENT <sup>1</sup>	2015				2014				2013			
	EMPLOYEES INVOLVED		PARTICIPANTS		EMPLOYEES INVOLVED		PARTICIPANTS		EMPLOYEES INVOLVED		PARTICIPANTS	
Senior managers	258	75.2%	257	99.6%								
<i>of which women</i>	24	75.0%	23	95.8%								
Middle managers	7,060	94.1%	7,059	100.0%	7,512	99.7%	7,257	96.6%	7,131	99.2%	6,850	96.1%
<i>of which women</i>	1,695	92.7%	1,694	99.9%	1,825	99.2%	1,729	94.7%	1,614	98.5%	1,521	94.2%
Professional areas	9,325	92.2%	9,324	100.0%	10,069	99.2%	9,296	92.3%	10,416	98.4%	9,967	95.7%
<i>of which women</i>	4,457	90.6%	4,457	100.0%	4,880	98.8%	4,416	90.5%	4,964	97.8%	4,711	94.9%
<b>TOTAL</b>	<b>16,643</b>	<b>92.6%</b>	<b>16,640</b>	<b>100.0%</b>	<b>17,581</b>	<b>99.4%</b>	<b>16,553</b>	<b>94.2%</b>	<b>17,547</b>	<b>98.8%</b>	<b>16,817</b>	<b>95.8%</b>
<i>of which women</i>	<b>6,176</b>	<b>91.1%</b>	<b>6,174</b>	<b>100.0%</b>	<b>6,705</b>	<b>98.9%</b>	<b>6,145</b>	<b>91.6%</b>	<b>6,578</b>	<b>98.0%</b>	<b>6,232</b>	<b>94.7%</b>

<sup>1</sup> The following are excluded from Professional Assessment: key personnel, new recruits, personnel who are on leave of absence, personnel employed in smaller companies of the Group and employees with foreign employment contracts.



CAREER PROGRESSIONS	2015		2014		2013	
	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN
Within professional areas	872	48.4%	1,023	46.7%	1,019	45.4%
From professional areas to middle	296	48.0%	316	41.1%	257	42.4%
Within middle management	310	27.7%	258	22.1%	203	27.6%
From middle to senior management	14	14%	10	0.0%	-	0.0%
<b>TOTAL</b>	<b>1,492</b>	<b>43.7%</b>	<b>1,607</b>	<b>41.4%</b>	<b>1,479</b>	<b>42.5%</b>

#### G4-EC3 Coverage of defined benefit plan obligations

Coverage for commitments resulting from internal funds, consisting of defined benefits and having the nature of items on companies' balance sheets, is performed by allocating amounts to the "provision for risks and charges: pension and similar obligations", which are subject to periodic actuarial measurement in compliance with IAS 19 "Employee benefits".

#### G4-EC5 Entry-level wage

AVERAGE SALARY, FIRST JOB (thousands of euro)	2015	2014	2013
Men	28.1	28.1	26.8
Women	27.9	28.4	26.5
Trade union minimum <sup>1</sup>	26.7	26.7	26.0

<sup>1</sup> The base salary set in the national labour contract for the 3rd level 2nd area.

#### G4-EC6 Appointments of local personnel

Appointments are concentrated in areas where the Group is located most and in Lombardy in particular [[G4-LA1](#)] with entry-level selection conducted by means of employer branding activities and collaborations with local universities and academic institutions. For the recruitment of professional roles and senior managers also, the candidates assessed are mainly resident in Lombardy where the concentration of premises and Group policy-making and control activities are concentrated. Seven new senior managers were recruited in 2015 on the outside market.

## Business lines with social and environmental aims

In order to achieve its business mission as a commercial bank at the service of local communities, it is essential for UBI Banca to consider the impacts of its activities on the social and environmental problems of the economic and social life of those communities. For the Bank this means that it must contribute, within the sphere of its responsibilities, to reduce unjustified inequalities, to develop cohesion and social capital and to prevent and reduce the negative environmental impacts of material and economic growth.

### Policies, products and services with social benefits

<p>Policies, commitments, resources and responsibilities</p>	<p>UBI Banca has identified a series of important social causes and specific expectations of stakeholder groups, especially with regard <b>to access to financial services by disadvantaged groups, to support for high social impact activities by nonprofit organisations</b> (known as the “third sector”) <b>and to caution towards sectors that are ethically controversial</b> because of the potential negative social impact.</p> <p>To provide adequate answers is a commitment that the Bank implements in practice mainly through its commercial and credit policies and through its range of commercial retail products and services.</p> <p>In consideration of the importance acquired by the third sector in meeting the needs of communities, especially for the delivery of welfare services to the disadvantaged, in 2011 UBI Banca created a special service model and range of services with its <b>UBI Comunità</b> brand.</p> <p>Specific guidelines have been adopted to manage business in two particularly critical sectors from an ethical viewpoint: those of armaments and gambling<sup>1</sup>.</p> <p>An <b>armaments policy</b><sup>2</sup> has been in force since 2007 which forbids all Group companies from holding relationships with companies involved in arms of mass destruction and other arms banned by movements or international treaties (termed “controversial” arms such as mines and cluster bombs) and it involves authorisation procedures for international arms trade transactions on the basis of the countries of origin or final destination.</p> <p>All countries, except those belonging to the European Union, NATO or the OECD, are periodically assessed on the basis of criteria which, in addition to EU sanctions and international embargoes on arms, consider involvement in armed conflicts and/or threats to safety, peace and international security, the violation of human rights perpetrated or tolerated by government authorities and the level of human development.</p> <p>The policy applies to all the Group’s activities, with the sole exception of asset management, where the investment decisions are made with reference to market benchmarks and therefore cannot be based on screening of specific issues.</p> <p>With regard to <b>business in the gambling sector</b>, the Parent has given instructions to the distribution network to limit this business to a totally marginal level and to employ an extremely rigorous conduct in assessing loan applications: parties</p>
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<sup>1</sup> The organisation of gaming and betting in those European countries which allow it is managed by central governments which sub-contract operations to private sector companies in return for the payment of license fees. In Italy, laws allow gaming and betting activities to be run by companies authorised by government, which intends in this manner to exercise stringent control over a highly profitable sector with a high risk of illegality.

<sup>2</sup> The policy has been approved by UBI Banca’s Management Board and Supervisory Board and it is available in the Corporate Social Responsibility Section of the Group’s corporate website [www.ubibanca.it](http://www.ubibanca.it).

