

# CORPORATE RESPONSIBILITY REPORT

20  
07





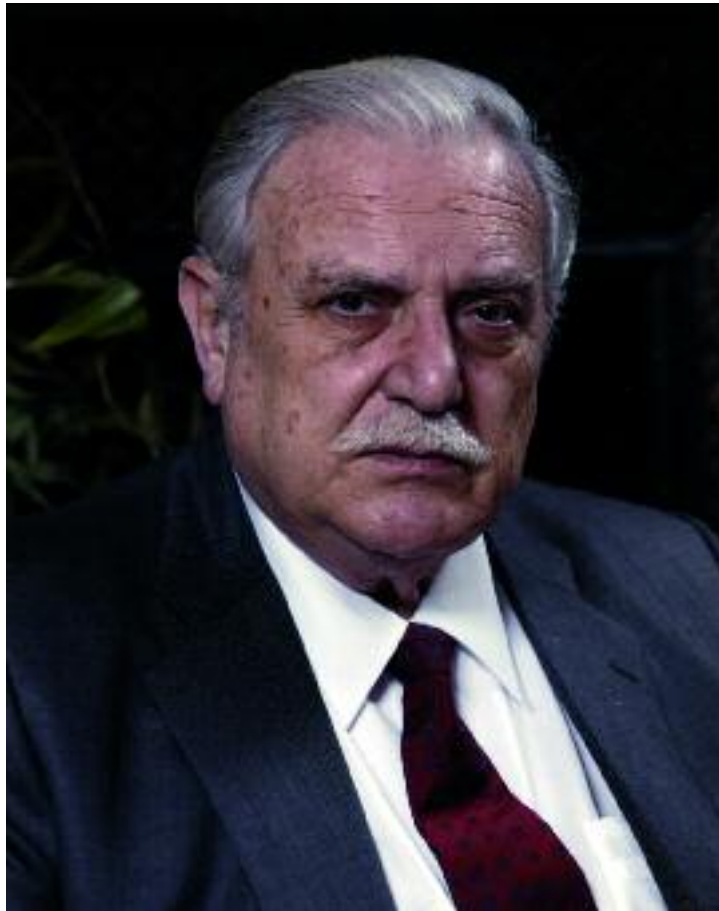
# CORPORATE RESPONSIBILITY REPORT

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# CONTENTS

01	Letter from the General Manager of CaiFor	5
02	Loyal to our commitments to responsible management	8
03	Key elements in customer relations	20
04	Customer focussed	34
05	A good place to work	50
06	Committed to the environment and society	76
07	Summary of indicators	92
08	Report on verification	104
09	Report of independent revision	106



Chairman of the Board of the CaiFor Group  
**RICARDO FORNESA**

# 01

## LETTER FROM THE CHAIRMAN

It is with great pleasure that we present our second Corporate Responsibility Report, this one for 2007, where we take stock of the responsible management carried out in our insurance and social welfare activity.

This report was verified by an independent expert, it complies with indicators established under the Global Reporting Initiative (GRI-3) at its highest level (A+) and represents an advance in the responsible performance of CaiFor with its stakeholders, on an economic, social and environmental front.

From an economic perspective, the highlights in 2007 for CaiFor was its integration into Criteria CaixaCorp, the holding which brings together the affiliated companies of the "la Caixa" Group and which, since October 2007, is a listed company; and also its entry into the car insurance business with the innovative product, *SegurCaixa Auto*, which, just nine months after its market launch, managed to provide car insurance cover for more than 30,000 vehicles.

Responsible management gained momentum in 2007 due to the impetus on the part of the organisation, with several corporate initiatives, among which the most noteworthy being the process carried out to define internal understanding and transmission of the corporate values –Trust, Quality and Dynamism– to the entire workforce.

Furthermore, in 2007 CaiFor continued striving to improve security and transparency in its customer relations, the development and application of sustainable criteria in the management of its investments, greater accessibility and innovation in the development of new insurance and social welfare products, and the professional and personal promotion of its employees.

In order to fulfil one of the objectives arising from the "Quality concerns us all" initiative, that being greater transparency and information to customers, CaiFor put in place a project to make effective changes regarding information to customers with the aim of making it clear and comprehensive.

Sustainable and solvent business management at CaiFor means that when it comes to investments, the decision making process uses the framework model of the basic principals fostered by the United Nations Global Pact on the Principles for Responsible Investment (PRI). Furthermore, CaiFor continued its full support for the Solvency II Project, a comprehensive European initiative aimed at improving the control and measurement of both market and operational risk for credit and liquidity, thereby anticipating mandatory legislation requiring these measures to be in place from 2012.

As well as its entry into the car insurance market in 2007, CaiFor launched new insurance and social welfare products, thus consolidating CaiFor as a global insurance operator providing savings, welfare and

insurance cover solutions for its over 3 million individual customers and more than 26,000 group and company clients.

Finally in 2007 CaiFor continued its support of personal and professional development of all staff working in the organisation, promoting flexible working hours, training, environmental awareness and involvement and participation in acts of solidarity in benefit of society in general.

In the present Corporate Responsibility Report, the Group reflects the efforts made by CaiFor in 2007, in terms of responsible management and it is our wish that the information contained within serves to endorse the organisation's economic, social and environmental performance.





# 02

LOYAL TO OUR  
COMMITMENTS  
TO RESPONSIBLE  
MANAGEMENT

CAIFOR



# LOYAL TO OUR COMMITMENTS TO RESPONSIBLE MANAGEMENT

CaiFor structures its commitment to its different stakeholders –employees, customers, the environment and society– based on its corporate values: Trust, Quality and Dynamism, values which are ever present in all actions carried out by the organisation, constituting an axis of reference and becoming the key element in its management model.

These three central values make up the identity of CaiFor and through them on a day-to-day basis, strong bonds are forged with employees, customers, the environment and society.

## THE VALUES OF CAIFOR

Trust, Quality and Dynamism are the three defining values of CaiFor: *Trust* –based on security, solvency, honest dealings and respect for others–, *Quality* –based on efficiency, customer service and professionalism– and *Dynamism* –based on a versatile response and the capacity to adapt to the needs of customers and principal distribution channels (insurance agents and branches of “la Caixa”).

These three values structure day-to-day conduct of all employees, thereby allowing the entire team of employees at the Group to identify with them, fully take them on board and integrate these values in carrying out every action taken.

In 2007, after the initiation of a project to identify and define these values in 2006, on the heels of a consultation process in which members of the Management Committee together with a wide and diverse group of employees from all areas of the Group instigated the project “*The values of CaiFor*”, an internal information campaign aimed at guaranteeing full awareness and understanding of the company’s corporate values among employees.



## TRUST

Maintaining trust, not only of employees and customers, but also of the branches of "la Caixa" and insurance agents, is one of the principal objectives of CaiFor. Trust is earned on a day-to-day basis; it is based on credibility and backed up by security and reliability of the products and services marketed, offering the maximum ratio between value and effort with solvent management. For this, CaiFor strives to attain the maximum level of professionalism at all times by doing a good job, taking fair decisions and complying with commitments undertaken with policyholders.

## QUALITY

Above all, CaiFor provides quality solutions, with broad, useful and innovative cover, which respond to insurance needs and social welfare needs of customers and are a suitable complement to the range of products offered by "la Caixa" and mediators, thereby providing impressive added value.

However, the Group's attention to quality is not solely restricted to consistently providing the market with better adapted products. It permeates the day-to-day tasks, driving the organisation to provide each policyholder with the highest levels of service, which is dedicated, versatile and efficient, and that respond to customer expectations, while at the same time represent an easy product to manage for "la Caixa" branches or for insurance agents.

Trust guides the Group's relations and becomes the reference framework for decision making processes and actions taken; it is an expression of its vocation to provide a service to customers, branches of "la Caixa" and insurance agents. For this reason, in all dealings with each other the company fosters a treatment that is honest and friendly, close, respectful, and based on open dialogue between staff, thereby aiming for ever more clarity and transparency in their dealings and in the marketed products.

CaiFor applies technological innovation as a key tool to improving systems and processes, but not only for this end. Technology is designed with the customer in mind, upholding clear and open dialogue, providing transparent information to customers and always trying to put itself in the place of customers thereby better understanding their needs and concerns and taking them on board in a more efficient manner.

This resolve to provide a quality service means that each and every staff member of the Group brings the best of their professional talents to the team, keeping them constantly updated and committing themselves through effort and efficiency to carrying out their tasks.

## DYNAMISM

CaiFor does not restrict its activity to marketing insurance products, but strives to offer solutions tailored to the specific needs and concerns of each and every person who places their trust in the organisation.

In order to do this, CaiFor must be capable of identifying, and even anticipating fresh insurance and welfare requirements that evolve depending on the moment and circumstances of every individual and society in general.

Over and above specific compliance with insurer obligations, specific targeted efforts are made to maintain an innovative attitude, to provide fresh ideas, and to propose and implement improvements in all products and services on offer on an ongoing basis.

The training and experience of the workforce at CaiFor make up the ideal foundation from which this indispensable proactive approach is achieved.

Moreover, this capacity to respond in a versatile and fitting manner to customer expectations, even anticipating their demands, remains one of the characteristic traits of CaiFor and is one of the most relevant factors



that contributes to preserving the Group's position as a market leader.

These three values define the identity of the organisation, make up the management model of CaiFor and establish the bonds of the relationship between the organisation, its employees, customers, and society in general.

## CUSTOMERS

### Trust

- More than 3 million individual customers in Spain, as well as in the rest of the world, have placed their trust in the services provided by CaiFor.
- Over **350** multi-national Companies, **190** public institutions and **20** companies listed on the IBEX 35 are customers of the Group.
- 5 year average customer loyalty.
- The company has not registered any cases of data leaks nor has it been the subject of any resolution against it for infringement of customer privacy.
- Investments of the funds of the CaiFor Group have all passed SRI verification during the 2007 financial year.

### Quality

- Thanks to the proximity of the more than **5,465** branches of "la Caixa", CaiFor assures its customers accessibility to the range of products and services it offers.
- Almost **300** insurance agents specialised in selling insurance and pension plans comprise the sales network of AgenCaixa.
- Pension plan customers of VidaCaixa may access the range of services through the more than **8,000** ATMs which "la Caixa" has deployed throughout the country.
- **60,130** satisfaction surveys carried out on home insurance claims customers, **97%** of whom stated their satisfaction with the service they received.
- SegurCaixa Auto was recognised as being the best car insurance on the market for its extensive cover, according to arpem.com.

### Dynamism

- **221,000** customers of CaiFor are new residents, a figure which accounts for more than **7%** of the overall client base.
- CaiFor has launched 5 new Pension Plans and Guaranteed Individual Voluntary Pension Funds (known as the Spanish acronym EPSV), which include significant commercial incentives.
- VidaCaixa was the first company on the Spanish market to market a PIAS, the new life-savings insurance created under the latest tax reform.
- With SegurCaixa Auto, CaiFor entered the car insurance market in 2007, and by the end of the financial year had accumulated in excess of **30,000** policyholders.



## EMPLOYEES

### Trust

- **742** employees make up the human resources team at CaiFor. Of these, **60%** operate from Headquarters and the remaining **40%** at AgenCaixa, the commercial advisory network of the Group.
- **33%** are male and **67%** female.
- **39** is the average age of the workforce.
- **10** years average period of service.
- **94%** of the workforce is employed on a full-time contract basis.
- Female employees account for **26%** of the management team and mid level managers of CaiFor.

### Quality

- The overall level of employee satisfaction in the group was rated at **3.4** on a scale of **0** to **5**.
- **63%** of the workforce at Headquarters took part in the biannual surveys conducted to evaluate the quality of service provided by the different departments of the Group.
- **774** proposals for improvements were presented by employees.
- **1,025,000** euros invested in in-house training.
- **655** employees took part in in-house training activities.
- **100%** of the workforce is subject to variable retribution based on compliance with individual or group objectives.
- 2007 witnessed the implementation of the ambitious project "Quality concerns us all". With this Project, the Group aims, not only to continue the efforts made to offer the best level of quality of service on the market to its customers, but also to strive for constant improvement in this area.

### Dynamism

- **60** new staff members joined the CaiFor team. **68%** of new jobs were assigned to female employees.
- **1.5** million euros invested in services and social benefits for employees.
- With the new project *CaiFor Innova*, which involves the entire workforce, innovation is incorporated into the Group's culture on a permanent and lasting basis.





## THE ENVIRONMENT AND SOCIETY

### Trust

- **30,241** euros were invested to improve waste material collection and facilitate the confidential destruction and recycling of wastepaper.
- Through its contribution towards the overall result of "la Caixa", CaiFor makes an indirect donation to the resources channelled through the Obra Social, which in 2007 reached the figure of **400** million euros.
- With the aim of achieving maximum transparency with society, CaiFor publishes an annual Corporate Governance Report that is available in its webpage and in its Annual Report.

### Quality

- CaiFor's strong commitment to society has enabled the company to become the leading organization in Spain, in terms of welfare savings, with more than **27,000** million euros managed and over three million customers.

### Dynamism

- After incorporating the use of recycled paper in 2006, in 2007, **47%** of the total amount of paper consumed was recycled.
- **2,777** kilograms of material collected for recycling and the same amount in euros, allocated to the *Fundación Apadrina un Árbol* (Sponsor a Tree Foundation), as a result of the Celebration of the "*Día de la mejora del paisaje de oficina*" ("*Improve the Office Outlook Day*").
- **16** separate activities developed and managed through the programme *CaiFor Solidario* at a community, environmental and personal level, with a contribution by the Group of **24,000** euros.





## CAIFOR'S ECONOMIC BALANCE

### GROWTH

- More than **27,000** million euros in overall resources managed.
- **2,785** million euros in premiums and contributions.
- **160** million euros in Group consolidated net profit.
- **3,093,030** individual customers.
- More than **26,000** corporate clients.

### PROFITABILITY

Profitability is another key factor on which CaiFor's balance-sheet is structured, and which evolved positively at the same time as solvency.

- CaiFor's consolidated ROE (attributed result / average equity) stood at **38.3%**.

### SOLVENCY

CaiFor's risk policy is best defined as prudent and diversified, which translates into a good level of solvency surpassing the legally required levels.

- The Solvency Ratio was **1.2**.

### EFFICIENCY

Efficiency, besides solvency and profitability is another of the factors on which CaiFor's growth is based.

- The Efficiency Ratio was **20.5%**.

## DIALOGUE WITH STAKEHOLDERS

### CAIFOR'S STAKEHOLDERS

CaiFor's stakeholders are institutionally recognized and represented within the governing bodies of the Group, and therefore their general interests are defended from the Group's highest decision-making bodies. Nevertheless, their specific interests are included in the organization's Social Responsibility management model, which

recognizes as stakeholders, employees, customers, the environment and society in general.

In any dealings among and with these stakeholders, the corporate values of the Group are ever-present: Trust, Quality and Dynamism.

### THE MANAGEMENT MODEL

For CaiFor, Corporate Responsibility is the manner in which business is managed in relation to all its stakeholders: employees, customers, the environment and society in general, and this consists of acting in accordance with its corporate values, one step beyond even what is legally required. In this regard, management of Corporate Responsibility is the responsibility of all areas and departments within the company.

CaiFor's management model strives to achieve a balance between the economic growth of the business and meeting the expectations of stakeholders. As the organization is capable of generating positive impact through its

activity, it manages to strengthen its bond with stakeholders and guarantee sustainable development.

In 2007, efforts were ongoing in the process to identify indicators for monitoring and improving responsible management at CaiFor, which had begun in the previous financial year. In order to assure coherence in the application of these indicators and assess their compliance with the strategic objective to act as a committed and responsible company, once indicators are defined, they will have then to be incorporated into the Balanced Scorecard system of the organization.

### ORGANIZATION OF CR AT CAIFOR

At CaiFor, the CR strategy comes directly from Company Management and involves the entire Management Committee in its general definition.

In addition, the Organization and Human Resources Management, with the aid of the support team of General Management who assist in executing strategy, is also responsible for leading good business performance in matters regarding Corporate Responsibility and

the implementation of actions resulting from the Group's general policy guidelines.

Moreover, it should be pointed out that the Commercial and Marketing Management, as well as Customer Care departments also participate in this leadership to assure that the Group's customer requirements and needs become an integral part of performance design.

## PRINCIPAL HEADWAY MADE IN RESPONSIBLE MANAGEMENT DURING 2007

- Verification of the Annual Corporate Social Responsibility Report by an independent expert.
- Working on the definition of indicators for monitoring and improving the responsible management of the Group for their subsequent incorporation in the Balanced Scorecard system.
- Development of the internal information campaign regarding corporate values, "*The values of CaiFor*", to guarantee full understanding and knowledge of these values among the entire workforce of the Group.
- Design and implementation of the Plan "*Quality concerns us all*", which aims to introduce ongoing improvement in quality of service levels within the framework of Group strategy.
- Strengthening of *Programa Di+* and *CaiFor Solidario*.
- Launch of the project *CaiFor Innova*, which springs from the "*Quality concerns us all*" Plan.
- Development of fresh initiatives in those areas that are relevant for stakeholders and where opportunities for improvement in CaiFor's responsible management exist.

## DIALOGUE AND OTHER RELEVANT ASPECTS

CaiFor provides a set of channels for dialogue for the different stakeholders, through which they may avail of the opportunity to express their requirements, concerns and expectations. Among other channels are:

- More than 740 employees at CaiFor and the network of more than 5,000 branches of "la Caixa".
- Internal and external communication channels, such as the Call Center or satisfaction surveys.
- The development of research and studies into insurance and welfare needs of individuals and companies.
- Contact, participation and cooperation with institutions and organizations from the business, social, educational and environmental sectors that develop or have vested interests in the area of insurance and prevention.

From the analysis of the information collected through these channels, the company lays down strategic lines and actions to provide accurate response, thereby reducing the possible appearance of risks and optimising opportunities.

**> CAIFOR HAS BEEN PUBLISHING ITS CORPORATE RESPONSIBILITY REPORT SINCE 2005, A DOCUMENT THAT HAS SHOWN ITSELF TO BE AN EXCELLENT SELF-DIAGNOSTIC TOOL, GIVEN THAT IT ENABLES THE EVALUATION OF THE RESPONSE OF THE ORGANISATION TO NEW REQUIREMENTS OR EXPECTATIONS THAT STAKEHOLDERS DEMAND**

## RELEVANT ASPECTS TO INCLUDE IN CAIFOR'S CORPORATE RESPONSIBILITY REPORT OF 2007

In order to determining the materiality of the present Report, the following method was used:

- Comparative analysis, *–benchmarking–*, concepts which other leading companies in the insurance and complementary social welfare sector report on. For this, a revision was carried out of the principal annual Corporate Responsibility reports published nationally and internationally.
- At the same time, CaiFor's dialogue channels were reviewed in order to identify issues considered relevant for stakeholders.

- Furthermore, an internal consultation process was carried out between the areas and departments of the Group that provide information for inclusion in the present report, in order to ascertain their expectations and to identify the most important issues. During this process, a total of 7 different areas took part, and a series of aspects were identified on which the company has adopted the following position:

GENERAL	CUSTOMERS	EMPLOYEES	ENVIRONMENT	SOCIETY
CaiFor's Responsible management (43%)	Customer satisfaction: surveys on customer satisfaction and management of claims and enquiries (43%)	Reconciliation of professional and family life (29%)	Environmental management (43%)	The contribution of CaiFor to economic and social development in its capacity to create jobs and generate investment (57%)
Corporate Governance (29%)	Ethical criteria in investment management (43%)	Equal opportunities for men and women (14%)	Direct environmental impact of the activity of CaiFor (29%)	The social function of CaiFor's insurance and social welfare activity (14%)
	Technological innovation as a key element in quality of service (29%)	Integration into the workplace of persons with disability (14%)	Training and environmental awareness (14%)	Presence and participation of CaiFor in the community: <i>CaiFor Solidario</i> (14%)
	Respect for customer privacy and confidentiality (14%)	Social benefits and services for employees (14%)		
	Ethics and transparency of commercial information (14%)			

*Note: The number in brackets corresponds to the percentage of people asked who answer each aspect.*



# 03

KEY ELEMENTS  
IN CUSTOMER  
RELATIONS

CAIFOR



# KEY ELEMENTS IN CUSTOMER RELATIONS

Security, rigour, reliability, solvency and transparency are the foundations on which the relationship is built between CaiFor and its customers. In 2007, the Group passed the 3 million individual customer milestone. Their

trust in CaiFor is the best endorsement of a solid management model, based on the dynamism to respond to customer's needs, trust and a close relationship, and an unwavering commitment to provide exquisite quality of service.

## SAFETY AND TRANSPANCY IN CUSTOMER RELATIONS

### RESPECTING CUSTOMERS' PRIVACY AND CONFIDENTIALITY

Respecting customers' privacy and confidentiality is taken very seriously in every operation and in all the activities CaiFor carries out. In 2007, the company did not register any cases of data loss nor were there any resolutions against CaiFor for any customer privacy infringement.

The company in fact, keeps a register of all the sensitive data it is responsible for and that contain personal data with the General Register of Data Protection. The company takes all the necessary IT security precautions and carries out whatever audits are required to ensure that

there is no loss of, alteration to or unauthorized access to that information.

In order to assure the same level of efficiency in the future, the company has introduced the balanced scorecard for IT security which registers all activities by the company in the area of IT security and the follow up actions taken for the same.

	2006	2007
Nº of data leaks	0	0

### ETHICS AND TRANSPARENCY OF COMMERCIAL INFORMATION

Apart from strict compliance with regulations regarding advertising and customer safeguards, CaiFor also adheres to the General Code of Advertising Conduct of the Spanish Association of Investment and Pension Funds Institutions

(INVERCO). This commitment assures that the company fosters commercial advertising that does not contain any false, ambiguous, imprecise, or exaggerated information which could be deemed misleading or fraudulent.

## Transparency in product information and contractual conditions

A substantial amount of the Group's energy and resources are focused on assuring the adequacy and suitability of the products we offer our customers in order to guarantee satisfaction. Their opinions and assessment are essential when it comes to designing quality, functional and efficient products for society as a whole.

**> IN CAIFOR, THE OPINION AND ASSESSMENT OF CUSTOMERS ARE ESSENTIAL WHEN IT COMES TO DESIGNING QUALITY, FUNCTIONAL AND EFFICIENT PRODUCTS FOR SOCIETY AS A WHOLE**

To this end, in October 2007, CaiFor carried out a study of "la Caixa" customers who had received promotional marketing materials by post from campaigns over the last year in order

to assess their opinions and to evaluate what they remembered of the products.

The results obtained from the research have served to measure the impact of direct marketing on customers, what aspects are most valued, and which awaken more interest and are motivating, as well as to define the best way to communicate information regarding the products and services offered by CaiFor.

After this study, communication now being sent to customers includes several modifications which have been made as a consequence of the results obtained in the study. Some of these changes made to standard postal advertising as a result of the analysis include, a reduction in the number of asterisks used and the introduction of examples in calculating fees.

### COMMERCIAL ACTIONS FOR EVERY CUSTOMER PROFILE

In 2007, the Sub-direction of Marketing & Sales at CaiFor has stepped up the function of carrying out studies of the Group's client portfolio. The aim of this initiative is to better tailor the different commercial initiatives carried out to each customer profile, in such a way as to better adapt to their profile and meet their needs while, at the same time, improving customers' awareness and financial culture regarding insurance and welfare products.



## Transparency in contracts

As a company focused on providing insurance coverage for consumers and users, CaiFor maintains a permanent commitment to transparency and rigor with those who place their trust in the company. To do this, the company follows an ongoing policy of improvement in information supplied to insurance policy holders, as much during the information providing phase prior to taking out a policy, as in the policy itself. This process is based on the spirit of the UNESPA, (the Association of Spanish Insurers) Good Practice Guidelines.

**> CAIFOR PROVIDES ALL CONSUMERS OR USERS SUBSCRIBING TO ONE OF ITS POLICIES WITH ALL THE INFORMATION AVAILABLE IN ORDER TO UNDERSTAND THE TYPE OF CONTRACT THEY ARE SIGNING, WHAT PREMIUM THEY MUST PAY, THE DURATION OF THE CONTRACT, WHAT COVER IS PROVIDED AND LIMITATIONS THEREOF, ETC., IN THE MOST EFFICIENT AND COMPREHENSIBLE WAY POSSIBLE**

As a demonstration of this commitment, in 2007, CaiFor performed a structural and content revision of policies for its principal life insurance products. The aim of the initiative was to systemise, simplify and unify the information contained in the different contracts, with the objective to achieve a greater level

of clarity which in turn facilitates insurance subscribers' complete understanding of policies. This explains why specific conditions of each contract are generally outlined on a single page, with a maximum of two pages. Thereby, with brief, clear and precise information available, the person who signs the contract knows exactly which type of insurance cover they are subscribing to, what Premium they will be paying, the duration of the contract, and the nature and scope of the cover, etc.

