



5

## Objectives & challenges

The 2010 Vidacaixa Grupo Corporate Responsibility Report outlined the principal objectives set for and challenges to be faced in 2011 in terms of the responsible management of its companies –VidaCaixa, AgenCaixa and SegurCaixa Adeslas-.

The following pages set out the objectives and challenges to be faced for VidaCaixa Grupo, with the exception of those corresponding to SegurCaixa Adeslas, which reports this information by way of its own separate Integrated Annual Report.

# Customers

In 2011, VidaCaixa Grupo continued conducting business development for the individual customer, SMEs, professional self-employed and companies, innovating with new products that meet the needs of each

individual group through a bankassurance system complemented by other channels. The social benefits activity is carried out in line with principles and criteria of social responsibility and sustainability.

Benchmark in sustainable investment management, solvency and risk control

## Challenges in 2011

- Maintain active commitment: participation in forums, event sponsorship and fostering Socially Responsible Investment.
- Further analysis of investment portfolio pursuant to SRI criteria, not just in equity portfolios but also for corporate bonds.
- Increase dialogue with portfolio managers through twice-yearly reviews.
- Continue implementing improvements in internal development that enables us to adapt progress made by the VidaCaixa Grupo and those made on a sector-wide level.

- Consolidate the SRI strategic position with gradual increases.

- Continue participating in workgroups from the sector in order to develop legislation placing particular emphasis on reducing the capital charge in long-term life insurance products.
- Participate in stress test study and in complete or partial studies performed concerning the QIS 5 quantitative impact.
- Apply to the Directorate General of Insurance and Pension Funds for authorisation of internal model.

## Progress made in 2011

- The company actively participated in initiatives and events regarding retirement and savings and SRI. In addition, efforts continued to raise awareness among customers and suppliers of investment products (pg.49-53).
- The entire investment portfolio is appraised using ESG criteria (pg. 49).
- In 2011 positions were sold in three companies from the energy sector (pg. 49).
- An investment management system is in place for funds and fixed income investments. Moreover, specific ESG criteria indicators have been designed for the Generalitat de Catalunya pension fund (pg.49).

- Scope of objective established in 2010 is modified and required action is undertaken to achieve objective for 2012.

- A new risk map for VidaCaixa was drafted (pg. 47).
- Improvements have been implemented in the risk management application in order to progress in its appraisal and integrate its management into the design, subscription, pricing, procurement and reinsurance (pg. 47).
- Active participation in the requests for information received from the EIOPA, independent body of the European Parliament and the EU (pg. 47).
- Progress was made in the pre-validation process of the internal risk assessment model and in workgroups from the sector under The Spanish Association of Insurance and Reinsurance Institutions (UNESPA as per the Spanish acronym (pg. 50).

## Challenges for 2012

- Development of SRI report for reporting to control committees.
- Improvement in the performance of certain PRI indicators concerning SRI.

- Take a step further in the area of sustainable investment management, taking SRI criteria into account, not only as an asset category but also in its overall consideration, in the portfolios managed; in other words, appraise the full portfolio of assets using SRI criteria, as well as purely economic and financial criteria.

- Implement future solvency requirements in accordance with the Solvency II project.
- Continue developing the best business practices in risk management and financial control.
- Participate in the stress tests promoted by EIOPA.
- Continue participating in UNESPA and the Directorate General of Insurance and Pension Funds working groups.

● Objective achieved    ◐ Objective achieved in part    ○ Objective not achieved

## Challenges in 2011

- Concerning our elderly customer business section, create new products: temporary income and deferred capital.
- Pay special attention to the needs of our different customer segments.
- Design new products tailored to the needs of SMEs and self-employed workers.

- Improve the usability of insurance product consultation available through Línea Abierta.
- Enhance the services and transactions available via mobile phones for insurance and retirement products.
- Continue incorporating new technology in communications with customers: e-mailing, digital product brochures, functionalities for mobile phones.
- Incorporate the insurance range within the Personal Banking segment on the corporate website of "la Caixa".
- Also within the websites of both "la Caixa" and Línea Abierta, work is anticipated to continue implementing improvements regarding usability features of searching for insurance product information.

## Progress made in 2011

- A total of 12 new savings and retirement products were marketed, 5 of which are pension plans, 3 are life-savings insurance products and 4 life-accident insurance. The range of savings products available to CaixaBank's personal and private banking customers was adapted, the product offer to SMEs and self-employed workers was improved as it was for our elderly customers, a new product targeting companies, VidaCaixa Elección was launched as were a range of composite insurance products together with SegurCaixa Adeslas (pg. 42-43).
- New insurance products have also been developed for entrepreneurs, micro-entrepreneurs and individual customers, in a joint effort to promote, together with MicroBank, economic development and financial inclusion through marketing the Seviam Abierto insurance product (pg. 39).