	operating in this sector must not only meet appropriate credit rating criteria, but must also be already known to and approved of by the Bank and satisfy criteria of absolute integrity, seriousness and reliability.
Goals, actions and results	<p>UBI Banca has developed a specific range of products and services to respond to widespread social needs or to those that are particularly significant for some groups in society.</p> <p><b>Products and services for the disadvantaged</b></p> <p>In order to facilitate <b>access to financial services by the economically disadvantaged</b> as a necessary condition for their social inclusion, UBI Banca has adhered to initiatives originating from co-operation between the Ministry of the Economy and Finance (MEF), the Bank of Italy, the Italian Post Office and payment services associations for the provision of low-cost basic services: “Ordinary Basic Account”, free of charge/socially disadvantaged “Basic Account” and “Pensioners Basic Account”. In addition, in order to support <b>access to credit</b>, especially for home purchases, the Bank has created two products: the “<b>Flexible Mortgage</b>”, which allows repayment instalments to be deferred or repayments to be scheduled when determined extraordinary events occur, and “<b>Home Mortgages for Young Couples</b>”, designed also for those who do not have a permanent employment contract.</p> <p>Pawn credit is available for persons in the greatest difficulty. It is one of the most ancient forms of lending practiced by the “Monti di Pietà” banks created in the 15th Century by the Franciscans to combat usury, still today the last real resort in access to credit. This business is carried out in nine branches in the towns and cities of Milan, Pavia, Bergamo, Varese, Monza, Como, Brescia, Crema and Rome.</p> <p>Particular attention is paid to the <b>young</b>, with special <b>current accounts</b> for different age groups (“<b>Clubino</b>”, for children up to 12 with over 132 thousand accounts opened, 17 thousand of which in 2015; “<b>I WANT TUBI</b>” for children aged 13 to 18 with around 20 thousand accounts opened of which over 6,200 during the year, the new “<b>QUBI &lt;30</b>” for the under 30s, launched in December 2015) and subsidised loans for studies or for fostering new projects (“<b>Let’s given them a future</b>”, unsecured loans in co-operation with the Italian Banking Association and the Youth Department at the President of the Council of Ministers Office, and the personal loans entitled “<b>Small Expenses and Large Projects</b>”).</p> <p>In order to <b>encourage saving</b> among the less affluent in society above all, the Bank has created <b>fund-based savings plans</b>, with which even small sums can be put aside (almost 92,000 of these plans were opened during the year, up 13.4% on 2014).</p> <p><b>UBI Comunità for the nonprofit sector</b></p> <p>UBI Comunità <b>Social Bonds</b> are of particular importance in the Bank’s support for the <b>Third Sector</b>. They are bonds issued by UBI Banca Group banks which provide subscribers with a market yield, but where the issuing bank donates part of the funding acquired to support projects with substantial social value organised by nonprofit organisations [EC1], or diverts the funding into a loan pool used to finance nonprofit organisations. Social bonds have received important acknowledgements including the <b>National Prize for Innovation</b> in 2013 awarded by the President of the Italian Republic.</p> <p>Since 2015 the structuring of social bonds by the Parent also involves measurement of the social impact of the projects supported by using social return on investment (SROI) methods. This tool, which constitutes innovation at sector level, is of great value in terms of accountability to the customers who subscribe them and to the Group’s stakeholders in general and in the future it will allow the Group to direct its intervention to initiatives that have a greater impact on change.</p>

☞ [www.ubibanca.com/Social\\_bond](http://www.ubibanca.com/Social_bond)

Another new idea introduced in 2015 was the first Social Impact Project Finance initiative, which involves donation of part of the fees for structuring the operation to social initiatives promoted by the sponsors and also part of the spread on the achievement of predetermined social objectives. The first operation for over €8 million involved the refurbishment of a residential facility for the elderly, the "Istituto Buon Riposo" in Turin and the connected start-up Alice Project to increase assistance to the elderly in that facility or in their own homes. UBI Banca received the prize MF – Innovation Award 2015 for that operation.



☞ Reports and Accounts 2015 p. 56

### Involvement in controversial sectors

Again in 2015 lending to companies operating in controversial sectors (€139.7 million) remained totally marginal compared with the total volume of lending to businesses (0.24%).

As has always occurred, all bank transactions for international trade in arms were performed in compliance with Group policy with no exception made<sup>3</sup>. We report the following for 2015:

- 123 transactions for exports of armaments materials in accordance with Law No. 185/1990, amounting to €55.4 million (86.7% to EU, Nato or OECD countries); two transactions for €3.1 million not accepted because destined to India, a country not admitted by the policy;
- 85 transactions for exports of light arms, amounting to €4.2 million (97.5% to EU, Nato or OECD countries); two transactions for almost €66 thousand not accepted because destined to countries not admitted by the policy (Peru and Brazil).

A more detailed report on the business in question is published in the Social Responsibility Section of the Group's corporate website.

Indicators	UBI-5, G4-HR1, G4-FS7
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## Policies, products and services with environmental aims

Policies, commitments, resources and responsibilities	<p>As part of its Environmental Policy the Group is also committed to the provision of banking, financial and risk management products and services designed to support customers to manage their activities in a sustainable manner (e.g. by using renewable energies, improving the energy efficiency of their homes, increasing the efficiency of production processes).</p> <p>The role of the <b>Project and Real Estate Finance Unit</b> introduced as part of Private and Corporate Banking Units in the commercial area is of particular importance in this respect.</p>
Goals, actions and results	<p>For some years now the Group has provided a series of specific financing products for household and business investments for the use of renewable energies and energy savings as follows:</p> <ul style="list-style-type: none"> <li>• for individuals, the "<b>Forza Sole</b>" (Sun Strength) products to finance domestic photovoltaic systems and the "<b>Creditoplà Home Refurbishment</b>" products to refurbish buildings and for energy savings upgrades, making use also of tax incentives;</li> </ul>

<sup>3</sup> In 2015 a transaction for €105 thousand was ratified relating to the export of light arms mistakenly accepted to Brazil.

- for businesses, **New Energy Photovoltaic** products, for the installation of photovoltaic panels, **Renewable Energies** products for wind, biogas and biomass powered plants to generate electricity and/or heat and **"Full Power"** leasing for investments in renewable energies.

In recent years recourse to **project finance** as a means of financing investments has increased.

Again in 2015 the process to restructure the renewable energy sector has continued, with the unification of many projects under national and international investors and with the consequent optimisation of the financial structures. At the end of the year, UBI Banca had a portfolio of renewable energy operations amounting to over €2 billion, accounting for 3.3% of total financing disbursed (36 operations concluded during the year for a total amount disbursed of €163.8 million). It is estimated that the power output financed by UBI Banca amounts to over 1 million MWh of electricity per year, equal to the electricity requirement for over 380 thousand households (almost as big as the city Turin) with savings on emissions of almost 352 thousand tons of CO2 and over 353 thousand tons of CO2 equivalents.

Important operations were carried out in 2015 in the sphere of high social-environmental value infrastructure financing with companies that provide a series of water services (e.g. aqueducts, sewers, purification) as follows:

- the refinancing of the investments (with an increase in the credit lines and lengthening of their life) of Acqua Novara VCO SpA which provides water services for 139 municipalities to satisfy the requirements of approximately 450 thousand inhabitants;
- a loan, as part of a club deal, to Acquedotto del Fiora SpA which provides integrated water services for 56 municipalities in the provinces of Siena and Grosseto for a total of approximately 380 thousand inhabitants.

Designed to also promote eco-compatible innovation in production processes in the food and agricultural sector, in 2015 UBI Banca launched the competition **"Cultivate the right idea"** in co-operation with Make a Change and with the backing of the Ministry of Agricultural, Food and Forestry Policies, Confcooperative, Touring Club Italiano, AcliTerra, ManagerItalia and CGM. The competition aroused great interest with almost 180 projects entered.



☞ [Reports and Accounts 2015 p. 57](#)

Indicators	G4-FS8, G4-SO1
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### Access to financial services by disadvantaged persons

Policies, commitments, resources and responsibilities	The Group is committed to promoting access to financial services by disadvantaged persons on the basis of their requirements, both with regard to <b>physical disabilities</b> – and therefore the ability to access branches and offices autonomously – and also with respect to <b>sensorial disabilities</b> and that is the use of telephone and digital banking services.
Goals, actions and results.	With account taken also of existing regulations on the elimination of architectural barriers, each year action is taken to upgrade and improve facilities in Group buildings and branches.  Some of the main instruments and apps on direct channels are adapted for use by partially and/or non-sighted persons.
Indicators	G4-FS14