This level of contractual clarity is applied similarly to other multi-risk policies, which given the traits involved, being composed of a combination of insurance of different natures, are far more complex (Home, Automobile, etc.). In these cases, special attention is given to presenting the different cover included in an unambiguous manner, clearly detailing any exclusion, economic limitations and the details of payments.

Furthermore, in an effort to provide the maximum level of understanding of contractual information, CaiFor includes a glossary of terms and a basic guide to the insurance contract on its corporate web page.

**> IN AN EFFORT TO PROVIDE THE MAXIMUM LEVEL OF UNDERSTANDING OF CONTRACTUAL INFORMATION, CAIFOR INCLUDES A GLOSSARY OF TERMS AND A BASIC GUIDE TO THE INSURANCE CONTRACT ON ITS CORPORATE WEB PAGE**

### CLARITY OF CONTRACTUAL INFORMATION

As part of its commitment to transparency with consumers and users, among others, CaiFor provides the following aspects in the information given prior to any contract:

**Annual Renewable Insurance:** policyholders are informed of their right and the insurer's right not to renew the policy, as well as the option to recalculate the premium in terms of the risk (for example, for life and health insurance, ageing or state of health can effect an increase in the premium).

**Disability insurance:** when a policy provides the policyholder with cover for benefit in case of disability, illness, dependence or accident, CaiFor will always specify clearly the criteria to be followed in order to rate the claim or to determine the degree of disability (public system or own criteria).

**Withdrawal:** policyholders are informed of their right of withdrawal, when the case is required. Equally, policyholders are provided with the forms required to present a complaint, reclamation, if that is the case.

**Health Questionnaires:** applicants are reminded of the importance of reading the questionnaire in its entirety, as well as the necessity to provide reliable answers. From the very outset, the applicant is made aware that these data will be kept in high security files, in strict accordance with legal requirements.

**Life savings insurance:** the policyholder is informed of guaranteed technical interest and the conditions of the guarantee provided. In the case of Unit Linked, customers are informed that it is they who assume the risk of the investment they decide to link the policy to.

**Individual Pension Plan and PPA:** in Individual Pension Plans and in Planes de Previsión Asegurados (PPA), the policyholder is clearly reminded of the necessary conditions to obtain liquidity, according to the legally established criteria.

**Home insurance:** CaiFor offers prospective policyholders an approximate evaluation, in order to avoid possible underinsurance. In fact, the Group waives the application of the proportional rule in claims which do not exceed a certain amount, a fact that is made very clear to consumers and users.



### AWARD FOR GOOD PRACTICE IN FINANCIAL INFORMATION

As a result of its aspiration to achieve maximum transparency with those who place their trust in the company, CaiFor achieved the *Award for Good Practices in Financial Information*, acknowledgement awarded by the Catalan Association of Accountants and Managers. This prize was awarded to CaiFor for its Annual Report for the 2005 financial year. Not surprisingly, the Group carries out a process of constant improvement of all reports published.

## CaiFor's Investment in advertising

During the 2007 financial year, the overall investment made by CaiFor in advertising was 4.7 million Euros, distributed between advertising campaigns, insertion in specialist magazines and press, radio and television advertisements, apart from Internet banners.



### CAIFOR IN THE MEDIA IN 2007

Pension plans and, above all, the new *SegurCaixa Auto*, launched in 2007, are the company products that have received greatest media coverage over the financial year. In this regard, it should be highlighted that the launch in April last year of the *SegurCaixa Auto*, the new insurance product with which CaiFor gained access to a new branch of business and thereby completing the range of cover it offers families, meant a considerable investment in advertising through television, press, radio and Internet. As an example of this investment, *SegurCaixa Auto* was one of the sponsors of one of Spain's most important football events, the King's Cup Final, as well as sponsoring the television series "Hospital Central".

As has been the case in previous years, the year-end pension plan campaign was promoted through similar channels. Furthermore, the new assistance insurance product for SMEs and the self-employed, *VidaCaixa Salud Pymes*, was made known to the public through supplements in some of the newspapers with the widest circulation in the country, such as *El Periódico de Cataluña* and *La Vanguardia*, as well as specialist magazines, like *Aseguranza* and *Actualidad Económica*.

In addition, coinciding with the close of each quarter, CaiFor presents its quarterly results together with the most important facts, through press releases, and annually, after the end of each financial year, an extensive press release regarding annual results is complemented with press conferences presenting results given by the Chief Executive Officer and the Managing Director.

## SUSTAINABLE MANAGEMENT OF INVESTMENTS

### APPLICATION OF SUSTAINABLE CRITERIA IN INVESTMENTS

CaiFor reaffirms its commitment to applying criteria of responsibility and sustainability, which, in accordance with its management model, should accompany any investment process.

The principle of responsibility is another factor which is present in the Group's activities. Based on this principle, all investments of its own resources and pension funds made by VidaCaixa are governed by ethical criteria,

in such a way that it avails of every available resource to avoid investment in companies linked to the following groups of activities:

- The weapons sector.
- Companies involved in the gaming sector.
- Any organisation involved in socially perverse practices, such as child labour, violation of human rights, exploitation in all its forms or environmental degradation.

**> CAIFOR REAFFIRMS ITS COMMITMENT TO APPLYING CRITERIA OF RESPONSIBILITY AND SUSTAINABILITY, WHICH, IN ACCORDANCE WITH ITS MANAGEMENT MODEL, SHOULD ACCOMPANY ANY INVESTMENT PROCESS**

In this regard, it is necessary to report that the majority of the Group's investments are concentrated in public fixed income assets –that is, public debt– of OECD countries, and therefore do not possess relevant risks in Human Rights matters. With regard to private fixed income assets, before reaching the acquisition phase of an operation, asset managers at VidaCaixa assess its presence in the most renowned sustainability indexes, like for example, the DJ Sustainability Index, where the majority of these assets can be found. In the case that they do not appear on these indexes, the same managers run a case-by-case check (via reports, web pages, etc.) to assure that the company's activity is commensurate with VidaCaixa investment principles. This same process is applied to investments in equities directly.

For investments carried out through investment funds, VidaCaixa performs a selection of the investments made with the objective of assuring that they are in compliance with the aforementioned principles. To achieve this, a protocol has been established which implicates the fund management company it is working with: every company must complete a questionnaire which expressly requests information regarding their policy of application of these principles. With this measure, it is possible to establish that the selected assets are wholly in line with the investment philosophy set out in the management mandate of each pension fund or company portfolio.

In this process, Due Diligence stands out. This is the name given to a specific questionnaire which, within the section of Sustainable Responsible Investment (SRI), is aimed at acquiring detailed information regarding the way in which the assessed company applies the principles of the socially responsible management it defends in its investment processes. In addition, VidaCaixa offers the possibility of verification with renowned specialists in the material. During the course of the 2007 financial year, the investment of 100 million euros in investment funds that automatically possess SRI verification stands out.

Together with Due Diligence, CaiFor pays special attention to ensuring that no authorization is given for investments that fail to comply with the requirements established by VidaCaixa or by Pension Funds themselves and it actively collaborates in fostering Socially Responsible Investment.

### ENDORSEMENT OF THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT

The ethical criteria applied by VidaCaixa when it comes to investment planning falls into line with basic principles promoted by the United Nations by way of the Global Pact on Principles for Responsible Investment (known as PRI). CaiFor is currently studying the possibility of becoming a signatory of these principles as a project to undertake in 2008.

Through this voluntary contract, companies who become signatories of the PRI commit to observing a series of rules of action in all their investments, all of which are based on the so called Environmental, Social and Corporate Governance Issues (ESG). The following are the commitments made:

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be active owners and incorporate ESG issues into ownership policies and practises.
- Seek appropriate disclosure on ESG issues by the entities in which they invest.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together to enhance effectiveness in implementing the Principles.
- Report on activities and progress towards implementing the Principles.

These principles were developed by an international group of institutional investors bearing in mind the growing view among investment professionals that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios.

### SOLVENT MANAGEMENT

The nature of CaiFor's insurance business, the leading Spanish company in matters of social welfare, in many cases implies keeping promises in the long-term –mainly lifelong promises– with customers, a fact that means an enormous responsibility but one that CaiFor has assumed from the very outset with enthusiasm, efficiency and total solvency. For this purpose, CaiFor keeps high levels of reserves which surpass the legally required minimum levels, and manages its investments based on profitability and security criteria. The trust placed in it by over 3 million customers and the more than 27,000 million euros under management are the greatest endorsement and confirmation of CaiFor's success in

solvent management. At this point it is worth remembering that CaiFor has inherited a long insurance tradition from "la Caixa", which dates back to more than one hundred years ago, to the emission of the first pension savings book in 1905 and which has earned it confidence and recognition in our country.

In this regard, and to assure control and good governance, CaiFor adheres to the Internal Control and Good Practices Guidelines and Good Corporate Governance promoted by UNESPA (*Unión Española de Entidades Aseguradoras y Reaseguradoras*). In addition, CaiFor collaborates in the think tank formed to define a method which enables an exact

calculation of the capital required by each insurer according to the level of risk assumed, therefore automatically adjusting this level to the particular situation of each institution. Through its participation in what is known as the Solvency II project, CaiFor collaborates in the European initiative created to guarantee the viability and sustainability of insurance companies, transforms the supervisory system of these institutions and better assesses the capital required. In order to improve the control and measurement of risk, both market and operational, of credit and liquidity, Solvency II covers three areas:

1. Evaluation of assets, liabilities and capital.
2. Supervisory process.
3. Requirements of transparency.

By taking part in this initiative, CaiFor voluntarily anticipates the mandatory requirements to perform these calculations that are foreseen in 2012.

#### > CAIFOR IS AN ACTIVE PARTICIPANT IN WHAT IS KNOWN AS THE SOLVENCY II PROJECT, CAIFOR COLLABORATES IN THE EUROPEAN INITIATIVE CREATED TO GUARANTEE THE VIABILITY AND SUSTAINABILITY OF INSURANCE COMPANIES

CaiFor also participates in the third quantitative impact study on solvency at a European level, QIS3, fostered by the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS). These studies are a requisite to properly calibrate the factors which will influence future capital requirements as a result of the Solvency II project.

Without a doubt, the participation of CaiFor represents a unique opportunity to comprehend the changes and future implications of the new system in the company.

## ACCESIBILITY TO INSURANCE AND WELFARE PRODUCTS

### UNIVERSAL SOLUTIONS TO INSURANCE AND WELFARE

Given the scope and universal nature of the products and services offered by CaiFor, its client base comprises people of all profiles with customers of different ages, sex, sociocultural level and country of origin.

In this regard the Group provides these customers with a wide range of insurance and welfare products tailored to their specific needs at competitive prices and via several distribution channels.

These products are designed with the goal to respond to the entire spectrum of requirements. Solutions tailored to meet the needs of each customer segment: childhood, senior citizens, new residents, SMEs and the self-employed and big companies and corporations.



## CaiFor and childhood



CaiFor's insurance activities have a range of products for all ages and customer profiles, including childhood. The *Libreta Futuro* is the Group's endowment insurance by which an adult can make regular contributions that generate savings in favour of a minor, with the aim, for example of financing education, buying the first vehicle, etc.

## CaiFor and senior citizens

CaiFor supplies the community with varying savings products with which to generate capital to better deal with retirement with greater guarantees or to complement a pension received from the Social Security. Among these is notably, the *Pensión Vitalicia Inmediata*, an annuity designed principally for people over the age of 65 who wish to receive a lifelong monthly income, with which to complement a state retirement pension, and which enjoys an attractive tax treatment.

Furthermore, and coinciding with the entry into force of the tax reform in 2007, CaiFor became the very first company to market the new PIAS, the new savings plans created under the reform and which enjoy excellent tax benefits. At present, the offer of PIAS at CaiFor is made up of two different

products: the *Plan de Ahorro Inversión - PIAS* (Investment Savings Plan) and the *Plan de Ahorro Asegurado - PIAS* (Guaranteed Savings Plan).



## CaiFor and new residents

One of the groups that is becoming more and more important in number in the Group's customer base is new residents. In this regard, there are 221,000 new resident customers, a figure which accounts for more than 7% of the overall base. This is a developing group, as made evident by the fact that since 2002

it has grown at an average yearly rate of 40%. There are CaiFor customers from more than 206 different countries, the most notable being customers from Central and South America, North Africa, Europe and Asia.

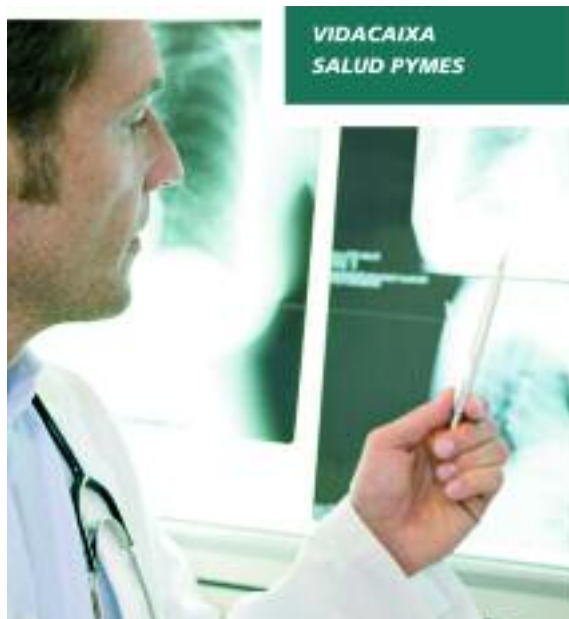
> ONE OF THE GROUPS THAT IS BECOMING MORE AND MORE RELEVANT WITHIN THE GROUP'S CUSTOMER BASE IS NEW RESIDENTS. TODAY, THIS GROUP ACCOUNTS FOR MORE THAN 7% OF CAIFOR'S OVERALL INDIVIDUAL CUSTOMER BASE AND THIS FIGURE IS GROWING AT AN AVERAGE YEARLY RATE OF 40%

CaiFor provides these customers with a range of products designed especially to meet the specific needs of this important group. The *SegurCaixa Repatriación* and the *SegurIngreso*, both accident



insurances, where the former covers repatriation and the latter receives a regular remittance in case of death or disability and which enjoy wide acceptance among this group.

#### CaiFor and SMEs and the self-employed



The specific insurance needs of SMEs and the self-employed community are quite different from those of larger corporate clients and of individual clients. For this very reason, VidaCaixa Previsión Social has a specialist team devoted wholly to the design and management of insurance policies and pension plans specifically developed for this important group.

In this regard, in 2007 VidaCaixa Previsión Social introduced the new *VidaCaixa Salud Pymes* to the market, a health insurance product that does not imply the necessity to make co-payments and one which includes a dental plan, with a very competitive premium.



## MULTI-CHANNEL MANAGEMENT

CaiFor markets its products using a bankassurance strategy which, at the same time incorporates a multi-channel approach. In this regard, the principal distribution channel through which all the products offered by the Group can be contracted, are the more than 5,000 branches that "la Caixa" has distributed around the country.

Besides this distribution channel, CaiFor also has AgenCaixa, a sales network made up of more than 290 sales advisors specialised in insurance and pension plan sales.

With regard to collective business channelled through VidaCaixa Previsión Social, the company has its own sales network, made up of more than 130 administrators and account executives, specialised in offering group customers those products and services that best suit their specific requirements. These advisors provide their services from the Group's Headquarters in Barcelona and from the Headquarters of VidaCaixa Previsión Social

in Madrid, Valencia and Bilbao. Apart from this network of expert consultants, the company also possesses a vast network of contacts among the principal firms dedicated to mediation of complementary welfare products in Spain and is also integrated within the international network of Swiss Life Network.

**> CAIFOR USES A MULTI-CHANNEL APPROACH TO MARKET ITS PRODUCTS, THAT IS, NOT ONLY DOES IT SELL THROUGH THE BRANCH NETWORK OF "LA CAIXA" OR THROUGH AGENCAIXA, THE GROUPS OWN SALES NETWORK, BUT ALSO VIA INTERNET AND BY TELEPHONE. IN SHORT, THESE ARE INTERRELATED CHANNELS WHOSE AIM IS THAT THE CUSTOMER IS THE ONE WHO CHOOSES THE MOST COMFORTABLE METHOD OF SUBSCRIBING**





Furthermore, and with an aim to providing the greatest possible number of customers with access to all its products, these can be contracted and managed on the Internet through the on-line banking service of "la Caixa", Línea Abierta Web. As an example, CaiFor allows its pension plan customers to consult a detailed daily updated composition of the funds investment portfolio, as well as the evolution of the profitability of the portfolio.

Moreover, since August 2007, VidaCaixa's pension plan customers can access the overall position of all the pension plans they have contracted via the more than 8,000 ATMs which the financial institution possesses all around the country, as well as a detailed

statement of any movements there have been over a period of time, including reappraisals, transfers, contributions, etc. At the same time, customers may update their pension plan bank book by using this service provided by the ATM and print off a statement of movements for any given period.

Finally, the Group also has a telephone sales channel, which is primarily used for the automobile insurance line, SegurCaixa Auto. All these initiatives mean that the CaiFor Group strengthens its strategy to provide solutions for the needs of its customers, through constant improvement and innovation of its services.

## ACCESSIBILITY

Thanks to the proximity of the branch network of "la Caixa", the largest and most prominent financial institution in the country, CaiFor guarantees customers accessibility to the products and services it markets. In this regard, it is notable that today, "la Caixa" is present in 100% of Spanish towns with a

population in excess of 20,000, and in 91% of the towns with a population between 5,000 and 20,000.

In so far as its branches are concerned, "la Caixa" maintains a firm commitment to eliminate all physical and sensory obstacles,

whatever these may be, that would be a barrier for those requiring special attention. For this purpose, the company is working to achieve its goal of “zero elevation” or, what is the same, the elimination of differences in height between footpaths and the inside of the branch. When this is not possible, low gradient ramps or even platform lifts are installed if so required.

All new branches already incorporate the idea of “zero elevation”. Equally, “la Caixa” continues to correct shortfalls regarding accessibility for working branches, given that its goal is that the entire branch network be accessible. At the time of publication, there were already 4,076 branches accessible, 75% of the total.

Regarding ATMs, all the company’s ATMs are fitted with an adapted keyboard for those with

visual difficulties, which enable customers to carry out their basic banking operations. Furthermore, over 2,000 dispensing machines will be added to improve even further the operational capacity for the visually impaired. All of these will be equipped with an audio system designed for the blind or the visually impaired.

Finally, “la Caixa”, a pioneer in Spain in accessible on-line banking, continues to add new accessibility functions to all its services. In 2007 the company Internet portal was adapted –and 200 inner pages– to meet the AA rating regulations compliance. CaiFor, for its part, has also set itself the goal in 2008 of achieving this level of accessibility for the corporate web site.



# 04

CUSTOMER FOCUSED

CAIFOR



# CUSTOMER FOCUSED

## SOLUTIONS AND REQUIREMENTS TAILORED TO CUSTOMERS

### CAIFOR'S CUSTOMERS

By mid 2007, over 3 million people had placed their trust in the insurance and welfare products available from CaiFor. In all, 3,093,030 individual customers and more than 26,000 corporate clients, from all over Spain, discovered in CaiFor an answer tailored to their specific needs.

#### Individual customers

Since the foundation of CaiFor, in 1992, the number of customers has gone from strength to strength consistently on a yearly basis. In 2007, a further 178,218 new individual customers joined the company. In general, it should be highlighted that the average period of loyalty for CaiFor's customers was five years, although that could depend heavily on the type of product.

In the area of products for individual customers, the Group's customer profile is very diversified and varied, thanks to the broad range of individual products marketed by CaiFor. Life-risk insurance products are those with the greatest number of customers, followed by pension plans and life-savings insurance. Non-life insurance products, marketed by SegurCaixa, continued to show very positive development and also accounted for a significant number of policyholders. The greatest exponent in this segment is the range of home insurance products, providing cover for more than 730,000 households.

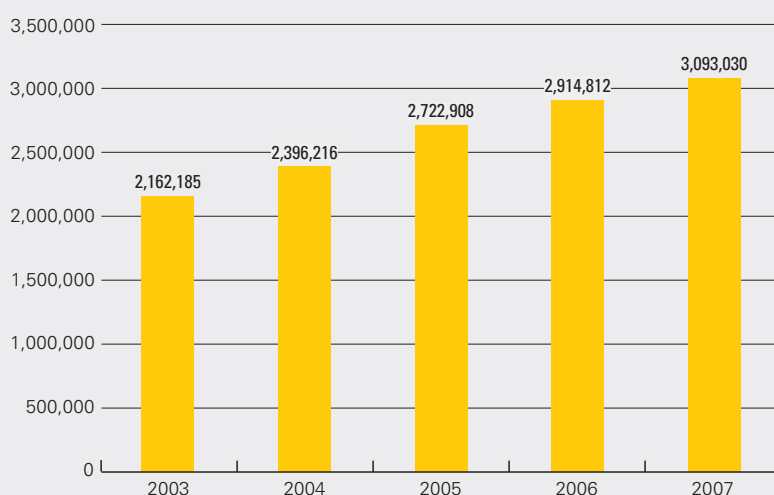
> MORE THAN 3 MILLION CUSTOMERS, IN SPAIN, AS WELL AS IN THE REST OF THE WORLD, HAVE DISCOVERED IN CAIFOR AN ANSWER TAILORED TO THEIR SPECIFIC NEEDS



By age bracket, the group between the ages of 36 and 45 years old is the customer most interested in these products. Nevertheless, the trend in customer profile remains as diverse as ever, in accordance with the wide variety

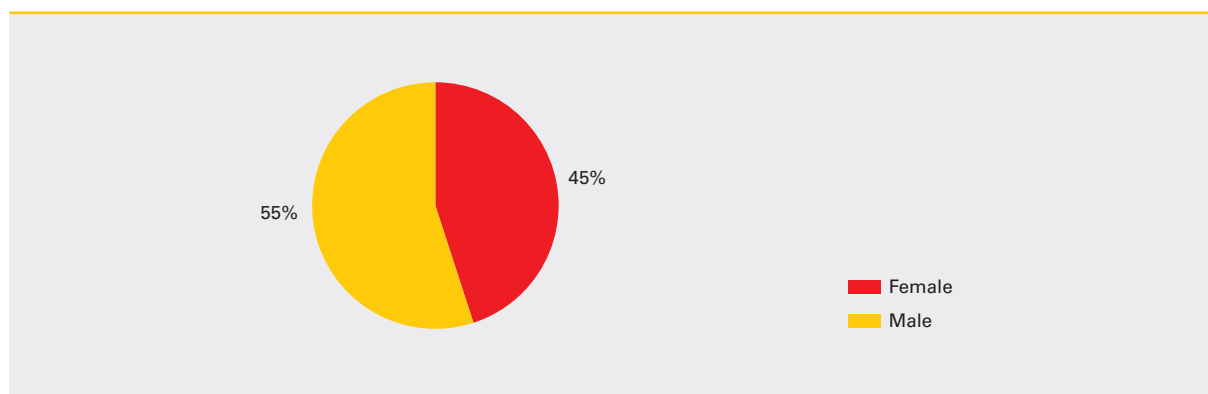
of cover requested and the specific solutions provided by products and services provided by CaiFor. This same diversity is responsible for the adaptability and flexibility of the products available.

