

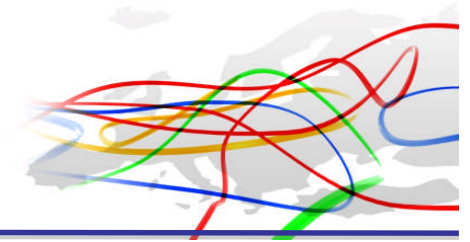
**BUILDING
UNICREDIT EUROPEAN WORKS COUNCIL:
IMPROVING COOPERATION
TO STRENGTHEN SOCIAL DIALOGUE**

**Project on Information, Consultation and
Participation of Representatives of Undertakings**

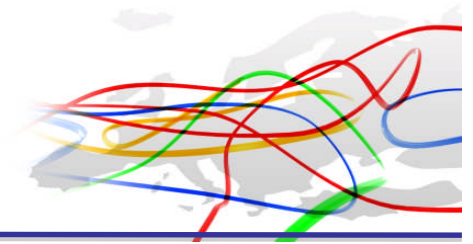
Final Report as on December 2008



The project co-financed by EUROPEAN COMMISSION
Employment, Social Affairs and Equal Opportunities DG

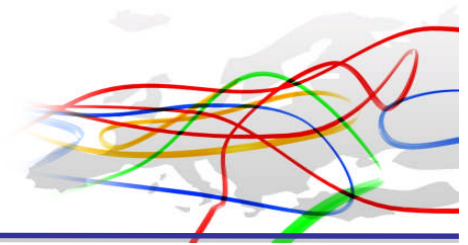


- Presentation of the Project
 - Background
 - Our values
 - Our European Works Council
 - Project Objectives
 - Short Term Project Objectives
 - Project Team
 - Project Phases
- Steering Committee Meeting and First Main Event Workshop
 - Preamble
 - An innovative approach to learning
 - Introduction
 - The Plenary sessions
 - The Collaborative Activities Team@Work
- Steering Committee Meeting and Second Main Event Training Session
 - Preamble
 - European Labour Law
 - European Industrial Relations
 - Business and Financial Data
 - Sustainability Report and CSR



- UniCredit Group is one of the largest banking and financial services organizations in Europe: its international network is made of branches, representative offices and small banking subsidiaries in more than 40 countries worldwide
- The set of values in which we strongly believe is based on **integrity as condition of sustainability**, which makes it possible to transform profit into value for all the stakeholders, Employees first
- This means the need and the willingness to build, as distinctive sign, a **common European corporate culture** and a **new framework of Industrial Relations** based, particularly, on **Social Responsibility**

Our Values



Our set of Values is based on integrity as condition of sustainability...

OUR SET OF VALUES

Fairness
Transparency
Respect
Trust
Freedom
Reciprocity

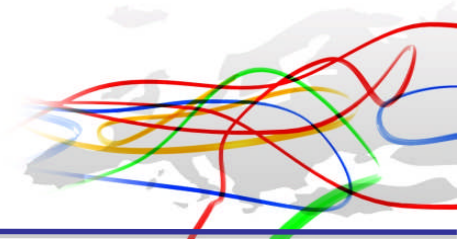
...to transform profit into value...

For UniCredit the pursuit of profit is a positive value because it assumes continuity and independence, building - via integrity - our reputation vis-à-vis all stakeholders.

Integrity assures sustainability, which makes it possible to transform profit into values

...for all our stakeholders

Customers
Employees
Shareholders
& Markets
Local
Communities



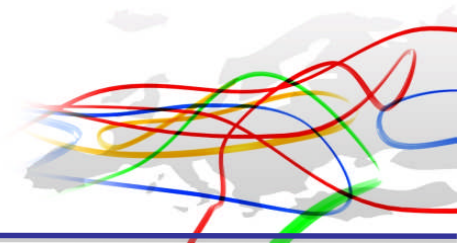
- Set up in **January 2007**, through an agreement between Management and an Employees' Representatives Special Negotiating Body (art. 6 of EC Directive 94/45)
- Going **beyond the Directive provisions**, the UEWC aims at acting as a **governance body**, to increase transparency, to improve information and consultation concerning Group's strategies between Management and the Employees' Representatives at an international level
- Among the about 800 EWC currently existing, UEWC is the **first one in the Italian Banking sector** and one of the **major benchmarks**. It represents more than 175,000 Employees in 27 Countries, including **both EU and not EU Members States**
- The presence of representatives from 27 Countries, different banks and cultural backgrounds **makes it one of the main challenges of this new body and of this project**



- The European Works Council is the **natural forum** chosen by UniCredit and Employees' Representatives for developing a shared transnational social dialogue and an effective cooperation between management and Employee Representatives
- The social dialogue within the Group shall be characterized by a **potential equal involvement of the members**, all potentially able to face, together with the Management, the challenges brought by internationalization and the new market dynamics

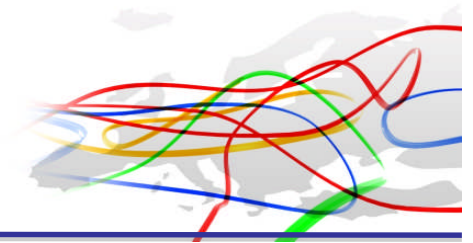
The project
starts from the need
to set the ground and give to
HR Managers and Employees' Representatives
the necessary tools
at the very beginning of the first EWC mandate

