

UNIPOL GRUPPO FINANZIARIO

2010-2012 SUSTAINABILITY PLAN 2009 SUSTAINABILITY REPORT



SUMMARY

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UNIPOL GRUPPO FINANZIARIO
CORPORATE SOCIAL RESPONSIBILITY
AND ETHICS

Head
Walter Dondi

2010-2012 SUSTAINABILITY PLAN
2009 SUSTAINABILITY REPORT
SUMMARY

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UNIPOL GRUPPO FINANZIARIO

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The Meeting of Unipol Gruppo Finanziario S.p.A. Shareholders held on 29 April 2010 reappointed the Board of Directors and Board of Statutory Auditors. The subsequent meeting of the Board of Directors then confirmed Pierluigi Stefanini as Chairman and appointed Carlo Cimbri as the new Group Chief Executive Officer and General Manager. At its meeting held on 13 May 2010 the Board of Directors approved the 2010-2012 Business Plan and adopted the 2010-2012 Sustainability Plan.

This publication contains almost the full version of the Plan together with a summary of the UGF Group's 2009 Sustainability Report and thus provides as full a picture as possible of the corporate responsibility decisions made by UGF.

UNIPOL GRUPPO FINANZIARIO

2010-2012 SUSTAINABILITY PLAN

LETTER FROM THE CHAIRMAN

THE CHALLENGE OF RUNNING A BUSINESS WITH AN EYE TO THE FUTURE



Two years after the most serious financial crisis of the post-war years its economic and social consequences are far from being resolved. The future remains very uncertain, whilst unemployment and inequality are increasing and there has been no success in the attempt to come to an agreement to lay down rules for preventing the recurrence of similar catastrophes. Indeed there are some in the financial system who act as if nothing had happened. This is extremely irresponsible and is exactly the opposite of what is needed, not only to get us out of the crisis but to create the conditions for long-term balanced growth, for the sake of the economy, society and the environment. In a word: sustainability. This the challenge facing all of us today: helping to find ways to manage the economy and society that will lead to progress and wellbeing.

Sustainability can be pursued if one takes the long-term view, i.e. if one looks to the future: while trying to meet today's needs let's think of the needs of tomorrow and of future generations. It is no easy task and requires continuous funding and commitment but it is within our grasp, as is shown by some of the results we have achieved despite the difficulties caused by the crisis, which are contained in the 2009 Sustainability Report.

As well as reporting on last year's activities we have drawn up the 2010-2012 Sustainability Plan and the Group's Business Plan. We have thus laid the foundations for UGF to prove itself as an increasingly sustainable undertaking based on a system of values and rules – the Charter of Values and the Code of Ethics – that is essential in order that we can operate transparently and responsibly among ourselves and in dealings with all our partners, starting with customers.

Our task now is to be consistent and coherent in both our behaviour and our business decisions. But we are not starting from scratch. In particular, in recent years, thanks to the support of our shareholders, we have guaranteed the strong capital adequacy and financial equilibrium of the Group, which can therefore count on the experience and expertise of thousands of employees and agents.

Likewise the Group can rely on insurance and banking products and services that respond effectively and easily to the various need of individuals, employers and small and medium enterprises, both private and cooperative.

For some time we have supported initiatives that have great social and civic value – just think of Libera and the cooperatives of young people working on the property confiscated from the Mafia – and we are promoting others relating to culture and security through the Unipolis Foundation. We are using the latest ideas in tackling major questions such as energy savings and protection of the environment. Here, too, as in the case of social security and savings, we can provide entrepreneurial solutions that have both a high economic and a high social value. Moreover, combining financial objectives with long-term social and environmental objectives provides the undertaking with sustainability.

Pierluigi Stefanini

LETTER FROM THE CHIEF EXECUTIVE OFFICER

A COMMON COMMITMENT TO COMBINE PROFITABILITY AND SUSTAINABILITY



Faced with the profound changes that are currently taking place worldwide anyone with a financial role must undertake to limit and reduce the consequences of unbalanced growth and help to ensure that growth is targeted at increasing the wellbeing of individuals and of society as a whole and not merely company profits.

This is why Unipol Gruppo Finanziario has made sustainability its strategic goal, developing its business activities in accordance with the requirements of the company and of the markets, not only in order to make a profit but also and mainly in order to balance stakeholders' differing requirements. This is in line with its values and in particular those of responsibility and taking the long-term view, as defined in the Charter of Values and the Code of Ethics.

Drawing strength from its historical roots, its renewed identity, its strong relations with workplaces and small and medium enterprises – both private and cooperative – and the professions and also from the new business practices that have been introduced in recent years, the UGF Group regards itself as a modern insurance and banking group that can respond transparently, simply and respectfully to requirements for security, protection from risks, guaranteed pensions and savings and health and assistance benefits. In this way it helps to instil confidence in the many individuals, businesses and organisations that are working for a better and sustainable future.

It is a group that can interpret new individual and collective requirements and offer solutions in terms of products and services that are more environmentally friendly, can reduce energy consumption and implement a more prudent entrepreneurial strategy. All this shows that the Group, and its companies, can be regarded as leading players of a more advanced system of supplementary welfare.

In fact sustainability expresses the Company's ability to combine the objectives of financial efficiency and increasing profitability with ensuring the welfare of individuals and the community, reducing our impact on the environment and recognising the value of natural resources, all with a view to long-term growth with the cooperation of the various stakeholders.

This Sustainability Plan is also the result of teamwork within the Group and its strategic choices and objectives are in line with those of Unipol Gruppo Finanziario's 2010-2012 Business Plan. The Business Plan and the Sustainability Plan were drawn up with the help of more than 500 of the Group's senior executives, executives, managers and clerical workers and there were many opportunities for dialogue with delegates from employee unions, agents' associations and academic and professional experts in CSR and sustainability.

Carlo Cimbri

THE SUSTAINABLE FUTURE OF THE GROUP

OUR APPROACH TO SUSTAINABILITY

Unipol Gruppo Finanziario regards sustainability as its strategic goal and develops its business activities in line with its values, particularly with those of looking ahead and responsibility as defined in the Charter of Values and the Code of Ethics. In fact, sustainability expresses the Company's ability to combine the objectives of efficacy, financial efficiency and increasing profitability with ensuring the welfare of individuals and communities, reducing our impact on the environment and recognising the value of natural resources, all with a view to long-term growth, with the cooperation of the various stakeholders. Faced with the profound changes that are currently taking place worldwide anyone with a financial role must undertake to limit and reduce the consequences of unbalanced growth and help to ensure that growth is targeted at increasing the wellbeing of individuals and of society as a whole, which is what is required for the pursuit of company profitability. Drawing strength from its historical roots, its renewed identity, its strong relations with workplaces and small and medium enterprises – both private and cooperative – and the professions and also from the entrepreneurial innovation carried out in recent years, UGF regards itself as a modern insurance and banking group that can respond transparently, simply and respectfully to the requirements of millions of people for security, protection from risks, guaranteed pensions and savings and health and assistance benefits. By doing this UGF can help to instil confidence in the individuals, businesses and all those who are working for a better and sustainable future. Against this background, UGF regards itself as capable of interpreting the new individual and group requirements and of providing solutions in terms of products and services that can show that the Group and its companies are proponents of a more advanced system of supplementary welfare. At the same time it endeavours to promote products and services that are more environmentally friendly and can reduce energy consumption and to implement a more prudent entrepreneurial strategy. This Sustainability Plan is also the result of teamwork within the Group and its strategic choices and objectives are in line with those of Unipol Gruppo Finanziario's 2010-2012 Business Plan.

STANDARDS AND GUIDELINES IN THE BUSINESS AND SUSTAINABILITY PLAN

A MISSION IN LINE WITH OUR VALUES

Ensuring sustainable long-term growth accompanied by adequate profitability, by means of a fair relationship with all stakeholders: shareholders, customers, agents, employees and suppliers.

A DISTINCT IDENTITY

An insurance and banking group bound by strong links wherever in the country it has a presence; with a strong relationship with employees, small and medium enterprises, the professions and cooperatives; based on individuals and families. Offering solutions to the need for security, protection from risks, guaranteed pensions and health and welfare benefits.