### Evolution in number of individual customers of CaiFor

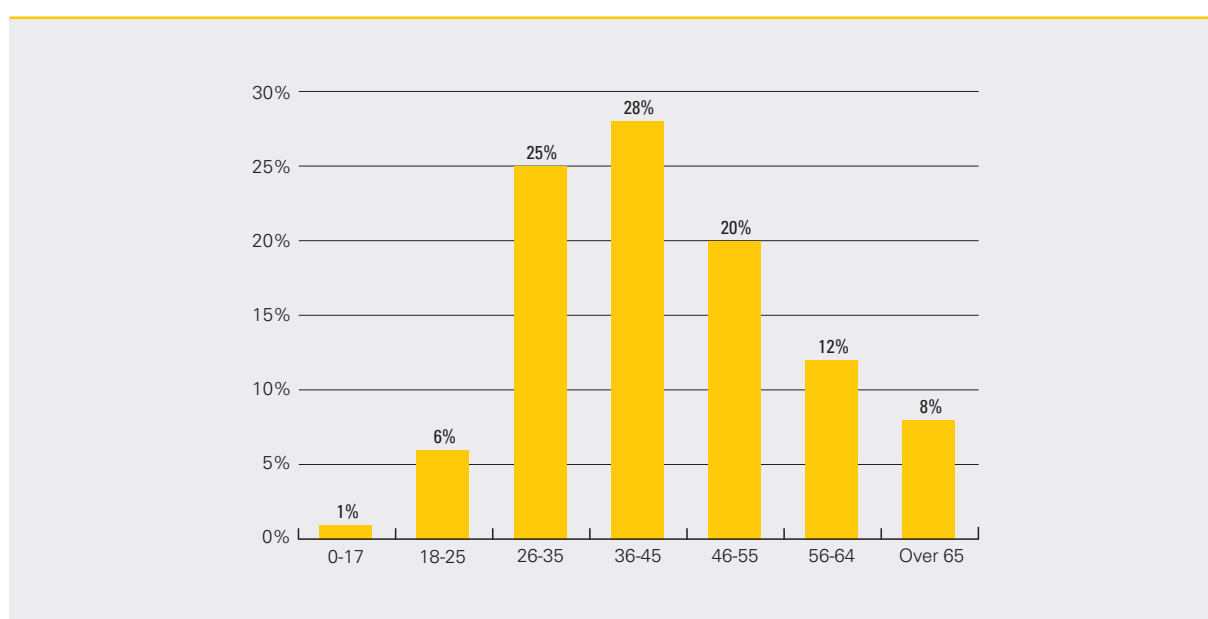


	2006	2007	Growth
<b>Customers</b>			
Total CaiFor	2,894,219	3,093,030	7%
VidaCaixa	2,628,046	2,800,851	7%
SegurCaixa	735,288	798,405	9%
<b>Customers by policyholder type</b>			
Group and company policyholders	654,601	753,556	15%
Individual policyholders	2,360,709	2,518,597	7%
<b>Customer by product type</b>			
Customers with Savings Products	1,502,552	1,585,661	6%
Customers with Risk Products	1,854,703	2,052,729	11%
<b>Product Grouping</b>			
Life-Risk and Corporate liability Insurance	361,364	398,853	10%
Life-Risk and Individual liability Insurance	1,227,698	1,351,129	10%
Individual Pension Plans	783,949	844,474	8%
Group and Company Health Plans	21,341	56,360	164%
Individual Health Plans	21,637	26,312	22%
Group and Company Life-Savings Insurance and Pension Plans	327,618	365,172	11%
Car Insurance	–	30,069	–
Home Insurance	625,583	659,543	5%
Individual Life-Savings Insurance	565,969	557,023	–2%

### CaiFor Customers by gender



### CaiFor Customers by age bracket



### Group and Company Customers

*VidaCaixa Previsión Social* is the division of VidaCaixa specialising in group and company business and the products are tailored to provide cover for the specific requirements of large group and company clients, as well as of the business of SMEs and the self-employed.

The overall number of corporations registered as customers at year-end 2007 was up and above the 26,000 mark. Of these, more than 22,100 corporate customers are policyholders whose insurance subscriber is a corporate customer from the SMEs sector, a line

of business to which the Group has been focusing special attention over the past few years and one that is demonstrating extraordinary statistics for growth.

**> BY MID 2007, CAIFOR'S CUSTOMER BASE REACHED A MILESTONE FIGURE OF 3 MILLION CUSTOMERS, AFTER DEMONSTRATING PERSISTENT GROWTH RATES SINCE ITS FOUNDATION IN 1992**





The more than 4,000 remaining corporate customers are from the large group and company sector. Among these, there are an impressive 20 listed companies that form

part of the IBEX 35, more than 350 multi-nationals and 190 public bodies, which all go towards making *VidaCaixa Previsión Social* the benchmark operator on the market having channelled a large volume of life-savings insurance and pension plans destined to complement the retirement benefits of more than 360,000 workers.

## PORTFOLIO OF INSURANCE AND SOCIAL WELFARE PRODUCTS

With more than 3 million customers, CaiFor is leader on the Spanish market for complementary social welfare, a line of business it operates through VidaCaixa and SegurCaixa. Through the products it markets, the Group is a global insurance operator offering its customers comprehensive solutions to all their savings, welfare and insurance needs.

VidaCaixa is the market leader in terms of the volume of life insurance and group and individual pension plan resources managed, with more than 27,000 million euros managed.

In the area of life-risk insurance, VidaCaixa sells the Seviam, an insurance product which, in the event of death, provides cover for the customer's outstanding debt of a guaranteed

loan, and the Vida Familiar, an insurance product guaranteeing a capital sum. Both products provide cover for more than 1.3 million policyholders. Furthermore, VidaCaixa also markets health insurance products for individuals, SMEs and self-employed workers. The range of products includes healthcare insurance, dental care insurance and cover for temporary work disability.

In the area of pension plans, VidaCaixa continues with its ongoing strategy to regularly develop products tailored to customers' needs and adapted to the economic climate of the moment. In this regard, in 2007 new products were launched on the market.

On another note, *VidaCaixa Previsión Social* is the division of VidaCaixa specializing in



**PLANES DE PENSIONES  
DE EMPLEO DE  
PROMOCIÓN CONJUNTA**





the business and institutional sector, as well as in SMEs and the self-employed. Among the range of products and services available, the company provides life-savings, life-risk, accident and health insurances, not to mention employer, group or associate and joint promotion pension plans. With a market share of more than 17%, the company is market leader in Spain for Voluntary Complementary Employer Social Welfare.

## QUALITY

CaiFor's commitment to providing quality service and customer satisfaction demands that its wide range of products be under constant scrutiny with monitoring from several quality control methods to assess levels of quality of service and customer satisfaction, data which enable the Group to get first hand opinions from customers regarding

### Processing complaints and queries

The strict and demanding process put in place by CaiFor to manage complaints received from customers clearly mirrors just how important consistent customer satisfaction actually is for the Group. Besides the careful and exhaustive analysis of each case, great efforts are made so that a response is forthcoming with the maximum promptness, striving year after year to shorten the settlement period. Once complaints have been analysed, a solution is sought for each case, so that customer satisfaction is assured at the earliest possible moment and, furthermore, any improvements made as a result are amended to Group processes, so that other policyholders and participants may benefit from the timely incorporation of amendments.

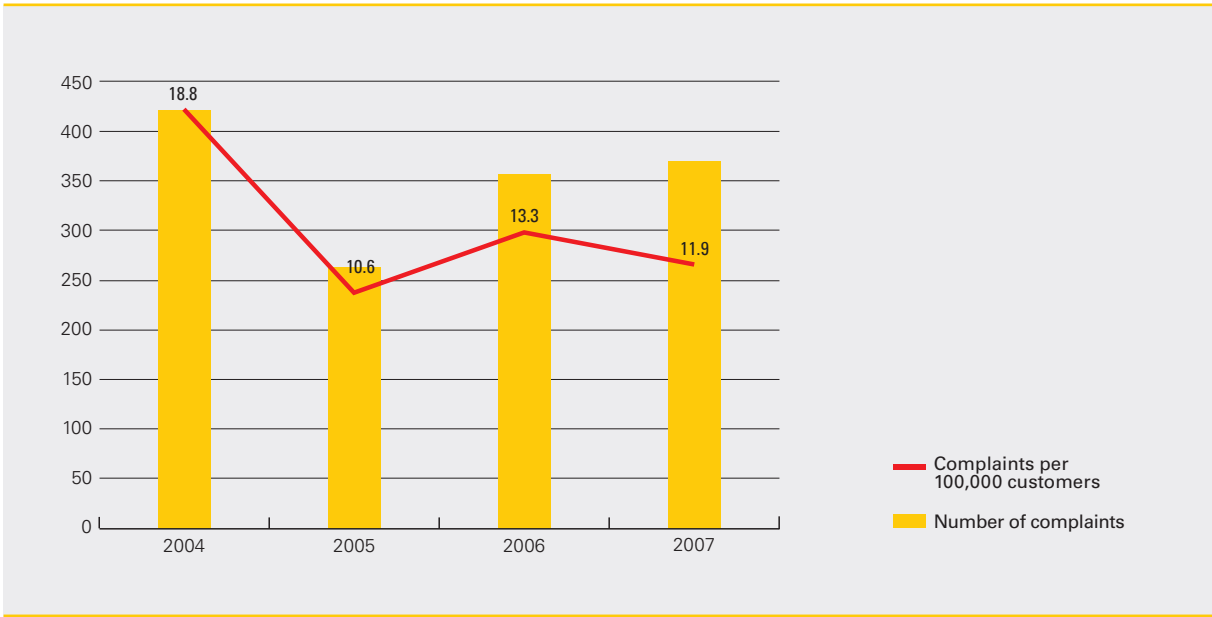
SegurCaixa on the other hand focuses its attention on the accident and home insurance line, and since April 2007, car insurance, by way of the new and successful *SegurCaixa Auto*. Further noteworthy achievements were the insurance products tailored specifically to cater for the needs of new residents, such as the *SegurIngreso* or *SegurCaixa Repatriación*.

the products and services in its commercial line. All complaints and suggestions received, together with customer satisfaction surveys carried out on a regular basis, are all valuable guides in ascertaining the ever-evolving needs of policyholders and adapting them in consequence.

Apart from internal channels for consultation and complaints, such as the system of Letters to the CEO, e-mail and telephone contact details, CaiFor customers can also avail of the services of the Insurance Client Ombudsman, or alternatively they may submit a complaint to the Directorate General of Insurance & Pension Funds.

**> CAIFOR UNDERTAKES A RIGOROUS AND DEMANDING MANAGEMENT OF COMPLAINTS, THUS SHOWING, THE IMPORTANCE GIVEN TO CUSTOMERS' SATISFACTION**

Evolution of the number of complaints



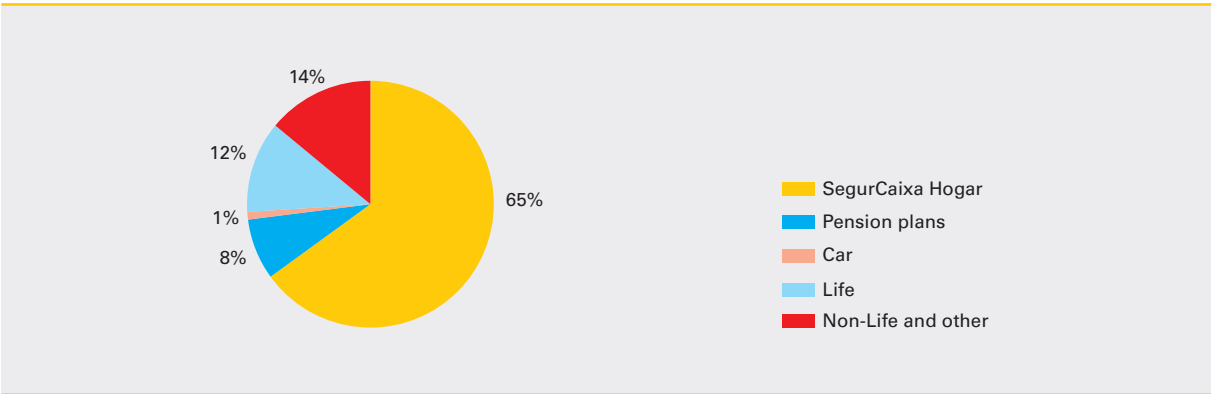
	2006	2007
Nº of complaints submitted to Insurance Client Ombudsman	108	98
Nº of complaints submitted to Directorate General of Insurance & Pension Funds	15	27

Letters to the Director

During 2007, a total of 161 Letters to the CEO were received: 6 were to provide information, 2 expressing gratitude and 155 were complaints, of which 34% were deemed admissible, 22% partially admissible and

the remaining 44% were classified as not admissible. In this regard, the extremely strict settlement periods already in place meant that the average response time for letters received in 2007 was 6 natural days.

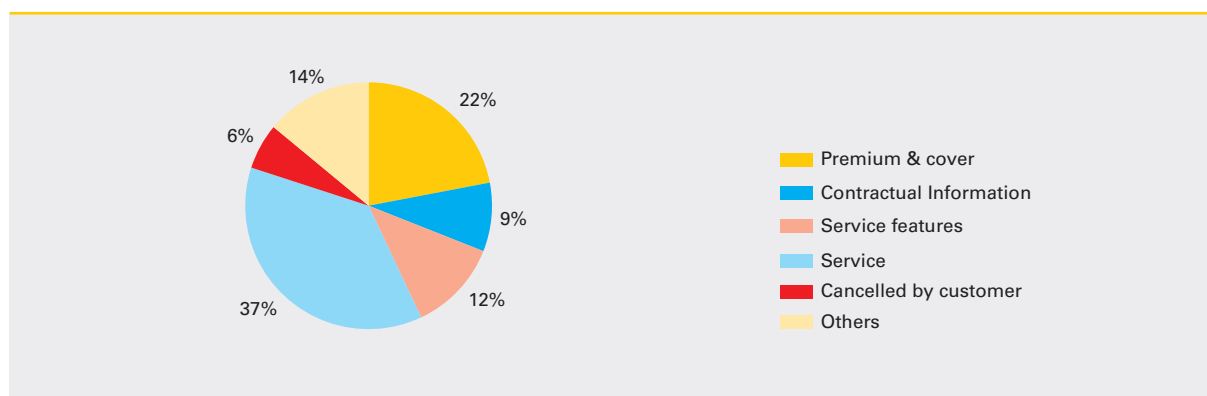
Total number of complaints presented in 2007 per products



- THE STRICT SETTLEMENT PERIODS IN PLACE IN CAIFOR MEANT THAT THE AVERAGE RESPONSE TIME WAS DOWN TO JUST SIX DAYS



Total number of complaints presented in 2007 per reason



## THE CUSTOMER OMBUDSMAN

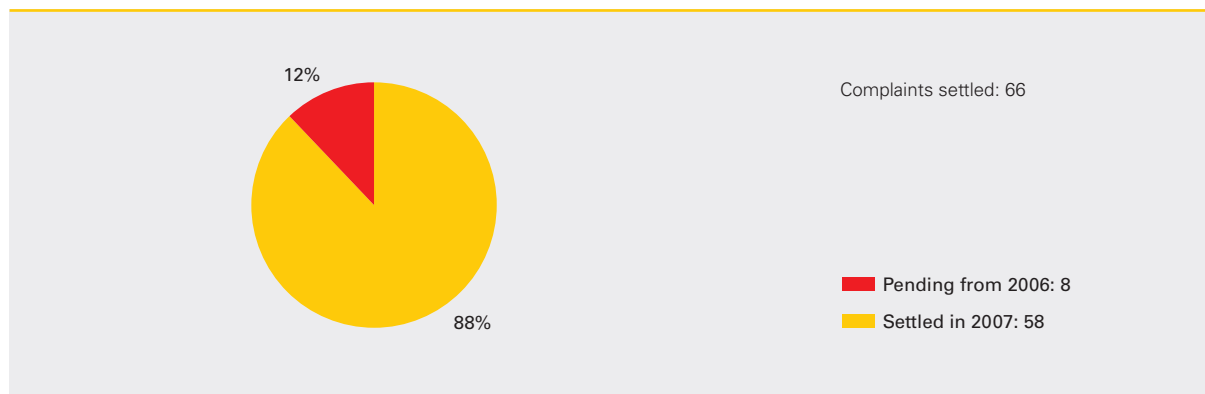
CaiFor makes an appearance in the Insurance Client Ombudsman's 2007 Annual Report prepared by the Ombudsman and which provides analysis and an administrative breakdown of complaints received by Catalan savings banks. In more concrete terms, it appears in two reports, one covering SegurCaixa and the other focusing on VidaCaixa. The reports include a detailed description of the inner workings of the companies and standard of quality applied during the processing of any complaints.

The reports detail how, from the 68 complaints received which concern the activity of SegurCaixa, 58 were settled in 2007, while in the case of VidaCaixa, of the 33 complaints received, 31 were settled in 2007.

### SegurCaixa: Evolution of complaints registered

	2005	2006	2007
Total	42	68	68

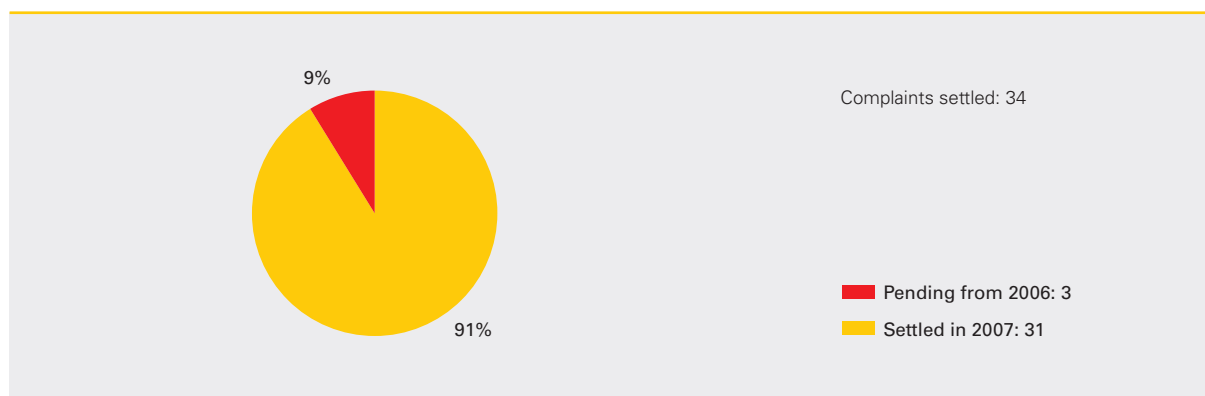
### SegurCaixa: Complaints Settled



### VidaCaixa: Evolution of complaints registered

	2005	2006	2007
Total	37	46	33

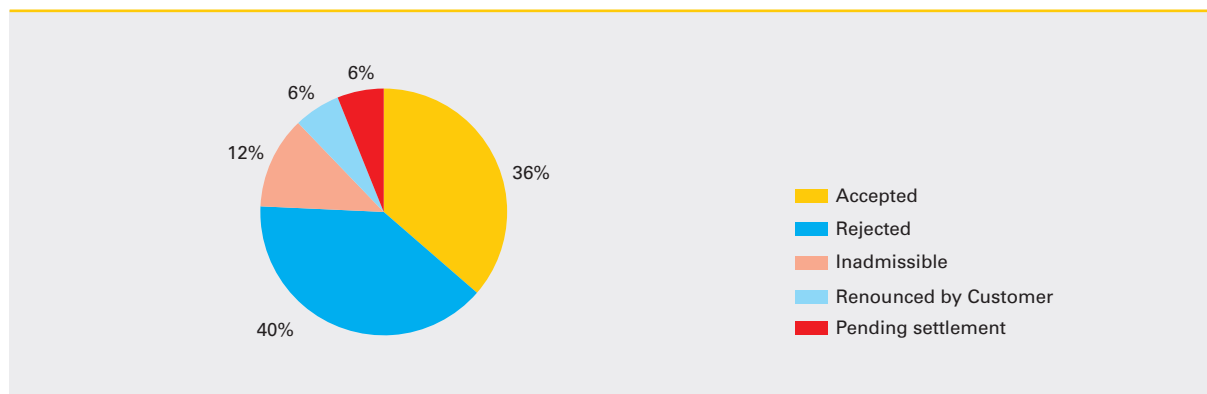
### VidaCaixa: Complaints Settled



Moreover, the report details how, in the case of both VidaCaixa and SegurCaixa, in more than 80% of the cases, the complaints settlement period, from the time the letter was received by the Ombudsman until the settlement was made –a period that includes notifying the Ombudsman, the subsequent steps taken by the Ombudsman and the

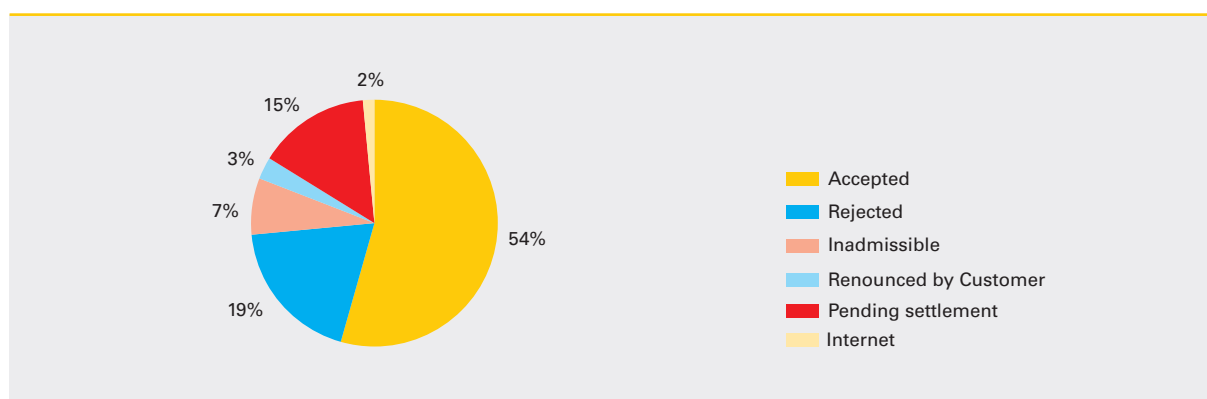
intervention of the companies involved–, was less than two months. More precisely, the average amount of time invested in settling a complaint from customers of SegurCaixa was 33 days, while the report on VidaCaixa highlights the fact that the average period for these steps was 39 days.

### VidaCaixa: Complaints registered by type



Note: In 2007 there were no complaints received about the Internet nor about the Call Center.

### SegurCaixa: Complaints registered by type



Note: There were no complaints received about the Call Center.

## SATISFACTION SURVEYS

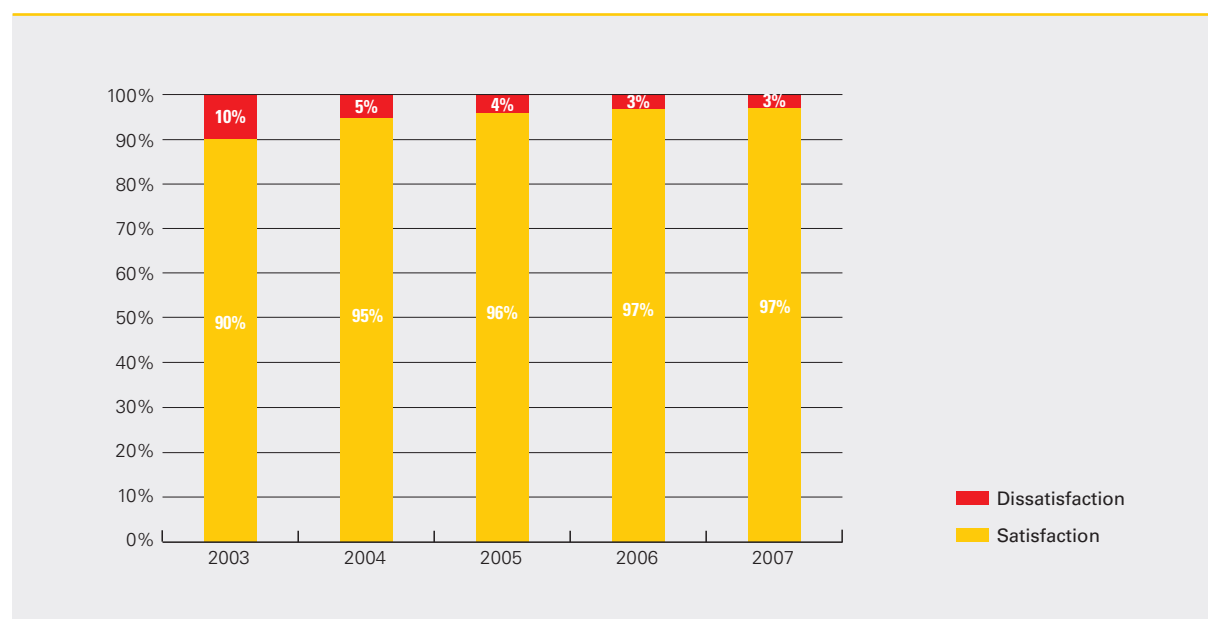
Understanding the degree of satisfaction of customers once the service is provided and is terminated is the goal of the company's quality surveys presented to customers who filed a claim. The objective is, in the case of home insurance claims for example, for the company to ascertain the level of customer satisfaction, and therefore identify any possible shortfalls which require improvement. In short, the idea is to listen to customers and respond to their expectations.