Short Term Project Objectives



- Bring together in a *stimulating environment* EWC members and Group's Human Resources Managers to start to get to know, build the **team** and improve the **cross-cultural relations, share first expectations and goals** on the newly established EWC, creating a **common knowledge on the EWC institution; compare with** the European social partners and representatives from other Companies/European Works Councils;
→ 1st session WORKSHOP
- Get the main **tools to improve the consultation** with the Central Management: knowledge of Business Processes/financial data and European Labor Law/Industrial Relations
→ 2nd session TRAINING
- Draw **conclusions** and define the **next steps**
→ Closing EVENT WORKSHOP

Project Path



Workshop EWC/HR

March 5th-7th, '08

- [Team@work](#)
- **Round tables on:**
 - European Social dialogue (Social Partners)
 - EWC experience (Other EWC)
- **Training session on EWC (SDA)**

3 days - Turin

Training

May 14th-15th, '08

Training

- Financial Data
- Business Processes
- Labor Law
- Industrial Relations

2 days - Milan

Closing event

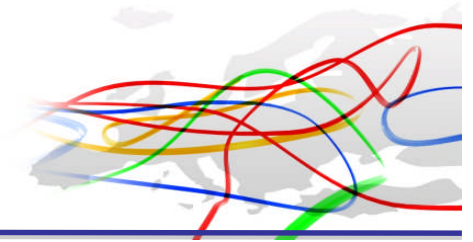
May 16th, '08

Closing Event

- Sharing of experience results
- How to create a community of practice
- Focus on next steps
- Results Dissemination

1 day - Milan

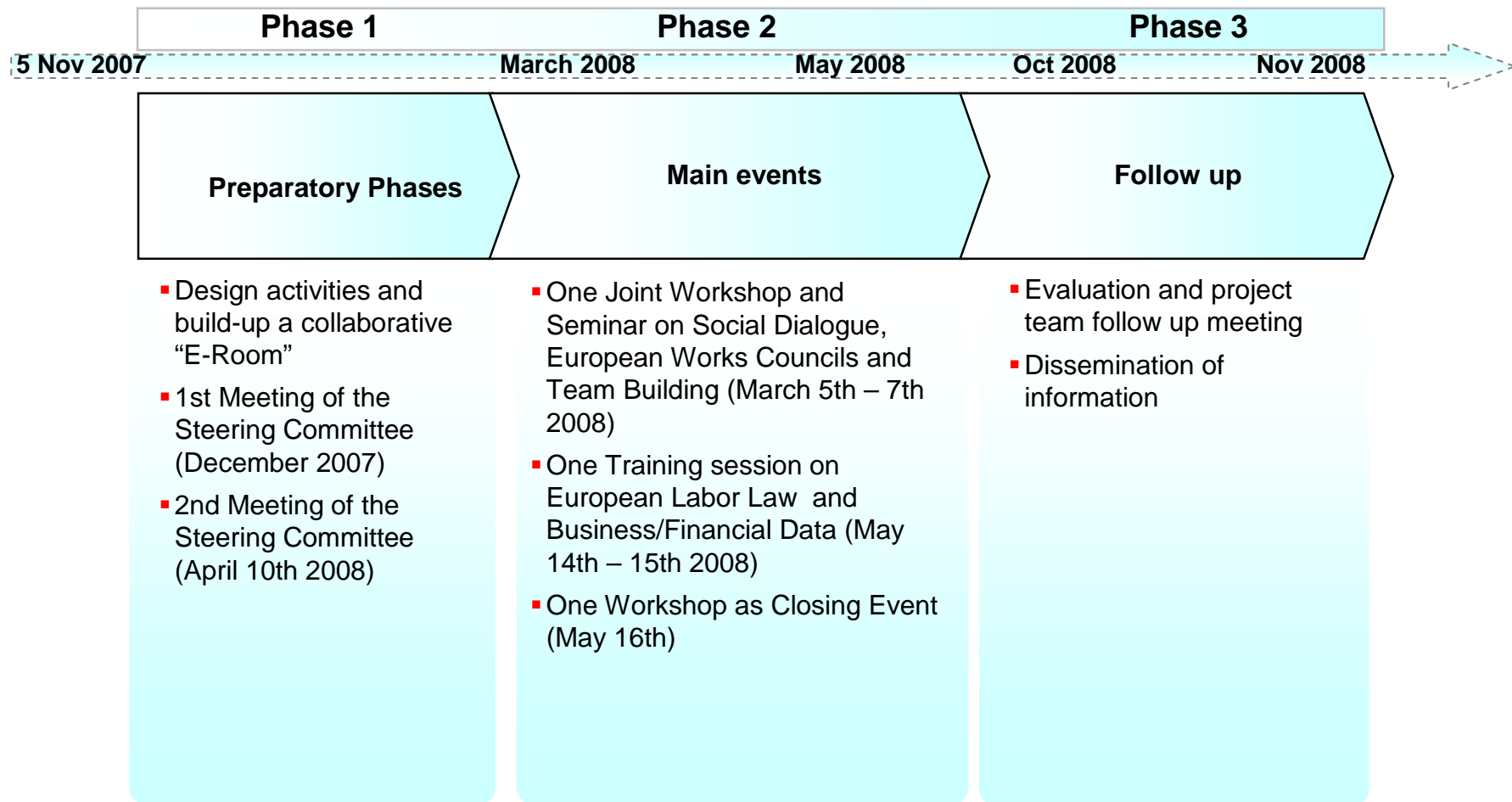
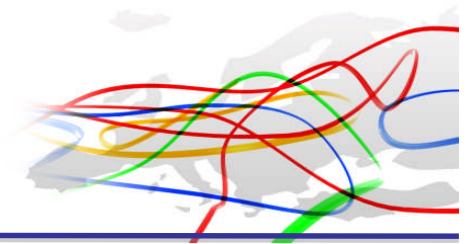
Designing & Building the collaborative virtual place “ E-Room”