AN INNOVATIVE PRESENCE ON THE MARKET

A range of insurance and banking products and services plus the expertise of specialists in specific requirements. A strong tendency towards innovation in both the relationship with customers and the range of products and services. Building close collaboration and partnership with agents and sales networks by:

- strengthening the network of agencies as a tool for planning and managing growth
- setting up models for the Group to work with private agencies
- extending the experience of the Group's own agencies (Assiccoop)

Additional monitoring of all existing and proposed sales channels:

- network of agencies
- direct channel (Internet and telephone)
- own bank branches
- bancassurance branch network

A COHERENT AND FUNCTIONAL ORGANISATIONAL STRUCTURE THAT MOTIVATES EMPLOYEES AND FOCUSES ON THEIR STRENGTHS

A Group with a coherent and functional structure headed by a holding company charged with guiding and supervising it; split into operating companies:

- UGF Assicurazioni
- UGF Banca
- Companies specialising according to sales channel and the specific nature of products and services

A Group that develops and strengthens strategic alliances with entrepreneurs and businesses with which to build stable relationships based on mutual interest; that develops and values the professional skills of its employees and consultants by carrying out training, taking on responsibilities and increasing motivation and the sense of belonging and adhering to the values, standards and ethics drawn up by the company.

A ROBUST EQUITY STRUCTURE GROWING BUT BALANCED PROFITABILITY

A Group that operates on the basis of a firm equity structure and aims at balanced asset management with a sensible ratio between risk and yield. Its objective is to increase profitability, but with a view to stability and taking the long view, and it operates in such a way as to make the business increasingly efficient, paying a lot of attention to monitoring costs.

CORPORATE GOVERNANCE

COMMITMENT FOR THE FUTURE

UGF is endeavouring to strengthen its system of Corporate Governance to comply with the highest Italian and international standards, adopting rules that exceed the requirements of current legislation and introducing operating procedures that are more compatible with the Group's values and standards and consequently with its strategy of sustainability.

Against this background:

- procedures for developing the Group's strategy and sustainable management will be updated and improved
- to this end roles and responsibilities within the corporate structure will be defined.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
RESPONSIBLE GOVERNANCE	Promoting an approach to sustainability at all levels within the company, taking account of social and environmental aspects when operational and business decisions are made	<p>Transforming the current Committee for Social Responsibility within the Board of Directors into the Sustainability Committee, with the task of providing advice and making suggestions</p> <p>Allocating responsibility for creating sustainability strategies to the Group Executive Committee (Sustainability Management Committee)</p> <p>Appointing a Group Environmental Manager (Energy Manager) and confirming the appointment of the Mobility Managers, with their areas of expertise being expanded</p> <p>Allocating responsibility for assessing social, environmental and reputation risks as well as economic and financial risks to the Risk Management Department</p> <p>Evaluating ways of integrating indicators linked to non-financial and sustainability objectives into the incentivisation scheme for Senior Executives</p>

GLOSSARY:

Energy manager:
responsible for the conservation and rational use of energy

Mobility Manager:
responsible for mobility management

Risk Management:
the work of managing risks

RELATIONS WITH STAKEHOLDERS AND REPORTING TOOLS

COMMITMENT FOR THE FUTURE

Over the next few years the strategic path towards Group sustainability will focus on:

- broadening and systematically consolidating procedures for involving internal and external stakeholders for our mutual benefit
- developing tools for sustainable management, taking social and environmental aspects increasingly into account when making business decisions
- implementing the annual sustainability budget when the Plan comes to an end

SCOPE	OBJECTIVES	LINES OF INTERVENTION
LISTENING AND STRUCTURED INVOLVEMENT	Develop new tools for listening to and dialogue with all stakeholders by building on those already in existence	Design an operational model based on relations with stakeholders
		Carry out a survey on the working atmosphere and relations among employees
		Carry out frequent surveys on customer satisfaction
		Develop a package for online dialogue with suppliers
TOOLS FOR SUSTAINABLE MANAGEMENT	Design and implement an integrated system for planning, measuring and reporting financial, social and environmental performance	Include key sustainability performance indicators in the new Group reporting system. Lay down non-financial sustainability objectives; report results obtained using data provided by staff responsible for data and information management; report accurately and regularly
		Draw up a Sustainability Budget to identify policies, objectives and actions, and the expected results, which will then be measured and reported on in the final version of the Sustainability Report

FINANCIAL SUSTAINABILITY

FUNDAMENTAL OBJECTIVES OF THE 2010–2012 BUSINESS PLAN

Starting with its approach to sustainability and its way of doing business, Unipol Gruppo Finanziario has drawn up a Business Plan for 2010-2012, basing it on sustainability and bearing in mind not only the financial but also the environmental and social aspects (as defined in the chapters on environmental and social sustainability) by paying close attention to the various stakeholders. The Group's Business Plan is based on several clear and measurable objectives.

PROFITABILITY

An increase in margins on Non-Life, Life and banking business as a result of refocusing on core elements (i.e. on the key elements of its work) and on the elements of the Group that are typical of its operations in the market.

TYPE OF CUSTOMER/RANGE/CHANNEL

A leading position in the areas of business concerned: target markets (employers' organisations, associations for the self-employed and cooperatives), welfare (health, pension funds, etc.) and SMEs. Focusing on the areas of business deemed to be the most important in the economic and social field in which the Group operates. Tailoring the range to provide new and integrated products and levels of service that highlight the Group's excellence in terms of technical and technological expertise, knowledge of the requirements of the customer and availability of various channels and product ranges. Strengthening the various sales channels by emphasising the use of channels that offer integrated products in order to provide the best response to the various requirements of its customers from the point of view of both cost and level of service.

OPERATIONAL EFFICIENCY

Close attention to efficiency, but also to the efficacy of customers within the Group. Attempts to achieve continuous improvement in operational procedures will be made by keeping costs down.

FINANCIAL STRENGTH

A robust equity structure and improved capital management in line with relevant legislation, but mainly with the objective of stable growth within the Group. Efficient procedures for managing and monitoring risks when all operations are being carried out, including by keeping employees aware of risks.

Group projects:

The following operations are expected to take place during the lifetime of the Plan:

- integration of Navale into UGF Assicurazioni
- sale of BNL Vita, already decided
- acquisition of the Arca Vita Group, awaiting authorisation.

As a result of these operations the UGF Group will be split as follows:

INSURANCE BUSINESS

UGF ASSICURAZIONI

LINEAR ASSICURAZIONI

UNISALUTE

BANCASSURANCE BUSINESS

ARCA
INSURANCE GROUP

BANKING BUSINESS

UGF BANCA

UGF MERCHANT

OTHER
SPECIALIST COMPANIES

FINANCIAL RESULTS ON CONCLUSION OF THE PLAN

On the basis of the fundamental objectives of the Business Plan and the measures taken under it, here are the main financial results expected at the end of 2012 in the various sectors in which the Group operates.

SCOPE		2009*	2012	CAGR '09-'12	Delta
RECOVERY OF 'STRUCTURAL' PROFITABILITY IN NON-LIFE BUSINESS	NON-LIFE BUSINESS				
	Non-Life premiums (€m)	4,260	4,650	2.9%	390
	Combined ratio (direct business)	108.0%	97.5%		-10.5 pp
	Loss ratio (direct business)	86.0%	75.5%		-10.5 pp
	Expense ratio (direct business)	22.0%	22.0%		stable
	Non-Life technical margin (€m)	-115	325	ns	440
INCREASE IN LIFE MARGIN	LIFE BUSINESS				
	Life premiums (€m)	2,190	3,110	12.4%	920
	Life APE (NP) pro rata (€m)	214	340	16.5%	126
	Val. new business pro rata (€m)	42	85	25.9%	43
	New business margin	19%	25%		+6 pp
CONSOLIDATION OF THE MARGINS IN BANKING BUSINESS	BANK BUSINESS				
	Direct customer deposits (€bn) ^(a)	8.7	10.4	6.1%	1.7
	Lending to customers (€bn) ^(a)	6.9	9.1	9.7%	2.2
	Gross operating income	348	440	8.0%	92
	Cost/income ratio	76.6%	66.0%		-10.6 pp
	Net profit (€m)	-24	50	ns	74
	OTHER COMPANIES				
UNISALUTE	Business margin				+30%
LINEAR	Linear Non-Life direct premiums			+4.9%	
ARCA GROUP	Arca Non-Life direct premiums (€m)		180		
	Arca Life direct premiums (€m)		645		
	CONSOLIDATED RESULTS				
	Consolidated net result (€m) ^(b)	-785	250	ns	1,035
	Non-Life business	-639	175	ns	814
	Life business	-56	80	ns	136
	Bank business	-24	50	ns	74
	Holding company business	-51	100	ns	151
	Consolidated adjustments	-15	-155	ns	-140

SCOPE		2009*	2012	CAGR '09-'12	Delta
REDUCTION IN OPERATIONAL RISKS REDUCTION IN THE WEIGHT OF INVESTMENTS IN SHARES	SOLVENCY RATIO				
	According to Solvency I	1.4 x	1.4x		stable
	According to Solvency II **	1.4 x	1.5x		stable
INCREASE IN AGREEMENTS WITH WORKPLACE ORGANISATIONS AND COOPERATIVES	Number of customers within the reference markets (employees and the self-employed, SMEs, cooperatives)	800,000	1,000,000		200,000

* 2009 pro forma figures, excluding BNL Vita's contribution

** The Solvency II calculation was based on the most recent legislation.

These results could change if the final Solvency II regulations were to differ from current legislation.