The attention received from the call center, the repair-team professionals and surveyors or the swift payment of compensation, are just some of the questions dealt with in the survey, in operation since 2003. Year after year, its positive impact on the management model at CaiFor is a reflection of the effort the

company makes to improve levels of customer satisfaction. Throughout the 2007 financial year, more than 60,000 customer surveys were completed by home insurance claims customers.



**Question asked to clients with household insurance claim serviced:  
Are you satisfied or dissatisfied with the service provided by the company?**



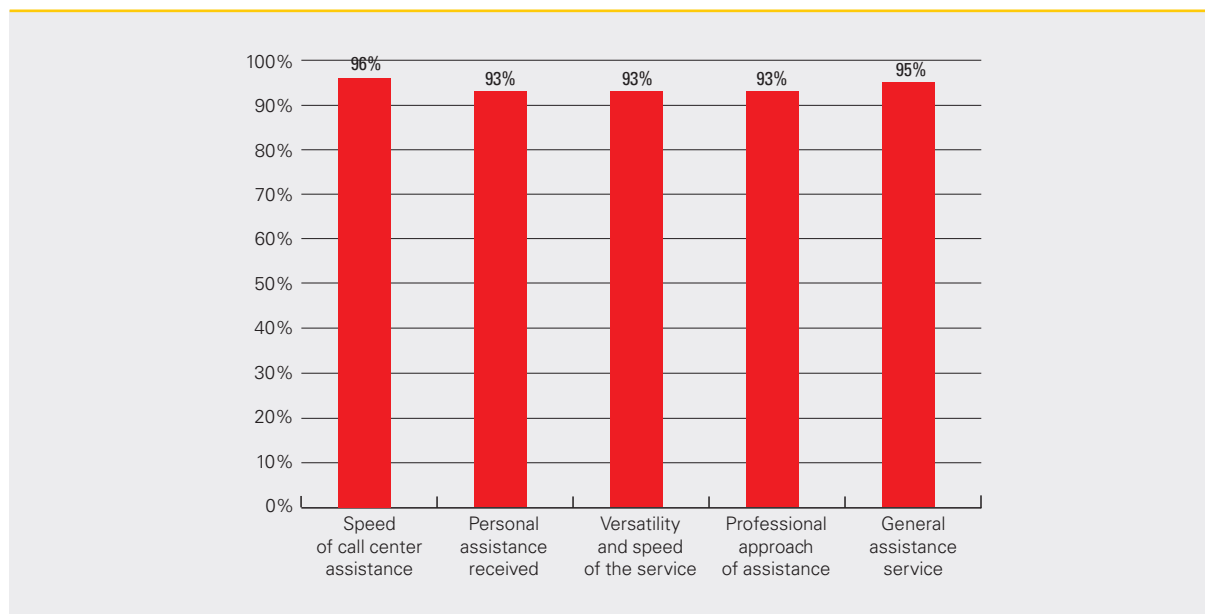
	2003	2004	2005	2006	2007
Num. surveyed	300	2,805	20,051	46,904	60,130

Nevertheless, this exhaustive monitoring is not limited to the home insurance line, but extends to all other areas with the aim of offering customers quality service in each and every sphere of activity that CaiFor operates in. The assessment of the service provided by medical centres that customers visit for medical check-ups prior to subscribing to a life insurance policy, the level of service received by self-employed workers who have received sick-leave benefit or the level of service provided by mediators who collaborate in the business area of *VidaCaixa Previsión Social*, are some other examples.

In more concrete terms, in the car insurance line, a branch of business in which the Group began to operate in 2007, the levels of quality in place are very demanding. As an example, 80% of all calls received are dealt with in under 20 seconds, the ratio of lost calls does not exceed 5%, and auditing procedures are in place to assess the quality provided by suppliers and perceived by the customer, recording every call for its in-house use. When an opportunity for improvement presents itself, swift action is taken.

After a nine month commercial life, the level of satisfaction with the service is very encouraging.

### Degree of satisfaction of the service provided in the case of a claim on car insurance



### INNOVATION: A REALITY AND A CHALLENGE

During 2007, CaiFor took on several projects and initiatives covering issues of strategic importance for the company, like the development of new products, entering new markets and branches of business, improving

existing procedures, optimising the service currently provided to distribution channels and to customers, and the professional training development of staff members.

#### New products and solutions

The company set up a series of new projects to adapt its products and services to the reality of emerging customer markets, their demands and their needs. Through careful investment and innovation, several new insurance

and individual pension plan products were designed, as well as a series of improvements made to existing services, in which several departments of the organization were involved.

#### • CaiFor on wheels

With *SegurCaixa Auto*, CaiFor fires its engines in the car insurance line. This is in fact, one of the most important steps taken in terms of the growth strategy of the company and responds to another of the demands made by CaiFor's customers, transforming the Group into a global cover provider for the insurance and welfare concerns of Spanish families. On April 16th 2007, the first car insurance policy was subscribed, reaching 30,000 policyholders by the end of the financial year.



- PIAS number 1

In 2007, VidaCaixa was the very first company on the Spanish market to provide one of the PIAS services to its customers, the new insurance product which stems from the latest tax reform. Currently, there are two separate

models of the product: the PIAS - *Plan de Ahorro Asegurado*, investing in fixed income assets and the PIAS - *Plan de Ahorro Inversión*, among whose associate investments include variable income-linked assets.

- New products

During 2007, and as was the case in previous years, CaiFor's activity in the area of individual pension plans was very intense, with five re-launched pension plans and individual EPSV with guaranteed profitability and attractive commercial incentives. Together with the following new plans –*PlanCaixa 7*, *PlanCaixa Futuro 18*, *PlanCaixa Invest 17*, *PlanCaixa Invest 18* and *PlanCaixa 7 Plus*–, the Group launched a new version of *Seviam*, the mortgage or personal loan linked life-risk insurance product, and it also developed a new model of *Pensión Vitalicia Inmediata* (PVI) life annuity.



- CaiFor caters for the health line

Another factor to be mentioned here are the new insurance products in the health line. In concrete terms, the most noteworthy are the

presentation by CaiFor of the *VidaCaixa Salud Pymes*, its latest healthcare insurance for SMEs and self-employed workers.



## Ongoing improvements in the quality of service provided for our customers: the Plan “Quality concerns us all”

In 2007, CaiFor completed the design and implementation of a new ambitious campaign known as the “Quality concerns us all” Plan, the objective of which is to consistently increase the level of service quality in the Group.

This scheme, which entails a vast number of projects, involves the majority of staff members and represents a significant investment in human, technological and economic resources. Besides the wide spectrum of projects that make up the plan,

those that showed promising results in 2007 were:

- The development of a new information support system for insurance sales through the branches of “la Caixa” thereby improving the existing version and streamlining systems for simplicity, uniformity, traceability, easy management and customer orientation.
- The design of a project to strengthen all office tools that are related to insurance activity.

## Technology R&D

Nowadays, technology is much more than a tool to reach excellence in product and service quality provided. Throughout the financial year 2007, investment in technology was channelled through several different projects related to commercial action, improvements in service quality for customers and more efficient processes.

The end goal is to promote efficiency in the CaiFor Group’s working procedures which

have a direct impact on customer satisfaction with the services contracted. Generally, the improvements in the use of technology in these projects, some of which are already completed and others still in the development and implementation phases, are perceived indirectly by the customers. Nevertheless, in 2007, CaiFor set in motion several technological innovations whose positive impacts were immediately felt by customers.

## CaiFor Innova



With this ambitious project, fruit of the framework of the “Quality concerns us all” plan, CaiFor aims to incorporate innovation on a permanent basis in its day-to-day activities. Being conscious of the fact that in a sector that is more and more competitive, innovation

stops being just a commitment and becomes a necessity. The solid commitment in this area has meant a substantial investment in human and financial resources, in order to shape the most ideal structure, channels and environment for achieving the defined objective. In this regard, it is important to highlight that this project, which to a greater or lesser degree involves the entire workforce, will be continued in the upcoming financial years, as this was designed in 2007.

### Professional development of staff

CaiFor has invested fresh resources, providing an answer to the needs of a demanding team of professionals and whose effects impact in a positive and direct manner on improved levels of service for the end user, the customer.

More specifically, 2007 witnessed the definition of the New Commercial Advisor Degree, a project which represents a fresh

boost for AgenCaixa, the network of advisors specialised in marketing CaiFor's insurance and pension plan products in the network of branches of "la Caixa". The project includes an ambitious ongoing training programme for advisors, thereby further assuring a better quality of service for customers and branches of "la Caixa".

### CHALLENGES FOR 2008

- Design of PDA systems for communicating with surveyors: this provides the chance to reduce even further the period of time taken in surveyor appraisals, thereby improving customer service even further.
- Renovation of all claims administration systems to carry out a complete

technological update: remote access to internet based systems complete with additional functions for the current ones.

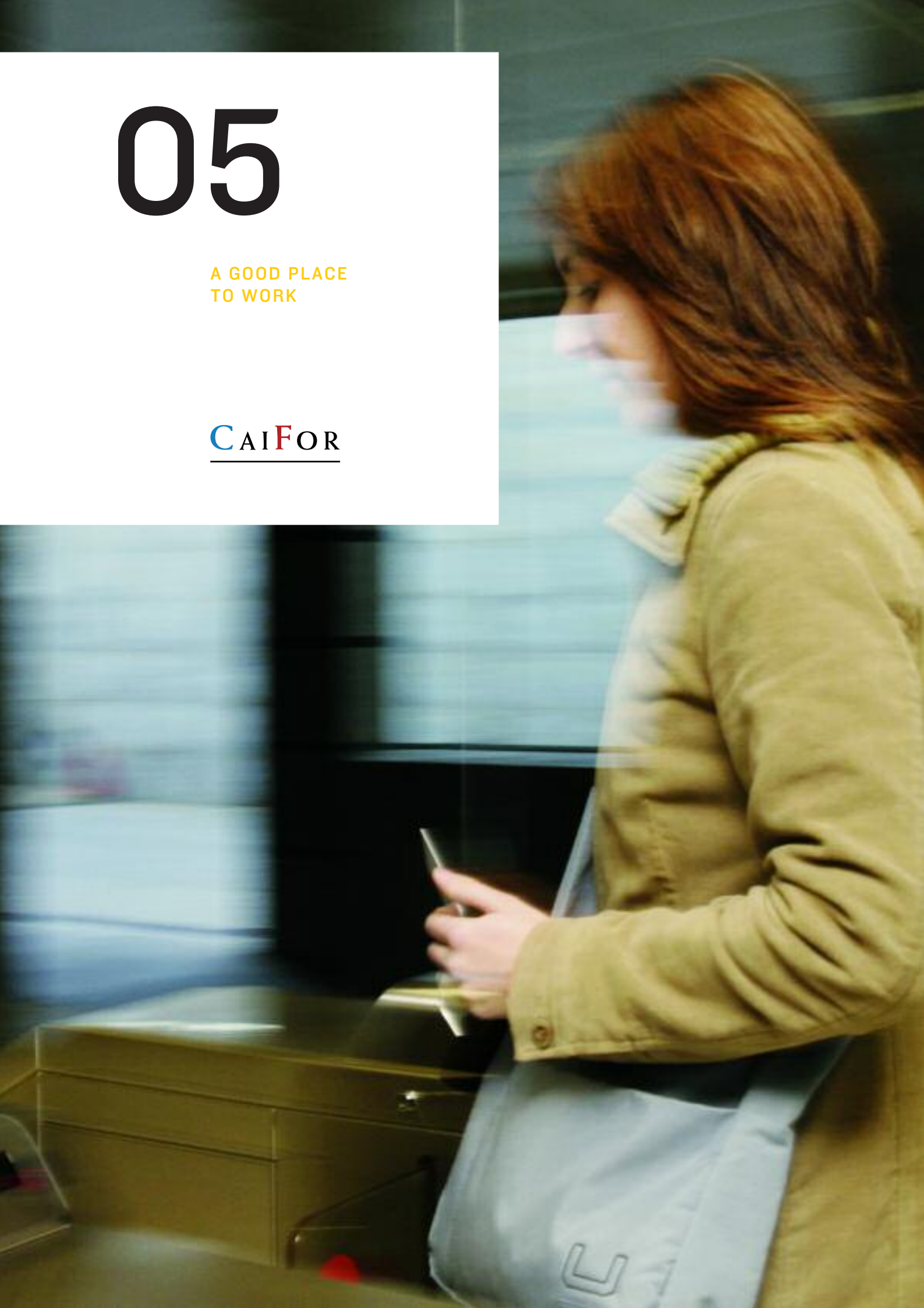
- Continue with the development of Plans: "Quality concerns us all" and CaiFor Innova.



# 05

A GOOD PLACE  
TO WORK

CAIFOR



# A GOOD PLACE TO WORK

## ACKNOWLEDGEMENT OF VARIETY

At the close of 2007, the number of CaiFor employees stood at 742, all of whom had a high degree of motivation, training and experience in the insurance and welfare fields. 60% of them belonged to Headquarters and 40% to AgenCaixa, the network of specialised commercial advisors in the Group.

Overall, CaiFor's employees stand out for their heterogeneousness and profile variety, which turns the Group into a versatile entity adapted to the needs of today's society. Broadly speaking 67% of the staff are women and 33% are men. A point to note is that 26% of the management team and mid-level managers are women.

The average age of the staff is 38 at Headquarters and 41 in AgenCaixa. The

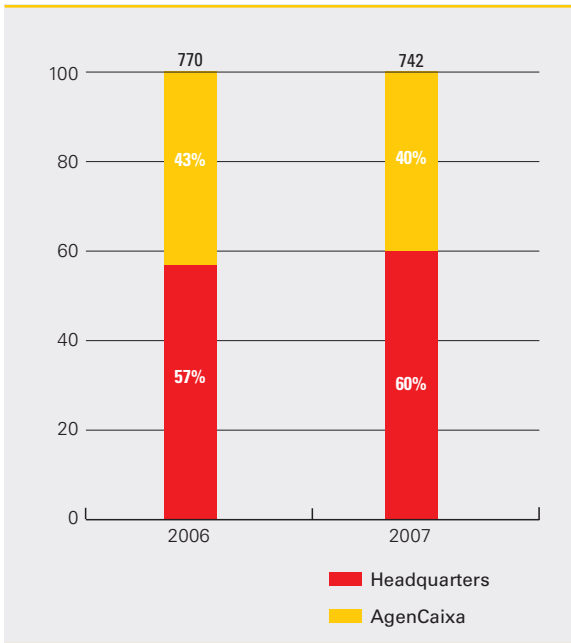
average length of service at CaiFor is 10 years. The directors have, on average, 12 years' experience in the company; AgenCaixa employees have 10 and the Headquarters staff have 8. As far as work contracts are concerned, more than 94% of the staff have a fixed contract.

**> GENERALLY SPEAKING, CAIFOR IS A COMPANY WITH A YOUNG WORKFORCE, BUT WITH WIDE EXPERIENCE IN INSURANCE. IT IS WELL-TRAINED, FLEXIBLE AND ABLE TO ADAPT TO BOTH TECHNOLOGICAL AND MARKET CHANGES**

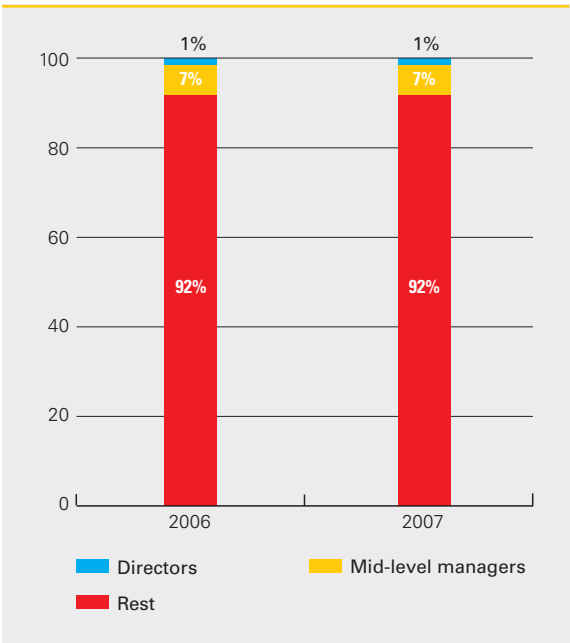




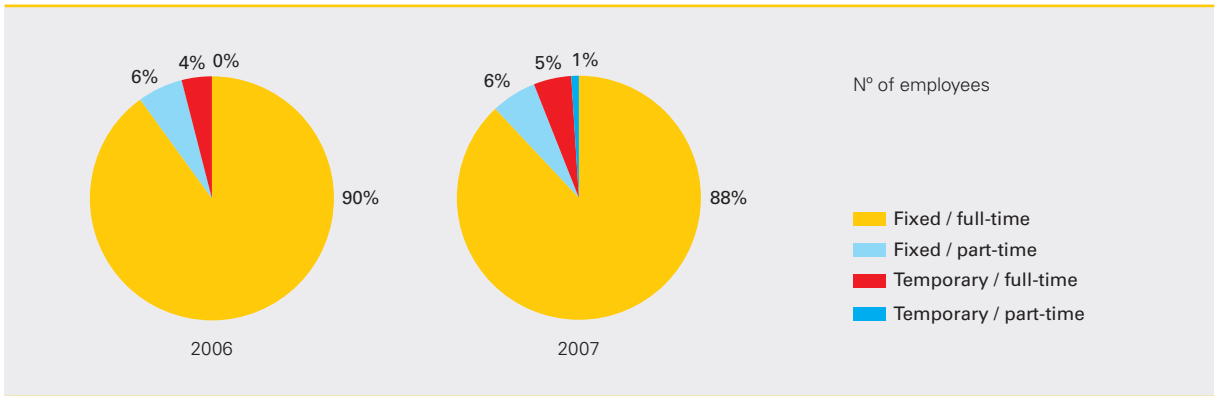
Total number of employees that make up the workforce



Distribution of the workforce by professional category



Type of contract

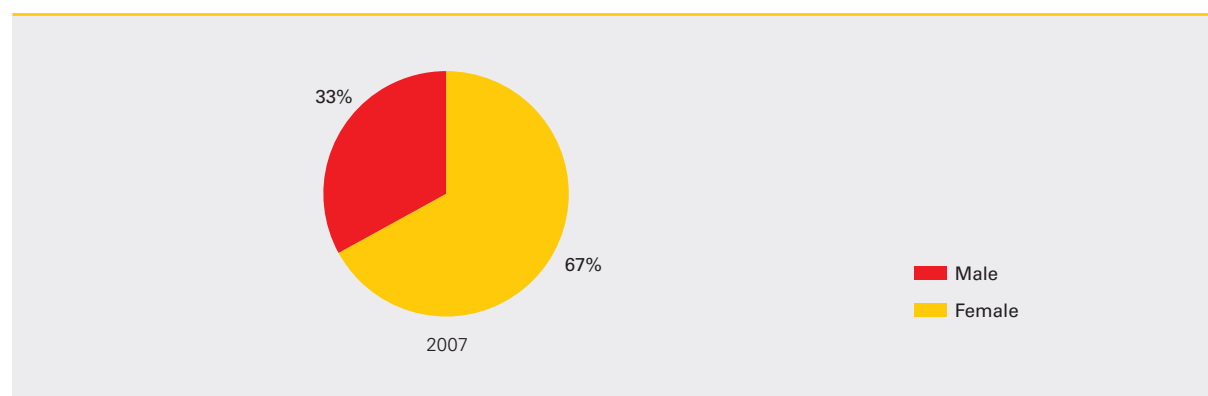




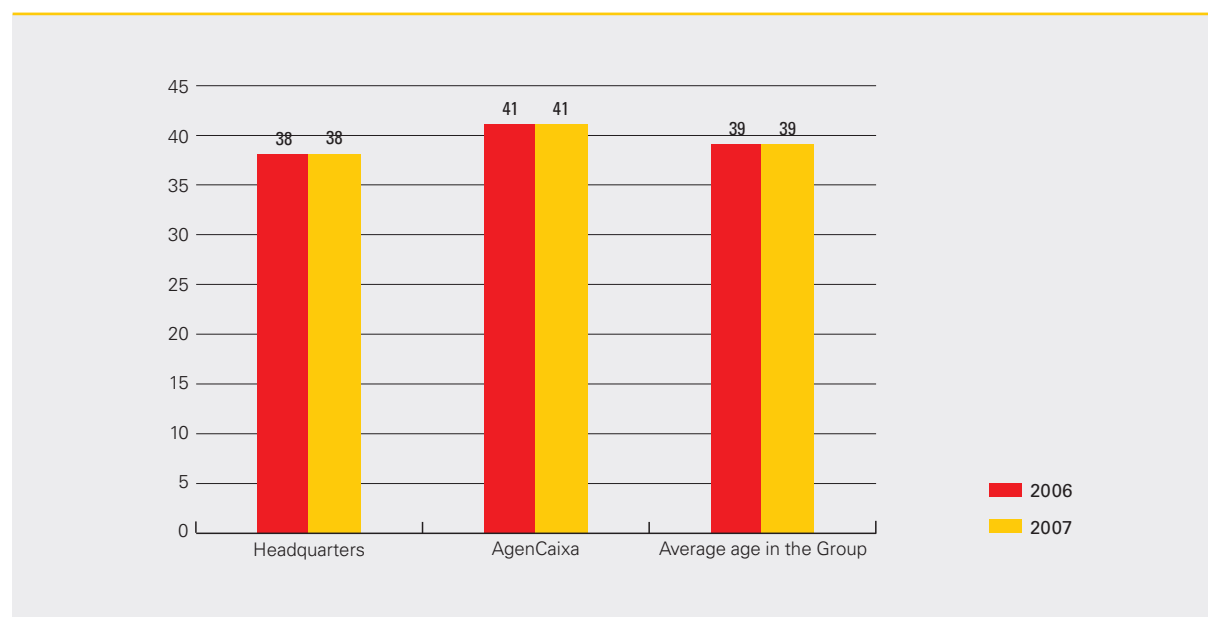
### Distribution of the staff per age groups

Total CaiFor	AgenCaixa	Headquarters	Total	%
Less than or equal to 30	12	102	114	15%
Between 31 and 40	147	212	359	49%
Between 41 and 50	101	91	192	26%
Over 50	39	38	77	10%
Total general	299	443	742	100%

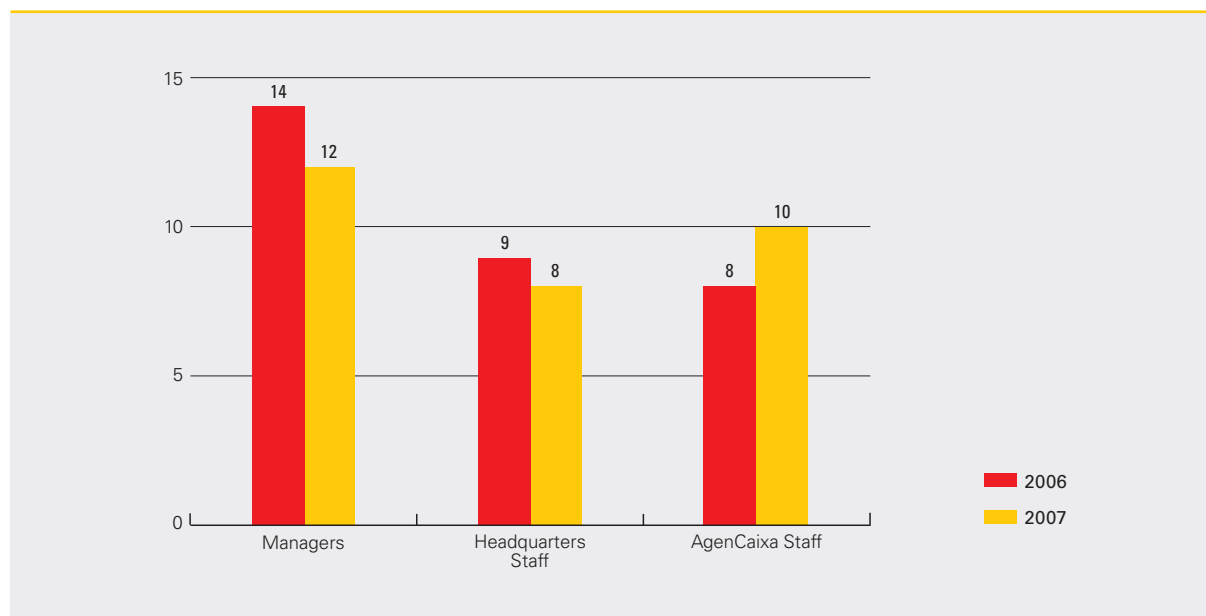
### Distribution of the staff by gender



### Average age of staff



## Years of service / average experience of the staff



## Nationalities of the staff

	2006	2007
Total N° of nationalities on the staff	7	7
Total N° of non-Spanish employees from other countries	7	8

## MECANISMS OF DIALOGUE WITH THE EMPLOYEES

CaiFor gives great importance to having smooth and easy communication with its employees, through which it transmits its values and listens

to their demands and needs. Some of the most outstanding mechanisms of participation and communication used by CaiFor are:

## OPINION SURVEY AND ANALYSIS OF THE WORK CLIMATE

The aim of this survey is to evaluate the expectations, demands and needs of the employees related to their workplace. The conclusion of this survey, which is carried out every two years, is used to adjust the directives of CaiFor's human resources policy.