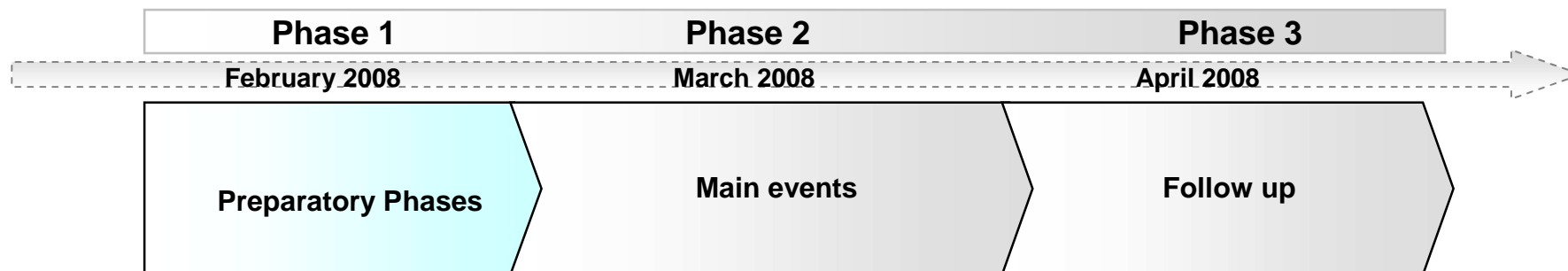
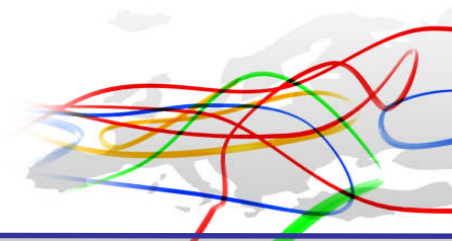
The first innovative point of the project is that it is co-designed and arranged thanks to the **joint effort** of EWC Members and Company experts:

*UEWC,
UniCredit SpA (Holding)
UniManagement SpA
LifeLong Learning Center (UPA SpA)*

Project Phases



Project Phases Tasks Advancement as on March 2008



DESIGN ACTIVITIES AND BUILD UP A COLLABORATIVE E-ROOM

Designed and built the collaborative virtual place "E-Room" between all the participants of the Project:

- ✓ Created the "community"
- ✓ Defined the level of security and access to information
- ✓ Designed the repository
- ✓ Defined the tutorship of the activities
- ✓ Requested to UGIS (the IT company of UniCredit) the set up of the virtual environment

1st STEERING COMMITTEE (17th DECEMBER 2007)

Sponsor meeting for the full design of the first event, in particular:

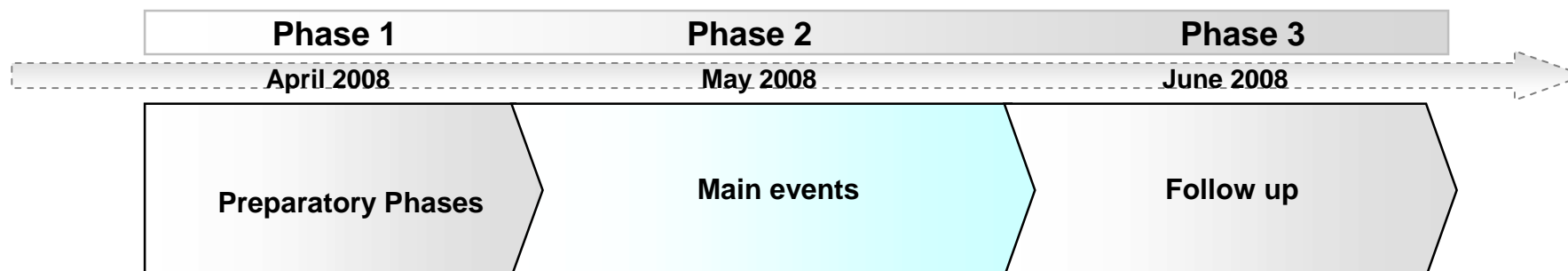
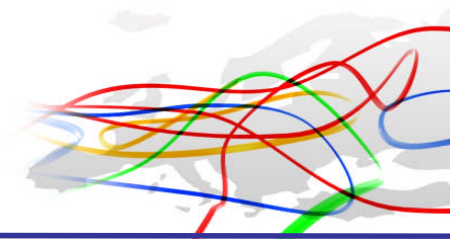
- ✓ Defined material for the working groups, round tables and speeches
- ✓ Defined speakers and participants
- ✓ Defined logistic details
- ✓ Defined interpreting needs
- ✓ Defined any other specific detail

JOINT WORKSHOP AND SEMINAR ON SOCIAL DIALOGUE, EUROPEAN WORKS COUNCIL AND TEAM BUILDING (5th – 7th MARCH 2008)