^(a) Excluding securitisations

^(b) Net of amounts due, gross of minority interests

GLOSSARY:

CAGR:
Compound Annual Growth Rate

Core margin (Non-Life):
Premium income – Costs of claims – commissions

Expense Ratio:
ratio between operating expenses and premiums

Loss ratio:
ratio between claims and premiums

Combined Ratio:
Loss ratio + expense ratio

APE:
Annual Premium Equivalent, sum of the annual and recurring premiums + a tenth of the single premiums

New Business Margin:
ratio between value of new business and APE

Cost/income Ratio:
ratio between banking costs and income

Solvency:
Solvency I (already in force) and Solvency II (in force as from 2012) are the regulations that lay down the minimum capital that businesses must have available in order to fulfil commitments to policyholders.

RANGE OF PRODUCTS AND SERVICES

COMMITMENT FOR THE FUTURE

The social and demographic evolution of the population and the gradual reduction in public pensions, health and welfare services provide a renewed role for the private sector, particularly in insurance and banking. This is the background against which, thanks to the experience it has gained and to the close attention it pays to the social aspect of the problems, the Group promotes itself as a business that can offer a series of products and services providing supplementary welfare. UGF's ability to integrate the insurance and banking sectors still further in order to provide a single integrated solution for the numerous requirements of customers will play a decisive role. In fact, in line with the change in requirements, the range will be characterised by simple products in order to respond to the changes in demand, which will increasingly require the business to have a good relationship with the citizen-consumer by listening, paying attention and offering its expertise and advice.

The Group, which already has close relations with several categories of stakeholder, regards itself as a first call for certain categories of people and business, from employees to small and medium enterprises, private companies, cooperatives and professionals. Likewise it must respond specifically and innovatively to the real requirements and emerging sensibilities of cooperatives and voluntary organisations. It is also in a position to make a positive contribution to meeting the needs of the businesses that are increasingly operating in the field of renewable energy and in the 'green and sustainable economy' in general and the needs of individuals who are temporarily in difficulty because of the consequences of the financial crisis.

Against this background the Group's sustainable approach consists mainly in:

- offering products and services that meet the citizen-consumer's new needs for security and protection from risks, including the integrated insurance-banking range, mainly to provide supplementary welfare
- paying attention to and enjoying good relations with customers, individuals, families and businesses by offering a high level of service, expertise and advice
- developing good relations with traditional member organisations, employees and small and medium enterprises, both private and cooperative.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
<p>RANGE OF PRODUCTS AND SERVICES THAT TAKE SUSTAINABILITY INTO ACCOUNT</p>	<p>Respond to customers' new and stricter socio-economic requirements</p> <hr/> <p>Respond to emerging environmental and social requirements</p>	<p>Innovate and expand the range in terms of life cycle, i.e. covering individuals' requirements throughout their whole life (e.g. free protected bonus and pay-as-you-drive policies, loss prevention and free time)</p> <p>Make the combined insurance-banking model fully operational by developing a dedicated range</p> <p>Segment and profile the customer portfolio, including taking non-financial criteria into account</p> <p>Confirm UniSalute as the only company in the Group operating in the Health class by developing group policies taken out through Head Office</p> <p>Use social and environmental criteria when making decisions on creditworthiness</p> <p>Consider introducing innovative products and services that provide environmental value ('green policies') and social value (immigrants and their financial assets, disadvantaged people)</p> <p>Develop a sustainable approach to pension fund management and the range of ethical funds</p> <p>Develop projects that reduce the impact on the environment, including in dealings with customers (reducing paperwork, digitising documents etc.)</p>
<p>PAY ATTENTION TO AND FOSTER GOOD RELATIONS WITH CUSTOMERS</p>	<p>Provide advisory services appropriate for individuals and businesses</p>	<p>Develop the business banking advisory and assistance service to take account of sustainability criteria</p> <p>Reduce claims settlement times</p>
<p>RELATIONSHIP WITH WORKPLACES AND MEMBER ORGANISATIONS</p>	<p>Develop and expand a dedicated range (products and services) for workplaces and in particular for member organisations</p>	<p>Develop new agreements with other cooperative sectors</p> <p>Redesign agreements to focus not only on price but on customers and their actual requirements ascertained by consulting them</p> <p>Develop cover with a higher welfare component under group agreements</p> <p>Confirm, relaunch and innovate the Unipol Regional Councils</p>

DISTRIBUTION MODEL

COMMITMENT FOR THE FUTURE

Over the next three years the Group plans to improve its sales channels in order to cover the various requirements of the areas of business concerned as comprehensively as possible with the intention of focusing more on the customer. Fulfilling the requirements of its customers involves integrating the sales channels, starting with insurance and banking, expanding bancassurance and making better use of new technology, which may help to make the Group's distribution model stand out. The agencies will have a central role to play in this since they are familiar with their area and have close relations with their customers.

Against this background:

- the agencies will play a central role, since they are familiar with their area, have close relations with their customers and are fundamental to providing individuals and businesses with a high and improved level of service based on listening, paying attention and giving advice
- there is recognition of the need for agents to take on greater responsibility, in the interest of all those involved, since it is they who have the demanding role of being the interface between the company and the customer and the task of generating trust and long-term sustainable financial and social results
- in view of current changes in society, lifestyles and patterns of consumption, the Group intends to introduce new sales methods better able to meet customers' requirements, particularly in targeted markets, specifically cooperatives.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
INTEGRATION OF SALES CHANNELS	Respond adequately to the various requirements of the customer	<p>UGF Banca and agencies to refocus on offering advisory and other services</p> <p>Develop the Internet as an innovative sales channel based on trials already carried out and on Group expertise (e.g. Linear and UniSalute)</p> <p>Develop the bancassurance channel to provide integrated solutions to insurance and financial requirements</p> <p>Linear to develop channels to cover the market, focusing on price and specialised services, in line with changes in demand</p>
CENTRAL ROLE OF AGENCIES	<p>Extend cooperation with the agencies in order to increase synergies</p> <p>Support agencies in the task of strengthening the channel</p>	<p>Develop new forms of partnership with agents, focusing on long-term sustainability</p> <p>Strengthen the Assicoop model in order to have a greater geographical presence and a closer relationship with member organisations</p> <p>Reduce brokerage and agency fees and prevent fraud by using new automated equipment</p> <p>Assist agencies in the task of expanding certain areas of business (e.g. SMEs) in order to provide the best response to specific requirements, including using specialist employees (life coaches)</p>
NEW CHANNELS	<p>Develop new sales methods</p> <p>Strengthen geographical presence</p>	<p>Identify new procedures for placing products and services in line with changes in demand</p> <p>Acquire and develop the Arca Group</p>

FINANCIAL POLICY AND ASSET MANAGEMENT

COMMITMENT FOR THE FUTURE

The Group's targets for the next three years are to:

- strengthen its asset base and optimise capital in line with recent legislation but mainly in order to pursue long-term growth
- as far as asset management is concerned, pay more attention to selecting investments that meet social, environmental and governance criteria.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
STRENGTHEN THE ASSET BASE AND OPTIMISE CAPITAL	Raise awareness of risk at all levels within the company	Lay down measures to raise awareness and promote risk management in critical operational procedures
	Optimise capital structure	Complete the project for adapting to Solvency II
SELECTION OF INVESTMENTS AND LOANS	Combine economic and profit objectives with social, environmental and governance objectives (ESG approach)	Evaluate individual investments, paying particular attention to ESG criteria
		Draw up policies with exclusion criteria for sectors that are more critical from the ethical and moral point of view
<p>GLOSSARY:</p> <p>ESG: criteria based on social and environmental sustainability standards as well as financial standards (<i>environmental, social and governance</i>)</p>		

