

## Corporate Responsibility in "la Caixa" 2009

Our values, our ongoing commitment



## Our values, our ongoing commitment



**Isidro Fainé**  
President

**Juan María Nin**  
CEO

In 2009, "la Caixa" continued to implement its strategy of action based on its corporate values of Trust, Excellence in service and Social Commitment. Throughout the year, the alignment of financial activity and social action has been a constant factor at the Institution, coordinating initiatives, actions and programmes aimed at contributing to overcoming such adverse times characterized by the destruction of jobs, business activity coming to a standstill or significant loss in purchasing power for some sectors of the population.

Therefore, the principal lines of action during the reporting period were focused on maintaining financial support for companies and individual customers providing cover for their respective financing concerns, thereby increasing the backing "la Caixa" already provides for entrepreneurs. This initiative translates to over EUR 104.045 million risk given to individual customers and companies, it can also be seen in the increase of 55% in the number of loans approved by MicroBank for setting up a new company or maintaining going concerns, as well as providing cover for family needs and is reflected in the activity of the business management team at Caixa Capital Risc, who concentrate on financing business projects in innovative sectors with excellent growth potential such as life science and new IT or communications technologies sectors.

Furthermore, a series of measures aimed at assisting individual customers affected by temporary economic difficulties arising from a reduction in their income in making monthly mortgage payment.

Another feature that should be highlighted is the important role played by Welfare Projects of "la Caixa" which for another year in succession characterized by its commitment to individuals and the community at large and that this year with a budget of EUR 500 million, prioritised the development of programmes focused on social and assistance provision, allocating almost EUR 300 million of its budget to these areas.

As has been the case in previous reporting periods, the present report falls within the framework of the Institutions' commitment with the principles established under the United Nations Global Compact, a commitment renewed year after year and extended to its subsidiary companies, which explicitly made their adhesion to the Global Compact in 2009.

In short, this Report summarizes the Institution's performance in terms of Corporate Responsibility and establishes new challenges for the "la Caixa" Group always taking into account its principal stakeholders: customers, employees and society in general. We would like to take this opportunity to thank all those who have placed their trust in our Institution and we hope that the information contained in the Report furnishes the reader with a greater understanding, if possible, of the day-to-day workings of "la Caixa".

## Corporate Responsibility Report "la Caixa" 2009

### 1. Relevant issues

### 2. Objectives and challenges

### 3. "la Caixa" and entrepreneurs

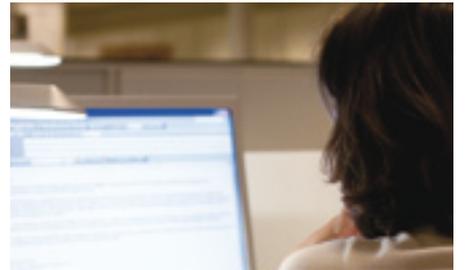
- 3.1 MicroBank, the Social Bank of "la Caixa"
- 3.2 Entrepreneurs
- 3.3 Rural Entrepreneurs
- 3.4 Corporate banking
- 3.5 Support for international growth of companies

### 4. Acting in accord with corporate values

- 4.1 Trust
- 4.2 Service Excellence
- 4.3 Social Commitment

### 5. Verification Report





## 1. Relevant issues

We undertake to effect improvements in the area of corporate responsibility through dialogue with our stakeholders –customers, employees and society.

As has been the case in previous reporting periods, in order to determine the most relevant areas and information to be included in the Corporate Responsibility Report of "la Caixa" and its subsidiary companies, Caixa Capital Risc, e-la Caixa, GDS-Cusa, MicroBank, PromoCaixa, ServiHabitat, Silk, Sumasa and Vivienda Asequible as well as to appraise the Institution's response to the expectations of its *stakeholders*, a multi-level process was performed which consisted in:

- Internal consultation through interviews with the varying corporate divisions of "la Caixa" and its subsidiary companies and whose relevant issues are reflected in the present Report.
- Dialogue with experts in Corporate Responsibility, as well as businesses, trade unions, consumer bodies, and organisations from the Third Sector or non-profit organisations.
- Revision of other Corporate Responsibility reports from companies within the financial sector as well as other companies at a national and international level.

In 2009, in relation to improvements introduced in the area of dialogue with experts and stakeholders' representatives, a decision was made to increase the number of meetings held yearly and, instead of two workshops, four were held last year with the participation of 25 organizations and institutions. This process, based on [AA1000 standard methodology](#), has enabled "la Caixa" to improve dialogue with its stakeholders, gain better knowledge of their expectations and optimise its response in this area.

#### **PARTICIPANTS IN DIALOGUE WORKSHOPS WITH STAKEHOLDERS:**

##### **Consumer bodies, business and trade union organisations:**

- FACUA-Consumidores en Acción
- Confederación Española de Organizaciones Empresariales (CEOE)
- Comisiones Obreras
- Confederación de Consumidores y Usuarios (CECE)

##### **Experts in Corporate Responsibility:**

- IESE
- ESADE
- Centro de Investigación de la Economía Social de la Universidad de Barcelona
- Fundación Empresa y Sociedad
- Club de Excelencia en Sostenibilidad
- Instituto Español de Analistas Financieros (IEAF)
- Associació de Periodistes d'Informació Econòmica de Catalunya (APIEC)

- Red Española del Pacto Mundial de las Naciones Unidas (ASEPAM)

##### **Third Sector organisations:**

- Fundación Ashoka
- Mensajeros por la Paz
- Manos Unidas
- Aldeas Infantiles
- Emaús
- Cermi
- Fundación IUVE
- Acció Natura
- Justícia i Pau
- Càritas Barcelona
- Intermon Oxfam
- Escola de Cultura i Pau-Universidad Autónoma de Barcelona
- Fundación Edad & Vida

## 1. Relevant issues

As a result of this multilevel process, several relevant issues were identified and classified in a matrix depending on each issue's degree of importance for stakeholders and the level of development of same in the strategy of "la Caixa".

The present Report focuses on new features that have arisen during the year and includes all relevant issues for stakeholders and for "la Caixa" strategy, classified within the matrix. All remaining issues will be dealt with in future reporting periods.

The final result is a more synthetic document than in 2008 and to which a section outlining objectives and challenges has been added. In this section, tables have been used to illustrate the principal objectives concerning stakeholders outlined for corporate areas and subsidiaries of "la Caixa" in the previous reporting period, as well as performance rating and challenges for the future.

Furthermore, we have introduced specific improvements aimed at facilitating the report's reading by the visually impaired.

		Maturity of the subject		
		Latent	Being consolidated	Integrated into "la Caixa" Strategy
Importance for stakeholders	Very Important		Ecological footprint	Financial response over the crisis Impact of Welfare Projects Commitment to the community Environment management Customer satisfaction Financial inclusion
	Important		Establishment and communication of objectives and challenges	Life/Work Balance Commitment to maintaining jobs Equality of opportunities Transparency of information Corporate volunteer work
	Growing	Financial Education (*)	Socially responsible investment	

Relevant Issues related to clients  
Relevant Issues related to society

Relevant Issues related to employees  
Relevant Issues related to environment

(\*) To be developed in the future.



## 2. Objectives and challenges

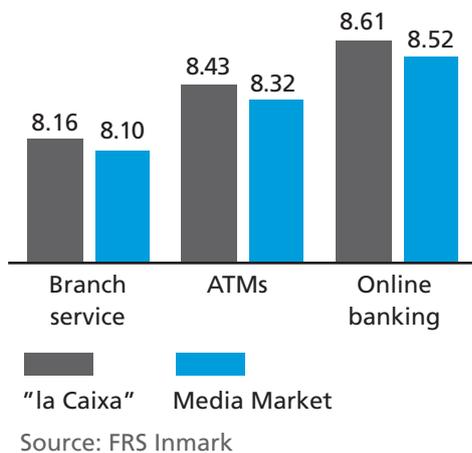
Corporate responsibility is an integral part of management at "la Caixa" and performance in this area is measured by following-up and monitoring objectives and challenges.

## Customers

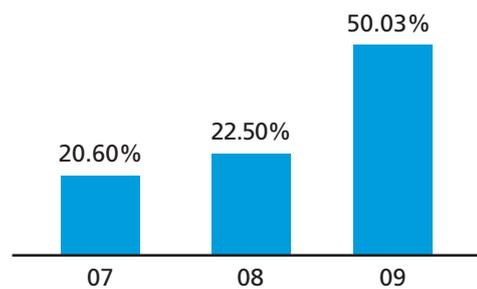


During 2009, “la Caixa” prioritised its actions along three main lines: the development of financial solutions aimed at assisting our corporate and individual customers in the current complex economic setting, the provision of support for entrepreneurs and groups at risk of social exclusion, and finally, the improvement of existing services provided.

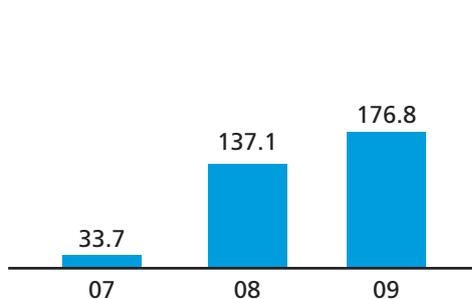
Customer satisfaction levels in 2009 (scale of 0 to 10)



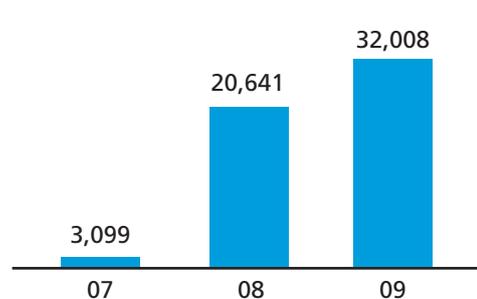
ATM accessible (pursuant to criteria of the Fundación Barcelona Digital)



Investment by MicroBank (Million €)



Number of microloans granted



## Customers

	COMMITMENT 2008	PROGRESS MADE IN 2009	
<u>Economic Results</u>	<ul style="list-style-type: none"> <li>Maintain excellent level of solvency.</li> </ul>	<ul style="list-style-type: none"> <li>Solvency for the Institution remains at one of the best levels for the entire Spanish financial system, with Core Capital ratio (maximum quality resources) at 8.7%.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Continue its trend of strict and prudent risk management, thereby assuring sufficient cover for all current and future needs.</li> </ul>	<ul style="list-style-type: none"> <li>NPL ratio was 3.42%, below the figure for the sector (5.08%).</li> <li>The coverage ratio reached 62% (127% including mortgage collateral).</li> </ul>	●
	<ul style="list-style-type: none"> <li>Maintain liquidity indicator levels with a minimum of 5% of overall liquidity total.</li> </ul>	<ul style="list-style-type: none"> <li>EUR 21,208 million in liquidity, which translates to 7.8% of the "la Caixa" Group's overall assets, a figure which is superior to the 5% minimum referred to in the Institution's 2007-2010 Strategic Plan.</li> </ul>	●
<u>Anti-crisis Solutions</u>	<ul style="list-style-type: none"> <li>Develop new assistance measures packages aimed at individual customers.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of measures designed to assist families with their financial burden.</li> </ul>	●
<u>MicroBank</u>	<ul style="list-style-type: none"> <li>Increase its activity.</li> </ul>	<ul style="list-style-type: none"> <li>32.008 microloans approved for an overall amount of EUR 176,77 million distributed.</li> <li>Signing of new agreements with national bodies and organisations.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Extend the range of products and services available.</li> </ul>	<ul style="list-style-type: none"> <li>New product and service packages for Social Entities developing.</li> <li>New microloans tailored especially for disabled customers.</li> </ul>	●
<u>Entrepreneurs</u>	<ul style="list-style-type: none"> <li>Provide financing for innovative business projects after carefully assessing risk.</li> </ul>	<ul style="list-style-type: none"> <li>Given the difficult economic climate, priority in risk capital investment has been given to companies in the portfolio with the objective of contributing to guaranteeing their viability and survival.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Promote entrepreneurial spirit.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the number of companies participating in the EmprendedorXXI Awards, with over 300 candidates spread over the 17 autonomous regions around Spain.</li> </ul>	●
<u>Companies</u>	<ul style="list-style-type: none"> <li>Opening of new business centres.</li> </ul>	<ul style="list-style-type: none"> <li>11 new business centres bringing the total to 80.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Opening of 2 new Corporate Banking Offices for large companies in Madrid and Barcelona.</li> </ul>	<ul style="list-style-type: none"> <li>Offices are currently in operation.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Facilitate access for companies to liquidity.</li> </ul>	<ul style="list-style-type: none"> <li>In 2009, customer loans portfolio increased by EUR 1,603 million to EUR 178,026 million (+0.9%), with more than one million new transactions and EUR 104,045 in risk based on loans extended.</li> </ul>	●
<u>International</u>	<ul style="list-style-type: none"> <li>Provide support for internationalisation of companies.</li> </ul>	<ul style="list-style-type: none"> <li>Opening of new centres in Casablanca, Istanbul and Shanghai.</li> </ul>	●
<u>Security</u>	<ul style="list-style-type: none"> <li>Maintain and improve the standards of security expected from a leading financial institution.</li> </ul>	<ul style="list-style-type: none"> <li>Change alarm central from analogue to digital in 380 branches.</li> </ul>	●

## Customers

	COMMITMENT 2008	PROGRESS MADE IN 2009	
<u>Ethics Business</u>	<ul style="list-style-type: none"> <li>Drawing up the Institution's new Code of Ethics.</li> </ul>	<ul style="list-style-type: none"> <li>Publication of Code of Ethics, available to all through the corporate website of "la Caixa".</li> </ul>	●
	<ul style="list-style-type: none"> <li>Improve transmission of Corporate Responsibility (CR) to different stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Publication of online version of CR Report in Flash format.</li> <li>Publication of CR leaflet available in all branches and for employees.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Move ahead in audit process for Corporate Responsibility Report.</li> </ul>	<ul style="list-style-type: none"> <li>Increase the number of areas audited.</li> </ul>	●
<u>Customer satisfaction</u>	<ul style="list-style-type: none"> <li>Maintain and improve customer satisfaction levels despite the current climate.</li> </ul>	<ul style="list-style-type: none"> <li>This objective has not been reached: during 2009, customer satisfactions levels for individual and corporate customers were lower than those of the previous reporting period as a result of the worsening economic situation.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Reduce the volume of complaints received by Customer Care.</li> </ul>	<ul style="list-style-type: none"> <li>This objective has not been reached: during 2009 the volume of customer complaints increase by 63.5% compared to the previous year, an increase which has been generalized among financial institutions. Nevertheless, "la Caixa" continues to be the institution which received fewer complaints, in relation to its business volume, in the entire Spanish financial sector (according to latest data from the Bank of Spain).</li> </ul>	●
<u>Innovation</u>	<ul style="list-style-type: none"> <li>Develop new technological solutions for customers.</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D+i budget of EUR 24.65 million.</li> <li>New products developed: applications shop for mobile phones, branch and ATM search engine for mobile phones with increased reality or the ticket purchasing application for mobile phones.</li> <li>Agreements signed with IBM, Telefónica and HP to improve infrastructures.</li> <li>Development of Transf-i (transfers from mobile to mobile) and other payment solutions using mobile phones.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Develop IT systems and architecture capable of handling future growth.</li> </ul>	<ul style="list-style-type: none"> <li>Building two new data processing centres.</li> </ul>	●
<u>Accessibility</u>	<ul style="list-style-type: none"> <li>Continue to eliminate all physical and sensorial obstacles to ATMs and branch offices.</li> </ul>	<ul style="list-style-type: none"> <li>Work carried out in 30 branch offices for a total of EUR 287.452.</li> <li>Extension of the INREDIS project: collaboration with promoting the development of generic technology which enables the disabled to interact with the various devices which currently exist on the market by way of a specially adapted mobile device.</li> <li>50% of ATMs are now completely accessible.</li> </ul>	●
<u>Socially Responsible Investment</u>	<ul style="list-style-type: none"> <li>Increase the range of socially responsible products available.</li> </ul>	<ul style="list-style-type: none"> <li>Volume of portfolio amounting to EUR 4.39 million in FonCaixa Cooperación Socialmente Responsable and EUR 5,8 million in FonCaixa Privada Fondo Activo Ético.</li> <li>Developing new products.</li> </ul>	●