65% of the staff at CaiFor took part in the last survey that was carried out in December 2007. The results clearly showed the global satisfaction of all the employees. Therefore, on a scale from 0 to 5, the average result was 3.4 points. Other factors analysed in the survey,





such as leadership, dignity, collaborators, overall retribution, job satisfaction and

resources were also positively valued with points over 3 out of 5.

## DI+ PROGRAMME



This programme, which is foreseen to last two years, was set up in 2006 as a direct result of the work climate study in 2005. It put

together a set of actions, initiatives and projects specifically thought of for those areas where improvement could be made.

Communication, teamwork and knowledge management were the central themes of this initiative, which led to the development of the following projects throughout 2007:

### *Open afternoons for training at CaiFor*

This is a programme designed to offer staff the chance to bring up concerns and considerations about different subjects of professional, personal or family interest through the organisation of several talks and seminars.

In 2007, two talks were organised in which employees from the Group in Barcelona and Madrid could take part on a voluntary basis.

Firstly, Juan Luis Fernández was asked to present “10 rules for personal and professional development”, where he spoke about the most effective way to manage employee development. Secondly, CaiFor organized “Usability”, directed by Josep Maria Junoy, from the Usability Department of “la Caixa”.

Due to the interest shown by many employees in dealing with questions on health and its relationship with the workplace, CaiFor designed and opened the *Programme for Health and Work Welfare* in September 2007.

In this, three separate sessions of information, debate and prevention were undertaken: “The nutrition of XXI century” by Dr. Dynaida Nuñez; “Measures to care for and improve your voice” directed by the speech therapist Josep Maria



Vila Rovira, and “*Nutrition and sleep*” by Dr. Pere Tarín. In 2008, CaiFor’s training in health and work welfare will continue and will

cover such things as cardiovascular risk and physical activity, lumbago, stress and first aid, among others.

Programa de Salud 2007



## Programa para la Salud y el bienestar laboral

Programa de formación y desarrollo 2007

Una de las cosas que hay sabemos es que uno de los determinantes de bienestar y salud es nuestra capacidad para poder actuar de forma efectiva ante los retos de la vida.

Los centros de trabajo, donde pasamos mucha parte de nuestro tiempo, se convierten en escenarios en los que se articula cotidianamente una parte importante de bienestar, que es uno de los términos en que la OMS define la salud.

Por ello, hemos desarrollado el **PROGRAMA PARA LA SALUD Y EL BIENESTAR PERSONAL Y LABORAL**, que está compuesto por seminarios de 2 o 4 horas de duración que tienen como objetivo:

- Fomentar el conocimiento sobre temas relacionados con la salud como actuación preventiva.
- Ofrecer recursos para que cada uno de nosotros podamos aplicar para mejorar nuestra salud y bienestar.

Con ello, se presentarán a continuación los seminarios que impartiremos:

18 sept. 07	<b>Medidas para cuidar y mejorar la voz</b>
	Josep Mª Vila, logopeda, director y coordinador de los estudios de logopedia en la UE. Formador en Bellaterra (Madrid). Pertenece al grupo de Investigación de Voz y Lengua.
15 Nov. 07	<b>Nutrición y sueño</b>
	Pere Tarín, nutricionista y dietista, con más de 20 años de experiencia en el sector de la nutrición y dietética. Es dietista y nutricionista en el sector de la nutrición y dietética. Es dietista y nutricionista en el sector de la nutrición y dietética.

Estos seminarios y charlas están abiertas a toda la plantilla y tienen carácter voluntario.

**¡Os animamos a participar!**



Este programa está elaborado con la colaboración de:



### CAIFOR SOLIDARIO

This initiative, integrated in the Corporate Social Responsibility strategy, emphasises the management and organisation of different actions of a social nature embracing three fields of action: the society, the environment and people.



In 2007, the Group sponsored 16 different activities, organised through CaiFor Solidario as well as collaborating with other entities and associations not connected to the company, such as The Spanish Cancer Association, The Vicente Ferrer Foundation or the Foster-a-Tree Foundation. Through these activities, the employees are given the opportunity to use their skills and personal capabilities in such a way that they directly benefit society.

The fight for the prevention of breast cancer, promoting sports and culture among employees and the conservation of the environment are some of the goals that lie behind these activities.

## CAIFOR'S COMMUNICATION CHANNELS TO ITS EMPLOYEES

CaiFor furthered the creation of different channels through which it gets proposals on improvements and suggestions from all the staff. The Internal Quality Survey,

undertaken at Headquarters, is an example of the company's commitment to set up constant communications mechanisms with its employees.

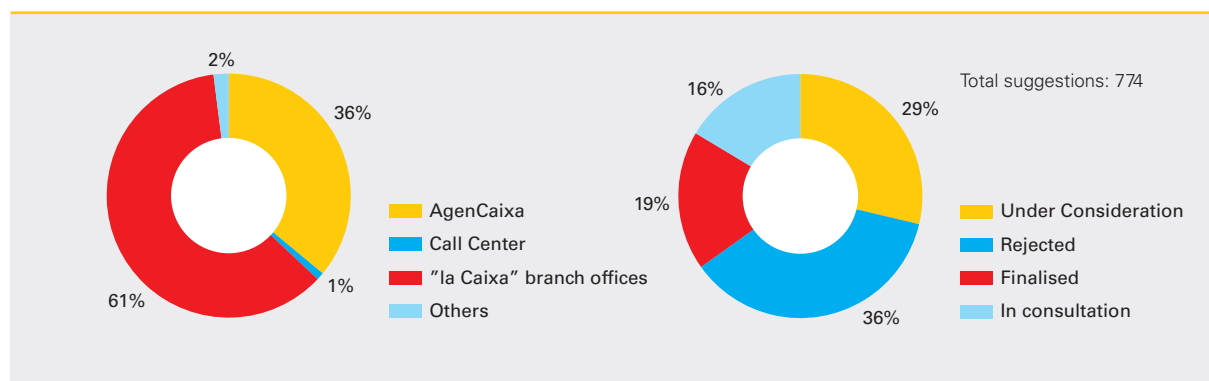
### Internal Quality Surveys 2007

Survey carried out in June	
Participation	62 %
Managers	62 %
Other Staff	62 %
Survey carried out in November	
Participation	63 %
Managers	48 %
Other Staff	66 %

This survey, carried out every six months, analyses the valuation the staff give to the quality of service provided by the different departments with whom they interact in their daily work. Moreover, it offers the chance to

contribute comments and suggestions that are then passed on to the relevant department heads. In 2007, 63% of all staff participated in this survey.

### Suggestions received in 2007



The suggestion box is another mechanism that CaiFor keeps permanently open. It is directed at the employees of AgenciaCaixa and the Call Center. Their contributions very often end up as improvements that are implemented during the course of the year. In 2007 a total of 774 suggestions were received, which means a monthly average of 65 suggestions on improvement.

It should be noted that the contributions by employees went up by 22% with respect to 2006 and the total of all suggestions received was 56% higher than the previous year.

*Área Informativa*, the internal magazine for CaiFor employees, is yet another significant means of communication and dialogue between the company and its staff. There are four issues a year and employees can find in it articles related to the evolution of the Group, news on Corporate Social Responsibility as well as other matters of general interest to the staff. Some of the subjects published cover the introduction to different departments, the latest events, the new

employees and even the most interesting hobbies of some of the staff in the Group. In April 2007 *Área Informativa* celebrated its 15th anniversary when issue number 50 was published. This turned the magazine into one of the main channels of communication with the staff. The 50th issue gave rise to a new format, the fourth of its kind since it was first published in March 1992. This issue included the front covers of all the previous magazines.



Lastly, another important channel of communication is the personal meetings the Management of the Group has with staff during the year:

- Management Meeting: coinciding with the close of each quarter, the General Manager

of the Group explains to Mid-Level Managers the main events of the quarter as well as the evolution of the Group. He analyses the deviations with respect to the goals set while sharing with them the keys to future development.





- Annual Meeting of Mid-Level Managers: once a year, the Management meet all Mid-Level Managers of the Group. This usually takes place outside the company and goes on for two days. There are intensive interactive meetings on the evolution of the company and the goals for each department are set for the following year.
- Annual Presentation of Results to Employees: When each year is closed, CaiFor's CEO and Managing Director run a close-of-year event where they explain the main aspects of the evolution of the Group during the year as well as point out the most significant lines of action that will be undertaken during the following year.



## RESPECT FOR EVERYONE'S RIGHTS

### CONCILIATION

CaiFor has committed itself to the conciliation of work and family life as an essential asset of the company. Some of the most outstanding measures the employees have are:

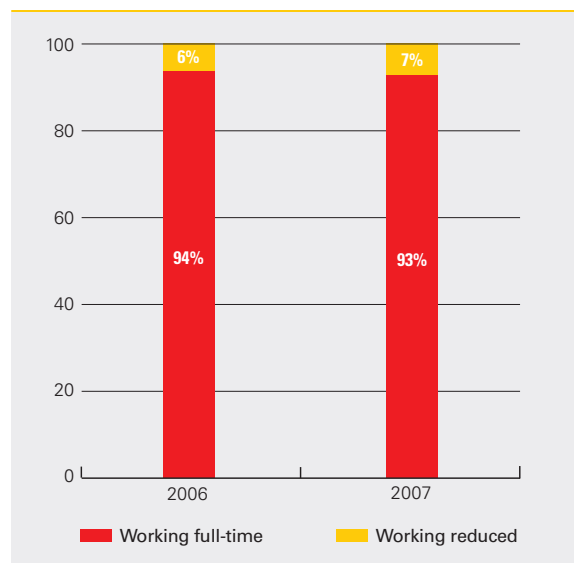
1. **Flexible timetable.** They can start work between 8 and 9 a.m., with an hour for lunch from Monday to Thursday and from October to May. Between June and September they have an intensive workday from 8 a.m., to 3 p.m., as well as on all Fridays throughout the year. Moreover, CaiFor's employees can modify their timetable to conciliate, as effectively as possible, their professional and personal lives within the limits agreed to.

2. **Shorter workday.** Looking after children under 10 allows employees to reduce their workday by between 50% and 87%. At the end of 2007, some 7% of CaiFor's staff enjoyed a shorter workday.

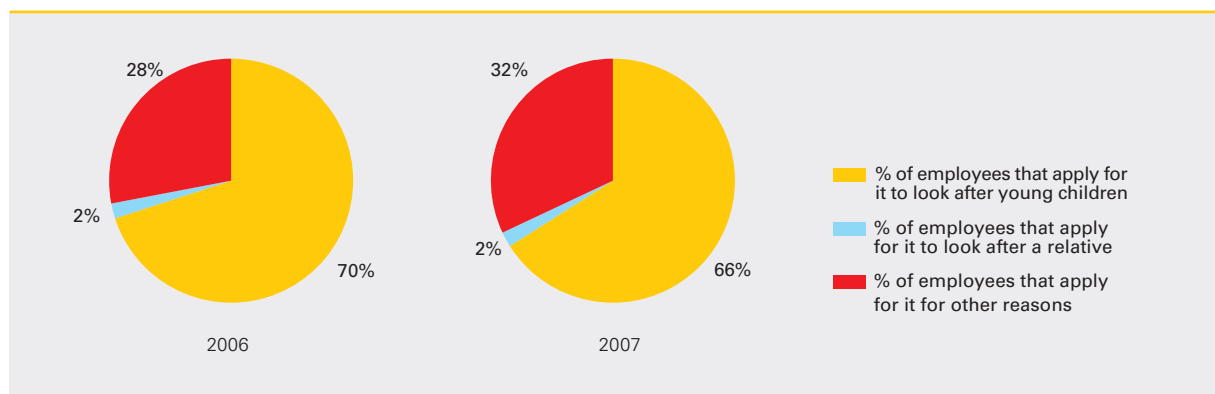
> CAIFOR STRIVES TO HELP ITS EMPLOYEES TO MAKE THEIR WORK AND FAMILY LIVES COMPATIBLE THROUGH FLEXITIME AND PROVIDING THE OPPORTUNITY TO ATTAIN SHORTER WORKDAYS



Nº of employees working full-time and in working reduced workdays



Number of employees that work reduced working hours



Note: In 2006 and 2007, there were no employees who applied for reduced working hours for illness nor for studies.

## EQUAL OPPORTUNITIES AND NO DISCRIMINATION

Equal opportunities between men and women and the non-discrimination of any group is a determined commitment the company acts upon. In 2007, CaiFor hired 60 new people, 68% of whom were women. Moreover, it

must be said that in the Group there is no difference in the gross retribution given to men and women who have a similar professional category and job.

### Women in CaiFor

	2006	2007
% of women in the management team and mid-level management	26%	26%
% of women in the management team and mid-level management with children	69%	69%

However, at present there are 4 people in the Group with different degrees of disability. With reference to the Law on the Social Insertion of the Disabled (LISMI in Spanish), we must say that in the face of the difficulty of finding profiles that suit the professional requirements

of the Group, we are working to comply with the law in force by covering alternative means foreseen to this effect. So, donations are made, services are hired or goods are bought from companies where at least 70% of the staff are disabled.

## FREEDOM OF ASSOCIATION AND RECOGNITION OF COLLECTIVE BARGAINING

100% of CaiFor's employees are covered by a Collective Agreement. There are also several company agreements in the Group that substantially improve the working conditions set out in the different agreements for workers in the sector. In this sense, the Insurance Sector Agreement and the Improvement Agreement of the Company cover Headquarters, while the Agreement of the Mediation Sector and the Agreement on the System of Variable Retribution cover AgenCaixa. Worth noting is the agreement reached in 2007, between the Management of CaiFor and the AgenCaixa Works Committee, to set the new system of variable retribution for AgenCaixa advisors.

In all, there are 28 employees involved in different Works Committees. In AgenCaixa there are 2 Works Committees, one in Barcelona and the other in Madrid; there are also two Personnel Delegates in the Main Offices in Seville and Girona and two Union

Sections. The company, Grupo Asegurador de "la Caixa", AIE, has a Works Committee and a Union Delegate while in SegurCaixa S.A., there are three Personnel Delegates. The different works committees have representatives from two unions: CCOO and UGT.

**> THROUGHOUT 2007, THE WORKERS WERE REPRESENTED BY A TOTAL OF 28 PEOPLE. TWO WORKERS FROM CAIFOR ARE DEVOTED FULL-TIME TO CARRYING OUT THESE FUNCTIONS**

There were union elections in 2007 in AgenCaixa in the province of Girona in which one Personnel Delegate was elected and 3 more were elected in SegurCaixa.

CaiFor decided to give leave to two employees (one in SegurCaixa and the other in AgenCaixa) to enable them to devote their attention full-time to the task of worker representation. To this effect, both employees have been released from those obligations inherent to their positions and can devote all their time to their duties as representatives.

As far as organisational changes are concerned, there is no fixed period for them. However, the formalities present in the Workers' Statute are

being followed. For those changes that mean substantial modifications in work conditions, the 30 days' notice envisaged in the present law is being complied with.

Finally, in 2007 there were no incidents to report regarding the violation of freedom of association and collective bargaining, nor any other complaint by employees of the Group in the work environment.

## SOCIAL ADVANTAGES AND BENEFITS

The social services and benefits offered by CaiFor to its employees range from health insurance to pension plans and even to grants for university and language studies. In all, they make up an attractive package that is, in fact, a supplement to the retribution paid by the company.

In 2007, the total expenditure in these items came to over 1.5 million euros, which is approximately 1% of the net profit CaiFor earned during the year.

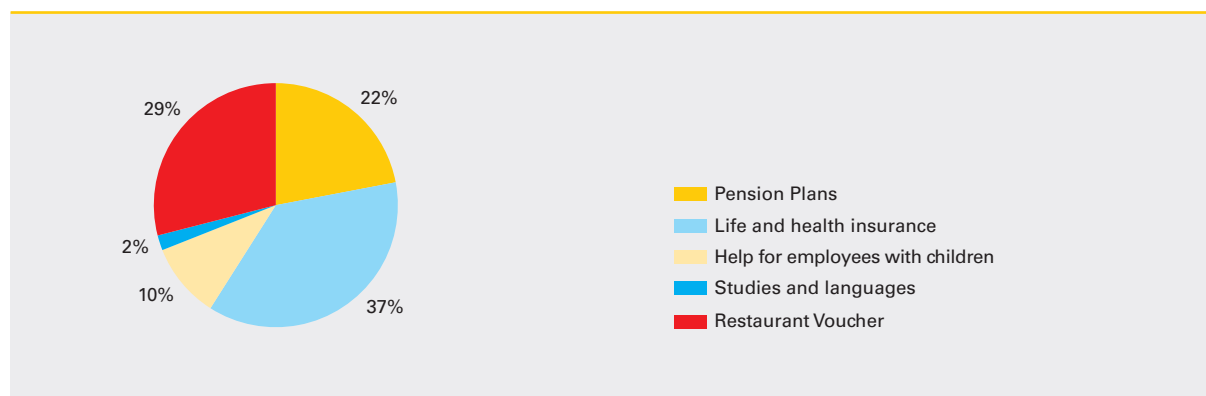


	2006	2007
Supplementary salary of the employees (millions of euros)	1.3	1.5
% that this investment means to CaiFor's net profit for the year	1 %	1 %

Supplement to the retribution of the company in 2007	Total investment carried out in social services and benefits (in thousands of euros)	Employees benefitted
Collective pension plan	326	651
Collective life and health insurance	572	All
Financial aid for employees with children	149	360
Grants for university and language studies	26	63
Daily restaurant vouchers for full-time Headquarters workers with lunch breaks	440	394



## Fringe benefits for employees



## Investment in Personnel expenses (thousands of euros)

Salaries	30,808
Social insurance	6,246
Donations and contribution to pension plans	326
Other expenses	2,097

## BOOST TO PROFESSIONAL COMPETENCE

### SELECTION AND WELCOMING PROGRAMME

Getting and retaining talent is paramount to training the teams that make up CaiFor. The selection of personnel is one of the cornerstones in the management of human resources that is promoted by the leadership of the company in an ever more competitive environment.

Apart from applying the principle of equal opportunities, CaiFor bases the selection of personnel on aspects related to the capabilities and suitability of the candidates for the position offered. Once they form part of the team, the company undertakes an innovative welcoming and follow-up programme that is particularly thought of for new employees and pursues the following objectives:

- It helps the integration of new employees into the Group.
- It introduces the company to them and informs them on legal aspects, management models, etc.

- It makes the new entrant aware of the functions of the job and explains about the relationship that must be maintained with other people or functions.
- It makes a follow-up of the person to know how he or she is integrating and to find out whether his or her initial expectations are being met.

The programme lasts for nine months and introduces aspects related to the business project, the organisational structure of the Group, the management models used, etc. With the aim of helping the new entrant even further, the programme includes a training period that brings the new employee closer to CaiFor's products and services as well as to the general framework of the Spanish insurance sector.

For example, the new employees of AgenCaixa are put through an exhaustive month-long technical and commercial training course in insurance and pension plans that combines with

practical work in the branch offices of "la Caixa".

During the welcoming programme, two follow-up interviews are held; the first after four months and the second at the end of nine months in the company. In this way, we get to know the degree of satisfaction of the person as well as his or her adaptation to the job and companions.

In 2007, 60 people joined CaiFor, 56 went to Headquarters and 4 to AgenCaixa. 68% of new entrants were women.

With the aim of retaining employees, CaiFor is developing a plan that starts with identifying the needs and likely opportunities of improvement

## PROMOTION

Just as equal opportunity is used in the process of selection, it also forms part of the promotion criteria in CaiFor. Capacity and suitability for the job are essential requirements to form part of any team, without any distinctions whatsoever.

For employees, horizontal and vertical promotion is a unique opportunity to face new professional challenges and develop new abilities within the company. For this reason, apart from advertising externally, all job offers are published internally among all employees



so that those proposals that improve the satisfaction of employees are implemented and contribute to increasing retention.

Lastly, given the fact that CaiFor only operates in Spain, there are no specific procedures to locally hire top executives.

**> THE GROUP IS PRESENT IN THE BUSINESS FORUMS HELD WITHIN THE ENVIRONMENT OF THE UNIVERSITY IN ORDER TO ENCOURAGE AN INTEREST AMONG STUDENTS IN BECOMING PART OF THE CAIFOR BUSINESS PROJECT**

through the corporate electronic mail and the Internet.

Furthermore, 2007 saw the creation of two new positions within the Group: Coordinator for people and Coordinator for projects. This translated into vertical promotion for 54 people, of which 32 were women, with an additional 6 people being moved horizontally.

The rate of rotation stood at 9% in Headquarters and 7% in the advisor network of AgenCaixa.

**> EQUAL OPPORTUNITY FILTERS THE PROMOTION CRITERIA DESIGNED IN CAIFOR. THE CAPACITY AND SUITABILITY FOR THE JOB ARE ESSENTIAL REQUIREMENTS TO FORM PART OF ANY TEAM, WITHOUT ANY DISTINCTIONS WHATSOEVER**



	2006	2007
<b>New employees and internal promotions</b>		
Total N° of positions published internally	59	48
Total N° of new employees	76	60
% of women of all new entrants	61%	68%
% of men of all new entrants	39%	32%
Total N° of horizontal movements	8	6
<b>Rotation of personnel</b>		
Headquarters	8%	9%
AgenCaixa	11%	7%

### Rotation by gender and age range

	Headquarters	AgenCaixa
<b>Index of rotation by gender</b>		
Men	9%	7%
Women	9%	6%
<b>Total</b>	<b>9%</b>	<b>7%</b>
<b>Index of rotation by age</b>		
Less than or equal to 40	13%	9%
Between 41 and 50	1%	5%
Over 50	0%	0%
<b>Total</b>	<b>9%</b>	<b>7%</b>

TRAINING

A competent and well trained workforce is the best asset a company can have. For this reason, year after year CaiFor strengthens the training and knowledge of its entire staff. The growth and development of the company starts by guaranteeing opportunities of development while building and retaining talent.

Competence Management System

Over a three-year period, CaiFor developed a training plan that seeks to tailor the required skills for a certain job and the content of the training programmes. The aim is to boost professional and personal growth of the Group’s employees, whose satisfaction and well being

revert directly in the improvement of the quality of the products and services.

In this way, Competence Management is a tool that contributes to managing the people in the Group, raising their knowledge and attitudes to a degree of desired efficiency. Information systems and new technologies, insurance sector techniques, finances, accounting, legislation, marketing, management, human resources and languages are the areas directly affected by training actions that are undertaken with this goal in mind.

Development of competences

% employees with defined competences profile	100%
Total N° of employees evaluated based on their competences	445

Training

In 2007, CaiFor carried several training programmes whose goal was to answer the needs and professional concerns of all the workers in the Group.