## Socially responsible investments

<p>Policies, commitments, resources and responsibilities</p>	<p><i>Asset management</i> business is managed entirely by UBI Pramerica, with a range of products which, with a variety of solutions and diversification of risk, is designed to satisfy all savings and investment requirements.</p> <p>UBI Pramerica has created a range of funds for clients who are sensitive to sustainability and social responsibility issues. These funds invest in companies chosen from an investable universe selected by E-Capital Partners, (a leading independent, ethical finance consulting firm) on the basis of the following criteria:</p> <ul style="list-style-type: none"> <li>• companies involved in the following are excluded: the production and/or trade in arms, pornographic material, contraceptives, alcohol, tobacco and other products harmful to health; the promotion and practice of gambling; the construction of plants for the production of nuclear energy; research, development or production of GMOs;</li> <li>• the inclusion of companies that achieve important social and environmental performance, that demonstrate attention to sustainable development and respect for human rights and that adopt clear and transparent governance.</li> </ul> <p>Should circumstances change or news be received that leads to a change in the rating of an issuer made by the advisor E. Capital Partners, UBI Pramerica shall take steps to dispose of the relative financial instruments as quickly as possible, with account taken of the interests of the participants.</p> 
<p>Goals, actions and results.</p>	<p>In the 2015 UBI Pramerica broadened its range of funds managed according to ethical, social and environmental criteria by adding a new fund entitled <b>UBI Pramerica Obbligazionario Euro Corporate Etico</b> (launched in March 2015) and the <b>Sicav Social 4 Future</b> (launched in December 2015).</p> <p>The <b>Social 4 Future Sicav</b> invests its bond component in financial instruments issued by companies that stand out for their important social and environmental performance and its equity component in the 100 top companies in the world that, again in observance of the criteria of high ethical and social responsibility standards, play a key role in managing the global challenges of emerging markets, population trends, scarce resources and climate change.</p> <p>As with social bonds, the issue is linked to a specific social project of a nonprofit organisation. In this case 4% of the entrance and management commissions for this Sicav are donated to UNICEF for the project Youth &amp; Innovation Lebanon. The goal of the project is to provide, by the end of 2016, hundreds of highly vulnerable Syrian, Palestinian and Lebanese adolescents present in Lebanon with an alternative and innovative learning programme to give them a better chance to integrate into society and find a job.</p> <p>The ethical funds also donate 5% of the management fees and commissions to institutions or associations that pursue beneficial initiatives.</p>
<p>Indicators</p>	<p>UBI-6</p>

## Indicators

### UBI-5

### Involvement in controversial sectors

CONTROVERSIAL SECTORS	2015		2014		2013	
	Lending (millions of Euro)	Percentage of total loans	Lending (millions of Euro)	Percentage of total loans	Lending (millions of Euro)	Percentage of total loans
Arms and weapons system	48.1	0.08%	30.0	0.05%	34.5	0.06%
Tobacco	47.9	0.08%	45.4	0.08%	48.4	0.08%
Alcohol	28.5	0.05%	17.8	0.03%	27.0	0.04%
Furs	5.9	0.01%	5.0	0.01%	5.5	0.01%
Gambling	9.3	0.02%	12.0	0.02%	20.9	0.03%
Nuclear	0	0.00%	0	0.00%	0	0.00%
<b>TOTAL</b>	<b>139.7</b>	<b>0.24%</b>	<b>110.2</b>	<b>0.19%</b>	<b>136.3</b>	<b>0.22%</b>

TRANSACTION PERFORMED FOR EXPORTS OF ARMS AND ARMAMENTS SYSTEMS <sup>1</sup>	2015		2014		2013	
	Amount of transactions (millions of euro)	Percentage of total transactions	Amount of transactions (millions of euro)	Percentage of total transactions	Amount of transactions (millions of euro)	Percentage of total transactions
Military arms and munitions <sup>2</sup>	0.4	0.68%	0.7	1.06%	0.3	0.80%
Military aircraft and other craft <sup>2</sup>	33.1	55.60%	65.4	93.17%	17.2	46.50%
Unarmed military aircraft and other craft <sup>2</sup>	12.1	20.30%	0.1	0.13%	2.7	7.36%
Military systems and equipment <sup>2</sup>	9.8	16.38%	0.1	0.09%	7.7	20.85%
Arms and munitions for civilian use <sup>3</sup>	4.2	7.05%	3.9	5.55%	9.1	24.49%
<b>TOTAL</b>	<b>59.6</b>	<b>100.00%</b>	<b>70.1</b>	<b>100.00%</b>	<b>37.0</b>	<b>100.00%</b>

<sup>1</sup> The following transactions do not fall within the scope of the Group policy on arms and are therefore excluded from the report :

- arms for sports and hunting and the relative ammunition, reproductions of antique of arms (Art. 1, paragraph 11, Law No. 185/1990)
- transactions performed on behalf of the government (Art. 8 Law No. 185/1990) or within the framework of joint intergovernmental programmes (Art. 13 paragraph 1, Law No. 185/1990).

<sup>2</sup> Arms which, because of their specifications or technical and construction characteristics, are to be considered as having been constructed mainly for military use or by armed corps or police (Art. 2 of Law No. 185/1990)

<sup>3</sup> Ordinary firearms and munitions pursuant to Art. 2 of Law No. 110 of 18th April 1975 and short firearms provided they are not automatic (Art. 1 paragraph 11 of Law No. 185 /1990), commonly known as "light" arms.

The Group has a commercial offer for the sale of diamonds as an investment instrument for customers. In this context, as with business in the armaments sector, it is important to consider the potential for being involved in activities which could present a risk for the violation of human rights. Action was therefore taken to ascertain that all the diamonds, sourced through the company Diamond Love Bond<sup>4</sup>, are certified "conflict-free" (they do not come from conflict zones or from transactions for the finance of armed groups and conflicts) and they are guaranteed "child labour free" (they are not the result of mining and processing that uses child labour). In 2015 1,888 diamonds were sold for a value of approximately €17.6 million.

<sup>4</sup> Diamond Love Bond is a diamond company located in Antwerp and authorised by the Belgian Ministry of the Economy, Commerce and Energy. It has an international organisational network and it is present on all world diamond exchanges. The company adopts rigorous ethical principles. It follows and supports the UN Global Compact principles and adheres to the rules of conduct for Diamond companies (best practices recommended by the World Diamond Council System of Warranties and the Diamond Trading Company) and it adheres to and complies with the Kimberley Protocol designed to break the link between illegal diamond transactions and armed conflicts.

## G4-FS7 Products and services with social benefits

LOANS TO HOUSEHOLDS	2015				2014	
	Operations of the year		Total outstanding		Operations of the year	
	Number	Disbursed (millions of euro)	Number	Remaining debt (millions of euro)	Number	Disbursed (millions of euro)
Home mortgages	18,507	1,950.1	231,316	18,897.9	14,487	1,512.4
<i>"Ordinary" mortgages</i>	17,011	1,786.3	228,209	18,543.4	13,237	1,359.4
<i>Mortgages for young couples and "atypical" workers<sup>1</sup></i>	1,496	163.8	3,107	354.5	1,250	153.0
Solidarity credit	53	4.3	74	6.3	108	2.6
<i>ABI/CEI "loan of hope" for needy households<sup>2</sup></i>	-	-	-	-	82	0.5
<i>Loans for natural disasters (real estate/unsecured)</i>	53	4.3	74	6.3	26	2.1
Support for studies	98	0.5	232	1.6	98	0.5
<i>ABI/PCDM "Give them a future"</i>	98	0.5	232	1.6	98	0.5
Anti-usury	16,592	18.8	31,213	32.4	33,753	31.9
<i>Pawn credit</i>	16,592	18.8	31,213	32.4	33,753	31.9
<b>TOTAL</b>	<b>35,250</b>	<b>1,973.7</b>	<b>262,835</b>	<b>18,938.2</b>	<b>48,446</b>	<b>1,547.4</b>

<sup>1</sup> Advertising campaigns "Love is a wonderful home" and "Flexible mortgage: the mortgage you can put on pause".

<sup>2</sup> Initiative inactive in 2015.