- Investment in technology and IT systems amounted to 15.3 million euros and a further 3 million in R+D (pg. 44).
- The use of more sustainable devices and supports was fostered, such as a USB, to inform customers about VidaCaixa Grupo products (pg. 66).
- CanalCaixa introduced the digital brochure and printing from central computers is kept to a limit.
- More emphasis was placed on using e-mail for communications with customers on matters concerning retention and loyalty.
- Access to information and contracting products through Línea Abierta in the CaixaBank Internet portal and via mobile phones was also promoted (pg. 44-45).

## Challenges for 2012

- Develop and design new products targeting the needs of SMEs and self-employed workers.
- Develop the comprehensive offer aimed at the retirement segment: deferred lifetime pensions.
- Maintain the level of offer for the elderly customer segment.
- Recover the levels of association with loan repayment insurance and innovation in the offer of amortisation insurance for personal loans.

- Adapt contracting and administration operations within the new financial terminal for pension plans, Vida Familiar and Seviam.
- Increase the number of ready-to-buy operational possibilities for internal and external transfers in Guaranteed Pension Plans.
- Improvements in the platforms for brokers and group policy subscribers.

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

### Safety and transparency in customer relations

- Review service provision contracts and association contracts with the Security Document.
- Conduct internal audit in 2011 of security issues and test run the contingency plans for security systems and communications of customer data.
- Review clauses covering data handling and transfer of all the Company's products in order to standardise and adapt these to the change from "la Caixa" to CaixaBank.
- Define a marketing communications policy for the Insurance Group with the objective of ensuring compliance with General Advertising Law.
- Extend the security and confidentiality training course to cover all employees of the Group.

- No review was made of service provision contracts and association contracts with the Security Document. This objective has been postponed until 2012.
- The Data Protection Law audit was carried out in addition to the contingency testing of principal systems.
- As a consequence of the founding of CaixaBank, clauses covering customer data transfer have been adapted (pg. 66).
- No fines were incurred as a result of non-compliance with Data Protection Law or resulting from any violation of customer information standards (pg. 66).
- The Insurance Group does not possess a policy governing commercial and marketing communication, however, VidaCaixa adheres to the communication policy of "la Caixa".
- In 2011, all employees received training in security and confidentiality (pg. 66, 78-79).

- A review of service provision contracts and association contracts with the Security Document is scheduled.
- Strengthen the implementation of a crime prevention model outlined under the Criminal Code reform.

### Ethics and transparency in commercial information

- Continue, in line with policy to date, the dissemination of Principles for Responsible Investment (PRI).
- Appraise the possibility that the Insurance Group complies with requirements and adheres to a self-monitoring body recognised by the Bank of Spain.

- The company continued its active dissemination of PRI in line with previous years (pg. 66).
- All campaigns in Banking Channel are remitted to the self-monitoring body through "la Caixa" (pg. 66).

- Progress in the dissemination of the PRI principles.

### Accessibility to products and services

- By way of an ongoing training programme, introduce the product to branch offices of "la Caixa", thereby facilitating access for the general public to quality information and transparency in issues concerning insurance and retirement plans.

- Marketing initiatives and information available through the bancassurance channel were improved by way of more than 800 training sessions delivered through the new marketing executives' network (pg. 45).
- Ongoing improvements were made regarding access to information and marketing products through all channels (pg. 45-46).

- In terms of channel training, a network of coaches will be put in place to act as administrators and driving forces for Premium products available to the personal and private banking segment.

● Objective achieved    ◐ Objective achieved in part    ○ Objective not achieved

## Challenges in 2011

- Progress towards a shared perceived quality monitoring model for all branches of the company.
- Streamline response to queries and complaints in such a way that customers may avail of the best possible attention in content and in the shortest time.
- Regular reviews of the size of both internal and external teams in order to ensure fulfilment of service levels with the requests from "la Caixa" branch offices.
- Strengthen the use of electronic dossier and reduce paper based transactions by way of implementing the fileNet content manager.

## Progress made in 2011

- 5 studies were carried out, thereby increasing the number of customer satisfaction surveys (pg. 60).
- The new quality control model was implemented (pg. 60).
- VidaCaixa Grupo was the highest rated company by Spanish insurance mediators according to the ADECOSE (*Asociación Española de Corredurías de Seguros*) Barometer (pg. 63).
- VidaCaixa Grupo ranked overall above the market average according to the Willis Quality Index (pg. 63).
- Average response time was reduced for Letters to the Manager compared to 2010 (pg. 63).
- Objective quality evaluation of the Caixa-Bank branch network increased in administration indicators like requests attended. (pg. 65).
- The ISO 9001 certification for employee pension plans and fund management was renewed (pg. 60).
- Implementation of the electronic dossier and reduction in the volume of paper based transactions by way of introducing the FileNet content manager for recurring documents (100% achieved).