## Customers

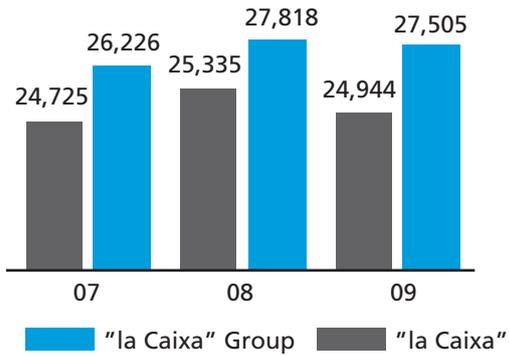
CHALLENGES FOR THE FUTURE	
<b>MicroBank</b>	<ul style="list-style-type: none"> <li>• Reach the 100,000 customer mark.</li> <li>• Increase the number of microloans in portfolio to 85,000, with an investment of EUR 350 million.</li> </ul>
<b>Entrepreneurs</b>	<ul style="list-style-type: none"> <li>• Promote growth in rural areas through supporting business initiatives intended for creating new services and infrastructures.</li> <li>• Strengthen the role of EmprendedorXXI Awards, maintaining its presence in the 17 Autonomous Regions through its promotion which translates to a greater number of candidacies and furthermore, strengthen the ties between the Awards and its strategic partners.</li> <li>• Support affiliated companies operating in Spain and invest in new technology based projects, principally in the ICT and Life Sciences sectors.</li> <li>• Increase the number of projects participating in the BioEmprendedorXXI programme.</li> <li>• During 2010, and as was the case during the previous reporting period, priority in risk capital investment will continue to be given to companies in the portfolio with the objective of contributing to guaranteeing their viability and survival.</li> </ul>
<b>International</b>	<ul style="list-style-type: none"> <li>• Provide support for the international expansion of companies by way of opening new branch offices in Delhi (India), Algiers (Algeria) and Dubai (United Arab Emirates).</li> </ul>
<b>Business Ethics</b>	<ul style="list-style-type: none"> <li>• Disseminate Code of Ethics.</li> <li>• Establish a Code of Ethics and Conduct (Silk).</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>• Continue installation of new anti-skimming systems (anti-credit card copying device) in ATM network.</li> <li>• Continue change over from analogue alarm system to digital in a further 193 branch offices, thereby enhancing security for customers and employees given the improvement in two-way data flow.</li> </ul>
<b>Customer satisfaction / Quality</b>	<ul style="list-style-type: none"> <li>• Reduce the number of customer complaints by 15%.</li> <li>• Develop plan to reduce complaints concerning "waiting time".</li> <li>• Expand the use of customer satisfaction surveys to include not only companies, but also the self-employed and businesses</li> <li>• Improve quality levels in order to reduce the number of branches with a Customer Satisfaction Index (CSI) below 100 by 10% in 2012.</li> <li>• Creation of a new portal dedicated to providing information regarding Quality within the framework of the corporate intranet, which will provide up to date information regarding customer satisfaction surveys, practical quality guidelines and related articles or a participatory space where employees can offer their suggestions for improvement.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• Develop pilot and innovative mobile phone payment solutions to facilitate payment to customers.</li> </ul>
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>• Extend the number of processes and sign language in videos for the hearing and visually impaired available on ATMs and in the online banking service.</li> <li>• Consolidation of the INREDIS Project (acronym for INterfaces for RELations and people with DISabilities), in collaboration with the Spanish Association for the Blind (ONCE).</li> <li>• Minimum of one totally accessible ATM in every branch.</li> </ul>
<b>Socially Responsible Investment</b>	<ul style="list-style-type: none"> <li>• Simplify investment fund portfolio in order to provide customers with greater transparency in the range of products on offer.</li> <li>• Promote Socially responsible Investment (in collaboration with the Private Banking).</li> <li>• Set up an investment fund which considers environmental criteria before determining the composition of its portfolio.</li> </ul>
<b>Promotion of CR</b>	<ul style="list-style-type: none"> <li>• Extend the presence of CR in branch offices in order to bring it closer to employees and customers.</li> <li>• Incentives to promote cooperation through Private Banking with the projects carried out "la Caixa" Welfare Projects.</li> </ul>

## Employees

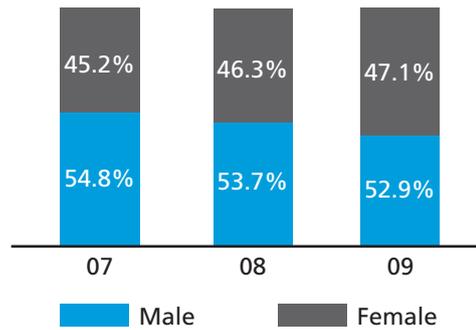


“la Caixa” continues to maintain its commitment to generating employment and for the fourth year in succession is the most popular company to work for in Spain, according to data from the Merco Personas 2009 survey.

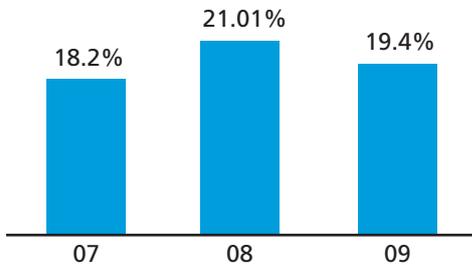
Number of Employees



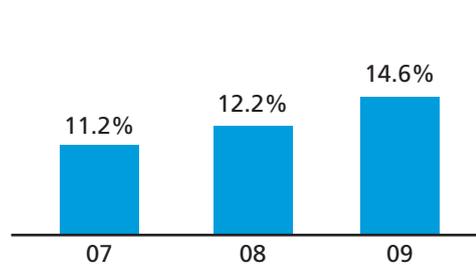
Employees of “la Caixa”: employee ratio



% of “la Caixa” employees who have received internal promotions



Female members of top-tier management of “la Caixa”



## Employees

	COMMITMENT 2008	PROGRESS MADE IN 2009	
<u>Human team management</u>	<ul style="list-style-type: none"> <li>Internal communication of new Code of Ethics.</li> </ul>	<ul style="list-style-type: none"> <li>Publication of a new Code of Ethics.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Continue improving internal customer satisfaction levels.</li> </ul>	<ul style="list-style-type: none"> <li>The average grade awarded by branches to internal suppliers was 7.5 on a 10 point scale compared to 7 points for 2008.</li> </ul>	●
<u>Diversity</u>	<ul style="list-style-type: none"> <li>Develop an Equality Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Design of Equality Plan.</li> </ul>	●
<u>Professional Development</u>	<ul style="list-style-type: none"> <li>Promote employee professional development and training.</li> </ul>	<ul style="list-style-type: none"> <li>22.308 employees received 548.047 hours training.</li> <li>Completion of talents and abilities management programmes.</li> </ul>	●

### CHALLENGES FOR THE FUTURE

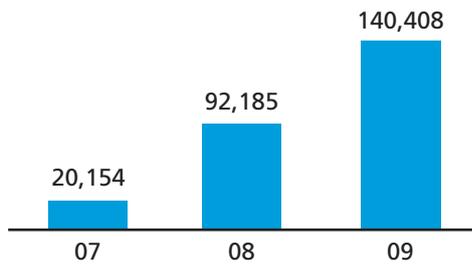
<u>Improved working environment</u>	<ul style="list-style-type: none"> <li>Draft a new internal customer satisfaction survey capable of measuring the service quality and support received from Headquarters.</li> </ul>
<u>Diversity</u>	<ul style="list-style-type: none"> <li>Compliance with Spanish legislation concerning social integration of disabled persons (LISMI, as per the Spanish acronym: drafting of a plan to increase the number of workers hired with a disability to reach 2% of the entire workforce.</li> <li>Approve Equality Plan.</li> </ul>
<u>Professional Development</u>	<ul style="list-style-type: none"> <li>Define new professional profiles for the new more specialized functions.</li> <li>Follow-up system for individual contribution in Head Offices.</li> <li>Develop training and career plans in "la Caixa" as well as in subsidiary companies.</li> <li>New knowledge sharing programme in systems based environment by way of the platform Forma't (SILK).</li> </ul>
<u>Promotion of CR</u>	<ul style="list-style-type: none"> <li>Promoting Code of Ethics through an employee training module.</li> <li>Design a training course for employees in Virt@ula concerning Corporate Responsibility, with collaboration from the "la Caixa" Corporate Responsibility Chair at IESE and setting up participatory forum regarding CR.</li> <li>Training course for GDS-Cusa employees which includes CR issues.</li> </ul>
<u>Corporate Volunteering</u>	<ul style="list-style-type: none"> <li>Consolidate the commitment and participation of "la Caixa" Group employees.</li> </ul>

## Society

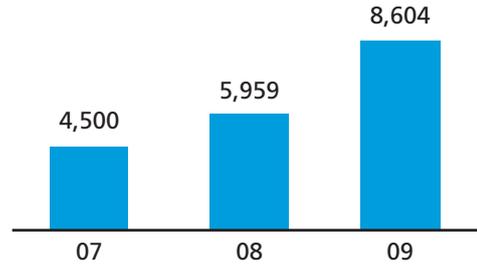


“Meeting the needs of our society in 2009 was focused in the social and assistance based programmes of “la Caixa” Welfare Projects -CaixaProinfancia and the Incorpora Employment Programme, among others-, cooperation with the GAVI Alliance through the Business Alliance for Child Vaccination, as well as the Vivienda Asequible (Affordable Housing) programme to assist young people, families and the elderly in gaining access to the property market.

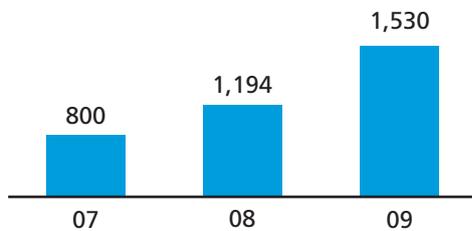
CaixaProinfancia Programme: number of minors who have received assistance (cumulative)



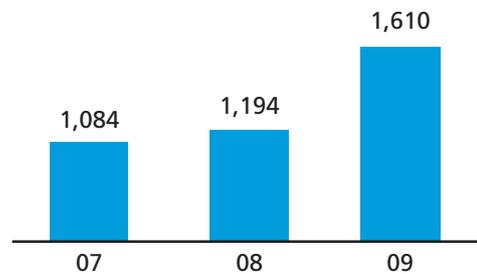
Incorpora Programme for Integration into labour market: number of persons already placed



Affordable Housing Programme: Beneficiary families (cumulative)



Affordable Housing Programme: Beneficiary families (cumulative)



## Society

	COMMITMENT 2008	PROGRESS MADE IN 2009	
<u>Welfare Projects</u>	<ul style="list-style-type: none"> <li>Continue to dedicate efforts to social activities faced with the challenges of new requirements granting opportunity to persons of all ages and social conditions.</li> </ul>	<ul style="list-style-type: none"> <li>65% of the total Welfare Projects budget was allocated to social and assistance based programmes.</li> <li>Among other initiatives, it stands out the Integrated Care for Very Ill People Programme.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Intensify efforts to eradicate child poverty through the CaixaProinfancia Programme.</li> </ul>	<ul style="list-style-type: none"> <li>Over EUR 90 million (EUR 50 million in 2009) allocated in three years, to aid in the region of 140,000 children and adolescents under 16.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Strengthen the Incorpora Employment Programme.</li> </ul>	<ul style="list-style-type: none"> <li>In 2009, 30,850 individuals received assistance and more than 79,600 persons are beneficiaries and 23,004 vulnerable people taken on of the programme since its beginning, thanks to the collaboration of 236 institutions and more than 9,400 companies.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Maintain support for cultural initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Agreements signed with the Prado Museum and the Louvre Museum.</li> <li>Projection of the new CaixaForum centres in Seville and Zaragoza.</li> <li>Lectura+ Programme.</li> </ul>	●
<u>Childhood Vaccination</u>	<ul style="list-style-type: none"> <li>Promote the Business Alliance for Childhood Vaccination.</li> </ul>	<ul style="list-style-type: none"> <li>More than 150 companies have already joined the Alliance.</li> <li>A range of promotional activities organised apart from visits to companies in collaboration with Company Banking.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Continue support for the GAVI Alliance.</li> </ul>	<ul style="list-style-type: none"> <li>EUR 4 million in donations.</li> </ul>	●
<u>Affordable Housing</u>	<ul style="list-style-type: none"> <li>Provide solutions for the same housing needs in an increasingly precarious economic environment.</li> </ul>	<ul style="list-style-type: none"> <li>1,610 houses delivered (since the beginning of the programme).</li> </ul>	●
<u>Suppliers</u>	<ul style="list-style-type: none"> <li>Extend the values of respect for fundamental Human Rights and the environment included under the United Nations Global Compact to include all suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Several affiliates join the Global Compact.</li> <li>Execution of external audit and new control clause introduced.</li> </ul>	●
<u>Promotion of CR</u>	<ul style="list-style-type: none"> <li>Improve transmission of Corporate Responsibility initiatives to the varying <u>stakeholders</u>.</li> </ul>	<ul style="list-style-type: none"> <li>Publication of the online version of CR in flash format.</li> <li>Publication of CR leaflet.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Promote new CR studies and increase the number of studies and reports published in a drive to secure its position as a benchmark institution in social and economic analysis.</li> </ul>	<ul style="list-style-type: none"> <li>No significant progress made.</li> </ul>	●