ENVIRONMENTAL SUSTAINABILITY

ENERGY SAVINGS

COMMITMENT FOR THE FUTURE

In the next three years the Group plans to:

- maintain its commitment to reducing energy and water consumption in the Group's main offices and several branches of the Bank, combining the aim of rationalising costs with that of protecting the environment
- devote special attention to the environment in which the Data Processing Centres (DPCs) are located, which, in order to be able to operate and for their protection, account for a substantial proportion of total energy consumption.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
ENERGY EFFICIENCY	Reduce energy and water consumption in property owned by the company	<p>Monitor energy and water consumption accurately in all buildings by using more accurate methods of measuring and collecting data and including office buildings not previously monitored</p> <p>Carry out renovation and maintenance work on existing property in order to increase energy efficiency and improve conditions for the people who work in it (install solar panels, replace heating systems with high-output heat pumps, replace window and door frames in order to provide better heat insulation)</p> <p>Complete work on Porta Europa in Bologna: as well as offices already constructed for Group employees, construct a lecture hall, restaurant and shared services</p> <p>Complete work on the Via Larga Tower in Bologna, which uses modern technology and renewable energy to save energy; obtain energy certification</p>
		<p>(continues)</p>

[continues]

SCOPE	OBJECTIVES	LINES OF INTERVENTION
ENERGY EFFICIENCY	Reduce energy and water consumption in property owned by the company	<p>Reduce energy consumption in the two branches of the Bank audited as part of the Microkyoto Project: the aim is a 15% reduction in electricity consumption in the San Giovanni in Persiceto and Casalecchio di Reno branches</p> <p>Record the energy consumption in 10 'typical branches' of the Bank, as trials for raising the awareness of employees</p> <p>Extend the use of LED signs, currently used in the combined agencies, to the Bank branches</p> <p>Set targets for reducing CO₂ emissions: targets will be set for reducing and neutralising emissions for all properties audited</p>
SUSTAINABLE IT SYSTEMS (GREEN IT)	Reduce consumption of energy used to operate and maintain IT systems	<p>Check the possibility of centralising IT functions at Group level: in addition to transferring the insurance companies' servers in 2009, consider also transferring UGF Banca's servers to the Group</p> <p>Project to rationalise the data processing centres (monitoring systems and devices used in the data processing centres in order to measure how much heat the equipment gives out)</p>

WASTE MANAGEMENT

COMMITMENT FOR THE FUTURE

The commitment for the next three years provides for:

- better monitoring of consumption of materials and identifying measures to reduce it
- wherever possible more effort to be put into sorting and disposing of waste in such a way as to minimise the impact on the environment.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
CONSUMPTION OF MATERIALS	Reduce consumption of office materials, in particular paper and toner cartridges	Monitor the consumption of toner cartridges accurately by electronically recording requests for suppliers to collect and dispose of them.
		Extend the paperless office (intended to reduce the use of paper): by electronically filing and managing some digitised documents (using scanners and multifunction systems)
		Use e-mail or sms to communicate with customers
		Complete the transfer of companies' documents to the Group Archives (all document stored on a single site; requests for documents sent to a single manager using a single software package)
		Launch a project to rationalise flows of incoming and outgoing post, with a view to reducing the consumption of paper
SEPARATE COLLECTIONS	Increase separate collections of paper and toner cartridges	Extend separate collections of paper and toner cartridges: check the possibility of extending the collection of paper to the Group Claims-Handling Centres and the Bank branches; extend the collection of toner cartridges to the Bank branches

PURCHASING POLICY

COMMITMENT FOR THE FUTURE

The Group will attempt to reach following targets:

- reduce the amount of purchases, particularly office materials
- take environmental and social criteria into account when making purchases, particularly with a view to achieving sustainability, which will also raise suppliers' environmental and social awareness
- as part of the integration and communication IT platform linking the Group to its suppliers, set up a section specifically for exchanging information on and experiences of sustainability
- provide more opportunities for the Group and its suppliers to meet and listen to one another.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
PURCHASING POLICIES	Take environmental and social sustainability criteria into account when making purchases	Give preference to suppliers with social/environmental certification when purchasing IT hardware
		Set up the Golden Partners Register and determine the criteria for registration: a committee will evaluate and appoint suppliers on the basis of environmental and social criteria
PURCHASES OF MATERIALS	Reduce purchases of materials for printers	Reduce the number of individual printers (compared with new multifunctional equipment shared by several offices)
		Encourage employees to print less

RAISING THE AWARENESS OF EMPLOYEES, AGENTS AND SUPPLIERS

COMMITMENT FOR THE FUTURE

The target for the next three years is to consolidate and diffuse a 'culture of sustainability' in a more systematic and structured way, particularly as it relates to reducing the impact on the environment:

- to employees and agents, by promoting sustainable transport
- to suppliers, by including socio-environmental criteria in selection and evaluation processes.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
TRAVEL BY EMPLOYEES AND AGENTS	Reduce harmful emissions resulting from travelling on behalf of the company	Reduce business trips by installing new videoconferencing facilities and encouraging employees to use them
	Make travelling from home to work easier	Encourage employees to travel to work by train or to share cars (using car pools)
		Provide more parking at the Porta Europa office in Bologna, particularly allocating bays to disabled employees and those with reduced mobility
RELATIONS WITH SUPPLIERS	Develop and promote sustainability criteria	Promote sustainable transport: incentives for using public transport, cycling, etc.
		Take account of sustainability criteria when approving suppliers
		Check that some suppliers (e.g. vehicle repairers) are abiding by our Code of Ethics, the principles of which they have signed up to
		<i>(continues)</i>

(continues)

SCOPE	OBJECTIVES	LINES OF INTERVENTION
RELATIONS WITH SUPPLIERS	Develop and promote sustainability criteria	<p>Consider introducing a project on sustainable vehicle repairers (create a network of 'green' vehicle repairers offering extra discounts)</p> <p>Check the possibility of setting up a scrapyard</p> <p>Set up UGF Partner Days with the main suppliers as an opportunity to exchange information and gain thorough knowledge of relations within the Group</p>
INFORMATION AND EXCHANGE OF EXPERIENCES	Develop and promote sustainability criteria	<p>Participate in initiatives providing information on and raising awareness of the environment</p> <p>Raise awareness of environmental sustainability using the Company's Intranet for employees and agents</p>

SOCIAL SUSTAINABILITY

PERSONNEL POLICIES

COMMITMENT FOR THE FUTURE

Over the next few years UGF intends to keep up its current commitment, concentrating on:

- making the best use of employees, paying special attention to equal opportunities and diversity management (managing diversity by assessing specific abilities)
- carrying out more training at all levels, including by strengthening the relationship with leading universities and launching UGF Corporate University
- improving health and safety
- raising awareness of sustainability by involving individuals.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
VALUING INDIVIDUALS	Promote initiatives to recognise the professional expertise of individuals, irrespective of gender, age and disability (diversity management approach)	Provide individual professional development plans and training courses based on the results of assessing expertise and knowledge
		Extend incentivisation schemes to business units other than those where they are already in place
		Extend second-level certification (71406-2010-AQ-ITA-SIN-CERT) for Employee Development and Training, so far applied only in insurance business, to banking business
		Launch a series of projects to improve working conditions for people with disabilities (for instance collaborate with the ASPHI Foundation – Launch and Development of Projects to Reduce Handicap by the use of IT – and the 'respeaking' project for the hard of hearing, which uses speech recognition software)
		<i>(continues)</i>

(continues)

SCOPE	OBJECTIVES	LINES OF INTERVENTION
INTERNAL COMMUNICATIONS	<p>Improve the internal communication system in order to ensure that there is constant dialogue with employees</p>	<p>UGF to achieve ISO9001 certification for 'Communication within the Group'</p> <p>Carry out measures to create a common identity and to share experiences, values and responsibilities</p>
	<p>Promote a culture of sustainability to everyone who works in and for the Group</p>	<p>Develop internal communication initiatives to promote the culture of sustainability (using the current systems of internal communication); training on the Code of Ethics</p>
HEALTH AND SAFETY	<p>Develop a culture of health and promote health protection initiatives for employees</p>	<p>Launch health protection initiatives for employees (health agreements, diagnostic tests, vaccination campaigns, measures to prevent work-related stress, ...)</p>
	<p>Promote a 'Culture of Safety' in all its various manifestations (personal, on the road, at work, social and financial)</p>	<p>Obtain OHSAS-18001 certification for 'Monitoring safety in the Group's offices and safeguarding the health and safety of Employees'</p>
		<p>Set up and monitor a system of indicators to identify the level of safety within the company (accident indices, indices for health and health protection initiatives, indices for the cost of health and safety at work)</p>
		<p>Set up a 'Safety' section on the Company's Intranet with a separate field containing all the instructions, topics, notices, rules and information on this theme</p>
	<p>Launch a road safety awareness campaign and offer incentives to employees to use public transport</p>	