## Challenges for 2012

- Continue the perceived quality model by surveying a greater number of customers in order to get their opinion and work towards raising customer satisfaction levels with the rendered service.
- Maintain the satisfaction levels achieved with mediators (ADECOSE survey).
- Organise the Focus Group with "la Caixa" branch managers in order to evaluate their perception of service quality provided by VidaCaixa, thereby working to improve the service provided and therefore, improving the QCaixa values.
- Consolidate electronic dossier and to reduce paper based transactions by way of implementing the FileNet document manager for older documents on record.

# Employees

VidaCaixa Grupo has a commitment to creating quality employment and for this it promotes professional development of staff members, striving to become an even better place to work each year.

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

### Commitment to quality

- Formalise agreements on working conditions for Company employees.
- Formalise the new global agreement of standardised working conditions.
- Maintain the parallel and balanced development of business and staff alike.

- The labour agreement was formalised in May, 2011.
- Maintaining development was ensured in compliance with budgetary and staffing agreements approved (pg. 67).

- Maintain the challenge of parallel and balanced development of business and staff alike.

### Selection, orientation, retention & employee satisfaction

- Implement the Orientation Plan for the entire organisation in 2011.
- Analyse, define and implement the Plan of conciliation measures within the framework of the EFR certification throughout the organisation.
- Implement a single conciliation Model for the entire organisation.

- The comprehensive orientation plan aimed at new recruits was introduced (pg.70).
- EFR measures were upheld through the labour agreement, which effectively benefit conciliation (pg. 71).

- Implement a virtual orientation plan for the entire organisation.
- Maintain EFR certification.
- Develop technological tools to facilitate and optimise selection and recruitment processes.
- Implement a skills management model that impacts selection and recruitment issues (defining standardised profiles based on the dictionary of skills).
- Reinstate the Best Place to Work working model.

### Training & Professional

- Review Internal Training Policy and Standards for the new organisation.
- Define and implement the 2011 Training Plan.
- Provide ongoing training for sales team on new products and on developing sales and marketing skills.
- Define and implement management programme on segmented change by groups.
- Analyse, define and begin implementation of a project to facilitate the development of organisational skills required to achieve the Strategic Plan.
- Redesign the skills Management System so as to implement it throughout Headquarters.

- Internal training policy and standards were outlined (pg. 78).
- The training plan was introduced (pg.78).
- Over 200 courses were given, accounting for more than 15,000 training hours for more than 700 employees (pg. 78-79).
- Work continued on the implementation of the management change programme (pg.78-79).
- Through the Training Plan, efforts were made to enhance organisational skills. With the new business division, this project was postponed until 2012 (pg. 78).
- A new dictionary of attitudinal skills was drafted and completed (pg. 80).

- Review training policy with the VidaCaixa Grupo perimeter.
- Provide employees with a training plan that gives them the tools required for optimum performance and objective achievement.
- Adapt selection, training and performance appraisal processes by way of the new skills management model.
- Incorporate and monitor the implementation of the attitudinal skills management model using CMI objectives.

● Objective achieved    ◐ Objective achieved in part    ○ Objective not achieved

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

### Dialogue, participation and communication

- Design a corporate intranet for VidaCaixa Grupo that covers the entire structure of the new company.
- Deploy the Balanced Scorecard at every level (general, specific and personal) at the Headquarters of the new Group, thereby facilitating the communication of strategy and its execution by way of individual and departmental objectives.
- Implement the internal communication plan, leveraging the corporate intranet of the new company.

- The design for the new corporate intranet was defined for all staff in the company, focusing on the specific requirements of each different group.
- The strategy, the Integrated Balanced Scorecard (BSC) and the Individual Balanced Scorecard, were extended to the entire company. Strategic map was defined as well as general and specific objectives and indicators (pg. 72-73).
- The internal communication plan was undertaken, principally by way of the "Conéctate" initiative, mid-level management and human resources communities (pg. 72-74).

- Implement the new corporate intranet in order to "disconnect" the Lotus Notes applications.
- Consolidate and adapt BSC to the new scope of the company.
- Implement an internal communications plan that enables the key aspects of the strategic plan to be transmitted, contributes to achieving objectives set out, and aligns the efforts made by staff with the objectives of the company.

### Compensation mechanisms, fringe and social benefits

- Define a single remuneration policy.
- Extend the variable remuneration system to all staff members as a tool for compensation and alignment with strategic objectives of the company and of each organisational unit.
- Complete standardisation of compensation mechanisms.

- As a result of the division of companies, these challenges have taken on a different scope (pg. 73).
- The variable remuneration system was extended to cover all staff members (pg. 73).
- Compensation mechanisms were standardised. Positions, families and salary ranges were reviewed (pg. 73).