## Society

### CHALLENGES FOR THE FUTURE

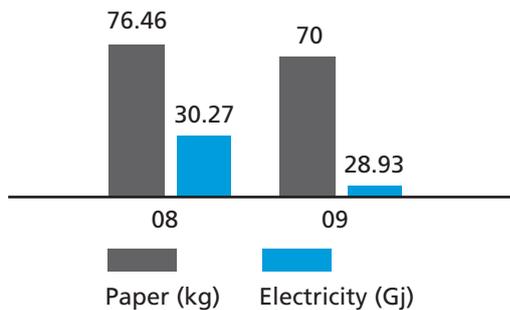
<p><b>Welfare Projects</b></p>	<ul style="list-style-type: none"> <li>• Contribute to compliance with the fourth United Nations Millennium Development Goal and, by 2015, meet targets of a reduction by two thirds in the mortality rate among under-5s, through the "la Caixa" Business Alliance with GAVI Alliance in aid of infant mortality.</li> <li>• Heighten sensibility among the businesses community regarding the hiring of persons with difficulties or at risk of social exclusion.</li> <li>• Consolidate the commitment and participation of employees of the "la Caixa" Group in developing charity initiatives.</li> </ul>
<p><b>Affordable Housing</b></p>	<ul style="list-style-type: none"> <li>• Young and Elderly Programme: hand over the keys to 450 houses and build a further 1,020 (thereby reaching the goal set to build 3,000 houses in the period between 2004-2012)</li> <li>• Families Programme: build 360 apartments and acquire land to build another 697 (the objective for 2012 is to achieve a development of 1,000 houses).</li> </ul>
<p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>• Adherence to and compliance with the European Procurement Regulations.</li> <li>• Make headway in monitoring and follow-up processes of responsible practices of suppliers (PromoCaixa):             <ul style="list-style-type: none"> <li>- Control of environmental and labour certification of the more important suppliers whose business with the Group represents 70% of their turnover.</li> <li>- Include more restrictive clauses in tendering conditions for bids which enable automatic non-renewal of contract in the event that upon a negative audit of production centres. Furthermore, the costs incurred in a second audit procedure will be payable by the supplier in question.</li> </ul> </li> </ul>
<p><b>Promotion of Corporate Responsibility</b></p>	<ul style="list-style-type: none"> <li>• Disseminate corporate responsibility among stakeholders:             <ul style="list-style-type: none"> <li>- Improve access to CR Report especially for the visually impaired.</li> <li>- Redesign section dedicated to CR in <a href="http://www.lacaixa.es">www.lacaixa.es</a> to enhance communication with stakeholders.</li> <li>- Report regularly any relevant issues concerning CR.</li> <li>- Enhance visibility of Corporate Responsibility Chair in relation with IESE, as a forum open to society and a driving force in innovation.</li> <li>- Participate in programmes organised by Círculo de Empresarios (Business Committee), in an aim to foster mutual exchange of experiences and knowledge between the business community and judicial and legislative bodies.</li> <li>- Perform a complete audit of Corporate Responsibility Report.</li> </ul> </li> </ul>

## The Environment

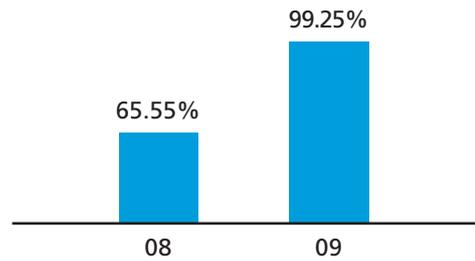


"la Caixa"'s commitment to the environment forms an intricate part of its management strategy as well as the products and services it offers and also the Welfare Projects' programmes.

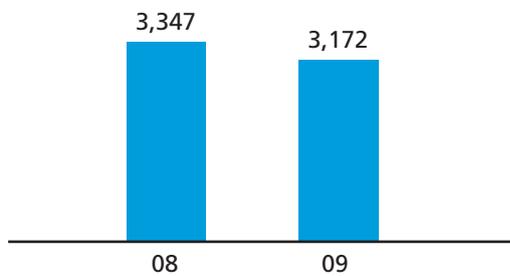
Paper consumption (Kg) and electrical power consumption (Gj) per employee of "la Caixa"



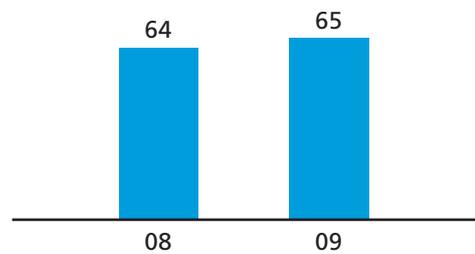
% recycled paper over total paper consumed of "la Caixa"



Investment in renewable energy projects



Number of projects finance subject to Equator Principles



## The Environment

	COMMITMENT 2008	PROGRESS MADE IN 2009	
	<ul style="list-style-type: none"> <li>Move forward in application of ECOXEC (evaluation of environmental risk of asset portfolio).</li> </ul>	<ul style="list-style-type: none"> <li>No significant progress made.</li> </ul>	●
<b>Financing</b>	<ul style="list-style-type: none"> <li>Increase the number of projects financed subject to the Equator Principles.</li> </ul>	<ul style="list-style-type: none"> <li>Improve internal management process.</li> </ul>	●
	<ul style="list-style-type: none"> <li>Maintain rigorous appraisal of environmental risk as business market penetration increases.</li> </ul>	<ul style="list-style-type: none"> <li>External appraisal of project finance.</li> </ul>	●
	<ul style="list-style-type: none"> <li>10% reduction in paper consumption.</li> </ul>	<ul style="list-style-type: none"> <li>The objective in itself was not reached in its entirety, but paper consumption was reduced by 7%.</li> <li>Reduction in traditional correspondence sent to customers.</li> <li>Design of single cover for cheques and stubs (Sumasa).</li> </ul>	●
<b>Environmental policy</b>	<ul style="list-style-type: none"> <li>Increase from 64% currently to 90% in recycled paper consumption.</li> </ul>	<ul style="list-style-type: none"> <li>99% of all paper used is now recycled paper.</li> <li>Use of 25% recycled paper (Vivienda Asequible).</li> </ul>	●
	<ul style="list-style-type: none"> <li>12% reduction in electricity consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Although the projected reduction was not reached, electric power consumption was reduced by 6.58%, thanks to measures such as:               <ul style="list-style-type: none"> <li>Installation of universal power switch and automatic hibernation system for branch PCs.</li> <li>Awareness raising programme among employees.</li> </ul> </li> </ul>	●
	<ul style="list-style-type: none"> <li>11,000 ton reduction in CO<sub>2</sub> emissions.</li> </ul>	<ul style="list-style-type: none"> <li>The reduction in CO<sub>2</sub> (Tn) was 5,087.71: despite not reaching targets, the reduction was brought about through ongoing efforts made to reduce electric energy consumption and corporate travel.</li> </ul>	●

### CHALLENGES FOR THE FUTURE

<b>Financing</b>	<ul style="list-style-type: none"> <li>Extend the application of Equator Principles to include all finance operations above EUR 7 million, even for financing which is not project finance.</li> </ul>
<b>Environmental policy</b>	<ul style="list-style-type: none"> <li>Increase energy efficiency at "la Caixa" to reduce its environmental footprint :               <ul style="list-style-type: none"> <li>Decrease in electricity consumption in overall estimate: 10%.</li> <li>Reduction in CO<sub>2</sub> emissions arising from journeys to and from work of 10%.</li> <li>Reduction in paper consumption in overall estimate: 10%.</li> <li>Reduction in toner consumption: 10%.</li> </ul> </li> <li>Raise awareness and promote good environmental practices in "la Caixa":               <ul style="list-style-type: none"> <li>Continue implementing the awareness raising programmes for employees.</li> <li>Setting up a forum in the corporate Intranet site to foster collaboration among employees and innovative working practices.</li> </ul> </li> <li>Share good environmental practices among companies within the Group:               <ul style="list-style-type: none"> <li>Elimination of existing wastepaper bins to be replaced by new recycling friendly containers. (Sumasa)</li> <li>Reduction in the number of banking book models in use from 30 to 7 (Sumasa).</li> <li>Monitoring environmental certifications of major suppliers (PromoCaixa).</li> <li>Replace gift-wrapping paper with an ecological recyclable version (PromoCaixa).</li> <li>Use 50% recycled paper (Vivienda Asequible).</li> <li>Continue replacement of existing office materials in "la Caixa" for others with less environmental impact (Sumasa).</li> <li>Defining an environmental policy (ServiHabitat).</li> </ul> </li> </ul>



### 3. "la Caixa" and entrepreneurs

- 3.1 MicroBank, the Social Bank of "la Caixa"
- 3.2 Entrepreneurs
- 3.3 Rural Entrepreneurs
- 3.4 Corporate banking
- 3.5 Support for international growth of companies

Having in place and maintaining a powerful business fabric is key to the economic development of any country. "la Caixa" is very aware of this quality and as a result, in an economic climate characterized by liquidity problems, is working to address effective response to the financial needs of the countries self-employed and small, medium and large enterprises, while supporting entrepreneurial activity at the same time.

### 3.1 MicroBank, the Social Bank of "la Caixa"



*"The idea came about due to me needing somebody reliable to dog-sit my two dogs. Internet led me to MicroBank, where I presented a viable project. And of course, your project is your key to success. With the EUR 15,000 microloan and some savings of my own I was able to set up Cangur, where we provide a comprehensive range of services for pets, including home service. I started out on my own but now there are two of us working full-time. We donate 0.7% of our profits to animal welfare associations".*  
**Montse Nzang, biologist.**

Setting up a new business at a time of economic recession is no easy task. However, it is something that many people have managed to do successfully thanks to microloans, a loan designed to provide financing for individuals or groups who, even though they may have limited resources or may encounter obstacles gaining access to traditional credit channels, wish to get their own projects off the ground.

In this context, [MicroBank](#), the Social Bank of "la Caixa", and the only institution in Spain which specializes in this form of credit has provided over 57,000 microloans for an overall amount in excess of EUR 376 million since it was set up in 2007.

In 2009 alone, MicroBank approved 32.008 projects for a total of EUR 176.8 million. This translates to an average of 130 loan operations carried out every day for an average amount of EUR 5,500. It is worth pointing out that after performing a rigorous analysis, MicroBank approves between 75% and 80% of all microloan applications received in a response time for each application of under a week

#### **Financial, social and family microloans**

MicroBank has two principal lines of activity: financial and social microloans aimed at entrepreneurs, whether these are self-employed or small companies and focused on engaging in productive activity, and secondly, family microloans which are designed to address family needs in order to overcome temporary difficulties thereby facilitating personal development.

In 2009, more than half of MicroBank's portfolio was allocated to microloans for families (with 75% of the overall amount borrowed and 87% of all loans) while the remaining loans approved correspond to financial and social microloans. 60% of the latter were allocated to setting up a business project, while the remaining 40% went towards enabling an existing business project to grow.

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THE ACTIVITY OF MICROBANK, THE SOCIAL BANK OF "LA CAIXA", IS CARRIED OUT WITHIN THE FRAMEWORK OF THE EUROPEAN COMMISSION'S EFFORTS TO FOSTER PRIVATE INITIATIVE IN THE AREA OF SELF-EMPLOYMENT AND MICRO ENTERPRISES AS A VEHICLE TO PROMOTING ECONOMIC GROWTH AND SOCIAL COHESION

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According to available data, as of 2009, 84% of the businesses financed by MicroBank have been successful and remain in operation, thereby contributing to creating and maintaining 16,000 jobs: two thirds of the business projects that receive microloans involve self-employment schemes and of these, 21% have grown enough to require hiring extra staff.

Apart from the backing receives from "la Caixa" in order to carry out its activities, MicroBank also receives the support of the European Commission through the European Investment Fund (EIF) and the Council of Europe Development Bank (CEB), with which it avails of EUR 80 million credit line until 2016.

#### **Backing from more than 400 national and European institutions**

When approving microloans, MicroBank draws on the collaboration of several institutions which provide knowledge about the individuals who apply for the loans and the viability of their proposals, as well as providing consultancy and follow-up of the projects financed. By year end 2009, 417 collaborating institutions from all over Spain ensure the viability of these projects.

During this past year, several new collaboration agreements were signed with a range of organisations and institutions from government bodies such as the Spanish Ministry for Equality and the Youth Institute (Instituto de la Juventud – INJUVE as per the Spanish acronym)-; local corporations -Barcelona Activa-; universities –University of Valencia, Universidad Internacional de Cataluña and Universidad Ramón Llull-; business schools -ESIC and EOI-; and organisations from the private sector like Cruz Roja Cataluña, among others. The idea here is to foster project design and development among several different groups.

#### **Support for social institutions**

Furthermore, in an aim to provide a service for social institutions and to facilitate their financial administration, MicroBank plans to launch a range of products and services in 2010 specifically designed to assist these agencies in operating in a more agile and comfortable manner.

One of the products and services available within this range is one option which enables advance payment of up to 80% of subsidies or grants from the Government or Autonomous Regions, as well as the service for administering donations to NGOs which enables these organisations to get information concerning donations received, regardless of which channel has been used; branches, ATMs or Internet. It should be mentioned here that any entity which adheres to this range of products and services may opt to collaborate with MicroBank in programmes designed to address the plight of those at risk of social exclusion.

#### **MICROLOANS FOR DISABLED PERSONS**

During 2009, MicroBank introduced a new line of credit within its range of family microloans. The new line caters for disabled persons and their families and are designed to cover expenses generated from improving quality of life and independence of the disabled and are used for purchasing technical aides (such as wheelchairs, prosthesis or adapted vehicles), for eliminating obstacles in housing, or for hiring assistance services.

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**MICROBANK AIMS TO BECOME A BENCHMARK INSTITUTION IN SOCIAL BANKING IN EUROPE WITH A SUSTAINABLE MODEL CAPABLE OF FINANCING ITS GROWTH NEEDS**

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**THE CRITERIA USED BY MICROBANK TO DETERMINE WHICH LOANS ARE APPROVED IS FUNDAMENTALLY BASED ON THE CONFIDENCE IN THE INDIVIDUAL APPLICANT AND THE VIABILITY OF THE PROJECTS TO BE FINANCED, ENABLING ACCESS FOR CUSTOMERS WHO ARE NOT IN POSSESSION OF GUARANTEES AND BACKING REQUIRED BY THE TRADITIONAL FINANCIAL SYSTEM**

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## 3.2 Entrepreneurs



*"Taking part in the Sagetis project as part of the BioemprendorXXI awards comes from the entrepreneurial tradition of the Institut Químic de Sarrià, and was approached as a complementary training exercise for our PhD students from the Research Group (GEMAT). The experience has been excellent and it has enabled us to see the business possibilities of developed technology as well as enjoying intense interaction with all the agents involved in setting-up a company. Finally, winning the prize has been an enormous self-esteem boost for all of us who are involved in the project, while at the same time it opens the doors to receiving financing more easily and to make the company we had imagined a reality".*  
**Salvador Borros Gómez, SAGETIS.**

As well as MicroBank, "la Caixa" avails of other instruments for channelling its effort in support of innovative initiatives such as its risk capital administrator, Caixa Capital Risc, or the Emprendedor programme, which aims to foster and give life to the projects of young entrepreneurs. By way of these initiatives, the Institution not only provides finance instruments but also works towards training and raising awareness among the business community of tomorrow.