First event arranged in UniManagement Center, Turin:

- ✓ Established a first real contact among EWC Representatives coming from 27 European Country and Group HR Managers
- ✓ Shared expectation on EWC role
- ✓ Building team culture
- ✓ Shared respective industrial relations and cultural background
- ✓ Created a common base of knowledge on the EWC and receive tools to measure the activity effectiveness

Project Phases Tasks Advancement as on May 2008



2nd STEERING COMMITTEE (April 10th 2008)

Sponsor meeting for the full design of the first event, in particular:

- ✓ Defined material for the working groups, round tables and speeches
- ✓ Defined speakers and participants
- ✓ Defined logistic details
- ✓ Defined interpreting needs
- ✓ Defined any other specific detail

TRAINING SESSION, EWC/HR AND INTERNAL/EXTERNAL EXPERTS (May 14th –15th 2008)

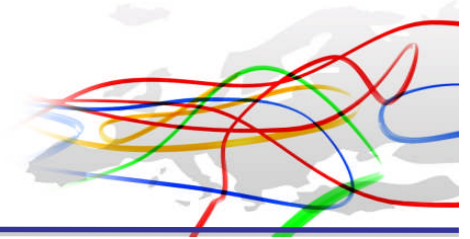
Second event arranged in UniCredit Headquarter, Milan:

- ✓ Training session in European Labour Law, team building activities and Q&A session
- ✓ Training session in European Industrial Relations, team building activities and Q&A session
- ✓ Training session in Business and Financial Data, team building activities and Q&A session
- ✓ Training session in Sustainability Report and CSR, team building activities and Q&A session

CLOSING EVENT

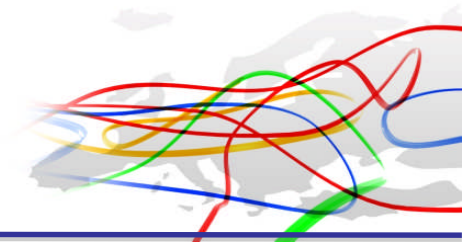
- ✓ Considerations and results
- ✓ Collecting feedback
- ✓ Information Dissemination Plan
- ✓ Next steps

Project Phases Tasks Advancement as on November 2008



**EVALUATION AND FOLLOW UP
MEETING OF THE PROJECT TEAM
(OCTOBER 15th)**

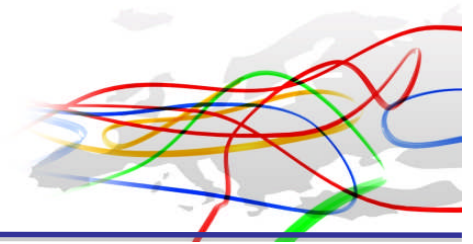
- ✓ Collecting feedback
- ✓ Defined the framework of the CD-rom
- ✓ Next steps



**FOCUS ON FIRST MAIN EVENT
WORKSHOP**

- UNIMANAGEMENT CENTER-

Brief summary of the workshop activities



- **Location:** Group Leadership Development Center “UniManagement”
- **Participants:**
 - 44 EWC Members from 27 Countries
 - HR Managers from the major Countries
 - Holding and Divisions Head of HR and Industrial Relations
- **Length:** 3 Days
- **Methodology:** alternating traditional plenary moments with team@work activity also mixing HR and EWC members in the teams

“...you cannot *train* culture, you can only improve through experience.
Change and transformation must be based on a voluntary choice...” (Pier Pagella, UNM)

- **Crew:** Composed by UniManagement Staff, HR and Trade Unions members



UniManagement is the company within UniCredit Group dedicated to Leadership Development

- ✓ Learning from peers
- ✓ Different methodologies for different learning styles
- ✓ **No fixed top down models** and tools

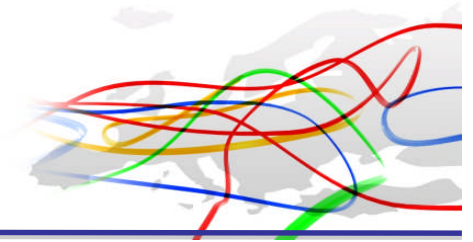


Maximize opportunities for **cooperation and long term networking**

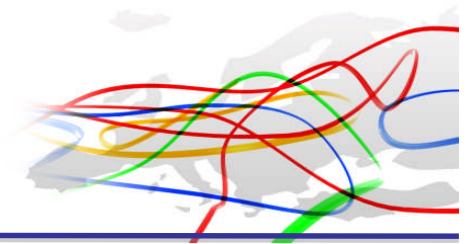


Physical architecture and **creative working environment** for activities that stimulate the mind, the senses and our emotions





- Introduction
- Plenary sessions
- Cooperative activities and working groups – Team@Work



Highlights

... Our goals are quite clear. **We are all here to bring all of us at UCG closer together.** We are here to create a better understanding of what is driving our Management positions. We are here to receive the points of view of every Country in which we operate that will serve our distinctive group culture. ... We are making the process **clear and transparent** to everyone inside the company, the shareholders, those we do business with the financial community and the world at large. It helps us succeed over the long term through our strong reputation.