SCOPE	OBJECTIVES	LINES OF INTERVENTION
EQUAL OPPORTUNITIES	<p>Promote an approach that favours equal opportunities throughout the company</p>	<p>Expand the work of the Joint Committee on Equal Opportunities, identifying specific targets and action to be taken on matters of both gender and differing abilities</p> <p>Formalise measures to prevent any type of discrimination within the personnel recruitment process (draw up a specific procedure)</p> <p>Participate in working groups, including at industry level, to promote equal opportunities and non-discrimination in the workplace</p>
WORK-LIFE BALANCE	<p>Promote measures to improve work-life balance</p>	<p>Develop family-friendly initiatives for Group employees and consider introducing a series of initiatives, compatible with work activities, to make it easier to manage responsibilities at home and at work (housework, looking after elderly relatives and children etc.); start up a crèche in Bologna for all company employees</p> <p>Make better maternity and paternity arrangements for Group employees</p>

COMMITMENT TO THE COMMUNITY

COMMITMENT FOR THE FUTURE

Over the next few years the UGF Group will continue its commitment to promoting the social, cultural and civic growth of the community in which operates, particularly by:

- providing and approving new products and services for individuals and organisations with specific requirements for protection and security
- supporting projects promoted by welfare organisations involved in promoting legality and the opportunity for economic development and in creating work for young people, especially in areas where organised crime is rife
- allocating resources to non-profit-making organisations involved in particular social and cultural development projects
- sponsoring organisations that promote culture in all its manifestations and promote sport, particularly that involving young people
- making contributions to the Unipolis Foundation so that it can continue and extend its work on security (in the community, on the road, at work), culture, research and support for the community.

SCOPE	OBJECTIVES	LINES OF INTERVENTION
SUPPORT ORGANISATIONS AND PROJECTS THAT PROMOTE SAFETY, LEGALITY AND DEVELOPMENT	Strengthen its concrete commitment to Libera and the cooperatives relating to property confiscated from the Mafia	Raise the awareness of employees, customers and agents of the Group's commitment to Libera in the battle for legality by developing specific initiatives (one Euro per current account for cooperatives on confiscated property)
	Promote activities to increase awareness and the commitment to safety: in the community, personal, on the road, at work	Strengthen the commitment of the Unipolis Foundation to both local and national initiatives that increase knowledge and awareness of the culture of legality and justice (Libera Informazione Foundation, Antimafia Caravan, Free Cinema in a Free Land, etc.)
		Develop initiatives to expand knowledge, awareness, attention and commitment in promoting the safety of individuals and communities at all levels: in the community, on the road, at work

SCOPE	OBJECTIVES	LINES OF INTERVENTION
COMMITMENT TO CULTURE	Encourage the cultural and social development of individuals and communities	<p>Foster relations with universities and research centres by sponsoring the work of young researchers</p> <p>Set up initiatives to support cultural development through specific projects ('Culturability – culture's responsibility for a sustainable society' and 'The Keys to Smiles', cultural projects for the social inclusion of children)</p> <p>UGF Group to sponsor activities of particular cultural and social value</p>
SUPPORT FOR THE COMMUNITY	Develop initiatives to improve the social and civic life of the community	<p>Provide practical and financial support to organisations and for projects that help individuals who are vulnerable and in difficulty, promoting social inclusion and self-determination and helping them to make their own life choices</p> <p>Help voluntary and non-profit-making organisations working in emergency situations both in Italy and abroad</p>

UNIPOL GRUPPO FINANZIARIO

2009 SUSTAINABILITY REPORT

IDENTITY

PROFILE AND VISION

The Group continued to reorganise during 2009 with the merger of Unipol and Aurora and the creation of UGF Assicurazioni.

The new identity emphasises the link between its deep roots and the wealth of the contributions made to it and today makes it one of the leading players in the insurance, banking and financial sectors in Italy, capable of providing health and welfare services alongside traditional services.

Sustainability is the key to achieving the same financial objectives over the long term in the interests of the various stakeholders, both within and outside the company, while remaining firmly committed to the principles contained in the Charter of Values and the Code of Ethics.

This first of UGF's Sustainability Reports represents the natural evolution of the Group Social Report, the second of which was issued in 2009 (though it had been published by the original company and then by the Unipol Group since 1993). The aim has been to provide more information on the impact that the Group has when carrying out its activities, by including additional social and environmental information alongside economic and financial information.

It has also provided a lead-in to the 2010-2012 Sustainability Plan, which is contained in the first part of this document.

VALUES

The strategic approach typical of Unipol Gruppo Finanziario is to create economic and social value based on its own values.

UGF has thus provided itself with a substantial set of values, a point of reference on which to base its governance and operational decisions, which are founded on maximum transparency and responsibility.

Two bodies have been set up to ensure that these principles are properly applied and are really effective – the **Ethics Committee**, made up of the members of the Board of Directors who form part of the Committee for Social Responsibility, and the **Head of Ethics**, to whom requests for information and information on alleged infringements of the Code may be sent: responsabile.etico@unipolgf.it.

Unipol Gruppo Finanziario's Charter of Values and Code of Ethics are available at www.unipolgf.it, on the Social Responsibility and Corporate Governance pages.

'LOOKING AFTER YOUR TOMORROW'

ON CONCLUSION OF GROUP REORGANISATION, CULMINATING IN THE MERGER BETWEEN UNIPOL AND AURORA TO FORM UGF ASSICURAZIONI AND IN UNIPOL BANCA CHANGING ITS NAME TO UGF BANCA, THE MARKET WAS INFORMED OF THE CHANGES THAT HAD TAKEN PLACE AND THAT UNIPOL HAD TRANSFORMED ITSELF FROM AN INSURANCE COMPANY INTO A REAL FINANCIAL-INSURANCE GROUP BY MEANS OF AN ADVERTISING CAMPAIGN ENTRUSTED TO ONE OF THE LEADING INTERNATIONAL COMMUNICATIONS AGENCIES, MCCANN ERICKSSON.

Carried out using an innovative photographic technique by the Australian photographer Keith Loutit, UGF's advertising campaign won the 'Advertising & Success' prize, one of the most coveted awards in the world of advertising, in December 2009.

GOVERNANCE

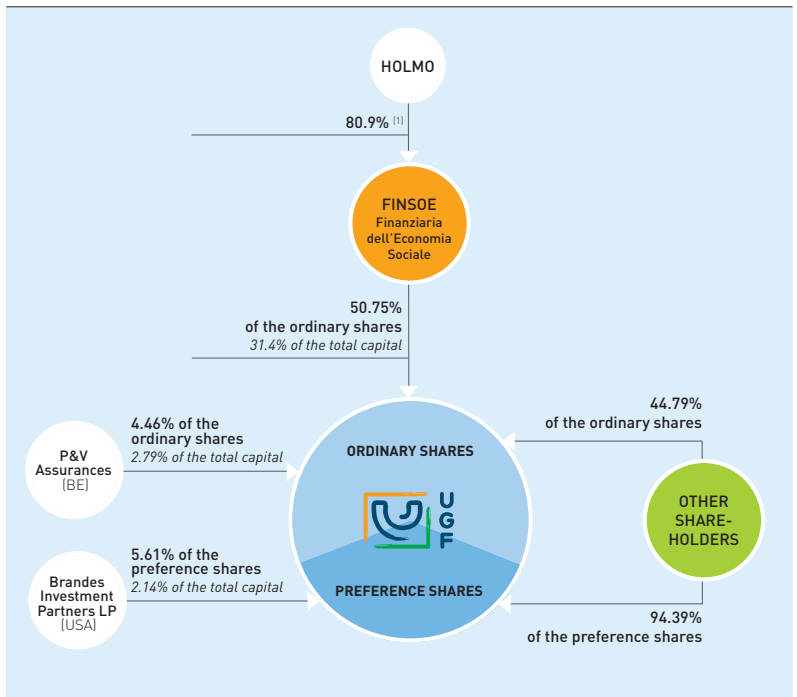
UGF SpA is organised in the traditional way, with a Board of Directors, a Board of Statutory Auditors and a Shareholders' Meeting as its principal corporate bodies.