### Financing innovative sectors

Through Caixa Capital Risc, "la Caixa" facilitates finance for innovative projects at the start-up stages. The Institution has two venture capital companies (Caixa Capital Semilla and Caixa Capital Pyme Innovación) managed by a team of seasoned and committed professionals which invest in recently set-up Spanish companies with excellent growth potential.

Caixa Capital Risc operates as a strategic financial partner in these projects which are normally companies in leading sectors from a dynamic and emerging environments, characterized by ongoing technological advances, such as biotechnology (molecular and cell biology, biochemistry, bioengineering and bioinformatics) and information and communications technologies. During 2009, and due to the adverse economic conditions, venture capital investment in companies in portfolio has been given priority so as to contribute to guaranteeing their viability and continuity.



THE EMPREDEDORXXI PROGRAMME FALL UNDER "LA CAIXA"'S WILL TO STIMULATE AND PROMOTE ENTREPRENEURIAL ACTIVITY AND SETTING UP COMPANIES CHARACTERIZED BY THE INNOVATIVE NATURE OF THEIR PROJECTS AND THEIR CAPACITY TO EFFECT A POSITIVE IMPACT ON SOCIETY

ENTREPRENEURS	2008	2009
Total amount finance secured by "la Caixa"	5,200,000	3,461,570
Total amount of finance received by projects throughout the year	2,410,596	3,614,479
Total number of projects financed	18	19

On the other hand, through the EmprendedorXXI programme, the Institution supports initiatives which promote finance for innovative companies in their start-up stages, like for example the Keiretsu Forum, the largest network of private investors interested in this kind of project (angel investors) in the world.

#### Awareness raising and training

The programme also functions as a vehicle for streamlining activities involved in the area of setting up companies as well as raising awareness among society of the social function that entrepreneurs perform.

In an aim to create a corporate culture given to entrepreneurs and innovation as the driving forces of the country's economic growth, "la Caixa" takes part in informative activities like the "the Day of the Entrepreneur" and develops training sessions targeting universities, business schools and the education sector in general. Among the many initiatives several stand out like the seminars designed to raise awareness and inform society of entrepreneurial spirit, the [EmprendedorXXI Awards](#) or collaborations with other institutions to organize specialist programmes ([BioemprendedorXXI](#) or Seedrocket).

#### EMPRENDEDORXXI AWARDS 2009

The third edition of the EmprendedorXXI Awards, set up to identify the enterprises with greatest potential in each autonomous region, has represented their consolidation as a

**PREMIO  
EM-  
PRENDE-  
DORXXI  
2009**

promoter of and driving force behind entrepreneurial spirit and creation of companies. The awards are given in recognition of the role played by the most innovative businesses and their owners and provide the winners with the resources required to position themselves as the country's economic driving forces. In 2009, more than 300 companies from the 17 Autonomous Regions in Spain competed for the top prize, which has the backing of the Ministry for Industry, Tourism and Commerce, through ENISA, Empresa Nacional de Innovación, S.A. The winning company was BMAT, from Catalonia (music technology software), the runner-up was the Basque company Histocell (tissue biotechnology and cell therapy) and the third place went to Ingenia Telecom (state-of-the-art mobile phone network optimisation) from Valencia.

### 3.3 Rural entrepreneurs



*"We wanted to open a guesthouse dedicated to rural tourism, so we paid a visit to one of the "la Caixa" branch offices and, through the finance they provided, we were able to realize our idea: rebuild an old farmhouse located in Siles, Jaén, right in the heart of the Sierras de Cazorla, Segura & Las Villas Nature Reserve. We also did it in such a way that it would be 100% sustainable, by using traditional building materials found in the region: wood, stone and Arabic tiles. Now, our farmhouse is perfectly insulated, the heating works on biomass (olive pits), water is solar heated and irrigation water is channelled for use, organic waste is used as fertilizer after turning it into compost, etc. There are two of us working here, helping to give the local economy a boost and the venue is attracting more and more tourists every day".*  
**Oscar Mendieta López and Maria Jesús Carmona Quiñones.**

The new European Union agricultural policy has taken a shift towards rural development that is the promotion of setting up new businesses and new sources of employment in rural areas apart from agricultural activity. The policy aims to generate resources and reactivate local economies in such areas.

One of the principal agents involved in this kind of development is the rural entrepreneur, small business owners or active self-employed workers who wish to engage in new productive activity, including livestock farmers or farmers who plan to diversify from their activities and engage in new venture which are not strictly agricultural in nature.

"la Caixa" fosters growth in rural areas by giving its support to business initiatives which aim to generate employment and improve quality of life for the local population. These initiatives target the creation of new services and infrastructures such as for example, rural tourism, renewable energies, introduction of new technologies or social services.

In order to achieve this goal, throughout 2009, the Institution continued with its course of action begun the previous year of maintaining support for rural entrepreneurs at the start-up and later development phases of their projects. "la Caixa" provides several funding instruments available to any customer interested, among which are microloans, managed through MicroBank; public funds like the ICO facilities or the varying Rural Development Plan finance facilities; or alternatively, through acquiring a temporary stake in an enterprise through our venture capital management division, Caixa Capital Risc. On the other hand, and for those who already own a going concern, there are solutions available to cover daily operating cash-flow or to invest in growth.

It ought to be noted that "la Caixa" operates a 900 strong network of rural branches catering to more than 236,000 customers who are directly involved with the agricultural sector with financing of EUR 4,600 million.

#### **SEMINAR "STARTING A COMPANY IN A RURAL ENVIRONMENT: HOW WILL I FINANCE MY BUSINESS PROJECT?"**

"la Caixa", in collaboration with the Fundació del Món Rural (FMR), sponsors this seminar to encourage entrepreneurs to set up a company as a vehicle for boosting local economy, generating self-employment, conserving local population levels and attracting new residents to rural areas.

The seminar informed those in attendance of the different public and private funding facilities available to them together with the importance of presenting a solid business plan, a key element to guarantee the success of any business initiative.

<b>RURAL ENTREPRENEURS</b>		<b>2009</b>
Overall number of customers	More than 236,000	
Total amount invested	EUR 4,600 million	

## 3.4 The Companies Bank

For any company, access to credit facilities and other products and services that enable them to find funding for sales and gain access to new national and international markets is fundamental, as well as assisting in development stages of a business that enable the company to grow. For this reason, "la Caixa", has taken on an important role as a benchmark Institution for companies over the past few years as it continues to develop streamlined and flexible structures in response to modern business needs which can offer tailored solutions in every area: funding, cash flow, foreign trade, etc.

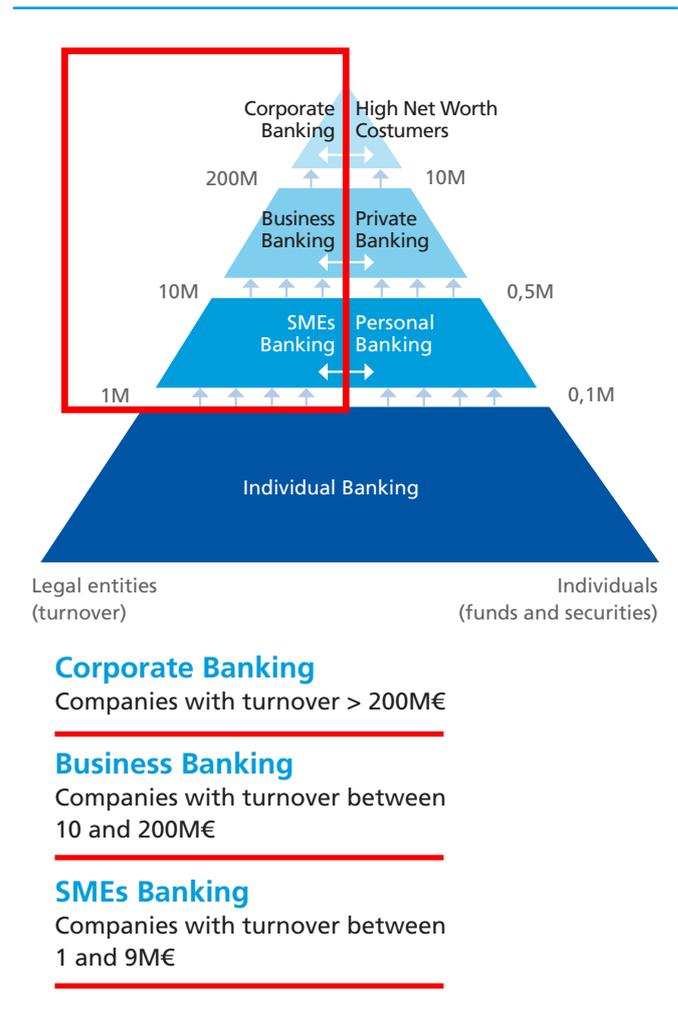
### Efficient solutions tailored to customers' needs

For this, the national network of the Institution includes 2 Corporate Banking offices for large companies in the cities of Madrid and Barcelona, 80 Company Business Centres scattered throughout the country who provide exclusive dedication to medium and large sized enterprises, 11 of which were inaugurated in 2009, 852 business consultants not to mention, the largest retail network in the country with more than 5,200 branch offices catering to every imaginable kind of business.

Each of the divisions owned by "la Caixa" -Banca de Pymes (SMEs Banking), [Banca de Empresas \(Business Banking\)](#) and Banca Corporativa (Corporate Banking)- all have their own separate management model, catalogue of products and services and its own sales structure.

### Products and services for companies

To continue offering funding solutions with attractive conditions, "la Caixa" signed several collaboration agreements with public bodies in 2009. Of these, the ICO credit facilities stand out, which are granted to advance outstanding invoice payment with local government or the credit facility offered by the European Investment Bank (EIB) for financing SMEs. Another important feature here is the renewal of agreements signed in 2008 with the Spanish Confederation of Business Entities (CEOE as per the Spanish acronym) and the Spanish Confederation of SMEs (CEPYME) to provide finance for companies in preferential conditions.



## 3.5 Support for international growth of companies



*"International development means opening up to people from all walks of life. I believe that it is necessary to possess a culture of openness. If we arrive in a foreign country, we must work together with the people from that country, adopt the positive aspects of doing business and of course, also bring something attractive to the table. Our wish is to accompany companies and to become a benchmark institution through the development of a complete range of products and services to meet their business needs".*

*Ali Kadiri, Managing Director of Casablanca branch, Morocco.*

In an aim to assist Spanish companies in their international growth projects, "la Caixa" has 11 [branch offices](#) in foreign countries in Europe, Africa and Asia. The objective of these offices is to provide support for our corporate customers with operations overseas or potential customers who may have business interests in different countries and also to contribute to channel operations of foreign companies with operations in Spain or with commercial ties here.

In this respect, and within the framework of the Institution's international strategy as set out in the Strategic Plan 2007-2010, in 2009 "la Caixa" inaugurated its first operating branch office in Morocco in the city of Casablanca, joining the other branches already in existence in Warsaw (Poland) and Bucharest (Romania).

Furthermore, "la Caixa" also has representative branches abroad in London (The United Kingdom), Paris (France), Belgium (Brussels), Milan (Italy), Stuttgart and Frankfurt (Germany), Oporto and Lisbon (Portugal), Istanbul (Turkey), Beijing and Shanghai (China), which will soon be added to by new offices in Delhi (India), Algiers (Algeria) and Dubai (United Arab Emirates).

Finally, it is also worthy of note that "la Caixa" directs the foreign trade business of its customers through bilateral agreements with over 2,500 international banks.

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**"LA CAIXA" IS PRESENT IN 11 COUNTRIES IN EUROPE, ASIA AND AFRICA. THE INSTITUTION'S INTERNATIONAL EXPANSION PROVIDES SUPPORT FOR ITS CUSTOMERS AND THEIR INTERESTS AND TRADE RELATIONS OUTSIDE OF SPAIN**

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### **STRATEGIC AGREEMENT WITH PORTUGUESE BANK BPI**

"la Caixa" signed off on a strategic agreement in 2009 with Banco BPI thereby becoming part of the largest company banking network in the Iberian Peninsula. In addition to the 80 company banking offices already in Spain, this agreement means a further 53 offices belonging to BPI in Portugal and thereby means that the needs of customers of the Institution in Portugal can be met as are those of BPI customers in Spain.



## 4. Acting in accord with corporate values

- 4.1 Trust
- 4.2 Service Excellence
- 4.3 Social Commitment

Trust, social commitment and service excellence are the values which have inspired the actions of "la Caixa" since its inception.

## 4.1 Trust

One of the primary objectives for “la Caixa” is to safeguard the trust placed in us by our customers. In order to do this, it is indispensable to provide excellent quality service covering every aspect of business management and which translates to, among other things, positive economic results, proven track record in solvency within the financial market, security of products and services on offer and in general, transparent and seamless dealings.

### Economic results

Given the current adverse economic situation, financial institutions are, in general, exercising prudence in order to face an increase in the delinquency rate without reducing *solvency* ratios.

In this context, during 2009 “la Caixa” has held its position among the leading Spanish financial institutions due to a strategy which has always combined growth and security with a reduced risk profile, excellent guarantees and conservative and rigorous risk management policy.

### Solvency

Solvency in a financial institution is a way of gauging its ability to overcome adverse situations which, if they arose, could pose a risk to the institution, thereby compromising its assets.

For “la Caixa” global risk management is intrinsic to its activity. In order to do this, the institution identifies, assesses and evaluates risks involved in every business decision taken, pursuant to measurement and good business practices standards, apart from investing in technology and tools to improve risk assessment management.

During 2009 “la Caixa” reinforced active management of own resources setting up the Solvency department, which answers directly to Executive Financial Management. The department’s principal functions are to guarantee solvency levels stipulated by the Bank of Spain, plan and determine the Institution’s capital objectives, and establish required contingency plans in the event of possible difficulties that might arise in the future.

The efforts made in this area has meant that “la Caixa” consolidates its financial fortitude and maintains its leadership position of the Spanish financial system in terms of solvency: Core Capital 8.7%, Tier-1 10.4%, Total Tier 11%; sustained by the emission of EUR 1,898 million preferred shares and EUR 2,500 million in subordinated debt, which has bolstered its own resources.

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2009 WITNESSED THE CONSOLIDATION OF THE FINANCIAL STRENGTHS OF “LA CAIXA” IN TERMS OF SOLVENCY AND LIQUIDITY

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### EXCELLENT CREDIT RATING

The principal credit rating agencies have maintained their high level ratings for “la Caixa” throughout 2009: AA, from Standard & Poor’s, Aa2, from Moody’s and AA, from Fitch. The Institution is one of only three Spanish financial groups with a long term rating within the AA range from all three credit rating agencies. These agencies view in a positive light the saving bank’s firm banking position within the Spanish market thereby enabling development of its banking business, liquidity and solvency, strong management and the success of its business strategy and the excellent asset quality.