Opening Speech
UCG Chairman
Dieter Rampl

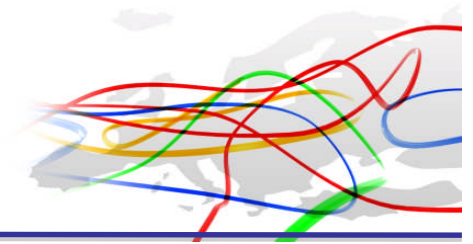
Highlights



... **strong governance** is needed to help us respond to ongoing changes in the international marketplace and its best practices... If we are to succeed as a truly international bank, then our Managers and Employees **have to be involved in a proactive way regardless of geographic origin and the industrial relations nature of the country in which they work.** ...This council is an irreplaceable unit of the strong UCG community. It shows total centrality of human resources in our Group. It makes the values in our Integrity Charter tangible ...

This is a ground breaking event. The ground we are breaking is very fertile for growth.

...empowering optimism by shaping tomorrow today...



Highlights

Opening UEWC Chairman

Andrea Bonansea

"... The EWC is an important tool for Employees to share needs and ideas and improve their conditions in all countries. UCG as been consistent in this direction ... It has made one of the most advanced agreement in Europe and this gives substance to the EWC ..."

Opening Head of Labour Policies and Industrial Relations and event's sponsor Angelo Carletta

Highlights

"... Diversity is a platform of richness. It is something we can build on. This makes sense only if there is true cooperation..."





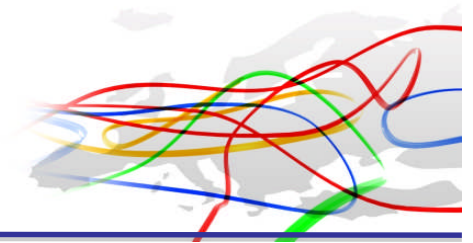
Highlights

Intro
CEO of UniManagement and
Event's main facilitator
Anna Simioni



Talking about complexity: "Complexity theory says that when a system is composed of many different entities, the relationships between them are more relevant than the content of any one of them... **In a complex system, even the tiniest elements can have tremendous impacts on the global results.** A true experiment regarding unpredictability is called the butterfly effect. ... **Each individual action makes a difference. Each individual person makes a difference**"

"If you have an apple and I have an apple and we exchange these apples then you and I will still each have one apple. But if you have an idea and I have an idea and we exchange these ideas, then each of us will have two ideas"
George Bernard Shaw

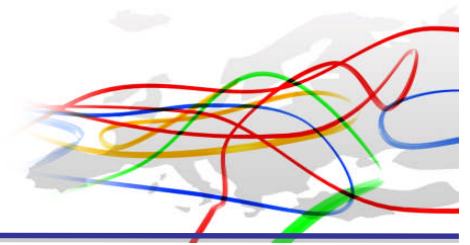


1st Day
comparing the European context in which we operate:
Round table “European Social partners:
methodologies, difficulties and achievements
of the European Social Dialogue”

Guests:

- Giancarlo Durante, Chairman of **Banking Committee for European Social Affairs** (BCESA – European Banking Federation) and Jens Thau (BCESA/AGV Banken)
- Oliver Roethig, Head of **UNI Europa Finance** (UNIGlobal Union)





2nd Day

Creating a common knowledge on EWC's practices and UniCredit position within the European scenario Training session

Partners:

Alexandre Martin, **Social Development Agency** (European Trade Union Confederation) and Silvia Cassano (Head of Industrial Relations – International and MGMT-EWC Permanent Contact)

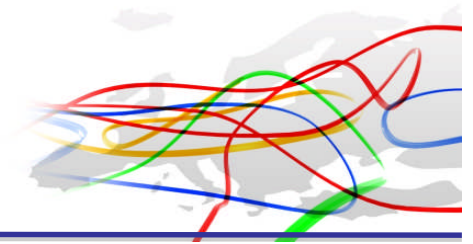


<http://www.sda-asbl.org/>

<http://www.generali.com/generalicom/home.do>

<http://www.airfrance.com/>

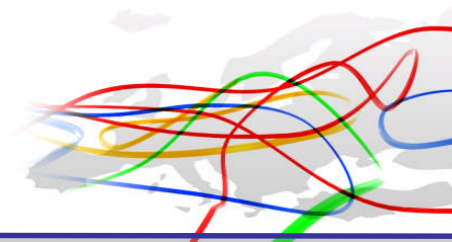
The Plenary Sessions



2nd Day Sharing other experiences and approaches to EWC Round table

Guests:

- Lodovico Floriani, Vice-Managing Director and Head of HR, **Gruppo Generali**
- Pierre Rocheron, HR responsible for EWC and Gehan Colliander, EWC Vice-General Secretary, **AirFrance-KLM**



Highlights

From "Questions to Rino Piazzolla":

Talking about best scenario in the future for EWC:

*".....the best scenario is that we find, over time, a new way of establishing this level of governance because it allows sustainability of our business model. I have always been a sponsor of EWC because it has given us the **proper level of Employees and Management of an international company**".*

Talking about competition/profit and corporate social responsibility
"Profit is the precondition of freedom. UCG is one of the few banks coming through the current crisis completely clean. We have no hidden issues. However,...**a company that only looks at profit without the element of social responsibility is one that will not last.** Since we have the illusion that we are creating something that always last, social responsibility is extremely important".

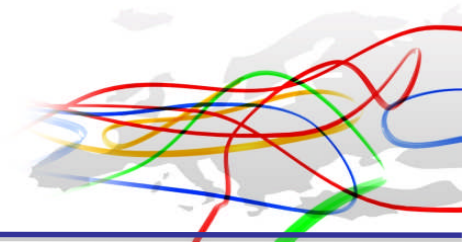
"...Let's start walking before we run.