Department Heads as mediators between the people and the business. Through coaching, their responsibility widens to attend to specific needs and peculiarities.

- The *Programme to Develop Leadership Style* (PDEL in Spanish) aims to strengthen CaiFor’s mid-level managers: Area Directors and
- 2007 witnessed the continuation of the *Programme of Comprehensive Development*



of *AgenCaixa Delegates* (DIDA in Spanish). The aim of this training is to develop knowledge and skills focussed on commercial management, people and team management as well as technical knowledge. Commercial Management, Labour Law and Labour Planning were the courses carried out this year. In 2008 the course envisages to work on the positive management of conflicts, finances for non-financial people and financial markets.

CaiFor also ran the *Coordinators Development Programme* (PDC in Spanish) whose goals were:

- To mobilise people with greater efficiency.
- To acquire the behaviour and techniques needed to manage project teams.
- To develop the capacity to listen to, express, transmit and present ideas, etc., essential for constructive feedback.
- To learn the techniques of persuasion and influence over collaborators so that they implement actions that will drive them to achieve their objectives.

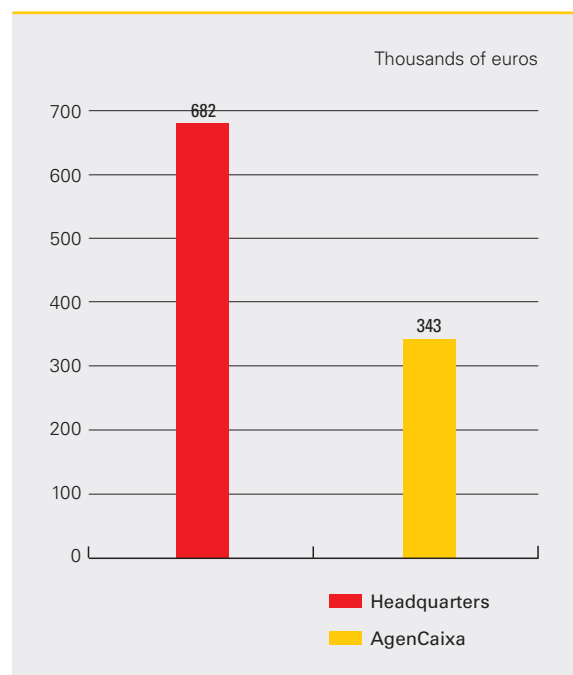
Conflict management, emotional intelligence and self-motivation, among others, are just some of the subjects to be dealt with in 2008.

### Investment in training

Apart from the courses and initiatives undertaken in classrooms with the physical presence of employees, CaiFor's training plan includes its own virtual learning platform called Aul@Forum in which both AgenCaixa advisors and Headquarters staff participate.



### Total investment in training



### Percentage invested in training over total salaries

Headquarters	AgenCaixa
3%	2%

### Average amount invested per employee (in euros)

Headquarters	AgenCaixa
1,539	1,148

Trained employees

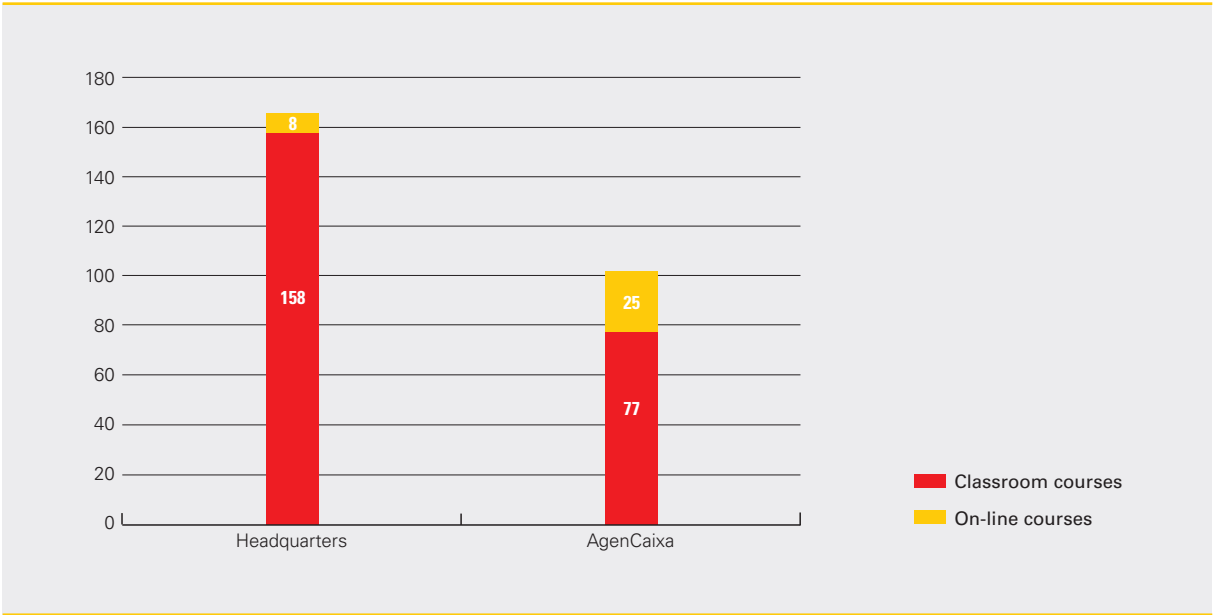
Throughout 2007, 235 classroom-training courses were given. 33 other courses were given online. 655 employees participated in those training courses, of which 342 were Headquarters staff and 313 were AgenCaixa advisors. This means that 70% of the Group’s Headquarters staff followed training courses while 100% of AgenCaixa advisors did the same. In all, Headquarters staff invested 12,701 hours in both classroom and online courses while this figure was 8,124 for AgenCaixa.

In 2007, CaiFor invested 681,628 Euros in training for Headquarters staff and 343,380 Euros for AgenCaixa’s team. As a result, the average amount invested by the Group in each



member of the Headquarters staff was 1,539 Euros and 1,148 Euros in each AgenCaixa advisor.

Total Nº of training actions



## Total N° of employees that underwent training

Headquarters	Agencia
342	313

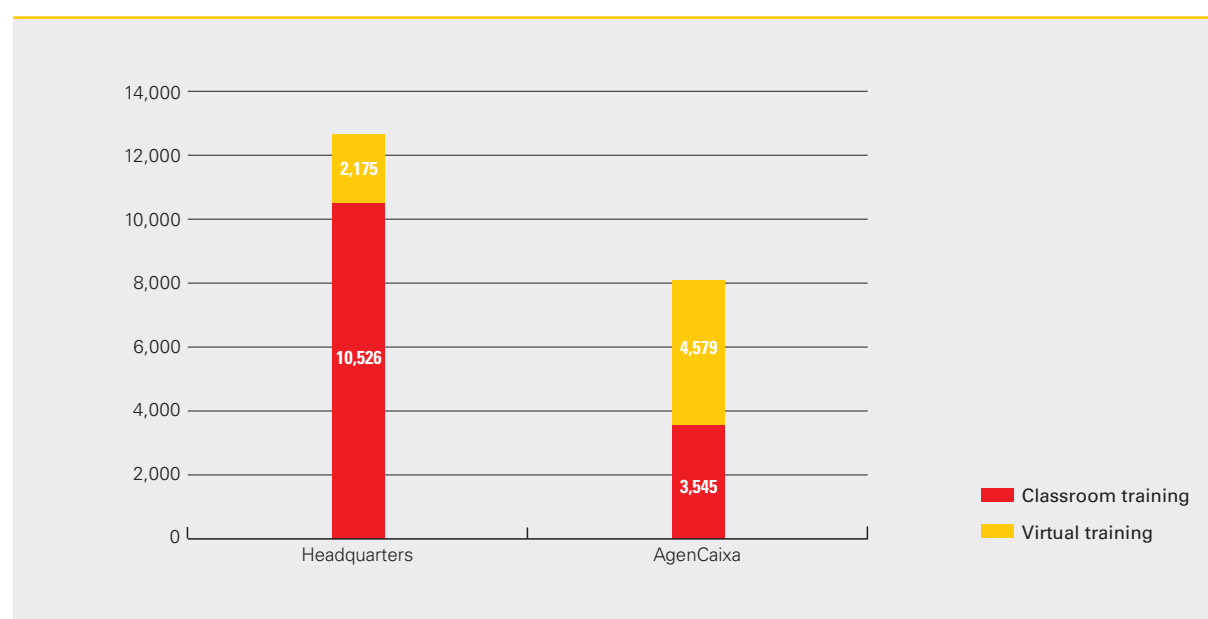
## % of employees that underwent training

Headquarters	Agencia
70%	100%

## Hours of training per employee and professional category

Management Committee	107
Area Managers	338
Department Heads	451
Rest	11,805

## Total N° of hours of training



## N° of “training trainer” courses undertaken

Agencia
9

## N° of people who voluntarily act as trainers

Headquarters	Agencia
5	117

## N° of internal trainers qualified

Agencia
104



## Satisfaction of the trained employees

The appraisal made by the employees, who attended the courses and training sessions, is the starting point to the improvement to the content and methodology of these sessions. As a result, it is conducive to excellence in this area. For this reason, satisfaction surveys are carried out among employees. The results are highly valuable and lead to the continuous improvement in the quality of the training

given. On a scale from 1 to 7, the valuation for training got a 5.7 in 2007 from both Headquarters staff and AgenCaixa.

### Average appraisal by employees of the degree of satisfaction of the training received (scale from 1 to 7)

Headquarters	AgenCaixa
5.7	5.7

## INDIVIDUAL PROFESSIONAL DEVELOPMENT

Of the 12,701 training hours given to the staff at Headquarters, a total of 6,743 hours were for individual courses for personal professional development, which was completely subsidised by the company. 259 people attended those sessions where they were able to acquire or increase their knowledge in such areas as information systems and new technologies,

finances, law, the insurance sector in general or personal skills through different postgraduate courses, seminars, master programmes, etc. By carrying out these actions, CaiFor guarantees the right professional development of its employees in accordance with the policy of knowledge competence management.

### Individual Training

	Courses	Students	Hours
Information systems and new technologies	15	50	692
Insurance Sector	39	80	2,722
Finance	25	37	2,277
Law	21	67	317
Personal skills	15	25	735
<b>Total</b>	<b>115</b>	<b>259</b>	<b>6,743</b>

The other 5,958 training hours given to Headquarters staff, before reaching the 12,701 hours, were for group courses with the following content:

### Group training

	Courses	Students	Hours
Information systems and new technologies	17	173	1,368
Insurance sector	12	251	440
Finance	4	78	1,542
Law	8	135	260
Personal skills	10	192	2,348
<b>Total</b>	<b>51</b>	<b>829</b>	<b>5,958</b>

## COMPENSATION POLICIES

Recognition of merit is one of the most important aspects within the criteria of the retribution policy of the Group, which meets the standards for the sector. CaiFor has two different compensation systems depending on whether technical personnel from Headquarters or commercial advisors are involved. Both combine a fixed retribution with a variable one.

For the network of commercial advisors, the variable retribution is measured according to the volume of sales made and objectives attained. For its part, the system of

compensation at Headquarters endeavours to recognise outstanding performance, the degree of commitment and the responsibility acquired.

**> THE RECOGNITION OF MERIT IS ONE OF THE MOST IMPORTANT ASPECTS WITHIN THE CRITERIA OF THE RETRIBUTION POLICY OF THE GROUP, WHICH MEETS THE STANDARDS FOR THE SECTOR**

### CAIFOR, HIGHER PAY

The minimum retribution of the people who work in the CaiFor Group is higher than the minimum wage fixed by Law and in most cases is higher than the average of the sector agreement. The base salary is regulated by the tables set out in that agreement and represents 1.72 times the minimum legal salary.

	2006		2007	
	Headquarters	AgenCaixa	Headquarters	AgenCaixa
% of employees with an individual fixed retribution	100%	100%	100%	100%
% of employees with a minimum fixed retribution based on salary tables	5%	89%	0%	94%
% of employees subject to a variable retribution depending on the achievement of individual objectives	100%	100%	100%	100%
% of employees subject to a variable retribution depending on the results of the company	100%	100%	100%	100%
% of the variable retribution over salary	10%	42%	11%	42%

## SAFETY AND HEALTH IN THE WORKPLACE

### THE SAFETY COMMITTEES

CaiFor has three safety and health committees whose aim is to assess and control the safety and health programmes in the workplace: there is one in AgenCaixa Madrid, another in AgenCaixa in Barcelona and a third in the company, *Grupo Asegurador de "la Caixa", AIE*.

They were set up in the companies or work centers that have 50 workers or more. The safety and health committees make up a peer, collegial group whose work is to consult the company on a regular basis regarding hazard prevention.

These committees meet quarterly and whenever a meeting is called by any of their representatives that are split between the prevention delegates and the company and /or its representatives. However, each committee makes its own working regulations.

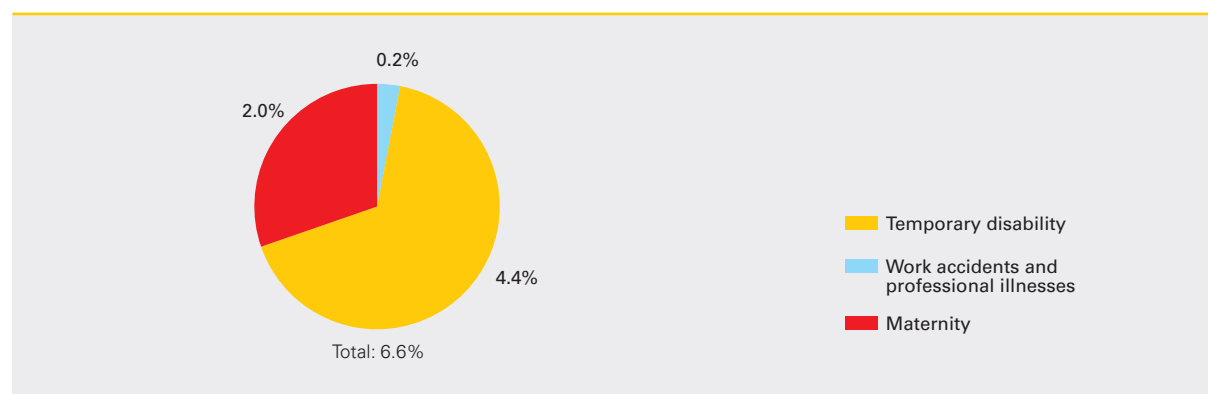
**> WITH THE AIM OF ASSESSING AND CONTROLLING THE SAFETY AND HEALTH PROGRAMMES IN THE WORKPLACE, CAIFOR HAS THREE HEALTH COMMITTEES: ONE IN AGENCAIXA MADRID, ANOTHER IN AGENCAIXA BARCELONA AND A THIRD IN THE COMPANY, GRUPO ASEGURADOR DE "LA CAIXA", AIE.**

#### A SAFETY COMMITTEE...

- Promotes initiatives on methods and procedures for the prevention of risk.
- Draws up, evaluates and sets up the plans and programmes for risk prevention in the workplace.
- Visits the work center regularly to study the situation related to risk prevention.
- Is fully aware of the documents and reports with the required conditions of work.
- Is fully aware of and analyses the damage that may be caused to the health or safety of the employees.
- Knows and informs about the annual report and programming of prevention services.

	2006	2007
<b>Absenteeism for accidents in the workplace</b>		
Total N° of accidents without leave	0	29
Total N° of accidents with leave	2	0
Total N° of commuting accidents with leave	8	7
Total N° of days lost	306	287
<b>Absenteeism for illness or maternity</b>		
Total N° on maternity leave	30	57
Total N° on paternity leave	N / A	9
Total N° on standard sick leave	253	329
Total N° of days lost	6,355	10,740

#### Absenteeism per type of leave



## THE PREVENTION DELEGATES

The Prevention Delegates are representatives of the workers with specific functions in the prevention of work risks. Among other responsibilities, they collaborate directly with the Management in the prevention of risk and promote the cooperation among workers in complying with the established regulations.

So far, this figure is present in SegurCaixa, AgenCaixa Western Andalusia and AgenCaixa Girona. In general, the prevention delegates accompany work technicians and inspectors on preventative controls and assessment.

### TRAINING IN PREVENTION AND CONTROL OF RISKS

CaiFor runs a specific training programme in the prevention and control of risks. The aim is to provide an effective, theoretic and technical preparation and transfer it to all the workers and their families, in accordance with Law 31/95 on the Prevention of Risks at Work. This training is directed at all the workers in CaiFor and the new entrants as well as those workers who change their workplace or who have substantial changes in their conditions of their workplace.

## CAMPAIGNS AND PREVENTIVE DRILLS

Year after year, CaiFor carries out medical revisions coordinated by the department of Human Resources and the Health Security Service from the Prevention Service.

The aim of these revisions is to guarantee the workers a periodic control of their state of health depending on the risks inherent in their work.

## EXHAUSTIVE CONTROL

CaiFor arranged a Health Security Service with *Unisalud* based on the following points:

1. Medical tests for new workers and periodic tests for all workers who, on successful completion, are issued with a Medical Certificate. These revisions are carried out every three years.
2. Epidemiological studies based on the medical tests to determine possible exposure to professional risks or a danger to health.
3. A study of the illnesses to identify the existence of a relationship between the illness and the health risks inherent in the workplace by monitoring the illnesses

that produce sick leave of more than eight weeks.

4. A Protocol for the prevention and treatment of lipoatrophy. Within the framework of the prevention of risks at work and the health control of workers, a project was set up that was led by the Prevention Service of *Unipresalud* and a special Protocol was established for lipoatrophy with *Mutua Universal* for those employees that may suffer from this illness. That specific protocol was also included in the pluriannual medical revisions of all employees and follows the directives set up by the corresponding health and work authorities. On the other hand, Human Resources carried out several

information campaigns to employees to better inform them and specifically train them to prevent this illness.

As every year, CaiFor carried out a preventative flu-vaccination campaign. At the beginning of the third quarter, any employee interested in the well-known vaccination could avail of it.

> YEAR AFTER YEAR, CAIFOR CARRIES OUT MEDICAL REVISIONS COORDINATED BY THE DEPARTMENT OF HUMAN RESOURCES AND THE HEALTH SECURITY SERVICE FROM THE PREVENTION SERVICE

### PREVENTION IS BETTER...

CaiFor set up an electronic mailbox called *Prevention is better*. Stemming from the meetings the Health Committees held, the Group wanted to make this agile tool available to all employees so that the Health Committees were aware of their contributions in Prevention and later discuss them at their meetings.

### EMERGENCY DRILL

CaiFor's headquarters building, situated in Calle General Almirante in Barcelona, was the scene of two emergency drills in 2002 and 2005. In both drills, all the personnel were correctly evacuated and recommendations from the Prevention Service for possible improvements were noted.

#### *How to carry out a drill?*

To carry out an emergency drill, the following methodology is used:

- The Prevention Service draws up the emergency measures for the different buildings.
- Talks are held with the people who form part of the intervention teams with the specific instructions to follow in case of emergency. Apart from that, action plans are given to the people in the intervention teams and to the rest of personnel.
- Lastly, questionnaires are made for the control of the emergency drill and the internal and external controllers are prepared.

## PREVENTION PLAN

CaiFor's Prevention Plan sets out the general criteria that define the policy and the organisation of the company in terms of preventive material. Since 1999, and in accordance with what is set out in the Law of Prevention of Work Risks, the preventive activities are as follows:

- Evaluation of work risks.
- Annual planning of the activities to be undertaken.
- Information to and continuous training of the workforce.
- Information to and training of new entrants.
- Investigation of incidents and accidents.
- The drawing up of procedures and regulations in a Manual of Preventive Management.
- Periodic revisions of the scenarios and work places.
- Controls of the effectiveness of the preventive organisation.

## CHALLENGES FOR 2008

- Develop the degree of knowledge competences of the staff, which at present stands at 70%, and achieve a degree of 85% by 2010.
- Continue the professional development plan directed at Middle-Level Managers, Commercial Delegates and the rest of the staff.
- Keep up the effort and dedication to make sure that CaiFor continues to be an excellent place to work and therefore increases its retention of and ties with the staff.
- Advance with the policy of conciliation of professional and family life.
- Develop AgenCaixa, implementing a plan of selection and training of new advisors as well as implementing professional, formative routes and the corresponding retribution.



# 06

COMMITTED  
TO THE ENVIRONMENT  
AND SOCIETY

CAIFOR





# COMMITTED TO THE ENVIRONMENT AND SOCIETY

## RESPECT FOR THE ENVIRONMENT

### ENVIRONMENTAL MANAGEMENT AT CAIFOR

Year after year, CaiFor upholds its commitment in favour of the environment, incorporating the principals as stipulated under the current legal framework and incorporating them, adopting them as their own. Besides involving all those who work for the organisation developing initiatives that aim to achieve excellence in sustainability in all the processes and consumption, CaiFor fosters the voluntary implementation of a set of actions and measures with the objective of minimizing the environmental impact of its activities.

The environmental policy at CaiFor is founded on a series of principles and expressed in concrete terms in a set of actions whose end goal is to adapt its management systems to reduce environmental impact.



#### ENVIRONMENTAL PRINCIPLES AT CAIFOR:

1. Guarantee compliance with legislation and environmental regulations applicable to all its activities.
2. Apply environmental principles and good practices to all its actions.
3. Train and raise awareness among employees by encouraging active participation in environmental policy and prioritising communication and training for environmental management so that it reaches every member of the organisation.
4. Prevent acts of pollution by gradually implementing the corresponding improvement measures and the consideration of all required aspects in order to guarantee the protection of the environment.
5. Disseminate operational procedures in environmental matters among all suppliers of goods and services, as well as assuring compliance to same when activities are carried out in the entity's work centres.
6. Provide a complete list of environmental actions for all interested parties.

Among the initiatives set in motion by CaiFor in 2007 to reduce environmental impact, the most significant were the following:

- Reinforce the selective collection of waste at Headquarters (plastic, paper, batteries, cardboard and other waste materials), by installing containers and the completion of implementation of the collection process that started in 2006.
- The incorporation of a new process for the deposit, collection, confidential destruction and recycling of paper in delegate offices of AgenCaixa.
- As a result of the collection process initiated in 2006, the process got under way to eliminate, during 2007, one of the two waste container facilities available to CaiFor that were located on the public walkway.
- Regular inspection studies were established to monitor plain and recycled paper consumption, as well as electricity and water consumption. Regular measurements were

also carried out on waste generated from:

- Plastics
- Batteries
- Ink Cartridges

- Improvements carried out were distributed and information was made available to every member of staff at CaiFor via the organisation's communication channels.
- CaiFor performed an internal audit on the processes of waste collection, destruction and recycling of all waste collected from Headquarters in Barcelona.
- After the implementation of the use of recycled paper in 2006, the total amount of recycled paper consumed accounted for 47% of overall paper consumption in 2007.

CaiFor invested more than 30,000 euros to improve waste material collection and to facilitate confidential destruction and recycling of waste paper generated at Headquarters in Barcelona and Madrid, as well as at delegate offices of AgenCaixa.

## DIRECT AND INDIRECT ENVIRONMENTAL IMPACT



Although, from an environmental point of view, the impact generated as a result of the activities of CaiFor is practically insignificant, the institution implemented a series of measures especially designed to monitor the recycling cycle. The application of these measures has gone on to form an inherent

part of the organisation's environmental management model.

In 2007, the most important levels of consumption were paper and electric energy. Both resources are subject to a regular monitoring process with the aim to set in motion the practise of measures that target the reduction and optimisation of the consumption of these resources.

## Consumption of resources

	2006	2007
<b>Paper</b>		
Total paper consumed	29.3 t	27.9 t
Total paper consumed per employee	38.1 kg	37.6 kg
Percentage saving (reduced consumption) due to efficiency improvements	-19%	5%
Percentage of paper recycled expressed over total consumption	7%	47%
<b>Water (m³)</b>		
Total water consumed	3,179	3,568
<b>Electric energy (GJ)(*)</b>		
Total electric energy consumed	4,644	5,256

(\*) Conversion factor: GJ per kWh: 0.0036. Source: GRI technical protocols.

### Paper

Throughout the 2007 financial year, CaiFor consumed 27.9 tons of paper, compared to the 29.3 consumed the previous year. This consumption represents a total of 37.6 kilos per employee, a decrease of 5% in total consumption compared to figures for 2006. Regular paper and recycled paper coexist, sending and scanning faxes by computer are just some of the measures that were fostered and reinforced over previous months and which affected this slight, yet significant drop in the figures.