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THE SOLVENCY OF “LA CAIXA” STOOD FIRM THROUGHOUT 2009, ABOVE THE AVERAGE FOR SPANISH FINANCIAL INSTITUTIONS AND FOR ANOTHER YEAR IN SUCCESSION, OBTAINED THE HIGHEST RATING FROM CREDIT RATING AGENCIES

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### Customer finance

It is worthy of mention that "la Caixa" has been consistent in responding to the finance needs of its customers, also in 2009, thereby contributing to the economic development of the country. Therefore, in 2009, the customer credit portfolio increased by EUR 1,603 million reaching a total of EUR 178,026 million (+0.9%), with more than one million new transactions and EUR 104,045 million in risk granted, principally through intense growth in credit investment to companies by way of the 80 business centres (+14%) and the entire branch network.

### Liquidity

During 2009 availability of *liquidity* has been a fundamental requirement in order to operate in a financial market marked by constant fluctuation. "la Caixa" operates a prudent liquidity management framework, in accordance with its strategic objectives, and manages this in an efficient and active manner maintaining a constant presence in financial markets. Furthermore, the institution incorporates best market practices and recommendations of supervisory bodies. In addition, clearly defined contingency plans are in place in order to affront the most adverse situations that may arise with the best possible guarantees in place.

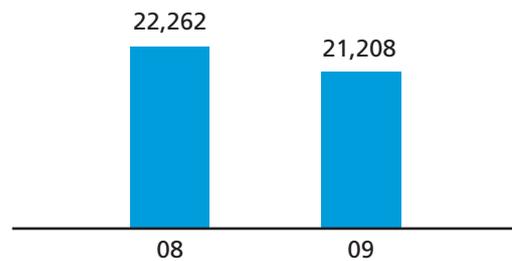
This has enabled "la Caixa" to continue maintaining a high liquidity level with EUR 21,208 million, which represents 7.8% of the "la Caixa" Group's overall assets and a figure up and above the 5% minimum referred to in the Institution's Strategic Plan 2007-2010.

On the other hand, it is worth noting that 70% of the liquidity of "la Caixa" comes from customers' deposits: this fact represents solid stability and implies that the dependence for finance on international capital markets is kept to a minimum. In 2010, institutional debt maturity is forecast at EUR 2,810 million.

The fact that the institution enjoys such strong liquidity not only means that it can continue to grow its business with security and improve market position over its competitors, but also that it is capable of responding to the financing needs of its customers.



Trends in liquidity of "la Caixa" (EUR million)



### Security in products and services

Ensuring the maximum level of security in customer transactions and in employees working environment has for years been one of the areas in which "la Caixa" focuses endeavours in technological innovation.

#### Branch security

The Institution feels that guaranteeing the safety of its customers and employees is a priority, and as a result the branch offices of "la Caixa" are equipped to minimize theft and robbery risk, above all in areas considered at greater risk.

This commitment also implies adopting protective measures far and above the minimum level stipulated by legislation. Therefore, in 2009 the introduction of digital video imaging and recording was completed in all branches, improvements were made to alarm central in 380 branches, and 29 new individual metal detector access points were installed in order to prevent robberies.

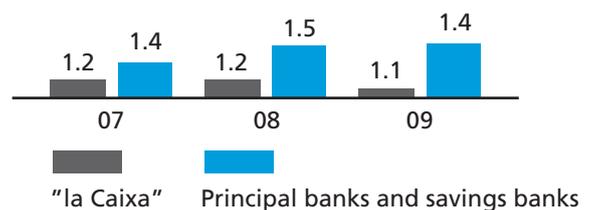
Response protocols in the event that a robbery or attack were to take place in a branch have also been revised in an effort to enhance the safety of employees. The objective here is to encourage the adoption of specific response actions and coordination in order to protect those involved before, during, and after the situation has occurred. In addition, employees can avail of the training course "Employee security in financial institutions" through the online training platform Virt@ula.

It should also be mentioned here that the number of robberies per 100 branches of "la Caixa" was the lowest for the entire financial sector. The figures for 2009 were 1.1 robberies per every 100 branches representing the best figures over the past four years.

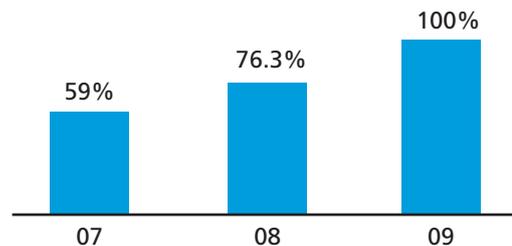
SINCE 2009, BRANCH ROBBERY IS CLASSIFIED AS AN OCCUPATIONAL HAZARD IN A MEASURE DESIGNED TO SUPPORT THE INSTITUTION'S PROFESSIONAL TEAM

"LA CAIXA" REMAINS AT THE TOP AS THE FINANCIAL INSTITUTION WITH THE LOWEST NUMBER OF ROBBERIES IN THE ENTIRE SECTOR, THANKS TO ONGOING SECURITY IMPROVEMENTS INTRODUCED IN BRANCHES

Overall number of robberies per 100 branches



Percentage of branches with digital video recording



SECURITY	2007	2008	2009
N° of security personnel who have completed the Security Personnel Training Course or similar courses which cover human rights elements relevant to their professional activity.	112	121	117
Percentage of branches with automatic cash dispensing / recycling machines	100%	100%	100%

### Security in banking transactions

"la Caixa" has been ardent in ensuring the utmost peace of mind for its customers by way of a very simple formula: pre-emptive detection and prevention of transaction fraud.

In this respect, [CaixaProtect](#) represents a groundbreaking service in Spanish banking that since 2006, guarantees cardholder security against fraudulent use and identity theft. The service informs the customer by SMS of any major transactions performed using the titleholder's card for purchases, cash withdrawals or use of cards or bank transfers made from the online banking portal, Línea Abierta or any ATM. By year end 2009, more than 5 million customers had benefited from this notification service.

On another note, the Institution continues to develop tools designed to prevent fraud using its network of ATMs and has begun to install new anti-skimming systems to prevent the copying of banking cards.

### IT security

While "la Caixa" is the financial institution with the greatest market share in online banking, at the same time it suffers the least number of phishing attacks (fraudulent e-mails and website forgery) in the entire sector. Thanks to an electronic platform and groundbreaking safety measures which ensure [customer security](#), the Institution possesses the safest online banking channels in the marketplace.

Moreover, in an effort to protect the online business dealings of employees, during 2009 several measures for improvement were introduced, such as IT equipment security to prevent attack from any malicious software or the ongoing updating of security standards and procedures.



"LA CAIXA" IS A BENCHMARK INSTITUTION IN TERMS OF PAYMENT SOLUTIONS. CAIXAPROTECT IS A GROUNDBREAKING SERVICE IN SPAIN, GUARANTEEING PROTECTION AGAINST ANY FRAUDULENT USE OF BANKING CARDS IN ATMS OR VIA ITS ONLINE BANKING PORTAL, LÍNEA ABIERTA

### "LA CAIXA" RENEWS ISO 27001:2005 CERTIFICATION

This certification bestows on "la Caixa" one of the highest levels available in Internet services security management. The Institution renewed the certification after having successfully passed review and appraisal of all security response and security incident procedures.

This renewal represents a further commitment to security, quality and revision of the institution's security systems.



IN ORDER THAT "LA CAIXA" CUSTOMERS PERCEIVE SIMILAR LEVELS OF SECURITY FOR ELECTRONIC CHANNELS AND PHYSICAL CHANNELS, AND FULLY ENJOY THE COMFORT AND SPEED OF ELECTRONIC CHANNELS WHEN PERFORMING DAY-TO-DAY TRANSACTIONS, THE INSTITUTION RELEASED A VIDEO TITLED "[WE CARE FOR YOUR SECURITY](#)", AN INITIATIVE WHICH HAS RECEIVED MORE THAN 45,000 VISITS SINCE ITS PUBLICATION

### Ethical business standards

With regard to ethical business standards and transparency, "la Caixa" has introduced several initiatives over the past year, among which the ones that stand out are the publication of the Institution's revised Code of Ethics with updates regarding the guiding principles of "la Caixa" and paves the way for the challenges to be faced in the future.

#### Revised Code of Ethical Values and Principles of Action

In 2009 the Board of Directors of "la Caixa" approved a revised [Code of Ethical Values](#) replacing the previous 1990 version with a revised and updated model. The internal code of conduct is inspired by the values of the Institution -trust, social commitment and service excellence-, and it promotes principles of action that may be summarized in the following manner: integrity, confidentiality, customer care, transparency, respect for individuals and cultures, responsibility –at a personal and social level- and teamwork.

It should be noted here that if the previous version was aimed at employees and stressed the importance of their professional behaviour, the revised document takes this commitment one step further and represents a public commitment on behalf of "la Caixa", a fact that is also reflected by the Institution joining international agreements like the United Nation Global Compact and the Equator Principles.

This code which responds the development of society and of the Institution itself, it deals with, among other issues as protection of customers' personal and private information, the struggle against money laundering, equality between the sexes, environmental awareness or the development of corporate volunteering.

#### Money Laundering Prevention and Anti-corruption Policy

"la Caixa" establishes an internal control system and trains and informs employees on a regular basis regarding the [prevention of money laundering](#) activities arising from drug trafficking, terrorism, or organised crime. In this respect, over the past year several measures were adopted to enhance the level of control affecting internal response protocols as well as subsidiary companies of the Institution.

In 2009, "la Caixa" had a team of 9 persons working exclusively in this area. Through the central alert system, 60,558 alerts were reviewed corresponding to 3,581 customers. Moreover, the decentralized alert system managed through branch offices reviewed a further 5,010 alerts, corresponding to 1,988 customers. The Prevention of Money Laundering Task Force (UOPBC as per the Spanish acronym) investigated a total of 685 transactions. Of these, 94 were referred to the Executive Branch of the Bank of Spain.

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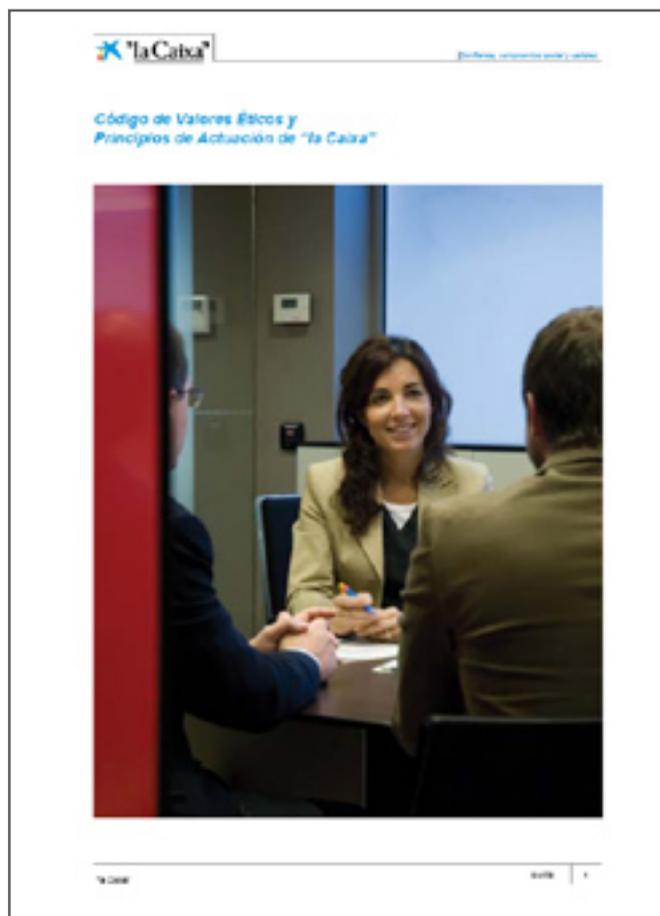
THE REVISED CODE OF ETHICS OF "LA CAIXA" REPRESENTS A PUBLIC COMMITMENT ON BEHALF OF THE INSTITUTION AND ADAPTATION OF ITS GUIDING PRINCIPLES IN ORDER TO FACE THE CHALLENGES OF TODAY

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THE CODE AFFECTS ALL THOSE WHO MAKE UP "LA CAIXA", WHO SHOULD RESPECT THE VALUES, PRINCIPLES AND STANDARDS THEREIN IN THEIR INTERNAL PROFESSIONAL DEALINGS AS WELL AS EXTERNAL DEALINGS WITH CUSTOMERS, SUPPLIERS AND SOCIETY IN GENERAL

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All employees of the Regional Network have, for the past two years, had access to a course in prevention of money laundering through the corporate Intranet site, as well as a training manual. In 2009, a total of 618 employees participated in the course.

#### **Safeguarding privacy and confidential data**

Data protection and the right to privacy are present in every facet of management at "la Caixa", including all communication with employees and customers. Strict compliance with legislation in force in matters concerning data protection and bank secrecy are reinforced by the rigorous internal control measures and the varying training courses organised for staff.

Furthermore, the Institution maintains a register of all files that contain personal data with the General Registry of Data Protection and also has a mandatory security document which must be completed by all staff members with access to sensitive personal data. The mere consultation of customer data which is not strictly required for the performance of duties is forbidden and punishable by fine, even though the matter may not have any further consequences.

In this respect, throughout 2009 "la Caixa" was subject to a EUR 60,101.20 sanction as a result of non-compliance with regulations regarding respect for customer privacy.

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DURING 2009 "LA CAIXA" CONTINUED TO REINFORCE CONTROL SYSTEMS IN PACE IN ORDER TO PREVENT MONEY LAUNDERING AND THE FINANCING OF ORGANISED CRIME

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IN "LA CAIXA" THERE IS A FOLLOW-UP COMMITTEE FOR APPLICATION OF ORGANIC LAW FOR DATA PROTECTION (LOPD AS PER THE SPANISH ACRONYM), WHICH ENSURES COMPLIANCE WITH PROTECTION STANDARDS AND REGULATIONS: IN DOCUMENT GENERATION AND ADMINISTRATION IN BRANCHES, IN ELECTRONIC TRANSACTIONS, ETC

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### Transparency in advertising

All commercial communication which "la Caixa" sends to its customers must be completely free of any ambiguous, false or misleading information, pursuant to that established under internal code and legal regulations. In fact, "la Caixa" is a member of the Spanish Advertising Self-regulation Organization (AUTOCONTROL as per the Spanish acronym), whose principles are based on veracity, honesty, legality, and loyalty in all matters of advertising.

In 2009, the Transparency in Financial Products Commission was set up and comprised of representatives from the principal areas involved in the product development and marketing, with the objective of debating all matters concerning transparency of products and services offered to customers. It is worthy of note that for the previous reporting period, there are no recorded incidents or settlements awarded against "la Caixa" related to advertising or product information.

At the same time, the relationship between "la Caixa" and the media is also grounded in transparency of information and credibility. The institution has a communications department whose responsibility it is to maintain an open and personal relationship with members of the press. This department is in charge of preparing press releases, organising press conferences, and addressing journalist's queries and questions.

In order to facilitate their work, "la Caixa" has a specific section accessible only to [journalists](#) on the website. Here they can access the latest press releases, as well as figures, data and an image gallery, and other resources of information interest.

Finally, the Institution launched its [corporate blog](#) in 2009. The blog represents a fresh source of information set up to facilitate access to the world of finance, economics, and all other relevant issues concerning "la Caixa" for all those who may be interested.