Let's get one joint declaration signed first...

Let's see how these ones go and then see about next steps".

**2nd Day,
"So what for UniCredit?"
Open Discussion
with Rino Piazzolla
UniCredit Group
Head of Human Resources**





Highlights

From "Questions to Rino Piazzolla":

Talking about the **biggest challenge for EWC on the next future**

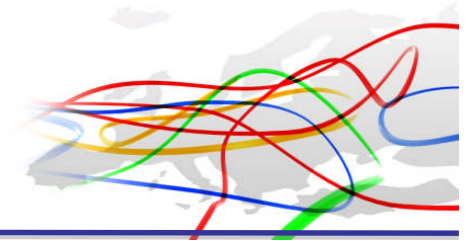
*"We will deal with strategic issues....we must raise the level of discussion to solve fundamental problems for the future. If you keep our people updated professionally and on learning path all the time....they will have the mental flexibility to shift from one job to another, from one Management situation to another...This is why I want a **joint declaration on learning**. I also want one on health and safety because we think as long as no one gets hurt we are fine...we have to ask what is healthy working environment*

*... Here it is the **beginning of a journey that is starting to work....***

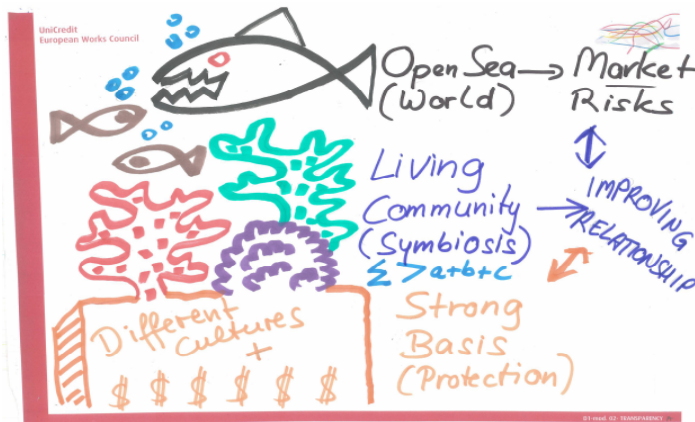
**2nd Day,
"So what for UniCredit?"
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The Collaborative Activities

Team@Work

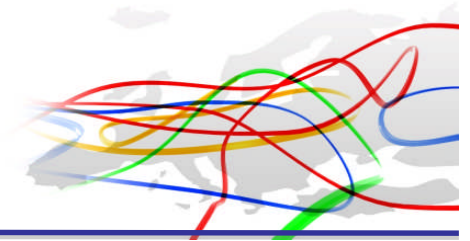


- 1st working group, getting to know starting from “**A metaphor for complexity**” - EWC and HR mixed within the groups



- 2nd working group, “**Cooperation**”, consolidating 1st day experience - EWC and HR mixed within the groups

From: 1st Day, working group “**A methaphor for complexity**” - Beehive, forest, coral reef, desert oasis, waterfall - these are all examples of what is known as a **complex adaptive system**. Organizations – like multi-national banks - are equally complex and also need to adapt in order to survive.



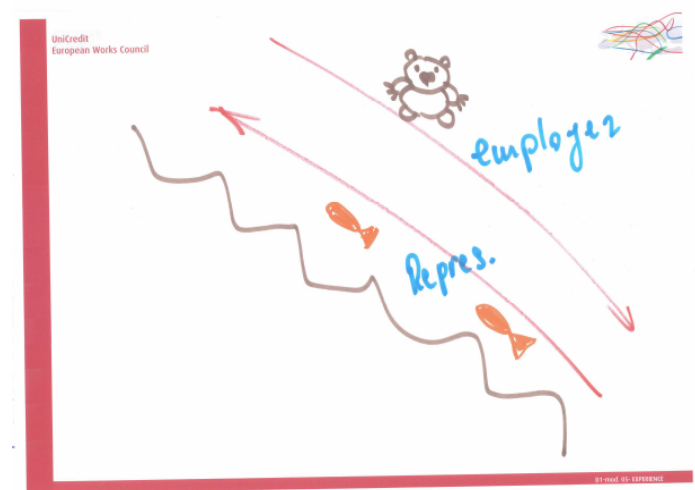
Highlights

"Unum, the insurance company, had an advertisement showing a grisly bear in the middle of a rolling stream with his neck stretched at the limits, jaws open and teeth flaring as it was about to clamp onto an airborne salmon jumping upstream. The headline read, "You probably feel like the bear. We would like to suggest you are the salmon" "What Got You Here Won't Get You There"

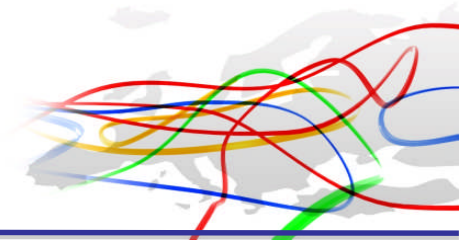
This is probably true for everybody. We think we are the bear and someone else is considering us the salmon. This helps us feel the need to change for ourselves.