LOANS TO SMALL MEDIUM ENTERPRISES	2015				2014	
	Operations of the year		Total outstanding		Operations of the year	
	Number of loans	Disbursed (millions of euro)	Number of loans	Remaining debt (millions of euro)	Number of loans	Disbursed (millions of euro)
2015 Credit Accord	402	17.7	3,356	133.9	2,836	148.3
<i>Italy Investment Projects - CDP and developing businesses</i>	395	17.2	3,349	133.4	2,043	113.3
<i>Public Administration (PA) Credit - ABI and Businesses and PA</i>	7	0.5	7	0.5	793	35.0
Subsidised public sector funding	16,936	4,849.5	28,952	6,209.9	4,598	1,610.0
<i>European Central Bank TLTROs</i>	15,817	4,479.0	17,604	4,635.7	3,300	1,170.0
<i>European Investment Bank</i>	772	340.7	1,957	1,283.8	684	378.0
<i>Jobs for Youth - EIB</i>	11	17.3	26	29.4	16	22.0
<i>Cassa Deposito e Prestiti (CDP - state controlled fund and deposit institution)</i>	336	12.5	9,365	261.1	598	40.0
Guarantee bodies and guarantee funds	16,595	1,435.8	57,046	3,531.5	17,381	1,369.0
<i>Loans backed by guarantee funds</i>	11,047	855.3	43,061	2,328.2	12,475	771.0
<i>SME guarantee fund - Law No.662</i>	5,278	574.6	12,650	1,178.6	4,656	592.0
<i>Anti-usury credit lines</i>	270	6.0	1,335	24.7	250	6.0
Group initiatives	206	5.8	1,093	25.8	571	85.7
<i>SME development</i>	96	3.1	469	14.7	258	12.9
<i>Start-ups</i>	110	2.8	624	11.1	313	8.1
Natural disasters	13	1.0	15	1.6	12	1.6
<i>ABI/CDP reconstruction agreement</i>	13	1.0	15	1.6	3	0.7
Female entrepreneurship	26	1.1	30	1.1		
<i>Invest in women</i>	13	0.5	16	0.5		
<i>Women in start-ups</i>	13	0.7	14	0.6		
<b>TOTAL</b>	<b>34,178</b>	<b>6,310.9</b>	<b>90,492</b>	<b>9,903.8</b>	<b>25,398</b>	<b>3,214.6</b>

The average volume of lending for pawn credit in 2015 was over €32 million, up 3% on 2014, with approximately 31,500 open policies. The average size of the loans was approximately €1,040, up 7% on 2014.

## G4-FS8 Products and services with specific environmental benefit

PROJECT FINANCE OPERATIONS IN PORTFOLIO FOR RENEWABLE ENERGIES AND THE ENVIRONMENT	2015			2014			2013		
	NO.	POWER INSTALLED (MW)	POWER FINANCED (MW)	NO.	POWER INSTALLED (MW)	POWER FINANCED (MW)	NO.	POWER INSTALLED (MW)	POWER FINANCED (MW)
Energy	130	2,238	668	120	2,310	647	112	2,227	632
of which:									
<i>wind farms</i>	20	1,653	243	19	1,622	232	19	1,622	231
<i>photovoltaic plants</i>	98	536	400	92	553	371	84	467	354
<i>other renewable energy</i>	12	49	25	9	135	44	9	138	47
Environment	7			5			5		
of which:									
<i>waste treatment plants</i>	3			3			3		
<i>water supplies and treatment plants</i>	3			2			2		
<i>district heating systems</i>	1			0			0		
<b>TOTAL</b>	<b>137</b>	<b>2,238</b>	<b>668</b>	<b>125</b>	<b>2,310</b>	<b>647</b>	<b>117</b>	<b>2,227</b>	<b>632</b>

PRODOTTI CON FINALITA' AMBIENTALI	2015			2014		
	Operazioni		Stock	Operazioni		Stock
	Numero	Erogato (mln euro)	Debito residuo (mln euro)	Numero	Erogato (mln euro)	Debito residuo (mln euro)
<b>PRIVATI</b>						
Energie rinnovabili						
Forza Sole	7	0.08	2.7	32	0.43	3.5
Ristrutturazione e riqualificazione energetica delle abitazioni						
Creditoplà Ristrutturazione Casa	4,564	89.3	107.9	n.d.	n.d.	n.d.
<b>IMPRESE</b>						
Energie rinnovabili						
Nuova Energia Fotovoltaico	13	9.0	263.3	37	31.5	298.0
Energie rinnovabili	4	4.9	6.9	0	0	3.0
Full Power	2	3.0	595.2	3	3.9	629.6
<b>TOTALE</b>	<b>4,590</b>	<b>106.2</b>	<b>976.0</b>	<b>n.d.</b>	<b>n.d.</b>	<b>n.d.</b>
<b>DI CUI: ENERGIE RINNOVABILI</b>	<b>26</b>	<b>16.9</b>	<b>868.1</b>	<b>72</b>	<b>35.9</b>	<b>934.1</b>

PROJECT FINANCE ACTIVITIES FOR RENEWABLE ENERGY AND THE ENVIRONMENT	2015	2014	2013
<b>Financing granted during the year</b>			
Numbers of contracts	12	7	6
<i>of which for renewable energy</i>	10	6	6
Amount authorised (€ milion)	234	144	41
<i>of which for renewable energy</i>	186	134	41
Amount disbursed (€ milion)	193	107	36
<i>of which for renewable energy</i>	147	103	36
<b>Financing outstanding at the end of the year</b>			
Numbers of contracts	137	127	118
<i>of which for renewable energy</i>	130	120	112
Amount authorised (€ milion)	1,438	1,405	1,305
<i>of which for renewable energy</i>	1,361	1,330	1,263
Amount disbursed (€ milion)	1,221	1,195	1,162
<i>of which for renewable energy</i>	1,154	1,140	1,112

#### G4-FS14 Initiatives to improve access to financial services for disadvantaged people

In 2015, seven new ramps, four stair lifts/elevators and nine conveniences were installed at Group buildings and branches.

The IT platforms for the internet banking services Qui UBI and Qui UBI Affari comply with the main navigation requirements for partially sighted persons (e.g. through pages with strong colour contrast and alternative texts to accompany images) and 1,069 ATMs exist (49.7% of the total) for use by partially or non-sighted persons.

**UBI-6 Socially responsible investments**

<b>UBI PRAMERICA AZIONARIO ETICO</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Assets under management (million of euro)	19.40	15.15	13.70
<i>as a percentage of the total assets under management in funds</i>	<i>0.13%</i>	<i>0.11%</i>	<i>0.13%</i>
<i>as a percentage of the total assets under management</i>	<i>0.04%</i>	<i>0.04%</i>	<i>0.05%</i>

<b>UBI PRAMERICA OBBLIGAZIONARIO EURO CORPORATE ETICO</b>	<b>2015</b>
Assets under management (million of euro)	38.44
<i>as a percentage of the total assets under management in funds</i>	<i>0.25%</i>
<i>as a percentage of the total assets under management</i>	<i>0.08%</i>

<b>ETHICAL FUNDS</b>	<b>2015</b>
Assets under management (million of euro)	57.84
<i>as a percentage of the total assets under management in funds</i>	<i>0.38%</i>
<i>as a percentage of the total assets under management</i>	<i>0.12%</i>

The Social 4 Future Sicav was launched at the end of 2015 and consequently there is no significant data to report.

## Reduction in direct environmental impacts

The UBI Banca Group recognises that in the pursuit of its mission to create value for all its stakeholders it cannot ignore the issue of sustainability including that of the environmental sustainability of its activities, because a commitment to the environment not only helps to fight climate change and respect for the rights of all to good health and to a natural environment as unharmed as possible, but it also helps to contain operating costs through action designed to reduce consumption.

For the Bank, pursuit of environmental sustainability in its activities means above all the use of products and services with a low environmental impact, the reduction of waste and the proper disposal of it, the use of renewable energy sources and/or low level emissions and containment of personal mobility.