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#### THE RELATIONSHIP BETWEEN "LA CAIXA" AND ITS CUSTOMERS AND THE MEDIA IS GROUNDED IN TRANSPARENCY OF INFORMATION, CLARITY, AND CREDIBILITY

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##### EMERGENCE OF "LA CAIXA" IN THE MEDIA IN 2009

11	Press conferences
83	Press releases
32	Interviews
57	Chairs

##### MORE THAN 250,000 VISITS RECEIVED IN THE FIRST ANNIVERSARY OF THE "LA CAIXA" CHANNEL ON YOUTUBE

In 2008, "la Caixa" made a commitment to creating its own channel in YouTube, where over 300 videos have been published providing information about financial products and services such as CaixaProtect or Premi@, the LKXA programme, mobile phone services (CaixaMóvil), CaixaEmpresa products, Welfare Projects, financial training. The videos are an excellent way for the Institution to inform viewers of their products given that they provide accessible explanations for what might ordinarily be complex concepts. Since it was set up, the channel has received more than 250,000 visits.

## 4.2 Service excellence

Constant adaptation and improvement are closely associated with each other and are two of the key concepts used for defining the service excellence "la Caixa" offers customers.

On the one hand, knowing and understanding the concerns of all our customers is one of the most important tasks involved in adapting products and services to meet their needs, as is the case in any economic environment. On the other hand, the Institution goes to great lengths in research and development of new technologies for address an ever changing and expanding market. In this respect, "la Caixa" continues to strive to remove any physical or sensory obstacles for its customers.

### Anti-crisis steps

In the economic environment, "la Caixa" has bolstered its commercial portfolio with the addition of several new products and services tailored to meet the needs of its customers. Among these, those that stand out given their significance are the measures designed to provide assistance and financing to individual or corporate customers, in order to enable them to overcome temporary economic difficulties, or to provide support for business ventures which present a solid structure and a sound business strategy.

### Measures targeting assistance for financial burdens of families

"la Caixa" has at its disposal several mechanisms designed to assist those families who find themselves affected by specific cash flow problems. In addition, in the context of the economic recession and its impact during 2009, the Institution strengthened insolvencies prevision and management through the creation of an entirely new business department, reporting directly to General Management, with managers in all regional delegations who study and respond to each and every application presented by credit or mortgage holding families.

### Assistance Plan for private individuals with usual residence mortgage

The objective of this plan is to help families who, having a good customer history rating with the Institution, are faced with difficult times resulting in a drop in their incomes due to being laid off or illness, and as a result they have gone into arrears or are at risk of doing so. The plan provides the option to reduce or postpone mortgage payments and more specifically, can come in three different forms: enacting a period of grace or "wait and see" clause; refinancing or restructuring the debt; or non-performance in payment of instalments.

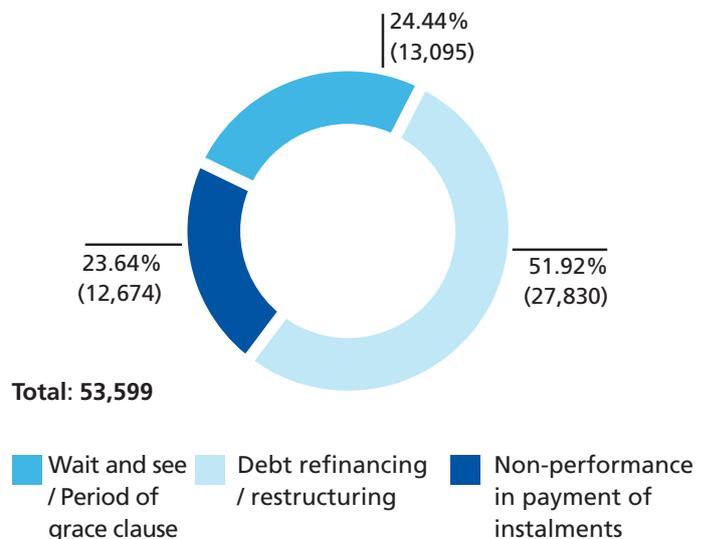
### Participation in ICO-mortgage arrears credit facility

Another of the initiatives implemented has been the participation in the Mortgage Arrears credit facility from the Official Credit Institute (ICO as per the Spanish

IN 2009 "LA CAIXA", FOR THE SEVENTH CONSECUTIVE YEAR WAS CHOSEN AS THE HIGHEST VALUED FINANCIAL BRAND NAME AMONG CONSUMERS ACCORDING TO THE MERCO MARCA FINANCIERAS SURVEY

WITH THE INSOLVENCY PREVENTION ASSISTANCE PLAN, "LA CAIXA" PROVIDES FINANCIAL SOLUTIONS AND MEASURES IN SUPPORT OF CUSTOMERS WITH PAYMENT DIFFICULTIES

Overall number of contracts processed under Assistance Plan for private individuals with usual residence mortgage in 2009



#### 4. Acting in accord with corporate values

acronym) which enables unemployed, widowed or otherwise affected individuals, or out of work self-employed mortgage holders to postpone repayments having suffered a sudden reduction in income. In 2009, "la Caixa", processed a total of 2,283 such contract for a total amount of EUR 15 million.

##### Monte de Piedad

Despite its three hundred years of history, the credit formula available from Monte de Piedad of "la Caixa" remains as relevant today as they were at the time of its inception. It represents a swift, modern and effective lending method to meet short-term monetary requirements through loans granted against jewellery held as a security guarantee.

Loans are granted for a period of up to one year, although the Institution contemplates a renewal mechanism for a similar period in the event that the borrower finds themselves incapable of returning the loan and thereby preventing jewellery from being auctioned. Business activity of *Monte de Piedad* experienced significant growth during the first half of 2009, then later returning to normal credit concession index rates. If we are to take the entire year into account, the number of loans granted grew by 8.5% and capital by 6.5%. Therefore, the loan portfolio balance exceeded EUR 26 million, corresponding to 15,973 active loans.

##### Financing for SMEs, the self-employed and retailers

Also during 2009, "la Caixa" culminated the introduction its specialized model for SMEs Banking, with the creation of the business administrator figure, in an attempt to reinforce its commitment to small and medium sized enterprises (SMEs), retailers and self-employed business people, and also in an effort to contribute to streamlining business activity.

In December 2009, the team was made up of 852 administrators in 820 branches. All of the above had the backing of commercial strength afforded by the extensive branch network of "la Caixa". So, at December 31, 2009 the Institution had almost 179,000 business or self-employed workers customers, a fact that represents Spanish market penetration of 30.8%.

On the other hand, "la Caixa" participates in the different [ICO credit facilities for company financing](#), taking an active and involved role in defining and designing these facilities, based on its invaluable experience and knowledge of the market and transmitting customers concerns detected to the bodies involved. The facilities available through the Institution's commercial network include the ICO-TIC or Plan Avanza, with 28,000 loans approved for an overall amount of EUR 300 million, and the new ICO-Liquidity Pyme for SMEs and Moratoria Pyme, apart from agreements included under the Plan de Fomento Empresarial (Business Development Plan), which include SMEs, Business Growth, International Expansion and Entrepreneurs agreements.

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DURING THE FIRST HALF OF 2009, MONTE DE PIEDAD REGISTERED A REMARKABLE INCREASE IN THE NUMBER OF LOANS GRANTED TO MEET THE SHORT-TERM LIQUIDITY REQUIREMENTS OF ITS CUSTOMERS

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MONTE DE PIEDAD	2007	2008	2009
Loans portfolio	EUR 20.5 million	EUR 24.7 million	EUR 25,98 million
Average amount borrowed	1,806 €	1,706 €	1.675 €
Average life	807 days	910 days	713 days

MAIN 2009 ICO LINES	Loans approved	Amount (Thousand Euro)
Promotion Plan Business	12,111	585,000
ICO-Liquidity Pymes	4,090	187,755
ICO Moratoria Pyme	77	961

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"LA CAIXA" RESTATES ITS COMMITMENT TO COMPANY FINANCING AND CREATION, MEETING THE SPECIFIC NEEDS ARISING FROM THE CURRENT ECONOMIC CLIMATE

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## Our relationship with Third Sector Organisations



*"UNICEF operate several different programmes which tackle the root issues of childhood problems in order to ensure that every child has access to quality education. Support from institutions like "la Caixa", which has been able to develop specific products designed for third sector institutions, as well as the support received from their customers, are vital in order that UNICEF and other organisations can carry out their projects, thereby contributing to improving quality of life conditions and future opportunities for children in underprivileged countries. The contribution from the Fundación "la Caixa" to UNICEF is allocated to projects which are successful in providing access for these children to formal education in the nomadic regions of Afar and Oromia, in Ethiopia. The work of UNICEF in more than 150 countries would not be possible without the commitment of institutions such as the Fundación "la Caixa" or of each and every person who, through initiatives targeting fundraising for cooperation development work, make personal donations". Paloma Escudero. Executive Director, UNICEF Spain.*

"la Caixa"'s contribution to the efforts developed by non-profit organisations is channelled through its [Welfare Projects](#). In this respect, two years ago the Institution waived all commission fees for donations transferred to certified and authorized NGO bank accounts. In 2009, the amount of commission fees waived was EUR 300.000, without taking into account fees waived for the organizations transactions themselves.

Moreover, in 2009 [MicroBank](#) developed a package of specific products and services in an effort to facilitate financial administration of this kind of institutions.

In a similar vein, another noteworthy event was the international initiative agreement made between the "la Caixa" and the [GAVI Alliance](#) in 2008, dedicated to providing access for children in low income regions to vaccination, contributing also to improving healthcare systems in these countries and fostering long-term sustainability. "la Caixa", in an effort to fight infant mortality, made a donation to the GAVI Alliance of EUR 8 million over the past two years, representing the largest donation ever made by "la Caixa" to one single organisation.

### Puntos Estrella

The [Puntos Estrella](#) programme provides customers with two channels for contributing to charity organisations and social projects through reassigning the 'Puntos Estrella' acquired by customers. The channels available: convert 'Puntos Estrella' points into monetary contributions or exchange them for fair trade products. In 2009, "la Caixa" together with PromoCaixa, pooled resources in order to increase the number of projects and social and environmental entities who benefit from these contributions, as well as improving its published and online catalogues of fair trade gift articles. Customers were able to choose from 126 social and cultural projects, which received a total contribution of EUR 383,994.

### DEPÓSITO SOLIDARIO



Among the portfolio of products available to customers, one that stands out is the Depósito Solidario, a financial product which enables customers to make contributions to funding 4 cooperation

projects chosen by "la Caixa" and proposed by different institutions such as Red Cross, Médecins Sans Frontières, Cáritas and Oxfam. The minimum amount invested in the deposit account was EUR 1,000 for a one year term and customers can choose to donate between 25% and 100% of net interest earned to the chosen NGO project. The margin obtained by "la Caixa" from these deposits is practically zero and even so, any profit derived is allocated to charitable causes.

## Quality

Customer satisfaction, whether private individual customers or corporate clients is one the principal objectives of "la Caixa". As a result, the institution is constantly demanding the utmost from itself and striving to achieve service excellence based on a relationship with its customers grounded in trust, accessibility and efficiency.

### Quality indicators

In order to achieve service excellence it is vital to gain ongoing customer feedback about their perceptions of the Institution. To this effect, regular qualitative and quantitative surveys are conducted to gather their assessments of "la Caixa" and the financial products and services we offer. Quality surveys allow for measuring customer satisfaction levels by way of the Personal Service Index (PSI). The goal is to achieve an overall result above 100 and in this respect; in 2009 the new Quality Improvement Plan was implemented to reduce the number of branches with a PSI rating below 100.

Moreover, and in an attempt to improve the level of service offered to customers, "la Caixa" initiated the COR (Results Oriented Quality) programme for improving service quality. The programme is designed to assist employees in achieving greater efficiencies when addressing day-to-day operational issues while strengthening the employees' commercial know-how.

It is worthy of mention that even though customer satisfaction levels for the financial sector have been adversely affected by the current economic recession, "la Caixa" has maintained customer satisfaction levels above market average. This fact is reflected in internal and external studies carried out by third parties, such as the consultancy FRS Inmark, AQMetrix or the Bank of Spain.

### Internal customer satisfaction

Service quality provided by Head Offices of the Institution to its network of branches also plays a fundamental part in achieving the level of excellence "la Caixa" aspires to provide for customers. Historically, this level of satisfaction is obtained through the regular surveys carried out in branches.

In 2009, changes were introduced in the way internal service quality is evaluated. On the one hand, satisfaction questionnaires have been modified, which has enabled for closer analysis of real issues concerning the branch network: greater weight is given to aspects regarding business and the sales team. On the other hand, the introduction of several new Objective Quality Indicators (OQI) enables the company to get a more realistic evaluation of the service quality offered to customers,

### "LA CAIXA", WINS THE MADRID EXCELENTE AWARD FOR CUSTOMER CONFIDENCE

In 2009, the Community of Madrid awarded "la Caixa" in the category of Large Group Company in the third edition of the Madrid Excelente Awards. This award is given in acknowledgement for the top ranking companies in management excellence and trust placed by customers in the institution.

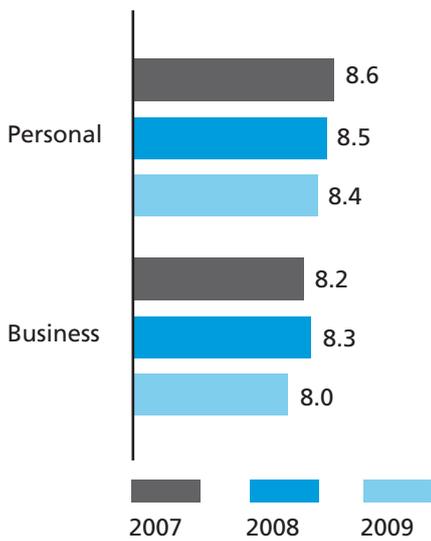


by evaluating activity parameters or the degree to which objectives have been reached in the varying departments of Head Offices.

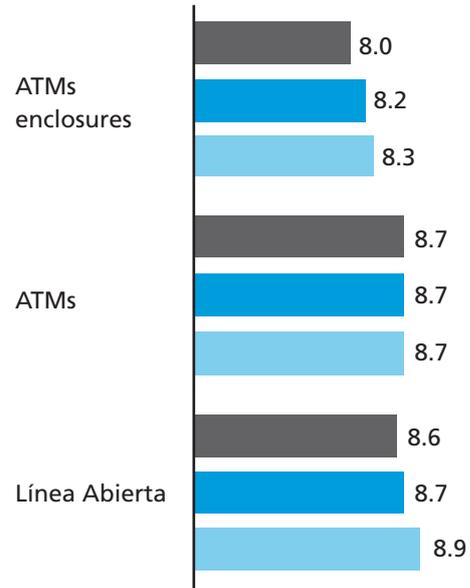
The importance placed in service quality by the Institution results in excellent response levels to evaluation surveys carried out with 65% branch participation and an overall mark of 7.52 on a scale of 0 to 10.