It is a powerful statement about all of us in the workplace when we dilute ourselves" (Anna Simioni, 3th Day)

From: 1st Day, working group **"A metaphor for complexity"** – group's result



The Collaborative Activities Team@Work



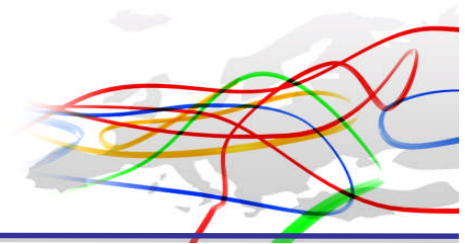
- 3rd working group, Let's face common situations as you were your normal counterpart in **"Walking in Another's shoes"** – EWC and HR separated in working groups

- 4th working group, **"What brought us here?"** envisioning the EWC future in best or worst scenarios we can think on the major drivers of success or failure – EWC and HR in separated working groups



From 2nd Day, working group **"Walking in Another's shoes"** – one effective way to learn from each other and begin to create a common point of view is to experience things from another's perspective (or walk in somebody else shoes).

The Collaborative Activities Team@Work

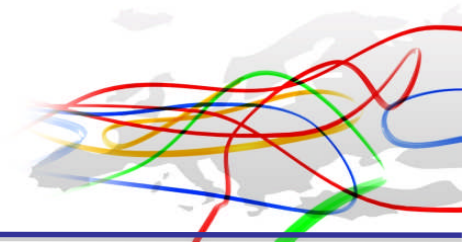


- 3rd Day, **Building next steps** Starting from the EWC Founding Agreement, let's focus on the next steps and challenges: **JOINT DECLARATIONS ON CORPORATE SOCIAL RESPONSIBILITY AND INFORMATION AND CONSULTATION IMPROVEMENT** - EWC and HR mixed within the Groups



According to the EWC establishing Agreement, as part of the governance consultation process, Central Management and UEWC can issue **joint statements on common guidelines on Corporate Social Responsibility related issues**, in particular in **Training, Learning and Professional Development, Equal Opportunity and Non-Discrimination, Health and Safety, Labor Environmental questions.**

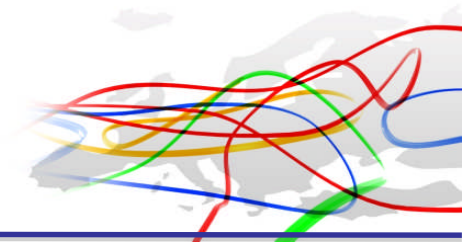
The implementation of those joint statements will be subject of joint periodical monitoring. (Art. 8)



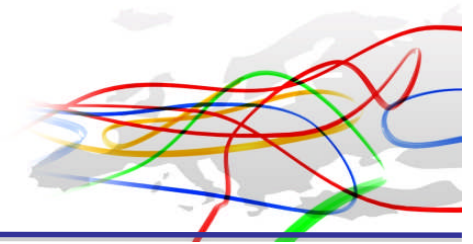
**FOCUS ON SECOND MAIN EVENT
TRAINING SESSION
AND CLOSING EVENT**

- UNICREDIT CONFERENCE HALL -

Brief summary of the training session activities



- **Location:** UniCredit Headquarter, Milan
- **Participants:**
 - 44 EWC Members from 27 Countries
 - HR and Industrial Relations Managers from the major Countries
- **Length:** 3 Days
- **Methodology:** alternating traditional plenary moments with team@work activity also mixing HR and EWC members in the teams
- **Crew:** Composed by UniManagement Staff, and HR

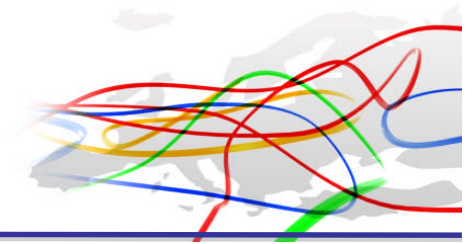


■ Plenary session

Training session in:

- ✓ European Labour Law
- ✓ Industrial Relations
- ✓ Business and Financial Data
- ✓ Corporate Social Responsibility and Sustainability Report

Collaborative activities and working groups – Team@Work



1st Day
Training session in European Labour Law

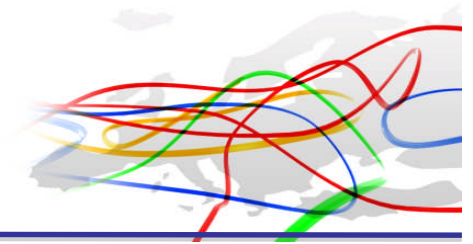
Guest:

- Prof. Tiziano Treu, **Catholic University of Sacred Heart**, former Italian Labour Minister

Highlights

*Talking about "social Europe":
...means that the World is changing,
employment is changing, enterprises are
changing and we should be preoccupied of
managing the change, not let it go...*





2nd Day Training session in European Industrial Relations

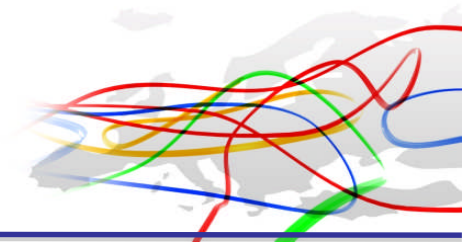


Guest:

- Prof. Antonio Ojeda-Aviles, **University of Seville**

Highlights

*Talking about European Industrial Relations:
"...I believe that the future of European
Industrial Relations is globalization, it is the
future that cannot remain in the hands of
national trade unions or of the national
employer association. **It must be
international...**"*