**> ONE OF THE MOST SIGNIFICANT ENVIRONMENTAL INITIATIVES THAT CAIFOR CARRIED OUT IN 2007 WAS THE INCORPORATION OF RECYCLED PAPER. THE DATA SPEAKS FOR ITSELF: RECYCLED PAPER ACCOUNTED FOR 47% OF THE TOTAL AMOUNT OF PAPER CONSUMED**

### Water

Water consumption is another indicator to which CaiFor pays special attention. It should be pointed out here that the Headquarters buildings are supplied directly from the municipal supply. In 2007, consumption of

CaiFor in Barcelona was 3,568 cubic metres. The extension of office space through the recent location on the third floor of the central tower had a direct affect on the increase of the total consumed.

### Electric energy

Streamlining the consumption of electric energy is one of the most ambitious goals that CaiFor has set itself in environmental issues. In 2007, a total of 5,256 GJ were consumed at Headquarters buildings in Barcelona and Madrid. As was the case with water indicators, the move to the third floor of the central

tower had a direct effect on the increase of the total consumed. For 2008, several actions are planned to target education and raise awareness among staff members regarding responsible energy consumption. Furthermore, technological improvements will also be put into place with the same objectives in mind.

### Diesel

Due to the fact that CaiFor does not have any generators, diesel consumption is insignificant.

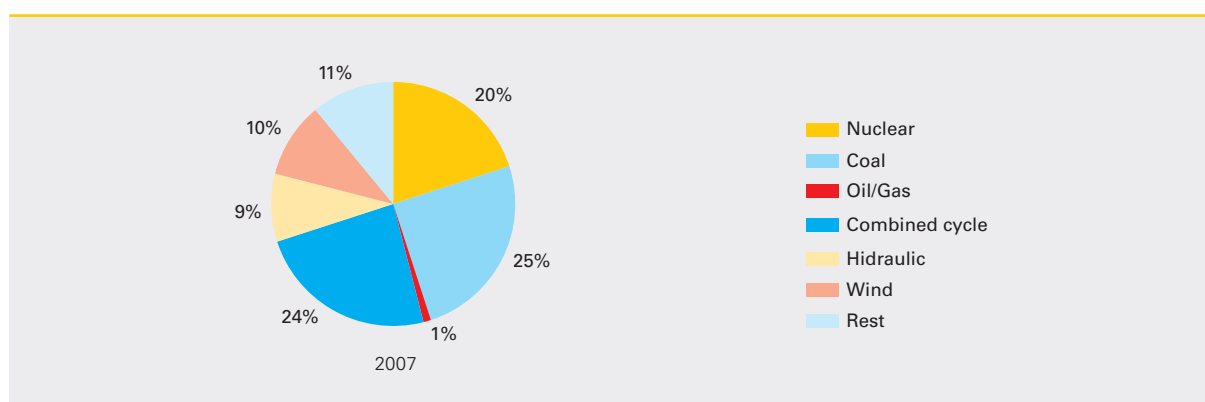
## CO<sub>2</sub> emissions

Given the nature of its activity, CO<sub>2</sub> atmospheric emissions by CaiFor do not represent a significant impact on the environment. Electric energy consumption resulting from the management and air-conditioning of its facilities and, to a lesser extent, the number of kilometres covered by employees as a result of their commuting and travel, are the principal source of these emissions.

In 2007, the total distance covered by employees of the Group amounted to 538,207 kilometres, 16% more than in the previous year.

Moreover, after application of the standard conversion factor for electric energy consumed (5,256 GJ) in CO<sub>2</sub> atmospheric emissions, the total emissions for CaiFor represent an overall CO<sub>2</sub> emission of 575 t.

## Indirect consumption of energy distributed by primary energy consumed (GJ)



Source: Red Eléctrica de España. Advance of 2007 Report.

## Waste management and recycling

Waste generated as a result of the activity carried out by CaiFor is treated using legally established channels as stipulated under environmental regulation. In general, waste collection of recyclable materials registered remarkable increases compared to the previous year in several of the indicators employed to measure levels. In more concrete terms, paper for recycling collected from the premises of CaiFor went from 22,612 kg in 2006 to 35,644 kg in 2007. On the other hand, the number of kilos of plastic collected tripled, going from 896 kg in 2006 to 2,648 in 2007.

**> AMONG THE ACTIONS CARRIED OUT IN 2007, ONE OF THE MOST SIGNIFICANT WAS THAT OF THE SETTING UP AND RUNNING OF A NEW WASTE COLLECTION SYSTEM IN THE DELEGATE OFFICES OF AGENCAIXA, THE NETWORK OF SPECIALIST COMMERCIAL ADVISORS AT CAIFOR. NOW, EACH DELEGATION HAS A SEPARATE CONTAINER FOR THE SELECTIVE COLLECTION OF PAPER FOR ITS SUBSEQUENT CONFIDENTIAL DESTRUCTION OR RECYCLING**

One of the most significant data applies to collection of batteries for recycling: 34.5 kg collected in 2007. This figure is of special significance in the case of CaiFor, given that the organisation carries out an activity which practically does not consume batteries. The origin of the amount collected is domestic,

and just goes to highlight the commitment of employees and their confidence in the recycling cycle that the company promotes year after year and the use made of the collection points the company makes available to employees to assist in environmental conservation.

### Collected waste with special treatment regulations

	2006	2007
Paper and cardboard (kg)	22,612	35,644
Plastic (kg)	896	2,648
Printer cartridges (units)	453	381
Batteries (kg)	23	35

### TRAINING AND RAISING ENVIRONMENTAL AWARENESS

Knowledge of the environment is crucial so that employees at CaiFor become aware of their capacity to make a positive impact on its protection. For this reason, since 2006, CaiFor has carried out an awareness raising programme specifically designed to stimulate volunteer activity of employees on this issue.

The programme publishes its own booklet titled, *"Catalogue of good environmental practices in the workplace"*, which is distributed among the entire workforce and is available to consult in the universally accessible data base for employees of the Group.





Moreover, all employees at CaiFor have direct access to information regarding measures and actions to preserve the environment, through

corporate information systems such as, the in-house magazine *Área Informativa*.

### CELEBRATION OF THE "BETTER OFFICE OUTLOOK DAY"

For the second year in succession, in July 2007, the Headquarters in Barcelona and Madrid organised a conference on improving the office Outlook, which consisted of the entire organisation dedicating 2 hours during their day to destroy and recycle everything deemed dispensable and correctly file everything considered indispensable.

Thanks to its cooperation with *CaiFor Solidario* it was possible to broaden the scope of this action, given that for every kilogram of waste allocated for recycling by employees, one euro was donated towards sponsoring a tree. The end result of the session was 2,777 kilograms of material collected for recycling and the equivalent amount in euros, which was then donated to the *Fundación Apadrina un Árbol* (Sponsor a Tree Foundation). With this amount, 270 trees have a guaranteed future for the next 10 years.



## A BENEFIT TO THE COMMUNITY

### THE SOCIAL FUNCTION OF THE INSURANCE AND EMPLOYER WELFARE SCHEMES OF CAIFOR

CaiFor cements its commitment to the community through its own insurance and social welfare activity. To this end, it offers adequate welfare solutions tailored specifically to the requirements of each individual based on the stage of their life or particular circumstances.

This social function has been present in the activity of CaiFor since the very outset and origins, now over 100 years ago, when "la Caixa" offered its customers the chance to build an economic nest-egg for retirement. This innovative initiative, when Spain still remained without cover in this area, signifies the root and essence of the activity CaiFor engages in at the present time.

A history marked by CaiFor's solid commitment to the community has enabled the institution to become the leader in Spain

in terms of voluntary retirement savings managed, with more than 27,000 million euros and more than 3 million customers who have placed their trust in the organisation.

By way of the insurance and welfare products available from CaiFor, the institution strives to provide a response to people's global requirements, covering aspects as diverse as risk cover for life and property, the need to complement social security income to face retirement, or the sending of remittances to a customer's country of origin, among many others.

For this, CaiFor engages in professional, prudent and responsible management accompanied by an effort to effect constant innovation, which is expressed in more concrete terms in the development of new products every year. Some of the most



**La alternativa de ahorro  
con mejores ventajas fiscales**



**Planes de ahorro – PIAS**

significant examples of this in 2007 were the PIAS, new long-term systematic savings plan), new models in life insurance linked to loans, the *Pensión Vitalicia Inmediata* (Immediate Life Annuity) or the new Health Insurance products. The greatest milestone in 2007 was the launch of the new *SegurCaixa Auto*, with

which CaiFor completes the range of products it offers to become a comprehensive provider of insurance and welfare plans for the Spanish household, while at the same time, setting itself up as the first bankassurance institution in Spain to market its very own car insurance product.

## EMPLOYMENT AND WEALTH CREATION

CaiFor contributes to economic and social progress through its capacity to invest and create jobs.

In this regard, CaiFor is the market leader in Spain in social welfare and its client base

has consistently demonstrated substantial growth since its foundation in 1992, reaching and surpassing the significant figure of three million customers in 2007. The growth experienced by CaiFor has always gone hand in hand with job creation.

## Presence and participation of CaiFor in the community

Apart from the social function derived from the activity it engages in, CaiFor's commitment to the community is materialised through an entire set of activities of a social nature in direct collaboration with various institutions and prestigious organisations and in which the entire staff is involved. Furthermore, it should

be mentioned that, in this area through its contribution to the overall results of the "la Caixa" Group, CaiFor participates indirectly in the significant number of important activities and initiatives implemented through the Obra Social "la Caixa".

## CaiFor Solidario

Included in the Programa Di+ –set up in 2005 to promote dialogue, communication and the participation of every employee in the Group–, in 2006 the initiative *Tú eliges* (You choose) was set in motion and aims to promote voluntary implication of employees in the development and running of activities targeting environmental, social and individual issues.

This initiative aims to make CaiFor's employees the real agents and leaders in community action, and in 2007 the effort invested was strengthened through a series of initiatives.



**> CAIFOR SOLIDARIO IS AN INITIATIVE THAT AIMS TO MAKE THE ACTUAL EMPLOYEES OF THE GROUP THE REAL PROTAGONISTS AND LEADERS IN THE ORGANISATION'S SOCIAL ACTION**

Therefore, throughout the financial year, a total of 16 separate activities were carried out, with an overall contribution by CaiFor of over 24,000 euros. These activities were designed and managed by a committee called *CaiFor Solidario*, made up of staff from Headquarters and AgenCaixa, who are responsible for approving causes and projects as well as assigning the available resources to each one.





In the social area, several cooperation initiatives were supported in Third World development and disease prevention, collaborating with organisations such as: *Harambee Project*, *Asociación Española contra el Cáncer* (Spanish Cancer Society), the *Fundación Vicente Ferrer*, the *Fundación Castejada*, the *Colegio Virgen del Camino* and Unicef. On an environmental

front, in collaboration with the *Fundación Apadrina un Árbol* (Sponsor a Tree Foundation) a reforestation initiative was developed, and finally in matters regarding individual employees, sporting and other health oriented activities were promoted among CaiFor staff members through several different initiatives carried out.





### THE MARKETPLACE FOR SOLIDARITY AT CAIFOR

This initiative started out as a project aimed at promoting various activities among staff members of the Group related with arts and crafts, such as painting, ceramics, photography, sewing and needlework or the making of glass beadware. Over time it was consolidated and is now a project for solidarity in which employees can collaborate with children suffering from disease or with some degree of disability, or those living in socially precarious conditions.

In this regard, all the objects auctioned at the marketplace are handmade or donated by the employees themselves, and the product goes to the highest bidder, although it is also possible to opt for the "objective zero": that is, give a donation without receiving an article in return.

In the 2007 edition of the marketplace for solidarity, a total of 2,600 euros was raised, and as



every participant in the event could choose the NGO to donate the money to, CaiFor proposed the institutions of *Art Solidari* and *Mags per a l'Esperança*, for the excellent work of both organizations in infant care projects.



### Integration into the workplace for disabled persons

Among the different initiatives of a social nature that CaiFor carried out, it also implemented several actions aimed at achieving integration into the workplace of persons with disability. For this, a special budget was prepared for purchasing Christmas hampers, all of which were purchased from a special employment centre that guarantees the occupation of a

minimum 75% of staff positions for persons who have some degree of disability.

Moreover, and along similar lines of action, CaiFor has a contract with another special employment centre for disabled workers to provide selective wastepaper collection services.

### Institutional presence

CaiFor maintains strong bonds with several organisations and institutions both in the public and private sector. The participation of CaiFor is expressed in more concrete institutional terms by its membership of these organisations, or otherwise through direct support for projects and initiatives of mutual cooperation. The institutions which CaiFor collaborates with are:

- *Edad & Vida*: VidaCaixa is a promoting member of Edad & Vida (Age & Life), a non-profit organisation which aims to improve

the quality of life of the elderly and in which several companies, university institutions and associations collaborate.

- *Investigación Cooperativa de Empresas Aseguradoras y Fondos de Pensiones (ICEA)*. An independent research and analysis institute operating in the insurance sector and set up in 1963, whose primary purpose is to research and investigate issues relating to insurance. CaiFor is a member of the association together with other Spanish

insurers who represent more than 90% of the overall volume of premiums for the sector.

- **The Geneva Association:** This is an organisation that promotes research into the growing importance of worldwide insurance activities in all sectors of the economy. The organisation is formed by 80 chief executive officers (CEOs) from the most important insurance companies in the world.
- **Centro del Sector Público - Sector Privado del IESE.** VidaCaixa is a patron of this institution which promotes research and dialogue

between government bodies and society in general and its institutions.

- **APD Zona Mediterránea:** VidaCaixa is an associate member of APD, the Association for Management Progress, set up in 1956. APD is an institution engaged in training and providing information aimed at management level contacts, whose primary purpose is to promote the exchange of ideas, knowledge and experience among the managers of the country's business community.

### Participation of CaiFor in the Obra Social "la Caixa"

By way of its contribution to the overall results of the "la Caixa" Group, CaiFor makes an indirect contribution to the resources channelled through the *Obra Social*, which in 2007 reached the amount of 400 million euros, making it the first private Spanish foundation in resources allocated to social and community action, the second most

important in Europe and the fifth in the world.

This made it possible to perform a total of 45,379 separate activities of a social, educational, cultural, scientific and environmental nature, and which benefited a total of 24,640,137 people.

## RELATIONSHIP WITH SUPPLIERS

CaiFor is of the opinion that establishing long-lasting and stable relationships is the foundation for making progress in a model of sustainability that contributes to the well-being of society and promotes respect for the environment. For this, in its relationship with suppliers, the Group seeks out suppliers who provide the best quality, most competitive prices, and the best possible service, in exchange for suitable compensation, all of which leads to a relationship of mutual trust.

In this regard, the purchasing policy at CaiFor is open to the participation of suppliers on an equal-opportunity basis, selecting those companies that best adapt to the institution's principles of action and to the specifications as outlined by the varying areas and departments.

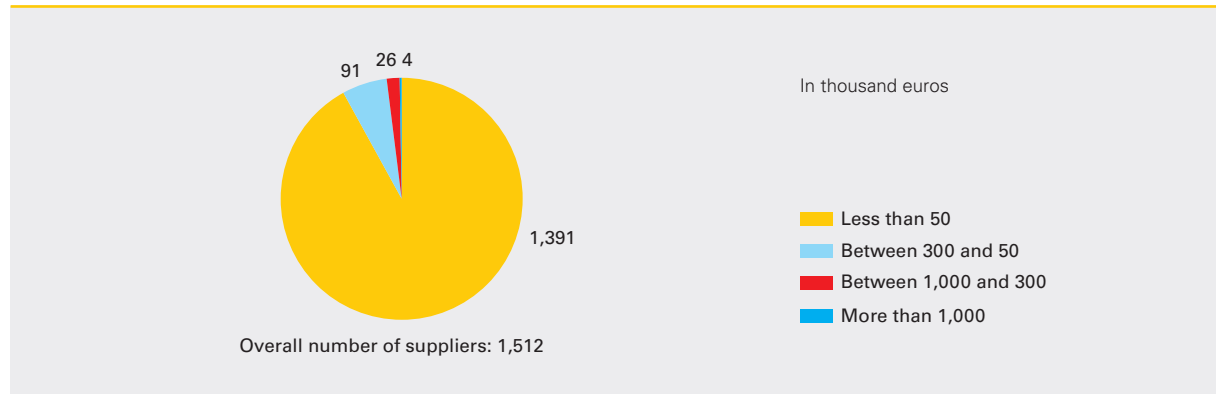
In 2007, CaiFor contracted products and services from a total of 1,512 suppliers, the volume of purchases and contracted services amounted to 47.7 million euros. Regarding the management of purchases from suppliers, the Group operates under the guidelines set out in *Purchases, Contracting Services and Payment of Invoices of the "la Caixa" Group*.

With respect to the different suppliers of the institution, it must be stated that these are all solvent and prestigious companies in full compliance with legislation in force in Spain covering labour, business and taxation, and are therefore respectful with workers' rights as well as human rights. Moreover, in a recent survey, no suppliers were identified, who as a result of the activity engaged in or because

of their geographic location, might represent a significant risk in human rights issues, and therefore currently, CaiFor does not incorporate

this criteria into the analysis it carries out when selecting suppliers.

### Suppliers by volume of invoicing



### Commitment to good environmental conduct

Apart from controlling direct and indirect environmental impact of its activity, CaiFor also contributes to the promotion of responsible environmental practises in its supply chain. As a result, in 2006, a clause was added to all

new contracts with suppliers providing goods or services, which committed the suppliers to full compliance with current environmental legislation in force.

### Management of suppliers in order to offer the customer the best possible service

For CaiFor, customer satisfaction based on the quality of service provided is one of its principal objectives. To achieve this, the company possesses perfectly defined guidelines

for customer care processes and service commitments that assistance suppliers are required to provide for customers who submit claims.

### Home insurance claims

In the case of home insurance claims, each policy is assigned to a company providing assistance, and it is this company that sets in motion the claims process. Depending on the type of claim, one or another series of actions are taken, either on behalf of the assistance providing company or directly by SegurCaixa.

When the time comes to file a claim, there are three possible steps to be taken: repairs, surveyor appraisal and compensation, in which different people are involved. Throughout this

entire process there is a set of commitments adopted by CaiFor to assure the quality of service offered:

- Control and monitoring of steps taken by external companies.
- Speed and quality of surveyor appraisals.
- Speed of payment for invoices and compensation.
- Performing customer satisfaction surveys.



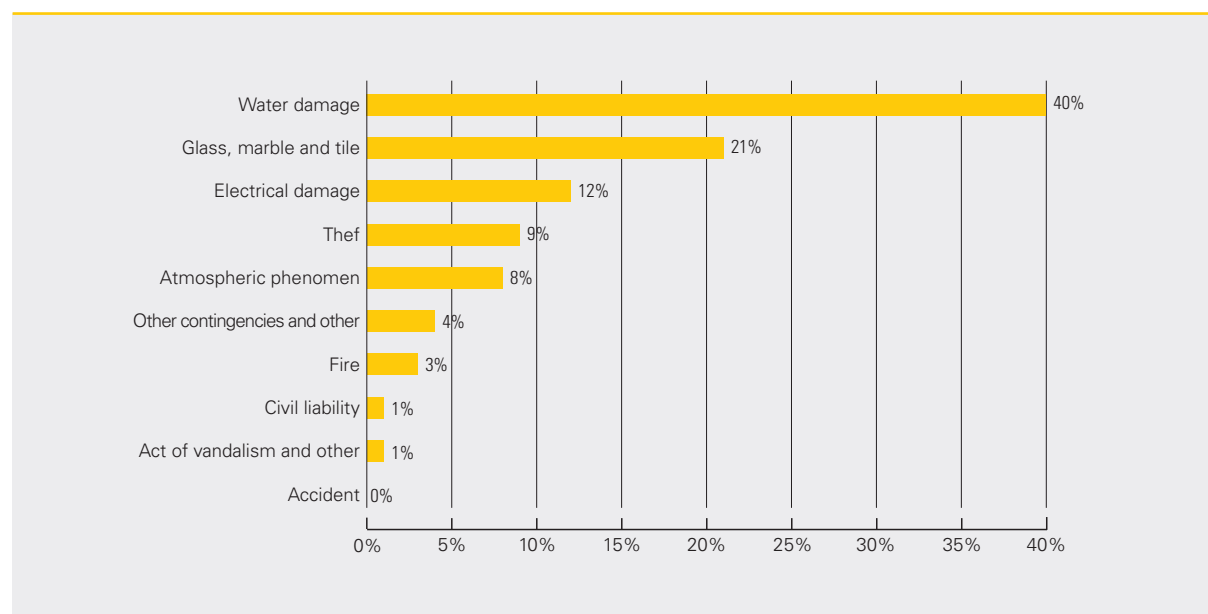
In the 2007 financial year, a total of 139,461 claims were submitted for home insurance, water being the principal cause (in 40% of the cases), followed by glass window breakages

(21%) and electrical damage (12%). By the end of the year, 134,736 claims had been completed, that is, 97% of all open claims.

### Evolution of home insurance claims managed

	2004	2005	2006	2007
Number	94,616	107,443	124,402	139,461
Growth		14%	16%	12%

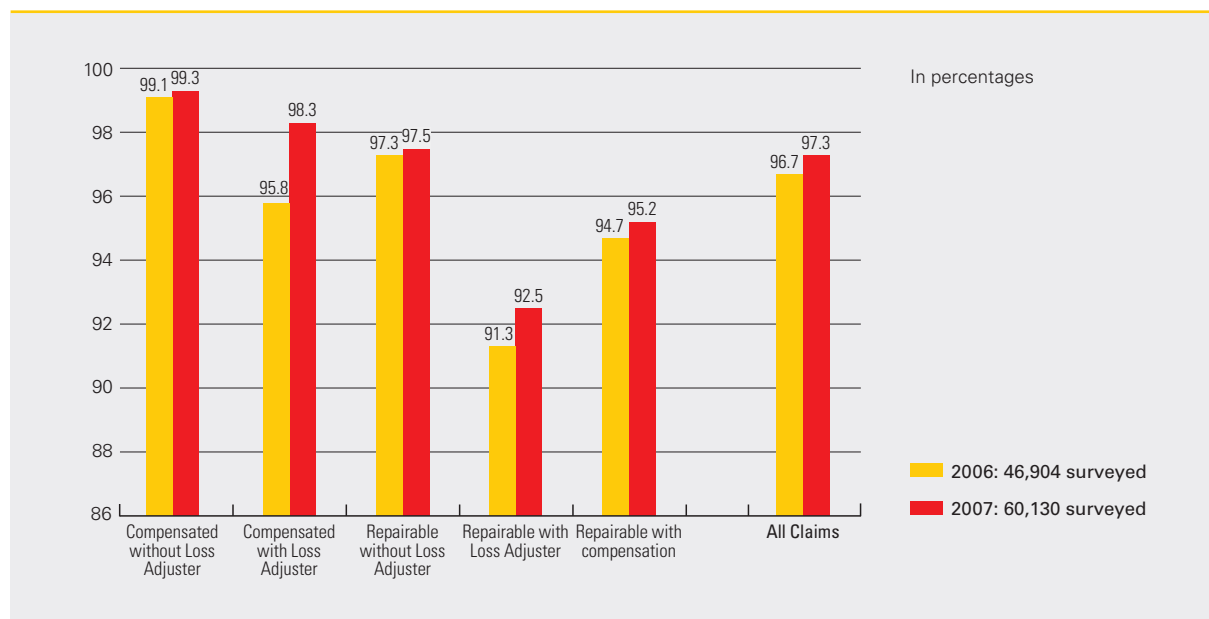
### Distribution of claims by cause



Of the overall number of claims processed, in 25,874 cases (18%) required the intervention of surveyor appraisal. In this regard, the average time required for surveyor appraisal continued its tendency to decrease, as has been the case in previous years, – and was 8.5 working days, while the average invoice payment time was 2.5 working days.

Finally, a total of 60,130 customer satisfaction surveys were carried out, of which 97% stated that they were satisfied with the services received.