SHAREHOLDER STRUCTURE

Unipol Gruppo Finanziario's largest shareholder is Finsoe SpA, which held 50.75% of the ordinary share capital in February 2010. In turn Finsoe is controlled by Holmo, a company owned by cooperatives, which holds 80.9% of its capital. However, 49.25% of UGF's ordinary share capital and all the preference shares are traded on the Italian Stock Exchange.

SHAREHOLDER STRUCTURE

Figures in %



For more detailed information you are referred to the full texts of the Code of Corporate Governance, the Annual Reports on Corporate Governance, the By-Laws and the Regulations governing Shareholders' Meetings, which can be seen in the Corporate Governance Section of www.unipolgf.it. However, the Code of Corporate Governance for Listed Companies is on the site of Borsa Italiana SpA, www.borsaitaliana.it.

⁽¹⁾ FINSOE holds 8.57% of the treasury shares

FINANCIAL RESPONSIBILITY

CONSOLIDATED FINANCIAL STATEMENTS

- 2009 was characterised by a deterioration in the Non-Life insurance operating results, the most important area in terms of contribution to Group profits. However, the recovery in the financial markets and the measures to streamline sources of finance taken by the Group enabled the year to close with a comprehensive consolidated profit of €218m.
- The Group's consolidated result amounted to -€772m, mainly owing to write-downs on equity securities classified as AFS that did not affect the Group equity structure since they were merely transferred from the provision for profits and losses on available-for-sale assets to the income statement.
- The unconsolidated profit of €128.8m achieved in 2009 by the parent UGF SpA also enabled the Board of Directors, meeting on 25 March 2010, to propose total dividends of €100.4m to the Shareholders' Meeting, i.e. €0.0400 per ordinary share and €0.0452 per preference share.

THE MAIN RESULTS FOR 2009

Amounts in €m	Direct Insurance Premiums	9,501
	Bank Business – Direct Customer Deposits	9,540
	Group net profit	-772
	Comprehensive income	218
Source: 2009 Consolidated Financial Statements	Equity attributable to owners of the Parent	3,585

The Group also continued to be one of the leading occupational pension fund managers in 2009, with 26 national or local occupational pension fund mandates (15 of which were mandates for 'guaranteed' accounts) and approximately €2bn of assets under management.

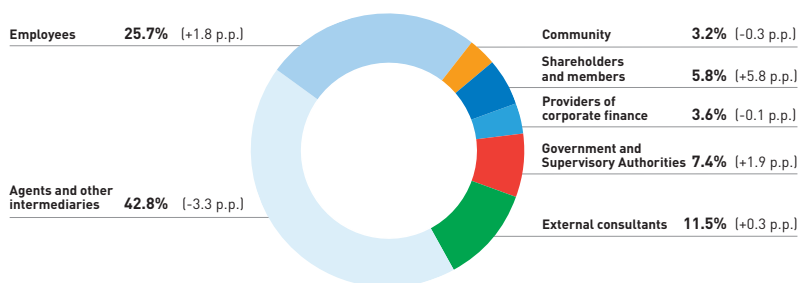
ADDED VALUE

Added value represents the link between the Consolidated Financial Statements and the Sustainability Report and expresses the wealth produced by the Group during the year as the difference between production revenues on the one hand and the costs of insurance and banking services and the amounts paid for goods and services on the other.

Net total added value was €869.7m in 2009. This result was affected by the write-down through profit or loss carried out on the securities classified as 'available for sale' under IFRS criteria. Hence allocation of the added value to the various stakeholders takes account of the allocation of a negative amount of €869.7m retained by the Company. An added value of €1,738.9m was allocated to each of the other stakeholders, almost the same as in 2008, not including the percentage value retained by the Company.

In 2009 the wealth produced was distributed as shown in the diagram:

DISTRIBUTION OF ADDED VALUE IN 2009



Source: Administration, Management Accounts, Procurement and Property

The percentage values indicate the proportion of added value distributed to each stakeholder whilst the variation in the incidence in 2009 compared with 2008 is shown in brackets and is expressed in percentage points.

RELATIONS WITH STAKEHOLDERS

In line with its Mission mentioned in the introduction to the Charter of Values, UGF undertakes to improve the quality of life of its customers by providing solutions that support and safeguard them throughout their lives. This entrepreneurial strategy is 'effective, profitable and sustainable and is based on the contribution made by staff and the value that they add'. For this reason the Group considers it essential to carry out its work transparently, reliably and expertly in such a way as to show trust towards, and at the same time be seen as trustworthy by all its partners and stakeholders

UGF STAKEHOLDER



CUSTOMERS AND RANGE OF PRODUCTS

The fact that UGF is split into different companies makes it possible to cover all the requirements of the insurance and banking markets in which it operates, ensuring that its customers' needs are met swiftly and appropriately. Thus, in 2009:

- the Customer Relationship Management project, an advanced marketing system for managing relations with customers, was trialled;
- the new unified infrastructure for Call Centres, which will make it possible to develop more innovative services, provide better solutions to problems of operational continuity and make it better able to respond when infrastructures are 'overworked', became operative.

The integration of the banking and insurance services of the various Group undertakings makes it possible to develop a range of products that responds better to the growing need for security of both individuals and businesses.

In MV business Unibox, Aurobox and Linearsat, the satellite devices adopted by the Group companies operating in MV business, continue to be in the vanguard in the sector and enable significant discounts to be offered on both MV TPL cover and Fire/Theft.

Below we mention some of the fields covered by the products and services offered by the companies in the Group, details of which may also be seen on the various websites (www.unipolgf.it, www.ugfassicurazioni.it, www.linear.it, www.unisalute.it, www.navale.it, www.ugfbanca.it). In fact, in line with Group strategies and depending on its special features and/or specialisations, each of the companies belonging to UGF operates through a specific sales channel, targets specific customers and has its own range of products.

AREA	PRODUCTS
Residential buildings	Loans House insurance Loan protection
MV	Consumer financing MV insurance Roadside support and assistance
Savings	Investment funds Saving plan Pension funds
Protection	Life Assurance
Individuals and Family	Accident and Health Cover Health support and assistance
SMEs and professions	Professional indemnity insurance Savings Credit Development and expansion loans

CLAIMS HANDLING

Claims-handling guidelines ensure that solutions are found that provide customers with protection, assistance and security.

A number of measures were taken during 2009 to streamline processes, instruments and procedures in order to improve the level of service provided. In particular, in order to bring the direct payment procedure 'closer' to the customer, some claims were passed to local offices to be dealt with, further strengthening the work of the local claims-handling network.

- The Group dealt with 1,755,584 claims during 2009.
- A total of 1,057,343 claims were settled, an increase of 4.2% on the figure for 2008, proving that the settlement process was more efficient.
- The rate of settlement was also slightly up on the previous year (70.3%).

The Group also uses professionals and craftsmen to help with claims-handling: investigators, doctors, lawyers, vehicle repairers, loss adjusters etc. in order to provide the customer/user with a high-quality service. Under an agreement with the Consumers' Associations policyholders who have suffered a loss in a road traffic accident may also use the conciliation procedure.

THE SALUTESÌ PROJECT – TRIALLING A NEW IDEA FOR HANDLING CLAIMS THAT INCLUDE PERSONAL INJURY

THE AIM OF THE SALUTESÌ PROJECT, WHICH HAS BEEN ON TRIAL SINCE OCTOBER 2009, IS TO OFFER VICTIMS OF ROAD TRAFFIC ACCIDENTS (UNDER THE DIRECT INDEMNITY SCHEME, WHEN BOTH PARTIES INVOLVED HAVE SIGNED A FRIENDLY ADJUSTMENT) DIAGNOSIS AND TREATMENT FROM THE TIME THE CLAIM IS SUBMITTED UNTIL RECOVERY, INCLUDING REHABILITATION, AND UNTIL THE CLAIM HAS BEEN FINALLY SETTLED.

'PROTECTED': TOTAL PROTECTION

PROTECTED IS THE UGF ASSICURAZIONI POLICY FOR THE TOTAL PROTECTION OF THE FAMILY, HOUSE AND CONTENTS. IT IS FLEXIBLE AND CAN BE TAILORED TO THE INSURANCE REQUIREMENTS OF THE INDIVIDUAL CUSTOMER.