2nd Day Training session in Business and Financial Data

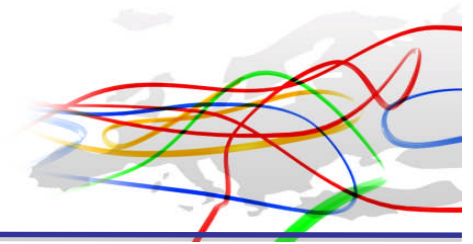
Guest:

- Sergio Scolaro, **UniCredit Internal Expert**, Head of Retail Division Planning

Highlights

*Talking about Income Statement Reclassification:
"...The aim of the reclassification (Profit & Loss Statement) is therefore to point out the aggregated values, margins and intermediate results in order to **understand in detail the building** of the final operating result..."*





2nd Day Training session in Sustainability Report and CSR

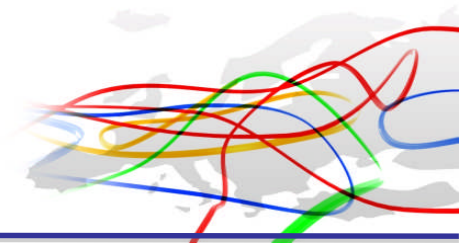


Guest:

- Giorgio Capurri, **UniCredit Internal Expert**, Head of Corporate Social Responsibility, Art And Culture Works

Highlights

*Talking about Sustainability Report:
"...Sustainability reporting is a practice through which a company measures, discloses and is accountable to internal and external stakeholders for organizational performance **towards the goal of a sustainable development...**"*

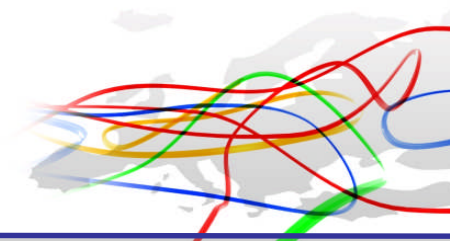


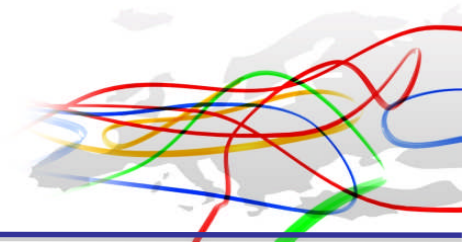
**3rd Day
Closing Day**

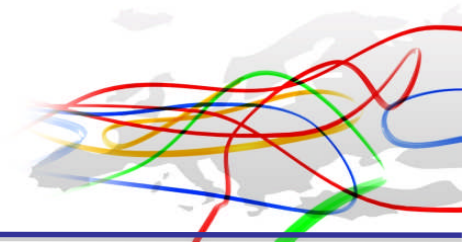


- Working groups – “**So what**”, EWC and HR mixed within the groups.

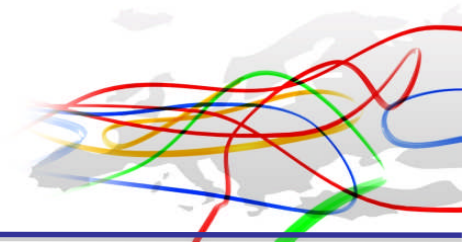
From: Closing day, working group “**So What**” - is time to reflect on the entire cultural path done (UniManagement Event, May training session, E-Room tool...) and share within your group **the perceptions in term of value created** and suggestions for the next steps from a cultural perspective.

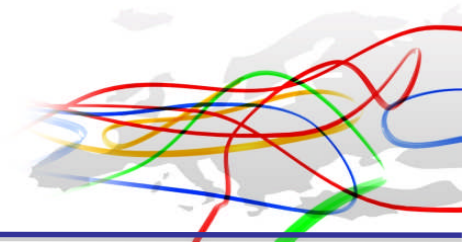






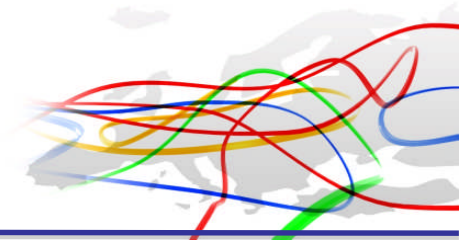






**Thanks to all the people and colleagues
who gave their full contribution
to this challenging project**
(in order of "appearance")

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- **Giancarlo Durante and Jen Thau**, Banking Committee for European Social Affairs (European Banking Federation)
- **Oliver Roethig**, UNIEuropa Finance
- **Alexandre Martin**, Social Development Agency (ETUC, European Trade Union Federation)
- **Lodovico Floriani**, Gruppo Generali
- **Pierre Rocheron and Gehan Colliander**, AirFrance-KLM
- **Andrea Kirchmayr, Giorgio Crespi and Giancarlo Ferrara**, ABI (Italian Banking Association)



- **Professor Tiziano Treu** of Catholic University of Sacred Heart in Milan, former Italian Minister of Labour.
- **Professor Antonio Ojeda-Aviles** of the University of Seville.
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- **Last but not least**, the both “souls” of **the Crew**: Gianni Airoidi, Giusy Bellina and Fernando Volpe from HR, Giusy Cucinotta and Marco Muratore from Trade Unions/UEWC.