**ONGOING CUSTOMER SATISFACTION ASSESSMENT  
ALLOWS THE INSTITUTION TO MAINTAIN A HIGH LEVEL OF  
EXCELLENCE IN PRODUCTS AND SERVICES OF "LA CAIXA"**

Individual customer satisfaction surveys



Satisfaction Surveys



## Customer care



*"Providing excellent customer service implies improving performance day by day, being aware of their needs and finding innovative solutions. Because of this, and after commenting with several corporate customers the varying possibilities for an online correspondence service, it seemed to me that the best option for our customers would be to receive one single pdf with the complete list of bills, thereby making expenses easier to control and reducing paper consumption. I submitted the proposal and it was integrated within the service provided."*

**Sergio Villegas Jiménez, Manager, 1446 branch Quevedo (Madrid).**

For "la Caixa", in addition to service quality control another priority is to deal with and respond to all consultations, complaints and grievances received from customers, which are dealt with by corresponding professionals within the National Network, Head Offices or Group subsidiaries.

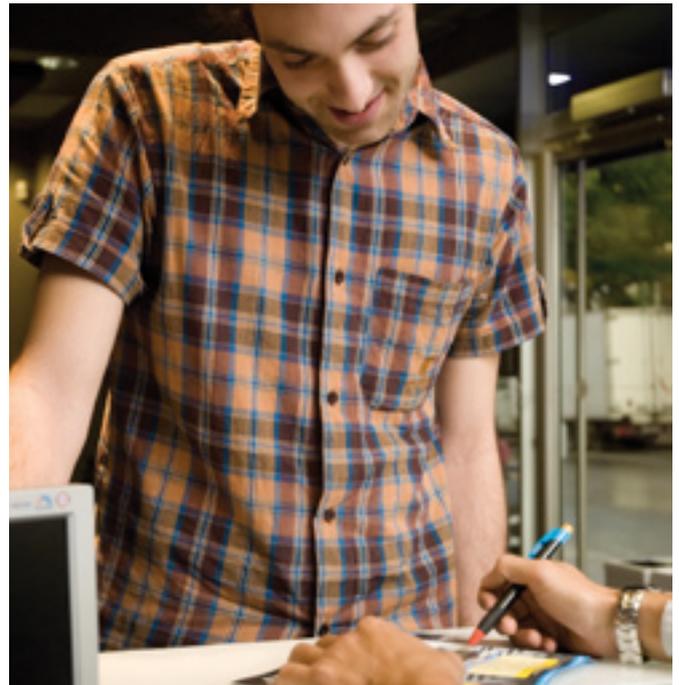
Careful and diligent management of complaints means that "la Caixa", for another consecutive year, is one of the institutions with the lowest volume of complaints received in proportion to the volume of business, as highlighted in the latest report available from the Bank of Spain Complaints Commission.

### Listening to our customers

At "la Caixa" every complaint or comment is welcomed and seen as an opportunity for improving service excellence. The "la Caixa" [Customer Care Centre](#), provides clients with several channels for open and efficient communication of complaints or comments. Channels available include, a dedicated e-mail address, the free phone Customer Care number (900 32 32 32), or indeed a letter addressed to the President of "la Caixa" (a service available at any branch).

Similarly, customers of "la Caixa" may also take their complaint to the Catalan Saving Banks Customer Ombudsman. Compliance with a determination from the Ombudsman is a mandatory requirement for the savings banks but not for the customer and in 2009, 2,229 complaints were dealt with through this mechanism, of which 458 were settled in favour of the claimant, 660 in favour of "la Caixa", 445 were deemed inadmissible or improper and a further 642 are pending resolution, and finally, 24 complaints were withdrawn by customers.

During 2009, the number of customer complaints suffered an increase of almost 63% compared to the previous reporting period, possibly resulting from the worsening economic climate, given that this increase has been across the board



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**IN 2009, "LA CAIXA" DEALT WITH A TOTAL OF 2.229 COMPLAINTS WHICH WERE ATTENDED TO BY THE MOST APPROPRIATELY QUALIFIED MEMBER OF STAFF AND WITHIN THE SHORTEST POSSIBLE TIMEFRAME**

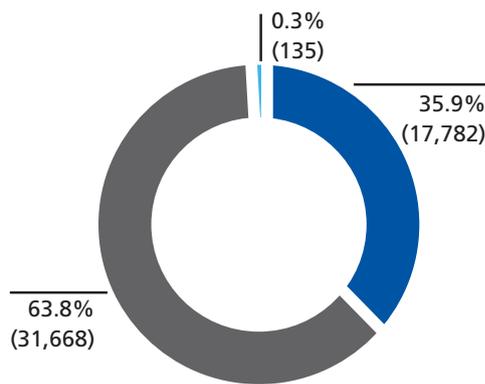
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for financial institutions. Complaints concerning loan transactions and service fees were the areas most affected by the increase.

In this respect, and from the department of Organisation and Quality, several initiatives were implemented in an attempt to reduce the number of complaints: branch-wide training to try to urgently resolve the principal reasons for complaints accompanied by visits to branches in order to address the situations which give rise to these complaints. "la Caixa" has also implemented changes in areas such as ATM administration, online banking portal, or insurance products as a result of customer's appraisal of same.

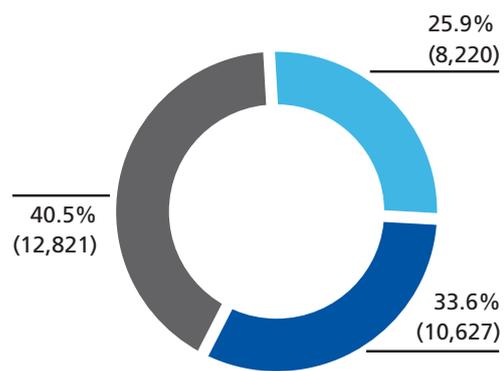
DESPITE THE FACT THAT THE CURRENT ECONOMIC CLIMATE HAS RESULTED IN A SUBSTANTIAL INCREASE IN THE VOLUME OF COMPLAINTS AND GRIEVANCES RECEIVED BY "LA CAIXA", IT CONTINUES TO BE THE INSTITUTION WHICH RECEIVES LESS COMPLAINTS IN PROPORTION TO BUSINESS VOLUME, IN THE ENTIRE FINANCIAL SECTOR

### Customer suggestions and complaints



■ Congratulatory ■ Comments or suggestions ■ Complaints or grievances

### Complaints or grievances received per channel



■ Letter ■ Telephone ■ E-mail

COMPLAINTS OR GRIEVANCES BY CLASS SUBMITTED TO THE "LA CAIXA" CUSTOMER CARE OFFICE IN 2009	
Loans	6,111
Customer care	5,035
Banking card transactions	6,208
Transactions	3,811
Self-service	1,234
Branch facilities	548
Insurance products	942
Demand and deposit savings	2,750
Other reasons	5,029
<b>TOTAL</b>	<b>31,668</b>

COMPLAINTS ORIGINATING IN "LA CAIXA" SUBMITTED TO THE CATALAN SAVING BANKS CUSTOMER OMBUDSMAN IN 2009	
Settled in favour of "la Caixa"	660
Settled in favour of customer	458
Inappropriate / Inadmissible	445
Customer withdraw complaint	24
Pending resolution	642
<b>TOTAL</b>	<b>2,229</b>

## Innovation



*"Here in Banking Cards Department we are constantly working to generate new forms of payment to offer our customers more comfortable solutions. Bearing in mind professionals or self-employed workers who provide call-out services like home appliance repairs, we designed and developed the TPVMóvil. All these workers need is a mobile telephone in order to process a credit or debit card payment; it's that simple. In this way, the risk of carrying cash, theft or loss is completely eliminated. Moreover, they can now offer their customers a more comfortable payment method with the added guarantee of immediate payment for their services".*

**Sergio Segovia, Administration, Director of Electronic Banking.**

The Strategic Plan 2007-2010 outlined the principal technological challenges to be faced over the current three year period. The fruit of this endeavour, throughout 2009 "la Caixa" invested a total of EUR 166.5 million in technology, EUR 24.6 million of which was allocated to R&D+i.

In 2009, and within the framework of its strategic commitment for ongoing modernization of the branch network, "la Caixa" made progress in improvement to its broadband telecommunications infrastructure with the introduction of fibre optics, thereby extending technological cover of branches and enhancing work station efficiency, which enables employees to improve operating procedures in their relationship with customers.

Further progress made throughout 2009:

- Initial stages of the construction of new data processing centres in Cerdanyola del Vallès (Barcelona) which will strengthen the technological leadership position of the Institution given the centres technological capacity for optimising energy saving and spatial occupation of the equipment.
- Ongoing improvements made in usability of electronic channels (Internet - [Línea Abierta](#) and Group company websites-, mobile devices and ATMs). In this regard, ongoing user tests are still being carried out in order to improve user experience of these channels. Over the past 6 years, more than 2,500 users have taken part in the Usability Testing Laboratory.



RECENT TECHNOLOGICAL IMPROVEMENTS INTRODUCED BY "LA CAIXA" SEEK TO MAINTAIN THE INSTITUTION'S SERVICE EXCELLENCE TRACK RECORD AND PREPARE FOR FUTURE GROWTH

- Operating systems have been introduced Línea Abierta which enable users to participate in the creation and design improvement of specific services. One example of this new operating system is the "beta" service versions, where customers are invited to test a service and provide feedback of their experience.
- New Línea Abierta tab designs which customers can configure easily. Currently there are 32 images to choose from.
- Incorporation of the new ServiCaixa website, complete with a more catching, clearer and intuitive system design, and a redesigned version of the online ticket sales service channel.
- Introduction of new tools to streamline branch office queries.
- Development of innovative IT architecture on which IT systems are capable of developing and evolving in such a way as to guarantee the required supported growth of "la Caixa".

Moreover, the results stemming from the Institution's endeavours in the field of technological innovation has meant that in 2009, several fresh solutions and application were developed with the goal of contributing to effecting ongoing improvements in the service provided by "la Caixa". Among these, the following stand out:

#### New "la Caixa" branch and ATM search engine for mobile phones

In order to facilitate the location and access to branch offices and ATMs, "la Caixa" has developed a new [application for mobile phones](#), thereby transforming them into GPS systems.

Without needing to introduce your location, you just have to open the application and it automatically locates the nearest branches and ATMs, even though they may be several streets away or not visible due to obstacles. In 2009, this service from [CaixaMóvil](#) was already available for phones using the Android system from Google. The programme has been downloaded by more than 20,000 users since its launch last year and is also compatible with iPhone, iPod touch and Blackberry devices.

#### STRATEGIC AGREEMENTS BETWEEN "LA CAIXA" AND ITS MAIN TECHNOLOGICAL PARTNERS

In 2009, in order to consolidate its role as a world leading Institution in the implementation of technology in financial business, "la Caixa" signed a series of partnership agreements with the leading companies from the IT (Information Technology) sector:

- IBM: under this new agreement and in order to support the Institution's growth, IBM has been chosen to lead the development of joint R&D projects, provision of services associated with technological infrastructures, as well as providing new technological resources.
- HP: the new agreement with HP covers technological infrastructure provision and management, development of solutions for banking business as well as insurance business, administration of the "Contact Center" for branches and customers, and rendering Back Office banking services.
- Telefónica: the agreement reached with Telefónica ensures the existing and future communication requirements of the Institution, while at the same time incorporating a commitment for the gradual roll-out of fibre optics throughout the "la Caixa" network.



### CaixaMóvil Store

"la Caixa" set up the world's first [online shop](#) ever created by a financial institution offering mobile phone applications. Programmes are free and available to the general public, with the exception of transaction in relation to financial operations which require the user to introduce a security PIN number.

Several features are available to customers, among which are applications for topping up prepaid or mobile phone account balances, for preparing a monthly budget for household expenses, or for investing in the stock market. Other services, such as locating branch offices and ATMs or purchasing online tickets for concerts, theatre or cinema are accessible to everyone and accept payment by credit and debit cards from other major financial institutions.

### New ticket sales application for the mobile phone

The Institution has developed a new application for ServiCaixa which allows customers to purchase tickets in a similar way as they would through the website. This application also enables users to view the entire range of event on offer on the mobile phone screen.

### Control your income and expenditure from your mobile phone

Customers can now monitor monthly income and expenditure via their mobile phone with the introduction of the new service ["Mis Finanzas"](#) (My Finances).

### Tax free for retailers

This exclusive service from "la Caixa" allows POS Terminals in retail stores to manage and perform VAT returns for shoppers who are non-EU residents.



### TRANSFI - MOBILE TO MOBILE TRANSFER

In 2009 "la Caixa" introduced Transfi, an innovative, straightforward and fast payment method. Individual customers of the online banking service

Línea Abierta can use the application to make bank transfers from mobile to mobile. In other words, payments between mobiles, for small amounts or micro-payments can now be managed by performing banking transactions via mobile phone. Instead of needing to identify the 'Caixa' account number to which the transfer is being made, you only need to identify the mobile phone number and name of the contract holder of same in order to make the transfer.

### POS TERMINAL MOBILE PHONES FOR SELF-EMPLOYED

This innovative application transforms the mobile phone into a portable point-of-sale terminal and allows self-employed workers who are constantly on the move, to receive automatic payment by credit or debit card without having to bother with more burdensome technology.



Entra en **CaixaMóvil Store**® y disfruta de los servicios de "la Caixa" en tu móvil

¡Descúbrelo ya!

Descubre los servicios de "la Caixa" en tu móvil >>

## Accessibility to financial services

For "la Caixa", access to financial services is a fundamental right of every individual, regardless of their economic, social or physical situation or standing. For this, the Institution understands accessibility to services in the broadest possible sense including geographic proximity, multi-channel access and the removal of all physical or sensory obstacles.

### Geographic proximity

In view of the recommendations from the Bank of Spain, "la Caixa" reviewed the size of its branch network in order to adapt it to the new situation of the financial system and customers' needs.

Along these lines, over the past two years, the Institution has opened 80 Specialist Centres in company business and 31 branches providing customer care for Private Banking clients. Transferring the business of medium and large sized enterprises to this specialist network, together with the optimisation in the use of self-service banking channels (an area in which "la Caixa" enjoys a clear leadership position in Spain) has resulted in enabling the institution to plot an optimisation plan for the retail banking network, which by February 2010 will have been reduced by 400 branches. Despite this, "la Caixa" remains the leading Institution in the Spanish financial system in terms of physical presence, with more than 5,200 branches, and 12% market share of the total branches for the Spanish financial system. In this regard, it is worthy of note that the Institution is present in 100% of Spanish towns with more than a population of 20,000, and in 90% of towns where population is between 5,000 and 20,000.

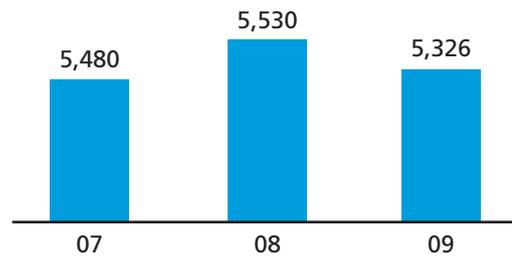
Branches which have integrated within other larger branches are for the most part, smaller, less well consolidated branches, that is to say with few operative customers and which are located no further than 300 metres away from the larger branch which continues to provide service. In such cases, customers have kept their existing account numbers and contractual conditions, thereby minimizing inconveniences arising from the transfer.