### Materials used and waste products

Policies, commitments, resources and responsibilities	The <b>Purchasing Department of UBI Sistemi e Servizi</b> manages the purchasing cycle for Group companies [🔗 G4-12] in compliance with Environmental Policy.
Goals, actions and results	<p>The main raw materials used are <b>paper</b> and <b>toner</b> for printouts for internal use and also those for customers.</p> <p>The Group is continuing with its commitment to reduce paper and toner consumption by means of the following:</p> <ul style="list-style-type: none"> <li>• remote monitoring of printers and setting printers for “both sides” printing;</li> <li>• the “dematerialisation” of documents with <b>signatures on tablets</b> at cash desks;</li> <li>• the development and spread of “<b>Digital Bank</b>” consultation and payment services.</li> </ul> <p>A training course was organised in February 2015 on “<i>green procurement</i>” for purchasing staff (buyers) designed to reduce environmental impacts also through the procurement of materials with a more eco-compatible life cycle.</p> <p>It is planned to produce guidelines in 2016 to increase purchases of paper with a reduced environmental impact.</p> <p>A substantial reduction in paper and toner consumption is expected over the next three-year period thanks to investments made to “dematerialise” documents (with the extension of signatures on tablets for branch transactions to include contract documentation) and to develop the Digital Bank (with increasing electronic transmission of most of the QUI UBI internet services documentation, services that now have almost 1.1 million subscribers – 15.8% up on 2014 – with approximately 1.6 million accounts).</p>
Indicators	G4-EN1, G4-EN2, G4-EN4, G4-EN17, G4-EN23, G4-EN25

### Energy consumption and emissions

Policies, commitments, resources and responsibilities	<p>UBI Banca is a multi-site concern which operates in properties generally classifiable as for service use and it is subject to specific regulations on energy and energy efficiency as follows:</p> <ul style="list-style-type: none"> <li>• Law No. 10/191 “regulations to implement the national energy plan on the rational use of energy and energy savings and the development of renewable</li> </ul>
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	<p>sources of energy” and the relative Presidential Decree No. 412/93 “Regulations containing rules for the design, installation, running and maintenance of heating systems in buildings for the purposes of reducing energy consumption in implementation of Art. 4, paragraph 4 of Law No. 10 of 9th January 1991”;</p> <ul style="list-style-type: none"> <li>• Directive No. 2002/91/EC “On the energy performance of buildings”, and the relative decree to implement it, Legislative Decree No. 192/2005 and subsequent amendments, Legislative Decree No. 311/2006;</li> <li>• Legislative Decree No. 102/2014 “Implementation of Directive No. 2012/27/EU on energy efficiency”.</li> </ul> <p>The Energy Manager and the relative operational <b>Energy Management Unit</b> at UBI Sistemi e Servizi, which is allocated a specific budget, is responsible for the management of energy consumption for the whole Group. The <b>Energy Manager</b> is responsible for analysing the energy requirement, for drawing up policies and actions to optimise consumption (including action to improve the energy efficiency of buildings and systems) and for monitoring their application and the results achieved.</p> <p>Monitoring of consumption takes place through the annual reporting cycles of the Sustainability Report and the <b>Carbon Disclosure Project (CDP)</b> – the data from which are subject to independent audit by the auditing firm Deloitte &amp; Touche S.p.A. – and monthly <b>consumption progress charts</b> drawn up for the UBISS Real Estate Department (a summary for electricity consumption only is submitted to the UBISS Management Committee).</p>
Goals, actions and results	<p>In order to reduce energy consumption internally the Group has adopted a <b>more eco-compatible design model</b> for the construction and refurbishment of offices and branches. The model is constantly updated to keep abreast of technological innovation available on the market and it involves an energy section with three lines of intervention: electricity and lighting, systems and machinery and architecture and structure. During 2015:</p> <ul style="list-style-type: none"> <li>• in compliance with the energy section of the model for the eco-compatibility of buildings, 48 operations were carried out to refurbish branches;</li> <li>• as part of an evolved programme for the maintenance of mechanical systems, 23 central heating systems were upgraded and 71 other systems, including refrigerator units and heat pumps, were replaced;</li> <li>• operations were carried out identified by energy diagnoses carried out in previous years on the most energy hungry sites. More specifically work was carried out on UBI Sistemi e Servizi’s premises at Brescia to increase the efficiency of the heating and air conditioning system and of the lighting systems in offices;</li> <li>• a study was carried out on the 17 highest energy consuming branches in order to identify possible areas for improvement and, in order to implement Legislative Decree No. 102/2014, 11 energy diagnoses were carried out which led to the identification of a series of measures to be undertaken to reduce energy consumption, which included replacing conventional lighting systems with LED systems and installing continuous <i>smart metering</i> monitoring systems;</li> <li>• collaboration continued with the Polytechnic of Milan for the Brescia data processing centre, where a project was launched to modernise and increase the efficiency of the air conditioning and the business continuity systems.</li> </ul> <p>A series of initiatives have also been launched to inform and train staff on the importance of energy savings and the rational use of energy as follows:</p> <ul style="list-style-type: none"> <li>• the online course entitled Energy-Saving – Knowledgeable awareness, was followed by 12,458 employees who rated it the best remote training course in 2015 and previous years;</li> <li>• two videos published on the UBI Life corporate intranet as part of the internal</li> </ul>



	<p>communication plan campaigns “Se io ci tengo...le so tutte” (“If I really want to, I’ll know it all”) and UBI Cafè;</p> <ul style="list-style-type: none"> <li>• participation in “M’illumino di meno” (I use less light), an educational campaign for the rationalisation of energy consumption, drawn up by Caterpillar (a historical radio programme broadcast by the Italian state broadcaster, RAI), with the sponsorship of the European Parliament and the Presidency of the Italian Republic and support from the Senate and Chamber of Deputies. UBI Banca participated by symbolically switching off the neon signs of the main headquarters of Group banks and companies, communicated to staff on the UBI Life intranet portal together with a dedicated news campaign linked to an Energy Vademecum, a document which illustrates 15 simple ways of saving energy and safeguarding the environment both in the office and at home.</li> </ul> <p>As part of the periodic renewal of IT equipment, 2,146 desktops with monitors, 385 notebooks and 628 monitors with Energy Star certification were purchased.</p> <p>Initiatives were undertaken with the company car fleet to reduce the number of vehicles in circulation and to renew the fleet with vehicles with lower consumption and emissions. The action undertaken had the effect of reducing consumption by around 24% over three years.</p> <p>Overall energy consumption within the organisation in 2015 was 559,140 GJ, down 4.4% on the previous year and 16.4% over three years. The results achieved in terms of reducing energy consumption were in line with those expected and therefore there was no need to identify and apply corrective action. The goal for the next three years is a further 5% reduction in electricity consumption by UBI Banca, UBI Sistemi e Servizi and the Network Banks.</p> <p>Total CO<sub>2</sub> equivalent emissions (scope 1 and 2) were 10,444 tons (down 9.7% on 2014 and down 51.7% over three years). Again in 2015 GO certificates (guarantee of origin for energy produced from renewable sources) were purchased to cover 99.4% of the electricity purchased. For the remaining 0.6% it was not possible to purchase GO certificates because the electricity was produced by small suppliers who do not provide this service.</p>
Indicators	G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21

## Sustainable mobility

Policies, commitments, resources and responsibilities	<p>The Group has a number of large business centres (the headquarters of the Parent, UBI Sistemi e Servizi, the Network Banks and the Product Companies) on which problems of sustainable mobility and initiatives to solve them are concentrated. Geographical mobility, considered as working in a different province to that in which a person is resident, affects 20% of employees.</p> <p>In order to manage the question of corporate mobility – to-and-from work journeys and business travel – in the direction of increasing sustainability, the role of <b>Mobility Manager</b> was created in the Human Resources Area of the Parent.</p>
Goals, actions and results	<p>On the question of to-and-from work mobility, for some years now <b>sheltered parking areas</b> have been provided <b>for bicycles</b> in some of the main headquarters and a <b>coach shuttle service</b> runs between Bergamo, Varese, Brescia and Milan (and actually within the city for the latter). The shuttle coaches transported an average of 400 passengers per day in 2015 which prevented 1,000 tons of CO<sub>2</sub> emissions compared with the use of cars.</p> <p>A <b>smart working</b> pilot project was introduced in 2015 which, by allowing employees</p>

	<p>to work in their own homes or at Group premises closer to their homes, facilitates not only reconciliation of private and working life, but also helps to reduce to-and-from work travel.</p> <p>In 2012 the Group adopted a specific policy document for business travel, which gives priority, where possible, to the use of public and/or collective means of transport. A substantial contribution is made to the reduction of business travel and the related greenhouse gas and polluting emissions caused by transport by the use of video conferences. In 2015 26,268 video conferences were held (up 10% on 2014) for a total duration of almost 45,435.</p>
Indicators	G4-EN4, G4-EN17, G4-EN19

## Indicators

### G4-EN1 Materials used

	Data in Kg	2015	2014	2013
Paper purchased <sup>1</sup>		2,600,194	2,244,779	2,167,367
<i>of which:</i>	<i>outsourcer</i> <sup>2</sup>	729,709	<i>n.d.</i>	<i>n.d.</i>
	Origin of the fibres			
	FSC	60%	71%	76%
	Ecological bleaching methods			
	ECF	89%	86%	100%
	Ecological brands			
	Ecolabel	79%	71%	79%
Toner		38,143	38,175	39,862
<i>of which:</i>	<i>outsourcer</i> <sup>3</sup>	38,143	38,175	39,862

<sup>1</sup> Consumption in 2015 is not comparable with that of previous years due to the enlargement of the reporting scope to include new types of consumption (e.g. unstamped paper, diaries, calendars) and additional outside printing firms.