### Evolution in % of customers satisfied with SegurCaixa Hogar according to the type of claim



In line with the strategic objective to offer the best service to customers, during the processing of claims, and in the case of having a customer's mobile phone contact details, an SMS is sent to notify him or her in the case of the processing being handled by an assistance supplier, the moment the team of professionals is to arrive at his or her home, any possible delays regarding materials, when all the work being carried out is to be completed. On the other hand, if SegurCaixa is the company processing the claim, customers are informed of the name

of the surveyor assigned to the claim, together with his telephone number in the case that his intervention is required or when compensation for the claim is to be made, giving details of the amount of compensation, together with the telephone contact details of the manager who intervened in solving the claim.

As regards the surveyors, these communicate with CaiFor through a specially designed web application which enables the company to avail of all surveyor appraisals in an agile and permanent manner.

### Managing Car insurance Claims

The car insurance activity at CaiFor fired its engines in April 2007, representing a milestone in the Group's history, as it meant the entry into this line of insurance cover within the insurance market. By year-end, and after only three months in operation, the policy portfolio of the new *SegurCaixa Auto* already had in excess of 30,000 policyholders.

*SegurCaixa Auto* offers policyholders personal assistance, vehicle assistance, legal defence of

the highest quality and with the broadest cover and range of features. For this, CaiFor has the most technologically advanced applications and means for the on-line monitoring of each claim.

In the area of breakdown assistance, one of the features that should be highlighted as an example of how sure CaiFor is of its product, is the commitment adopted by CaiFor, a money back guarantee to its customers that it will return the cost of the premium in the case that

there were a delay of more than 1 hour in the arrival of taxi and towing services.

Furthermore, the level of service provided by the Call Center and the measures taken in assistance are analysed on a weekly basis. Also, the data regarding the type of breakdowns and accidents in which they intervene are reviewed on a fortnightly basis.

## CHALLENGES FOR 2008

- Develop the maturity of the *CaiFor Solidario* programme, implementing fresh initiatives in projects targeting issues at a community, environmental and individual level.
- Develop the Project *Outsourcing* - SLA and follow-up systematic, framed within the Quality Plan that CaiFor is currently in the process of implementing. This project will

The customer care method adopted in the area of car insurance is one that uses a multi-channel approach, providing customers with a telephone number, internet access, fax number and standard mail address in an effort to assist in building a relationship between the customer and the institution.

allow the company to guide any supplier contract with CaiFor, establishing the keys to attaining optimum balance between the desired quality of the service and the price to pay.

- Extend the application of the environmental clause to all new contracts signed with CaiFor's suppliers and contractors.

# 07

SUMMARY  
OF INDICATORS

CAIFOR



# SUMMARY OF INDICATORS

## CONTENTS GRI G3

1 STRATEGY AND ANALYSIS	Page numbers
1.1 Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	5-6
1.2 Description of key impacts, risks, and opportunities	12-14
2 ORGANISATIONAL PROFILE	Page numbers
2.1 Name of the organisation	Inside Back Cover
2.2 Primary brands, products, and/or services	28-30, 38-39
2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	Annual Report 2007 (9)
2.4 Location of organisation's headquarters	Annual Report 2007 (6)
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Annual Report 2007 (9)
2.6 Nature of ownership and legal form	Corporate Governance Report 2007 (91)
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	35-38 Annual Report 2007 (33-35)
2.8 Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organisations)</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations)</li> <li>• Quantity of products or services provided</li> </ul>	51 Annual Report 2007 (115, 205)
2.9 Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> <li>• The location of, or changes in operations, including facility openings, closings, and expansions and;</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)</li> </ul>	5-6
2.10 Awards received in the reporting period	24
3 REPORT PARAMETERS	Page numbers
3.1 Reporting period (e.g., fiscal/calendar year) for information provided	2007
3.2 Date of most recent previous report (if any)	2006
3.3 Reporting cycle (annual, biennial, etc.)	Annual
3.4 Contact point for questions regarding the report or its contents	Inside Back Cover
3.5 Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality;</li> <li>• Prioritizing topics within the report; and</li> <li>• Identifying stakeholders the organization expects to use the report</li> </ul>	16-18
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	CaiFor Group
3.7 State any specific limitations on the scope or boundary of the report	There are no limitations to the scope or cover of the Report

3	REPORT PARAMETERS	Page numbers
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	The perimeter of the Report is the CaiFor Group
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	16-17
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	No re-statements were produced
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	No significant changes come about
3.12	Table identifying the location of the Standard Disclosures in the report	Table of GRI tables
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	Verification Report
4	GOVERNANCE, COMMITMENTS AND STAKEHOLDER ENGAGEMENT	Page numbers
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Corporate Governance Report 2007 (93-98)
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	Corporate Governance Report 2007 (93)
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	Corporate Governance Report 2007 (93)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	54-59 Corporate Governance Report 2007 (104)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Corporate Governance Report 2007 (104)
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Corporate Governance Report 2007 (98)
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Corporate Governance Report 2007 (101-103)
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	9-11
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Annual Report 2007 (13-15) Corporate Governance Report 2007 (107-109)
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Corporate Governance Report 2007 (102, 107-109)
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	27-28
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	83-87
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul>	86-87
4.14	List of stakeholder groups engaged by the organization	16



<b>4 GOVERNANCE, COMMITMENTS AND STAKEHOLDER ENGAGEMENT</b>	<b>Page numbers</b>
4.15 Basis for identification and selection of stakeholders with whom to engage	16
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	17-18
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	17-18

## INFORMATION ON MANAGEMENT APPROACH

<b>ECONOMIC DIMENSION</b>	<b>Page numbers</b>
Economic Performance	Annual Report 2007 (Back Cover, 34)
Market Presence	Annual Report 2007 (13-15, 34)
Indirect Economic Impacts	82-83
<b>ENVIRONMENTAL DIMENSION</b>	<b>Page numbers</b>
Materials	79
Energy	79
Water	79
Biodiversity	Indicator is not applicable to the CaiFor Group's activities as it does not have facilities in protected spaces or in biodiversity areas
Emissions, Effluents and Waste	80-81
Products and services	78-81
Compliance	77
Transport	80
Overall	77-82
<b>SOCIAL DIMENSION - Labour Practices and Descent Work</b>	<b>Page numbers</b>
Employment	51-54
Labour/Management Relations	54-59
Occupational Health and Safety	71-75
Training and Education	66-70
Diversity and Equal Opportunity	61
<b>SOCIAL DIMENSION - Human Rights</b>	<b>Page numbers</b>
Investment and Procurement Practices	61
Non-discrimination	61
Freedom of Association and Collective Bargaining	61-62
Abolition of Child Labour	In light of the sphere of operation of CaiFor no risk operations or activities have been identified
Prevention of Forced and Compulsory Labour	In light of the sphere of operation of CaiFor no risk operations or activities have been identified
Complaints and Grievance Practices	39-43
Security Practices	71-75
Indigenous Rights	Not applicable to the activities of CaiFor, as its insurance and welfare activity is focused in Spain

SOCIAL DIMENSION - Society		Page numbers
Community		82-87
Corruption		27-28
Public Policy	Indicator Not Applicable to the Activities of CaiFor	
Anti-Competitive Behaviour	There are no open procedures being followed against CaiFor due to anti-competitive practices	
Compliance	Corporate Governance Report 2007 (107-109)	
SOCIAL DIMENSION - Product Responsibility		Page numbers
Customer Health and Safety		21
Product and Service Labelling		21-24
Marketing Communications		21-24
Customer Privacy		21
Compliance		21-24

## INDICATORS GRI G3

Indicator GRI G3	Type	Page numbers	Comments about the indicator
<b>ECONOMIC PERFORMANCE INDICATORS</b>			
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	C	63, 84 Annual Report 2007 (Back Cover, 33-36, 117, 187)	
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	C	There are no short-term direct financial consequences for the CaiFor Group's activities due to climate change Annual Report (107-109)	
EC3 Coverage of the organization's defined benefit plan obligations	C	62-63	
EC4 Significant financial assistance received from government	C	No financial assistance has been received during 2007	
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	A	The minimum retribution for personnel who work at the CaiFor Group higher than the minimum set out by law and mostly stands above the minimum for the sector, the base salary is regulated by tables set out in the sector agreement and represents 1.72 times the legal minimum salary	
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	C	87-88	
EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	C	In the CaiFor Group there are no specific procedures to hire top managers locally	
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	C	There are not investments in infrastructures and services for the public benefit derived from commercial commitments	

Indicator GRI G3	Type	Page numbers	Comments about the indicator
<b>ECONOMIC PERFORMANCE INDICATORS</b>			
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts	A	82-87	
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>			
EN1 Materials used by weight or volume	C	79	
EN2 Percentage of materials used that are recycled input materials	C	79	
EN3 Direct energy consumption by primary energy source	C	79	
EN4 Indirect energy consumption by primary source	C	79	The consumption of the Commercial Delegations is not included given that the buildings are rented and the consumption is included in the price. It is foreseen in the mid-term to set up a procedure to calculate this consumption in the AgenCaixa Delegations
EN5 Energy saved due to conservation and efficiency improvements	A	79	
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	A	79	
EN7 Initiatives to reduce indirect energy consumption and reductions achieved	A	79	
EN8 Total water withdrawal by source	C	79	The consumption of Headquarters is the only one included, given that the rest are rented buildings and the consumption is included in the price. It is foreseen in the mid-term to calculate this consumption in the rest of CaiFor's buildings
EN9 Water sources significantly affected by withdrawal of water	A	Indicator not applicable to activities of CaiFor	
EN10 Percentage and total volume of water recycled and reused	A	Indicator not applicable to activities of CaiFor	
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	C	Indicator is not Applicable to the activities of the CaiFor Group, as it does not have any installations in protected areas or in high biodiversity areas	
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	C	Indicator Not Applicable as CaiFor does not carry out any harmful activity in protected areas or areas of high biodiversity	
EN13 Habitats protected or restored	A	Indicator Not Applicable to The Activities of CaiFor	

Indicator GRI G3	Type	Page numbers	Comments about the indicator
<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>			
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity	A	Indicator Not Applicable to The Activities of CaiFor	
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	A	Indicator Not Applicable to The Activities of CaiFor	
EN16 Total direct and indirect greenhouse gas emissions by weight	C	80	Emissions coming from business trips is not included although it is foreseen to set up a system to calculate this in the mid-term
EN17 Other relevant indirect greenhouse gas emissions by weight	C	80	
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	A	81	
EN19 Emissions of ozone-depleting substances by weight	C	Indicator Not Applicable as CaiFor does not produce high levels of emissions which destroy the ozone layer	
EN20 NO, SO, and other significant air emissions by type and weight	C	Indicator Not Applicable in light of the low level of fossil fuel consumption of CaiFor	
EN21 Total water discharge by quality and destination	C	79	
EN22 Total weight of waste by type and disposal method	C	80-81	
EN23 Total number and volume of significant spills	C	Indicator Not Applicable as in 2007 no significant spill occurred in CaiFor	
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	A	Indicator Not Applicable to The Activities of CaiFor	
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	A	Indicator Not Applicable to The Activities of CaiFor	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact	C	78	
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	C	Indicator is Not Applicable to the CaiFor Group as it only sells insurance and social welfare products	
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	C	During the financial year 2007 CaiFor was not subject to any fines or legal sanctions whatsoever, related to compliance with environmental regulations	
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the	A	Indicator Not Applicable to the Activities of CaiFor	
EN30 Total environmental protection expenditures and investments by type	A	78	

Indicator GRI G3	Type	Page numbers	Comments about the indicator
<b>SOCIAL PERFORMANCE INDICATORS</b>			
<b>LABOR PRACTICES</b>			
LA1 Total workforce by employment type, employment contract, and region	C	51-52	
LA2 Total number and rate of employee turnover by age group, gender, and region	C	53,65	
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	A	62-63	
LA4 Percentage of employees covered by collective bargaining agreements	C	61	
LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	C	62	
LA6 Percentage of total workforce represented In formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs	A	71	
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	C	72	
LA8 Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	C	73-75	
LA9 Health and safety topics covered in formal agreements with trade unions	A	73-75	
LA10 Average hours of training per year per employee by employee category	C	69	
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	A	70	
LA12 Percentage of employees receiving regular performance and career development reviews	A	70	
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	C	36-37 Corporate Governance Report 2007 (93-96)	The Corporate Governance Bodies are not broken down into age, given that the new board of CaiFor was set up in 2007. It is foreseen to provide this information in the mid-term
LA14 Ratio of basic salary of men to women by employee category	C	61	

Indicator GRI G3	Type	Page numbers	Comments about the indicator
<b>SOCIAL PERFORMANCE INDICATORS</b>			
<b>HUMAN RIGHTS</b>			
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	C	25-26	
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	C	Information is not available given that there is no procedure at present to that effect, although it is foreseen in the mid-term to set up an evaluation method. However, see page 64	
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	A	In the CaiFor Group's values, honesty, respect and the human rights of people and stakeholders are envisaged	
HR4 Total number of incidents of discrimination and actions taken	C	During 2007 there were no incidents of discrimination in the CaiFor Group	
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	C	The CaiFor Group did not identify any risk situations in this sense	
HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	C	In light of the sphere of operation of CaiFor no risk operations or activities have been identified	
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	C	In light of the sphere of operation of CaiFor no risk operations or activities have been identified	
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	A	In the CaiFor Group's values, honesty, respect and the human rights of people and stakeholders are envisaged	
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	A	Indicator Not Applicable to The Activities of CaiFor, as its insurance and social welfare activity is focused in Spain	
<b>SOCIAL PERFORMANCE INDICATORS</b>			
<b>SOCIETY</b>			
SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	C	82-87	
SO2 Percentage and total number of business units analyzed for risks related to corruption	C	Corporate Governance Report 2007 (107-109)	
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures	C	In 2007 there was no training in this field. It is foreseen for 2008	
SO4 Actions taken in response to incidents of corruption	C	Corporate Governance Report (108)	
SO5 Public policy positions and participation in public policy development and lobbying	C	The CaiFor Group does not hold any position in the development of any policies or lobby activities	
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	A	There are no such contributions	
SO7 Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes	A	There are no procedures open against CaiFor for anti-competitive practices	



Indicator GRI G3	Type	Page numbers	Comments about the indicator
<b>SOCIAL PERFORMANCE INDICATORS</b>			
<b>SOCIETY</b>			
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	C	There were no sanctions, fines nor significant non-compliance	
<b>SOCIAL PERFORMANCE INDICATORS</b>			
<b>SOCIAL PERFORMANCE INDICATORS: PRODUCT RESPONSABILITY</b>			
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	C	21-24	
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	A	There were no sanctions, fines nor significant non-compliance	
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	C	21-24	
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	A	21-24	
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	A	43-45	
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	C	21-24	
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	A	There were no sanctions, fines nor significant non-compliance	
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	A	21	
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	C	There were no sanctions, fines nor significant non-compliance	

## FINANCIAL SERVICES SECTOR INDICATORS

Indicator	Pages of the Report	Comments about the indicator
<b>SOCIAL PERFORMANCE INDICATORS</b>		
CSR 1 CSR policy	16	
CSR 2 CSR Organisation	16	
CSR 3 CSR Audits	(Verification Report)	
CSR 4 Management of Sensitive Issues (corruption, contributions to political parties, money laundering, identification of terrorist money...)	Corporate Governance Report 2007 (107-109)	
CSR 5 Non-Compliance (laws, regulatory codes of conduct, standards...)	See indicators EN28, EN30, HR4, SO4, SO7, SO8, PR2, PR4, PR7, PR8, PR9	Non-compliance was not detected
CSR 6 Stakeholder Dialogue (including socially oriented awards)	17-18	

Indicator	Pages of the Report		Comments about the indicator
INTERNAL SOCIAL PERFORMANCE			
INT 1	Internal CSR HR Policy (equal opportunity, freedom of association, training, layoff policy, health and safety...)	51-75	
INT 2	Staff Turnover and Job Creation	65	
INT 3	Employee Satisfaction	54-55	
INT 4	Senior Management Remuneration and board of directors	Annual Report 2007 (202)	
INT 5	Bonuses Fostering Sustainable Success	No direct relationship	
INT 6	Female-Male Salary Ratio	61	
INT 7	Employee Profile (gender, disability...)	52-54	
PERFORMANCE TO SOCIETY			
SOC1	Charitable Contributions, community investment and sponsorship	82-87	
SOC2	Economic Value Added	The data for its calculation can be found on the Annual Report 2007 (backcover, 34)	
SUPPLIERS			
SUP1	Screening of Major Suppliers	87-88	
SUP2	Supplier Satisfaction	88-91	
RETAIL BANKING			
RB1	Socially relevant elements of Retail Banking (products to fight social exclusion...)	Indicator not applicable to the activities of the CaiFor Group	
RB2	Lending profile (sectors, S&MEs...)	Indicator not applicable to the activities of the CaiFor Group	
RB3	Lending with High Social Benefits and Sustainability (products with social criteria...)	Indicator not applicable to the activities of the CaiFor Group	
INVESTMENT BANKING			
IB1	Social and Environmental elements in Investment Banking Policy	Indicator not applicable to the activities of the CaiFor Group	
IB2	Customer Profile Global Transaction Structure of Investment Banking Customers	Indicator not applicable to the activities of the CaiFor Group	
IB3	Transactions with High Social-Environmental Benefit	Indicator not applicable to the activities of the CaiFor Group	
ASSET MANAGEMENT			
AM1	Socially relevant elements of Asset Management Policy	25-28	
AM2	Assets under Management with High Social Benefit	25-28	
AM3	Promoting Socially Responsible Investment	25-28	
INSURANCE			
INS1	Socially relevant elements of Underwriting Policy	28-30, 82-83	
INS2	Customer Profile	35-38	
INS3	Customer Complaints	39-43	
INS4	Insurance with High Social Benefit	28-30, 82-83	

Indicator	Pages of the Report	Comments about the indicator
<b>SOCIAL PERFORMANCE INDICATORS</b>		
F1 Description of environmental policies applied to core business lines	77-82	
F2 Description of process(es) for assessing and screening environmental risks in core business lines	Information not available	
F3 State the threshold(s) at which environmental risk assessment procedures are applied to each core business line	Information not available	
F4 Description of processes for monitoring clients' implementation of and compliance with environmental aspects raised in risk assessment process(es)	Information not available	
F5 Description of process(es) for improving staff competency in addressing environmental risks and opportunities	81-82	
F6 Number and frequency of audits that include the examination of environmental risk systems and procedures related to core business lines	Indicator not applicable to the activities of the CaiFor Group	
F7 Description of interactions with clients/investee companies/business partners regarding environmental risks and opportunities	Indicator not applicable to the activities of the CaiFor Group	
F8 Percentage and number of companies held in the institution's portfolio with which the reporting organisation has engaged on environmental issues	Indicator not applicable to the activities of the CaiFor Group	
F9 Percentage of assets subjected to positive, negative and best-in-class environmental screening	Indicator not applicable to the activities of the CaiFor Group	
F10 Description of voting policy on environmental issues for shares over which the reporting organisation holds the right to vote shares or advise on voting	Indicator not applicable to the activities of the CaiFor Group	
F11 Percentage of assets under management where the reporting organisation holds the right to vote shares or advise on voting	Indicator not applicable to the activities of the CaiFor Group	
F12 Total monetary value of specific environmental products and services broken down according to the core business lines	Indicator not applicable to the activities of the CaiFor Group	
F13 Value of portfolio for each core business line broken down by specific region and by sector	Indicator not applicable to the activities of the CaiFor Group	

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## REPORT ON VERIFICATION

The present Corporate Responsibility Report of CaiFor has been compiled in accordance with the standards set by the Sustainability Reporting Guidelines published in 2006 and known as G3 Guidelines.

According to the guidelines, certain requirements must be met regarding levels of application of these and which are listed in the table below.

	Report Application	C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1, 2.1-2.10, 3.1-3.8, 3.10-3.12, 4.1-4.4, 4.14-4.17	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2, 3.9-3.13, 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic and environment		Report on a minimum of 20 Performance Indicators, including at least one from each of: economic, environment, human rights, labor, society, product responsibility		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	

CaiFor considers that the Corporate Responsibility Report meets the requirements associated with Level **A+** of the G3 Application, which implies compliance with specifications associated with level A of G3 in regard to Profile, Management Approach and Performance Indicators, and that the report has also been submitted for assurance or methods of verification which have entailed:

- External assurance by an independent firm that are demonstrably competent in the

subject matter and professional assurance practices.

- Follow up of the assurance procedures applied; described in the auditor's report and which have been duly documented.
- Assessment of the extent which the contents and structure of the Corporate Responsibility Report have applied the Global Reporting Initiative G3 guidelines and verification whether content and indicators presented

correspond to those recommended by the aforementioned guidelines.

- Presentation of results of assurance report, complete with the auditor's conclusions and which is included in the Corporate Responsibility Report.

In Chapter 7 of the Corporate Responsibility Report, in the section regarding the Summary

of GRI Indicators, page numbers and scope of requirements, management approach and indicators are provided. In case of omission of core performance indicators, but also for additional indicators, the page number of the Report explaining the reason for the omission is given, having taken into account the Materiality Principle in these cases.



## REPORT OF INDEPENDENT REVISION



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Free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.

## INDEPENDENT ASSURANCE REPORT ON THE 2007 CORPORATE RESPONSIBILITY REPORT OF CAIFOR

To the Management of CaiFor, S.A.

### Scope of our work

We have performed the review to verify that the contents of the 2007 Corporate Responsibility Report of CaiFor, S.A. and its Group of Societies (hereon, CaiFor) are in line with the directives of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version 3.0 (G3).

The Management of CaiFor is responsible for the preparation of the 2007 Corporate Responsibility Report, for the information set out therein, as well as for the design, implementation and maintenance of the management and internal control systems from which the information has been obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

We have undertaken our work in accordance with the International Standards on Assurance Engagements (ISAE 3000), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (Limited Assurance Engagements) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

Our review has consisted in interviewing Management and various units of CaiFor that participated in the preparation of the Corporate Responsibility Report, as well as the application of certain analytical procedures and sample-based testing, which we summarise below:

- Interviews with the personnel of CaiFor in order to ascertain the management approaches applied and to obtain the necessary information for the external review.
- Analysis of the processes used in compiling and validating the data presented in the 2007 Corporate Responsibility Report.
- Review of the activities relating to the identification and consideration of the interested parties during the year, as well as the coverage, relevance and integrity of the information included in the Corporate Responsibility Report based on the understanding of CaiFor of the requirements of its stakeholders, described in the Chapter 2 of the Report.
- Analysis of whether the contents of the 2007 Corporate Responsibility Report are in line with the GRI-G3 Guidelines and verification of whether the core and the specific indicators of the Financial Services Sector Supplement set down in the 2007 Corporate Responsibility Report are in line with the directives of the above-mentioned standard and that the indicators that are non-applicable and non-available are pointed out.
- Review of the information regarding the management approaches applied to each group of indicators.



- Verification, through sample-based testing reviews, of the quantitative and qualitative information regarding the core and the specific indicators of the Financial Services Sector Supplement, corresponding to the year 2007, set down in the 2007 Corporate Responsibility Report and whether they have been properly compiled on the basis of the data provided by the information sources of CaiFor.
- Verification that the financial reporting contained in the 2007 Corporate Responsibility Report does not contradict any relevant information disclosed in CaiFor's Financial Statements.

The scope of a limited assurance engagement is more limited than that of a reasonable assurance engagement, and therefore, provides less assurance.

Under no circumstances can this report be understood as an audit report.

#### Independence

We have performed our work in accordance with the independence rules set down by the Code of Ethics of the International Federation of Accountants (IFAC).

#### Conclusion


On the basis of the results of our review, nothing has come to our attention that causes us to believe that the 2007 Corporate Responsibility Report of CaiFor contains significant errors or has not been prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines GRI, version 3.0 (G3).

#### Recommendations

Additionally, we have presented to the Management of CaiFor our recommendations for improvement to the procedures set down for the preparation of the information in the Corporate Responsibility Report. Our most significant recommendations refer to:

- a. The involvement of the stakeholders in the process of identifying relevant issues, consolidating the systems for dialogue and consultation with the interested parties.
- b. A gradual increase in the reporting of the environmental performance data by adding the information that is not currently available.

PriceWaterhouseCoopers Asesores de Negocios, S.L.

  
Arturo Derleano  
Partner

20 June 2008

For more information:

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**Corporate Responsibility**

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If you wish to make a comment or ask about anything  
in this Report, please contact us at the following  
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Other publications:

CaiFor Annual Report 2007

CaiFor Corporate Responsibility Report 2006

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