- Consolidate a variable remuneration system as a tool for compensation and alignment with strategic objectives.
- Develop total compensation concepts as an enhancement of the company's remuneration policy and in an exercise of transparency.
- Revise compensation mechanisms for the new company and strategic plan.

### Commitment to labour rights

- Negotiate and agree with employees' legal representatives (ELR) a more unified approach to social benefits (working conditions) for employees in the new organisation.
- Elaborate preventive measures.

- In May, 2011 a labour agreement was formally reached with employees' legal representatives, which regulates social benefits.
- Commitment to labour rights is upheld (pg. 74).

- Gradual application of the agreement together with the associated communications actions.
- Offer refresher training initiatives in occupational health and safety prevention to all staff.

### Culture that favours innovation

- Provide access for all employees at Headquarters and the branch network with web application for generating ideas and its corresponding process of analysis.
- Reinvent the innovation process, fostering the generation of ideas in relation to the strategic plan and improve the quality of ideas received by way of an innovation platform and campaigns using incentives.

- A total of 408 new ideas for improving customer service and commercial activities were received in line with the objectives of the strategic plan (pg. 44).
- In May, 2011 all employees at Headquarters and the sales network were provided with the web application for generating ideas and its corresponding process of analysis (pg. 72, 77).

- Promote the ideas channel to achieve the active participation of all employees.

● Objective achieved    ◐ Objective achieved in part    ○ Objective not achieved

# Society

VidaCaixa Grupo plays an important social role through its pension plans activity, contributing to the development of a culture in favour of savings and welfare.

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

### The social function of insurance and pension plan activity

- Continue promoting the study and dissemination of retirement plans and insurance.
- Dialogue with stakeholders of companies and corporations associated with corporate pension plans within the framework of Corporate Responsibility.
- Sponsor and organise different promotional and awareness raising events regarding corporate social welfare.
- Increase the company's presence on Social Networks.

- VidaCaixa Grupo promoted and took part in more than 20 events and seminars in an effort to disseminate the benefits of social welfare, including some noteworthy events like IV Forum of control commissions, and the Seminar on public pension reforms, among others (pg. 51-53).
- VidaCaixa Grupo continued participating actively in sectorial organisations to promote the benefits of social welfare (pg. 51-53).
- The objective to increase the company's presence on social networks is transferred to 2012.

- Continue promoting the study and dissemination of retirement plans and insurance.
- Sponsor and organise events to disseminate the benefits of social welfare.
- Increase the company's presence on Social Networks.

### The Company's presence in society

- Encourage the involvement of employees in society through the Retorn programme.
- Enhance performance by using the application of Global Compact and Principles for Responsible Investment.
- Maintain the social emphasis for the Group's Christmas gift drive.

- In 2011, the company cooperated in 18 initiatives promoted by social or environmental organisations through Retorn with the participation of 904 people (pg. 54).
- VidaCaixa Grupo keeps its collaboration in place with the GAVI Alliance and embraces the Business Alliance for Child Vaccination, extending its participation with the cause to its supplier companies and employees. Retorn contributed 10,000 Euros and also donated the amount reserved for Christmas gifts, 7,500 Euros, to the cause (pg. 54-55).

- Continue strengthening Retorn, as an instrument for channelling employee participation.
- Press ahead with the deployment of Global Compact and PRI principles.

● Objective achieved    ◐ Objective achieved in part    ○ Objective not achieved



# The environment

Our commitment to the environment is one of the key aspects of corporate strategy at VidaCaixa Grupo; this combined with the behaviour of our employees, who play an active role in strengthening this commitment.

## Challenges in 2011

- Continue implementing energy saving measures.
- Encourage video-conference use.
- Launch new communications and awareness raising campaigns to reduce emissions resulting from employees commuting to and from work.
- Research into measures to reduce carbon footprint.
- Hold another participatory session aimed at improving the office landscape.
- Continue to implement the measures aimed at reducing the volume of waste generated.

## Progress made in 2011

- The volume of paper and water consumed by employees was reduced; nevertheless there was a slight increase in electrical power consumption (pg. 57-58).
- No progress was made on this particular objective due to the reorganisation process the Group underwent in 2011. This target is pending for the following year.
- The volume of recycled plastics, toner, batteries and WEEE materials increased (pg. 59).

## Challenges for 2012

- Define environmental policy that is approved by management and transmitted to all staff members.
- Intensify activities aimed at reducing the carbon footprint.
- Set up an information and communications area accessible internally to disseminate good environmental practices and to provide information regarding consumption of resources.

Strategy and management of Environmental impact

● Objective achieved    ◐ Objective achieved in part    ○ Objective not achieved