<sup>2</sup> Paper used by outside printing firms to send periodic reports (e.g. bank statements) and publicity.

<sup>3</sup> Toner purchased and used by outside companies that operate printing equipment.

### G4-EN2 Recycled raw materials

To date the Group has introduced no specific guidelines for the purchase of products produced using recycled materials.

### G4-EN3 Energy consumption within the organisation

#### Calculation method

Data calculated on the basis of final figures by source of energy provided by the SAP corporate accounting system. Average prices given in the invoices available or recommended by Italian Banking Association guidelines were used to calculate the quantities of fuel. The consumption included in condominium expenses not reported in the table above are estimated as 70% of the condominium expenses themselves which were: approximately €7.17 million for 2015, €7.09 million for 2014 and €5.56 million for 2013.

COEFFICIENTS	Source		
<b>Heating</b>			
Natural gas	Italian Banking Association Guidelines	0.03428	GJ/Mc
Gasoil (density 0,84 Kg/L)	Italian Banking Association Guidelines	42.88	GJ/Ton
LPG (density 0,54 Kg/L)	Italian Banking Association Guidelines	46.1	GJ/Ton
<b>District Heating</b>	Italian Banking Association Guidelines	0.0036	GJ/KWh
<b>Electricity</b>			
Purchased	Italian Banking Association Guidelines	0.0036	GJ/KWh
Photovoltaic	Italian Banking Association Guidelines	0.0036	GJ/KWh
<b>Transport</b>			
Petrol (density 0,74 Kg/L)	Italian Banking Association Guidelines	42.82	GJ/Ton
Gasoil (density 0,84 Kg/L)	Italian Banking Association Guidelines	42.78	GJ/Ton
LPG (density 0,54 Kg/L)	Italian Banking Association Guidelines	46.10	GJ/Ton

			2015	2014	2013
Heating	GJ		131,781	140,524	190,339
<i>of which:</i>		<i>natural gas</i>	<i>118,247</i>	<i>123,678</i>	<i>168,531</i>
		<i>gas oil</i>	<i>13,070</i>	<i>16,402</i>	<i>21,343</i>
		<i>LPG</i>	<i>464</i>	<i>444</i>	<i>465</i>
Distric heating	GJ		27,010	30,728	38,000
	KWh		7,502,901	8,535,500	10,555,556
Electricity	GJ		367,225	372,011	396,915
	KWh		102,007,105	103,336,341	110,254,158
	%	from renewable sources	99.4%	99.6%	84.2%
<i>of which:</i>		<i>purchased</i>	<i>366,445</i>	<i>371,248</i>	<i>396,114</i>
	KWh		<i>101,790,381</i>	<i>103,124,312</i>	<i>110,031,694</i>
	%	from renewable sources	99.4%	99.6%	84.2%
	GJ	Self-produced electricity	780	763	801
	KWh		216,724	212,029	222,464
	%	from renewable sources	100%	100%	100%
Fuel car fleet	GJ		33,123	41,734	43,410
<i>of which:</i>		<i>petrol</i>	<i>765</i>	<i>1,385</i>	<i>1,173</i>
		<i>gas oil</i>	<i>32,230</i>	<i>40,204</i>	<i>41,875</i>
		<i>LPG</i>	<i>128</i>	<i>145</i>	<i>362</i>
<b>TOTAL</b>	<b>GJ</b>		<b>559,140</b>	<b>584,997</b>	<b>668,664</b>
<b>OF WHICH:</b>	<b>GJ</b>	<b>NON-RENEWABLE FUELS</b>	<b>164,905</b>	<b>182,258</b>	<b>233,749</b>
	<b>GJ</b>	<b>ELECTRICITY AND DISTRIC HEATING</b>	<b>394,235</b>	<b>402,739</b>	<b>434,915</b>
	<b>KWh</b>		<b>109,510,006</b>	<b>111,871,841</b>	<b>120,809,714</b>
	<b>GJ</b>	<b>FROM RENEWABLE SOURCES</b>	<b>365,027</b>	<b>370,526</b>	<b>334,210</b>
	<b>%</b>	<b>OF TOTAL</b>	<b>65.3%</b>	<b>63.3%</b>	<b>50.0%</b>

## G4-EN4 Energy consumption outside the organisation

### Calculation method

**Paper** : consumption is multiplied by the underlying CEPI coefficient which refers to energy consumed for the production of pulp, paper and cardboard in firms/paper mills. The Confederation of European Paper Industries (CEPI) is a nonprofit organisation which represents approximately 515 companies that produce pulp, paper and cardboard and 950 paper mills for an overall total that accounts for approximately 23% of world production.

**Business travel** : energy consumption by the company car fleet already reported under indicator EN3 is excluded. The kilometres travelled by air were retrieved from the IATA certified management app provided by the travel agency. The International Air Transport Association (IATA) is a trade association to which airlines from all over the world belong and it represents approximately 260 airlines (83% of total air traffic). On the basis of the method provided by the Italian Banking Association, the kilometres travelled for domestic, international and intercontinental trips were multiplied by the respective coefficients calculated as the weighted average of the main routes (number of trips and distances). The kilometres travelled by high-speed train and other types of train were retrieved from the management app provided by the travel agency. On the basis of the method provided by the Italian Banking Association, the kilometres travelled by train were multiplied by the respective coefficients calculated as the weighted average of the main routes (number of trips and distances) using the app Ecopassenger. For business travel using personal cars, the CO2 emissions (see EN17) were divided by the following "ISPRA - Database of average road transport emission factors in Italy" coefficients: 3.123367 tons CO2/tons petrol and 2.980699 tons CO2/tons gas oil. The tons of fuel of obtained were multiplied by the underlying coefficients.

**Shuttle coach** : the tons of gas oil were multiplied by the underlying coefficient.

COEFFICIENTS	Source/Methodology		
<b>Paper</b>	CEPI	13.02	GJ/Ton
<b>Personal vehicles</b>			
Petrol	Italian Banking Association Guidelines	42.82	GJ/Ton
Gasoil	Italian Banking Association Guidelines	42.78	GJ/Ton
<b>Train</b>			
High speed	Italian Banking Association Guidelines/Ecopassenger	0.000409	GJ/Km
Other	Italian Banking Association Guidelines/Ecopassenger	0.000934	GJ/Km
<b>Air</b>			
Domestic	Italian Banking Association Guidelines/ICAO	0.001722	GJ/Km
International	Italian Banking Association Guidelines/ICAO	0.001792	GJ/Km
Intercontinental	Italian Banking Association Guidelines/ICAO	0.000888	GJ/Km
<b>Shuttle coach</b>			
Gasoil (density 0.84 Kg/L)	Italian Banking Association Guidelines	42.78	GJ/Ton

Data in GJ		2015
Production of paper purchased		33,854.5
Business travel		34,550.0
of which:	<i>private cars</i>	26,929.5
	<i>train</i>	1,740.8
	<i>air</i>	5,879.7
shuttle coach		2,978.1
<b>TOTAL</b>		<b>71,382.6</b>

## G4-EN5 Energy intensity

### Calculation method

Energy intensity does not include energy consumption outside the organisation (EN4) and was calculated by dividing total energy consumption within the organisation (EN3) by the number of employees and associate workers (17,664, amounting to 95.5% of the Group total) and by the net internal floor area of properties (982,431 sq m) of the Group companies within the relative scope.