AGENTS AND SALES NETWORK

The many sales channels and the high quality of the Group network provides a strong presence throughout the whole country and the whole market: a store of expertise and good customer relations within the insurance companies, represented by the network of private agents, by a growing number of sales outlets made up of insurance agencies combined with bank branches and by the innovative – and unique in the sector – presence of its own sales channel, which consists of the eleven Assicoops belonging to the Unipol Division of UGF Assicurazioni.

At the end of 2009 the sales network had:

- 7,185 sales outlets, 2,168 of them forming the primary network (the agencies) and 5,017 the secondary network (the subagencies)
- 299 UGF Banca branches, 180 of which were combined with insurance agencies
- 28 finance shops
- 374 financial advisers.

The **bancassurance** network had:

- 748 branches of BNL (BNP Paribas Group)
- 319 CSI (Crédit Suisse Italy) and SIMGEST (consumer cooperatives) financial advisers.

'SOCIAL COVER' FOR 12 MILLION PEOPLE

FOR PEOPLE WHO ARE PARTICULARLY ACTIVE IN SOCIAL WELFARE, AND YET ANOTHER PRODUCT OFFERED BY UGF, IS PROVIDED BY GROUP POLICIES FOR MEMBERS OF CERTAIN ORGANISATIONS (FOR VARIOUS CATEGORIES OF PENSIONER WHO ARE MEMBERS OF TRADE UNIONS) AND COVER FOR VOLUNTARY ASSOCIATIONS.

Premiums for these types of cover amounted to approximately €5m.
UGF does not make a profit from these types of cover but simply ensures that premiums cover costs.

EMPLOYEES

The companies in the Group had **7,111** employees on 31 December 2009, 4,763 in the insurance sector and 2,348 in banking.

The Group once again confirmed its commitment to **equal opportunities**.

Women accounted for more than 50% of the total workforce in 2009.

A **Joint Committee** has been set up to develop initiatives and projects.

As regards **health and safety**, **2,267** employees had regular statutory health checks. Under **non-compulsory** preventive measures:

- 1,255 employees had 'flu jabs
- 1,869 employees took part in the campaign to prevent skin cancer.

The Group continued to run continuing professional development courses for employees in 2009. Relations with the **University of Bologna** were also strengthened, particularly with the Faculty of **Economics and Mathematics**, and with the **MIB Business School in Trieste** and the **Guglielmo Marconi Open University**, the first online university in Italy.

UGF GROUP EMPLOYEES

	2009 Total	Men	% 2009	Women	% 2009	2008 Total	2007 Total
UGF	417	229	54.92	188	45.08	2,603	2,607
UGF Assicurazioni *	3,357	1,522	45.34	1,835	54.66	1,082	1,098
Linear	375	93	24.80	282	75.20	377	311
UniSalute	393	94	23.92	299	76.08	365	300
Navale+Navale Vita	132	71	53.79	61	46.21	136	198
BNL Vita	87	45	51.72	42	48.28	86	85
SGR	2	2	100.00	0	0.00	4	0
TOTAL INSURANCE BUSINESS	4,763	2,056	43.17	2,707	56.83	4,653	4,618**
TOTAL BANKING BUSINESS ***	2,348	1,458	62.10	890	37.90	2,288	1,934
GROUP TOTAL	7,111	3,514	49.42	3,597	50.58	6,941	6,552

* The number of employees in both the holding company and the Company has varied as a result of reorganisation and the founding of UGF Assicurazioni, which took place on 1 February 2009 when Aurora Assicurazioni was merged into Unipol Assicurazioni and the company name was subsequently changed. The figures before 2009 represent the total number of employees in Unipol Assicurazioni and Aurora Assicurazioni.

** Including the staff of Quadrifoglio Vita (the holding in the company was sold in 2008).

*** The banking business includes UGF Banca, UGF Merchant, UGF Leasing, Nettuno Fiduciaria, Unicard and UGF Private Equity.

SUPPLIERS

The UGF Group has always considered its suppliers to be of fundamental importance for enabling it to provide customers and agents with high standards of service and to compete in the market.

The criteria for selection are transparency and fairness, and taken into account when quotes are compared are not only price and quality but also whether the businesses concerned have signed up to the principles in the Group's Charter of Values and Code of Ethics and how well they treat their employees. Preference is given to holders of quality and/or environmental certification.

Particular preference is given to suppliers who, through research and innovation, can offer better and cheaper products and services. Group purchasing choices are geared towards **eco-friendly stationery** such as recycled paper and paper from renewable sources (approximately 98%) and the latest generation of **multifunctional equipment**, photocopiers and printers, a feature of which is improved energy efficiency and a reduction in the number of spares and equipment requiring disposal.

In addition each individual service (stationery, electricity, express post, cleaning, photocopiers) was purchased **from only one supplier** in 2009 in order to increase synergies and reduce costs.

Even more services were purchased from sole suppliers in 2009 with the implementation of the **Manem** system (Manufacturing Network Manager), an official and transparent channel for the exchange of information (orders, acceptance of orders, delivery of materials etc.).

UGF PARTNER DAYS

IN NOVEMBER 2009 UGF PARTNER DAYS, MEETINGS FOR ALL THE GROUP'S MAIN SUPPLIERS, WERE HELD IN UGF BANCA'S AUDITORIUM IN BOLOGNA AND IN THE AUDITORIUM AT SAN DONATO MILANESE.

They were the first events held to raise awareness of the Charter of Values and the Code of Ethics in order to explain the conduct that the Company endeavours to adhere to and at the same time to ask suppliers to behave likewise, but they also presented an opportunity to discuss mutual requirements and make suggestions for improvement.

THE COMMUNITY

UGF also supported social, cultural and sporting initiatives in 2009 to the tune of €4,670,790, to which must be added compulsory contributions of €51,137,833 to the funds for victims of road and hunting accidents.

CONTRIBUTIONS TO THE COMMUNITY IN 2009

Amounts in €	Type of activity	Description	Amount
	Donations	Contributions and donations of money or in kind to non-profit-making organisations for short-term initiatives or projects	820,250
	Sponsorship	Sponsorship of social, cultural, sporting and local organisations (chosen by the bank branches or agents) in order to promote the company's brand (with a commercial value)	2,850,540
	Unipolis Foundation	Percentage of net operating profit allocated to the foundation set up by Unipol Gruppo Finanziario for the purpose of making social investments in the community and fostering medium-long term partnerships	1,000,000
	TOTAL		4,670,790

Source: UGF Administration
Department

The UGF Group campaign known as 'One euro per policy and current account' in favour of Libera – Associations, names and numbers against the Mafia continued. It was founded by Don Luigi Ciotti, has raised a total of €130,000 and in 2009 was coupled with 'one Euro per current account' opened with UGF Banca.

THE UGF GROUP FOR ABRUZZO

THE EARTHQUAKE THAT STRUCK THE PROVINCE OF AQUILA ON 6 APRIL 2009 WAS ONE OF THE WORST IN ITALY OVER THE PAST FEW YEARS, WITH 308 DEAD, SOME 1,600 INJURED AND 67,000 EVACUATED.

The day after the earthquake UGF and UGF Banca gave €50K to the national fund sponsored by the Trades Union Federations CGIL, CISL and UIL. Unipol Agents raised €50K from colleagues, which the Unipol Division of UGF Assicurazioni made up to €100K, for the Local Health Authorities in Aquila, to buy an ambulance and other equipment.

Aurora agents raised €154,750, which they gave to their fellow agents and their three agencies affected by the earthquake to enable them to continue their work with customers and protect the jobs of employees, consultants and subagents.

THE UNIPOLIS FOUNDATION



Unipolis, the foundation set up by Unipol Gruppo Finanziario, helps to create value through its network of partnerships with various organizations, carrying out practical research in-house and financing in-depth studies of future welfare scenarios and various aspects of safety: in the community, on the road, at work. In 2009 the Foundation used around €1,500,000 of its funds to promote initiatives in the four areas covered by its mission: culture, research, security and support for the community.