Data in GJ	2015	2014	2013
Total energy consumption	559,140	584,997	668,664
Energy intensity per employee	31.65	33.83	38.20
Energy intensity by surface area (Sq.m) <sup>c</sup>	0.57	0.60	0.67

## G4-EN6 Reduction of energy consumption

### Calculation method

Energy savings were calculated using the coefficients reported for indicator EN3. For the calculation of savings for boilers and air conditioning systems the different outputs of new machines compared with those replaced were used mainly, while for electricity reference was made to specific design ratios or invoice figures for the years 2014 and 2015.

THE PRINCIPAL MEASURES UNDERTAKEN TO REDUCE ENERGY CONSUMPTION WITHIN THE ORGANISATION	2015		2014	
	Estimated energy savings for 2016 (GJ)	Estimated financial savings	Energy savings estimated for 2015 (GJ)	Monetary savings estimated
Replacement of heat generators in branches	329	6,900	151	3,300
Replacement of heat pumps/air conditioners in branches	651	39,200	554	35,000
Monitoring and adjustments to air conditioners in the Brescia data-processing centre			360	21,700
Monitoring and adjustments to air conditioners in the Bergamo data-processing centre	415	25,000		
Free cooling transformer units			405	24,400
2015 rationalisation of the distribution network	1,080	65,100	7,560	455,700
2016 rationalisation of the distribution network	2,160	130,000		
Synergies from process transfer			4,176	251,700
<b>TOTAL</b>	<b>4,635</b>	<b>266,200</b>	<b>13,206</b>	<b>791,800</b>

## G4-EN15 Direct greenhouse emissions (scope 1)

### Calculation method

CO<sub>2</sub> equivalent emissions include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O and have been calculated using the IPCC 100 year GWPs for CH<sub>4</sub> (28) and N<sub>2</sub>O (265)

COEFFICIENTS	Source	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
<b>Heating</b>				
Natural gas	Italian Banking Association Guidelines	1,953 Kg/Mc	0.0857 G/Mc	0.03427 G/Mc
Gas oil	Italian Banking Association Guidelines	3,155 Kg/Ton	300.2 G/Ton	85.76 G/Ton
LPG	Italian Banking Association Guidelines	3,024 Kg/Ton	46.1 G/Ton	92.20 G/Ton
<b>Transport</b>				
Petrol	Italian Banking Association Guidelines	3,140 Kg/Ton	824.3 G/Ton	58.2 G/Ton
Gas oil	Italian Banking Association Guidelines	3,151 Kg/Ton	51.8 G/Ton	107.4 G/Ton
LPG	Italian Banking Association Guidelines	3,024 Kg/Ton	0.3770 Kg/Ton	0.05850 Kg/Ton

Data in Tons	2015		2014		2013	
	CO <sub>2</sub>	CO <sub>2</sub> e	CO <sub>2</sub>	CO <sub>2</sub> e	CO <sub>2</sub>	CO <sub>2</sub> e
From heating systems	7,728.9	7,778.3	8,276.5	8,330.2	11,165.3	11,242.6
of which:						
<i>Gas oil</i>	961.7	971.2	1,208.8	1,220.7	1,572.9	1,589.4
<i>LPG</i>	30.45	30.7	28.8	29.1	30.1	30.2
<i>Natural gas</i>	6,736.8	6,776.4	7,038.9	7,080.4	9,562.2	9,623.0
Company car fleet fuel	2,438.4	2,461.7	3,048.8	3,079.6	3,170.6	3,207.0
of which:						
<i>Petrol</i>	56.1	56.8	98.6	100.0	83.5	84.8
<i>Gas oil</i>	2,373.9	2,396.5	2,940.8	2,970.2	3,063.7	3,097.5
<i>LPG</i>	8.4	8.5	9.4	9.5	23.4	24.7
<b>TOTAL</b>	<b>10,167.4</b>	<b>10,240.0</b>	<b>11,325.3</b>	<b>11,409.7</b>	<b>14,335.9</b>	<b>14,449.6</b>

## G4-EN16 Indirect greenhouse emissions (scope 2)

### Calculation method

Emissions resulting from district heating have not been included in the calculation, because the heat used is a thermal by-product of power generation.

COEFFICIENTS	Source	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Electricity	ABI Guidelines	340.7 G/kWh	0.0159 G/kWh	0.0043 G/kWh

Data in Tons	2015		2014		2013	
	CO <sub>2</sub>	CO <sub>2</sub> e	CO <sub>2</sub>	CO <sub>2</sub> e	CO <sub>2</sub>	CO <sub>2</sub> e
Electricity purchased	34,680.0	34,841.3	39,733.8	39,907.0	43,253.5	43,446.7
of which: covered by certificates GO <sup>1</sup>	34,476.8	34,637.2	39,579.1	39,751.6	36,405.0	36,567.6
<b>TOTAL RESIDUAL EMISSIONS</b>	<b>203.2</b>	<b>204.1</b>	<b>154.7</b>	<b>155.4</b>	<b>6,848.5</b>	<b>6,879.0</b>

<sup>1</sup> Certificates of Guarantee of origin of energy produced from renewable sources

## G4-EN17 Other indirect greenhouse emissions (scope 3)

### Calculation method

**Paper:** consumption is multiplied by the underlying CEPI emissions coefficient which refers solely to emissions generated for the production of pulp, paper and cardboard in firms/paper mills. The Confederation of European Paper Industries (CEPI) is a nonprofit organisation which represents approximately 515 companies that produce pulp, paper and cardboard and 950 paper mills for an overall total that accounts for approximately 23% of world production.

**Business travel:** emissions of the company car fleet already reported under indicator EN15 are excluded. The kilometres travelled by air were retrieved from the IATA certified management app provided by the travel agency. The International Air Transport Association (IATA) is a trade association to which airlines from all over the world belong and it represents approximately 260 airlines, i.e. 83% of total air traffic. On the basis of the method provided by the Italian Banking Association, the kilometres travelled for domestic, international and intercontinental trips were multiplied by the respective emissions coefficients calculated as the weighted average of the main routes (in terms of the number of trips and distances), using the ICAO Carbon Emissions Calculator app. The kilometres travelled by train were retrieved from the management app provided by the travel agency. On the basis of the method provided by the Italian Banking Association, the kilometres travelled by train were multiplied by the respective emissions coefficients calculated as the weighted average of the main routes (number of trips and distances) using the app Ecopassenger. The kilometres travelled by employees in their own petrol or diesel powered cars have been multiplying by the underlying emissions coefficients.

**Shuttle coach:** the tons of gas oil have been multiplied by the emissions factors taken from the ISPRA database of average road transport emission factors. CO<sub>2</sub> equivalent emissions include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O and have been calculated using the IPCC 100 year GWPs for CH<sub>4</sub> (28) and N<sub>2</sub>O (265).

COEFFICIENTS	Source/Methodology	CO <sub>2</sub>	CO <sub>2</sub> e
<b>Paper</b>	CEPI	0.42 Ton /Ton	n.d.
<b>Private cars</b>			
Petrol	ISPRA - Database of average road transport emission factors	178.380021 G/Km	179.930019 G/Km
Gasoil	ISPRA - Database of average road transport emission factors	151.142661 G/Km	152.965273 G/Km
<b>Train</b>			
High speed	Italian Banking Association Guidelines/Ecopassenger	0.040395 Kg/Km	n.d.
Other	Italian Banking Association Guidelines/Ecopassenger	0.093050 Kg/Km	n.d.
<b>Air</b>			
Domestic	Italian Banking Association Guidelines/CAO	0.123109 Kg /Km	n.d.
International	Italian Banking Association Guidelines/CAO	0.128101 Kg /Km	n.d.
Intercontinental	Italian Banking Association Guidelines/CAO	0.063495 Kg /Km	n.d.
<b>Shuttle coach</b>			
Gasoil (density 0,84Kg/L)	ISPRA - Database of average road transport emission factors	2.980699 Ton /Ton	3.002843 Ton /Ton

Data in Tons	2015	
	CO <sub>2</sub>	CO <sub>2</sub> e
Paper purchased	1,092.1	n.d.
Business travel	2,478.6	n.d.
of which:		
<i>private cars</i>	1,885.9	1,906.4
<i>train</i>	172.3	n.d.
<i>air</i>	420.4	n.d.
Shuttle coach	207.5	209.0
<b>TOTAL</b>	<b>3,778.1</b>	<b>n.d.</b>

## G4-EN18 Greenhouse gas emissions intensity

### Calculation method

Total emissions do not include Scope 3 emissions (EN17) and include scope 1 emissions (EN15) and the residual emissions of the scope 2 (EN16) not covered by GO certificates. Total emissions were divided by the number of employees and associate workers (17,664, amounting to 95.5% of the Group total) and by the net internal floor area of the properties (982,431 sq m) of the Group companies within the relative scope.

Data in Tons	2015		2014		2013	
	CO <sub>2</sub>	CO <sub>2</sub> e	CO <sub>2</sub>	CO <sub>2</sub> e	CO <sub>2</sub>	CO <sub>2</sub> e
Total residual emissions	10,370.5	10,444.1	11,480.0	11,565.1	21,184.4	21,328.6
Emissions intensity per employee	0.59	0.59	0.66	0.67	1.21	1.22
Emissions intensity per surface area (Sq.m)	0.01	0.01	0.01	0.01	0.02	0.02

## G4-EN19 Reduction of greenhouse gas emissions

VIDEO-CONFERENCES	2015	2014	2013
Offices equipped	1,726	987	383
Video rooms	403	319	216
Number of video-conferences	26,268	23,883	20,801
number of participants	80,465	71,649	62,403
average number of participants	4	3	3
total duration (hours)	45,435	n.d.	n.d.

### Calculation method

Emission savings were calculated using the emission coefficients reported for the indicators EN15 and EN16, multiplied by the fuel and/or energy savings (EN6). The reference year is 2014 because the measurements provided by the instruments installed and end of period analysis of data made it possible to refine reporting of consumption and emissions.

THE PRINCIPAL MEASURES UNDERTAKEN TO REDUCE THE GREENHOUSE GAS EMISSIONS (SCOPE 1 AND 2)	2015	2014
	Estimated savings in terms of CO <sub>2</sub> equivalent in 2016 (Tons)	Estimated savings in terms of CO <sub>2</sub> equivalent in 2015 (Tons)
Replacement of heat generators in branches	19	9
Replacement of heat pumps/air conditioners in branches	62	59
Monitoring and adjustments to air conditioners in the Brescia data-processing centre		34
Monitoring and adjustments to air conditioners in the Bergamo data-processing centre	39	
Free cooling transformers units		39
2015 rationalisation of the distribution network	103	719
2016 rationalisation of the distribution network	205	
Synergies from process transfer		397
<b>TOTAL</b>	<b>428</b>	<b>1,190</b>

#### G4-EN20 Emissions of ozone-depleting substances

The only source of ozone-depleting substances involved in the activity carried out could consist of gas leaks from air conditioning systems which function almost entirely with the refrigerant gases that are not harmful to the ozone layer. The emissions are not therefore quantitatively significant: in 2014 they amounted to 68 kg of R22, which decreased further in 2015 as a result of the progressive modernisation of the systems.

#### G4-EN21 NO<sub>x</sub>, SO<sub>x</sub> and other significant air emissions

COEFFICIENTS	Fonte	NO <sub>x</sub>	SO <sub>x</sub>
<b>Heating</b>			
Naturale gas	Italian Banking Association Guidelines	0.0012 Kg/Mc	n.d.
Gas oil	Italian Banking Association Guidelines	2.131 Kg/Ton	2.003 G/Kg
LPG	Italian Banking Association Guidelines	2.305 Kg/Ton	n.d.
<b>Electricity</b>	Italian Banking Association Guidelines	0.214 G/kWh	0.142 G/kWh
<b>Transport</b>			
Petrol	ISPRA - Database of average road transport emission factors in Italy	0.003261 Ton/Ton	0.000014 Ton/Ton
Gas oil	ISPRA - Database of average road transport emission factors in Italy	0.013457 Ton/Ton	0.000014 Ton/Ton
LPG	ISPRA - Database of average road transport emission factors in Italy	0.001950 Ton/Ton	n.d.

Data in Tons	2015		2014		2013	
	NO <sub>x</sub>	SO <sub>x</sub>	NO <sub>x</sub>	SO <sub>x</sub>	NO <sub>x</sub>	SO <sub>x</sub>
From heating	4.81	0.61	5.17	0.77	6.99	1.00
<i>of which:</i>						
<i>Gas oil</i>	0.65	0.61	0.82	0.77	1.07	1.00
<i>LPG</i>	0.02		0.02	0.00	0.02	
<i>Natural gas</i>	4.14		4.33	0.00	5.90	
Electricity purchased	21.78	14.45	22.07	14.64	23.55	15.62
<i>of which: covered by certificates GO</i>	21.66	14.37	21.98	14.59	19.82	13.15
<i>not covered by certificates GO</i>	0.13	0.08	0.09	0.06	3.73	2.47
Company car fleet fuel	10.20	0.11	12.72	0.13	13.24	0.14
<i>of which:</i>						
<i>Petrol</i>	0.06		0.10		0.09	
<i>Gas oil</i>	10.14	0.11	12.61	0.13	13.14	0.14
<i>LPG</i>	0.01		0.01		0.02	
<b>TOTAL RESIDUAL EMISSIONS</b>	<b>15.14</b>	<b>0.80</b>	<b>17.98</b>	<b>0.96</b>	<b>23.96</b>	<b>3.61</b>



**G4-EN23 Waste by type and disposal method**  
**G4-EN25 Hazardous waste**

**Calculation method**

Waste by employee and by surface area was calculated by dividing total separated waste by the number of employees and associate workers (17,664, amounting to 95.5% of the Group total) and by the net internal floor area of the properties (982,431 sq m) of the Group companies within the relative scope.

WASTE SEPARATION (Kg)	2015	2014	2013
Paper and cardboard/paper packaging	1,186,019	1,391,586	1,609,650
Other packaging	143,456	154,444	136,753
Toner	26,538	32,506	31,830
Equipment	5,687	9,655	24,105
Other waste	31,824	160,281	59,062
<b>TOTAL</b>	<b>1,393,524</b>	<b>1,748,472</b>	<b>1,861,399</b>
of which hazardous <sup>1</sup>	0.09%	0.21%	0.39%
per employee	78.9	101.1	106.3
by surface area <sup>2</sup> (Kg/Sq.m)	1.4	1.8	1.9

<sup>1</sup> Hazardous waste as defined by Legislative Decree 152/2006 "Environmental regulations" and s.m.i.

Solid urban waste is managed by the public collection service and we are unable to measure the quantity and the method of disposal. The dangerous waste consists of retired electronic equipment containing dangerous substances (92.45% of hazardous waste) and medical waste (7.55%) and they are entrusted to local waste disposal companies authorised for recycling or disposal by incineration.

SEPARATED WASTE BY DESTINATION (KG)	2015
Re-use/Recovery	0
Recycling	1,393,426
of which:	
paper	769,899
cardboard/paper packaging	416,120
equipment	5,687
other	201,720
Other forms of recovery	0
of which:	
energy recovery	0
Disposal	98
of which: incineration	98
medical waste	98
dump	0
<b>TOTAL</b>	<b>1,393,524</b>

99.99% of the separated waste (100% for paper, paper packaging and cardboard and retired electronic equipment) was destined to recycling of the materials. The remaining 0.01% consisted of medical waste which by law must be incinerated.

**G4-EN29 Significant fines and sanctions for non-compliance with environmental laws and regulations**

No significant fines and sanctions were imposed for non-compliance with environmental regulations.

**G4-EN30 Significant environmental impacts of transporting products and materials used and of transporting personnel**

In consideration of the activity carried out, the indicator is not considered important, except in relation to employee mobility, [DMA Sustainable mobility, EN4, EN17].

**G4-EN31 Environmental protection expenditures and investments**

Full data on expenditures and investments in environmental protection is not currently available. It is planned to implement this in 2016.