2009 was notable for:

- the **promotion of culture**: the 'culturability' project was launched publicly in July 2009 at a meeting on 'Culture's responsibility for a sustainable society'
- the second **Keys to Smiles** competition, organised in the same way and with the same prizes as last year, with a deadline of 10 February 2010
- commitment to **Libera** in the struggle for legality
- promotion of road safety under the 'Sicurstrada' project
- the report 'Safety and security in Italy: meanings, image and reality', drawn up with the help of Demos & Pi and the Osservatorio di Pavia research institute
- research on 'Governance and social responsibility. Analysis of the application of corporate Codes of Ethics in Italy', the first in-depth analysis in Italy of the reasons for and the effects of the introduction of corporate Codes of Ethics
- two research projects on welfare, in collaboration with the University of Bologna.

A SECOND LIFE FOR COMPUTERS – AT MASSAWA, IN ERITREA

A YEAR AGO UGF DECIDED TO ALLOCATE THREE THOUSAND PERSONAL COMPUTERS AND NINE HUNDRED PRINTERS TO THE NON-PROFIT-MAKING ORGANISATION BITEB-BANCO INFORMATICO TECNOLOGICO E BIOMEDICO.

A hundred of those pcs are now being used for IT in the brand-new school of San Francesco, in Massawa in Eritrea, thanks to the non-profit-making organisation Peace Now, which ensured they were delivered and installed.

ENVIRONMENT

A few years ago the Group launched a series of measures relating to various business areas more directly related to the theme of environmental sustainability in terms of both reducing energy and water consumption and proper waste management but also of limiting and reducing greenhouse gas emissions. UGF's strategy is also put into practice by support for and participation in environmental initiatives and national and international projects on specific themes such as climate change and sustainable development, including:

- participating in the Ecomondo fair along with UGF Banca
- participating in the Brussels Green Week
- participating in the working group within the Microkyoto Businesses Project, which is promoted by the Province of Bologna and Impronta Etica
- participating in the Euresa working group, with the other European partners, to draw up a report on good social and environmental practices in insurance and finance.

THE 'MICROKYOTO' PROJECT LEADS TO ACTION TO REDUCE ENERGY CONSUMPTION

AN AUDIT WAS CARRIED OUT IN 2009 ON TWO BANK BRANCHES IN THE PROVINCE OF BOLOGNA AS PART OF THE 'MICROKYOTO BUSINESSES' PROJECT TO WHICH THE UGF GROUP HAS SIGNED UP.

As a result of analysing energy consumption and emissions, targets were set for reducing them and various measures were taken that included raising awareness of staff about saving energy and distributing a small handbook on reducing consumption in the office.

ENERGY AND WATER CONSUMPTION

The energy audit carried out by UGF was updated in the first few months of 2010 to take account of the figures for 2008 and 2009. The results for energy consumption and expenditure identified areas where the relative services and investment could be improved.

Specific energy consumption (electricity, heating and refrigeration) in 2009 was slightly up on the previous year in almost all buildings. This was due to more accurate methods of collecting data as well as to the particularly cold winter.

To be specific, comparison of the figures for 2008 with those for 2009 on a like-for-like basis showed that total electricity consumption was not much different and gradually fell thanks to the use of new technology. The increase in the **consumption of water** in 2009 was largely attributable to the installation of irrigation equipment at the offices in Via Stalingrado and Piazza della Costituzione in Bologna.

	2009	2008	2007
ANNUAL CONSUMPTION			
Electricity (KWh/year)	19,427,471	18,669,350	16,028,757
Heating (MWh/year)	13,889.08	11,537.09	10,446.07
Refrigeration (MWh/year)	9,086.71	8,176.93	8,268.16
Water (m3/year)	141,781	134,729	138,893

Source: Administration,
Management Accounts,
Procurement and Property

'PORTA EUROPA LIVES'

THE INITIAL WORK ON PORTA EUROPA, THE COMPLEX OF BUILDINGS IN VIA STALINGRADO IN BOLOGNA BETWEEN VIA ALDO MORO AND PIAZZA DELLA COSTITUZIONE, WAS COMPLETED DURING 2009. IT IS AN IMPORTANT PART OF THE UPGRADE OF THE DISTRICTS IMMEDIATELY OUTSIDE THE CITY WALLS.

This work, on office buildings for the Group (for approximately 550 employees), was carried out using the latest technology in order to reduce energy consumption and mitigate the overall impact on the environment. The entire complex is expected to be completed at the end of 2010 or in the first few months of 2011.

WORK ON THE 'GREEN TOWER' IN VIA LARGA READY FOR THE OFF

BUILDING WORK HAS BEGUN ON THE UGF TOWER IN VIA LARGA ON BOLOGNA'S EASTERN RING ROAD. IN CONSTRUCTION SUSTAINABILITY HAS VARIOUS MEANINGS: IT INCLUDES NOT ONLY THE FINANCIAL ASPECT BUT ALSO THE IMPACT THAT THE NEW BUILDING HAS ON ITS SURROUNDINGS (UNDERSTOOD AS URBAN AND SOCIAL STRUCTURE) AND ANY EFFECT THE ENERGY USED TO BUILD AND MAINTAIN IT HAS ON THE ECOSYSTEM.

For the final rating the LEED certifying body uses a series of benchmarks that measure the impact of the building in its broadest sense, such as the character of the site, the materials and resources used and the quality of the interior environment. In the case of the UGF TOWER the aim is to obtain GOLD certification as proof of a high quality of interior comfort combined with the least use of energy.

WASTE MANAGEMENT

The main waste produced by the Group is:

- office paper
- toner cartridges and materials for printers
- glass, cans, plastic
- medical waste (from the sick rooms in the Group's offices).

In order to minimise its impact on the environment the Group is already taking action within the supply chain (for instance toner cartridges are supplied direct by manufacturing companies that hold certification for products that work well and produce the least waste in the event of malfunction).

Waste paper, for which containers are provided in the Group's main offices and those of the single-purpose companies, is delivered to a specialist company, which monitors the pulping and recycling process throughout the whole country. In 2009 the proceeds of waste disposal were allocated to the AISM (Italian Multiple Sclerosis Society).

In addition to the collection of **plastic** in containers in the canteens in the main offices, **glass and cans** are now collected separately and there are containers at the various porters' desks for collecting **batteries**, with medical waste being collected at the sites concerned.

RECYCLED PAPER AND PAPER FROM SUSTAINABLE SOURCES IN ALL GROUP OFFICES

97.3% OF ALL PAPER PURCHASED BY THE GROUP IS FSC CERTIFIED. THIS CHOICE IS IMPORTANT FOR REDUCING THE IMPACT ON THE ENVIRONMENT SINCE FSC PAPER IS ALSO THINNER (75G) THAN OTHER TYPES OF PAPER AND THEREFORE TAKES UP LESS SPACE.

The FSC mark uses a strict system of audits and regulations to guarantee that raw materials from forests are processed with respect for the ecosystem of the forest.

EMISSIONS

For the first time this edition of the Sustainability Report contains reports on the CO₂ emissions produced by the Group when carrying out its work and which it undertakes to take measures to reduce. An internationally recognised procedure, the **GHG Protocol** (Greenhouse Gas Protocol Initiative) was used to calculate the figures.

	Calzoni (BO)	Costituzione (BO)	Stalingrado (BO)	San Donato (MI)	Esquilino 5 e 12 (Rome)	Pilastro (BO)	Gomito (BO)
Electricity	172.12	2,169.83	2,587.54	3,901.43	810.46	605.55	380.18
Heating	83.16	437.23	913.07	1,223.48	nd	351.67	172.40
Refrigeration	33.87	292.89	452.06	1,318.84	nd	-	-
TOTALE	289.15	2,899.95	3,952.67	6,443.75	810.46	957.00	553.00

Note: Emissions are estimated on the basis of the following coefficients:

1KWh electricity = 0.53 kg of CO₂ 1KWh heating = 0.25 kg of CO₂ 1KWh refrigeration = 0.25 kg of CO₂

Source:
Administration, Management
Accounts, Procurement and
Property

The property referred to in the table is the Group's main offices: in Bologna, via Calzoni, Piazza della Costituzione, Via Stalingrado, via del Gomito and via del Pilastro (which house the employees of UGF, UGF Assicurazioni, UGF Banca, UniSalute and Linear); in Milan, San Donato Milanese (Navale, UGF, UGF Assicurazioni); in Rome, Piazza dell'Esquilino 5 and 12 (UGF, UGF Assicurazioni, Navale).

In 2009 the UGF Group also continued to promote road safety and a reduction in car travel in order to reduce the impact on the environment.

UGF also issued a **policy on company travel** to encourage employees to use the railways and made the most of its videoconferencing facilities (with seven videoconferences in 2009).

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