### Multi-channel banking

Customers can now access products and services offered by the Institution whenever, wherever and however they wish through the multiple channels available to them: branches, ATMs, mobile phones ([CaixaMóvil](#)) or [Línea Abierta](#) (via Internet, telephone or digital television).

In this regard, new technologies represent an additional spectrum of possibilities for providing customers with innovative and top quality services, to supplement the personalised care customers receive in branch offices.

Overall number of branches




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THE EXTENSIVE BRANCH AND ATM NETWORK OF "LA CAIXA" TOGETHER WITH ITS LEADERSHIP POSITION IN ONLINE BANKING VIA LÍNEA ABIERTA, MOBILE BANKING AND ELECTRONIC BANKING SERVICES HAS RESULTED IN THE INSTITUTION'S STRONG, BALANCED AND QUALITY GROWTH IN BUSINESS AND COMMERCIAL ACTIVITY

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#### 4. Acting in accord with corporate values

Furthermore, electronic channels not only offer a broad range of different services, but they also enhance the possibilities for communication between customers and "la Caixa".

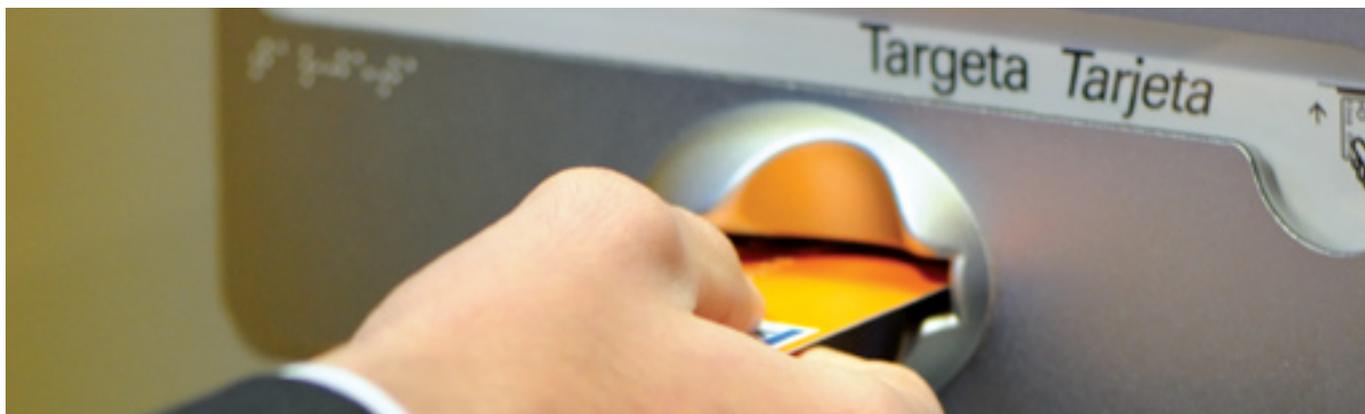
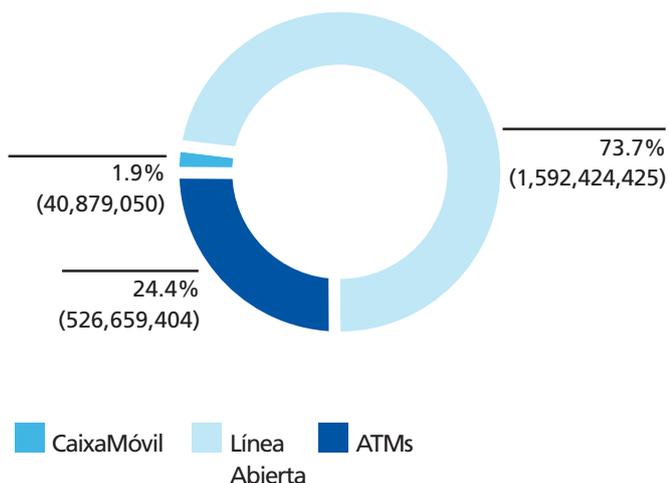
In 2009, with a view to improving the interactive capabilities of the Línea Abierta website, a new ongoing assessment system was introduced which enables customers to assess the service and offer their opinions from the website itself.

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ALMOST HALF OF ALL USERS WHO ACCESS MOBILE PHONE BANKING SERVICES IN SPAIN, DO SO THROUGH "LA CAIXA"

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Transactions made by "la Caixa" customers through the varying channels available



### Removal of physical and sensory obstacles

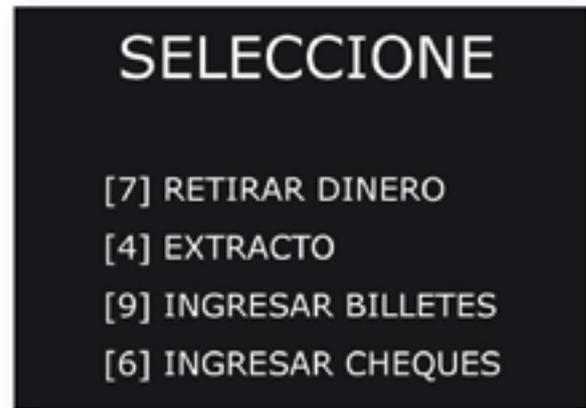
"la Caixa" continues its efforts to improve access and [remove physical structural obstacles](#) from its branches. In this regard, 100% of all new branches are completely adapted and improvements are ongoing in the rest of the branch network. In 2009, EUR 287.452 was invested in removing physical obstacles which meant that work was carried out in 30 branch offices.

Work is ongoing also to ensure that the Institution's entire network of ATMs is completely accessible channels for all customers, which all new ATMs are 100%. These ATMs comply with accessibility standards of the Fundació Barcelona Digital, in design, and programming and at the same time are also interactive for the hearing and visually impaired.

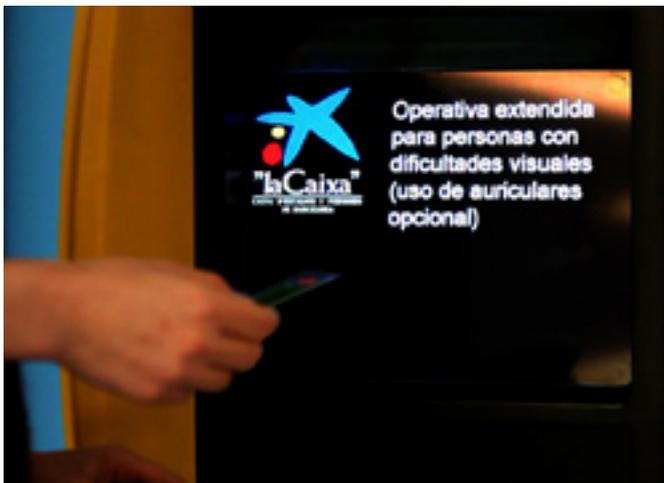
The following are just some of the principal initiatives carried out in relation to ATM over the past year:

- The option to personalize "1111" operations for the visually impaired, by just inserting the card or bank book into the ATM, which consists in facilitating card or bank book transactions with a terminal screen and black background with larger font white letters to make them easier to read.
- The introduction of a greater number of transactions available in sign language through the assistance videos for the deaf and mute. In 2009, 3,200 ATMs were equipped with sign language video aids subtitled in Spanish and Catalan explaining the more routine transactions: cash withdrawals, checking account balance and bank statement, etc.

INVESTMENT ALLOCATED TO REMOVING PHYSICAL OBSTACLES IN BRANCH NETWORK	2009
Amount of investment	287,452
Number of branches	30



"LA CAIXA" CONTINUES THE PROCESS OF REMOVING ALL PHYSICAL AND SENSORY OBSTACLES FROM ITS VARYING CHANNELS: BRANCHES, ATMS AND INTERNET



THE INSTITUTION IS CURRENTLY PLANNING A SUBSTANTIAL INVESTMENT WITH A VIEW TO ENSURING THAT BY YEAR END 2010, AT LEAST ONE ATM IN EVERY BRANCH COMPLIES FULLY WITH ACCESSIBILITY RECOMMENDATIONS

#### 4. Acting in accord with corporate values

With regard to the Institution's websites in Internet, it is worth mentioning that since 2006, "la Caixa" achieved 'level A' certification in accordance with Web Accessibility Initiative standards (WAI) and work is underway to comply with its commitment to adapt Internet channels to achieve "AA level" certification.

Moreover, "la Caixa" was the first Spanish financial institution to have accessible online banking services given that since 2006, the online banking service, Línea Abierta, is available for the visually impaired.

Finally, in collaboration with the Spanish Foundation ONCE, "la Caixa" continues to offer its support to the [INREDIS](#) project (acronym for INterfaces for Relations and people with DISabilities) in developing technologies that improve communication channels for people with special needs so that they can better communicate and interact with their surroundings. In 2009, generic technology was developed which will enable disabled users to interact with several different applications already on the market using a mobile device.

Consequently, the menu for the corporate website has already been adapted to incorporate this technology.

#### **"LA CAIXA" LEADER IN ONLINE BANKING IN SPAIN, ACCORDING TO AQMETRIX**

The "la Caixa" website is the leading online banking services portal in Spain with a market share of 30.1%, according to Nielsen Net Ratings.

Also in 2009, "la Caixa" was awarded first place in the AQMetrix rating for financial institutions, a study which rates the quality of financial services in Internet. AQMetrix performs quarterly rating of the quality of online services using parameters such as the range of services available, customer care, design and user-friendliness, and availability of web pages. Moreover, the rating divides web channels depending on user type: private individuals, companies, professionals and businesses, foreign trade and online brokers. "la Caixa" achieved the best rating in every business area assessed.

## 4.3 Social commitment

Financial and social aspects have always been interwoven in the mission of "la Caixa" since its very foundation. Through its day-to-day financial activity as well as the work it carries out through "la Caixa" Welfare Projects, the Institution strives to comprehend and respond to the principal concerns and needs affecting the groups it comes into contact with: customers, employees, suppliers and society in general.

### Welfare Projects



*"Now more than ever we must contribute to palliating citizens' principal worries, among which are unemployment and poverty. It is time to move closer to people".  
Isidro Fainé, Chairman of "la Caixa" and of the "la Caixa" Foundation.*

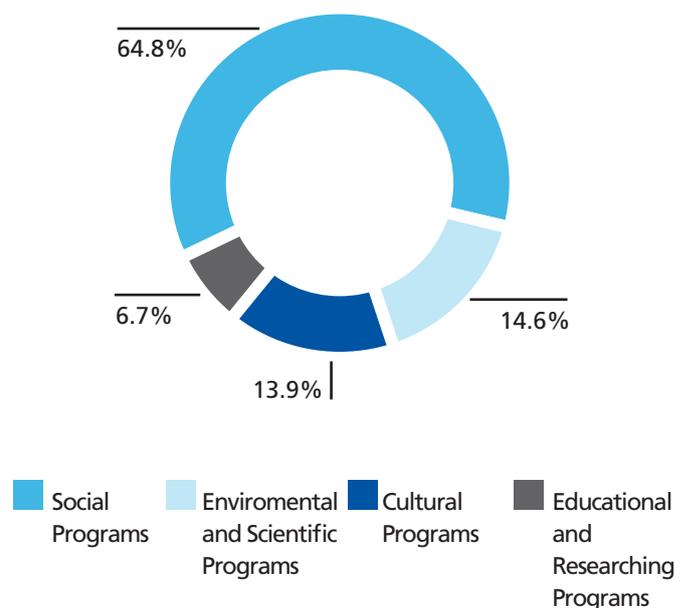
In such an adverse economic climate as the current one, "la Caixa" reaffirms its commitment with its stakeholders with a view to contributing to the welfare of society in general. With this goal in mind, the Institution preserved budgetary allocations in 2010 for its [Welfare Projects](#) of EUR 500 million, thereby equalling the amount allocated in 2009.

#### Social and welfare programmes

The raison d'être of the Welfare Projects of "la Caixa" has always been that of helping people by affording them the opportunities that go towards addressing their financial and social needs, independently of their age or condition. On this understanding, throughout 2009, Welfare Projects gave priority to its welfare programmes, to which it allocated 65% of its investment.

The [CaixaProinfancia](#) programme, which fights against childhood poverty, improving work opportunities for underprivileged social groups or providing care for those in advanced stages of sickness and their families were just some of strategic priorities for Welfare Projects during 2009.

Distribution of investment according to programmes (2009)



#### 4. Acting in accord with corporate values

- CaixaProinfancia



*“The thing I like most about my life is that I’m lucky enough to be able to go to school. And I have enough to eat”.*  
*José Miguel, 10 years old and beneficiary of the CaixaProinfancia programme.*

With the purpose of contributing to the fight against infant poverty and breaking the viscous hereditary circle of poverty in Spain, “la Caixa”, fosters the [CaixaProinfancia programme](#). This programme is a vehicle through which assistance is provided to low income families aimed at improving their economic situation, promoting social inclusion of children and preventing the risk of social rupture. 45% of the families who benefit from the programme are single parent families, generally a mother with dependent children.

Since 2007, more than 140,000 girls and boys under the age of 16 who are at risk of social exclusion received assistance targeting their socio-educational development through, among other initiatives, educational support and psychological or medical assistance. The Institution allocated more than EUR 100 million to the programme over the past two years.

“la Caixa” Welfare Projects implements the project with the assistance of 32 other social entities in charge of coordinating its introduction on a nationwide level. These institutions represent a far wider reaching network made up of more than 300 welfare institutions. The programme is currently implemented in the 10 most densely populated urban centres in Spain: Barcelona, Bilbao, Madrid, Malaga, Murcia, Seville, Valencia, Zaragoza, the Balearic Islands and the Canary Islands.



- **Incorpora Employment Programme**



*"I'm in charge of unloading goods deliveries, monitoring everything and making sure that nothing is missing. I've been given an opportunity and welcomed the trust placed in me and stepped up. I have changed from feeling hopeless to feeling I can touch the sky".*

*Miguel Ángel, working in Leroy Merlin thanks to the Incorpora programme.*

The [Incorpora programme](#) of "la Caixa" facilitates labour insertion of groups at risk of social exclusion or marginalization, among which are young people, persons over the age of 45 with no formal work experience, persons with physical, intellectual or sensory disabilities, new residents, the long-term unemployed, or victims of domestic violence. At the end of 2009, more than 79,600 persons had already found paid work through this initiative.

In order to implement the programme, "la Caixa" draws on the support of its network of over 5,300 branches as well as the 236 welfare institutions that specialize in the labour insertion of these social groups. It also avails of a 358-strong network of technical experts in labour insertion who act as intermediaries between the aforementioned institutions and the more than 9,400 companies that actively collaborate in the programme. It is worth mentioning here that during 2009, "la Caixa" among other agreements, signed a collaboration agreement with the Catalan employers association Cecot, to encourage the hiring underprivileged persons by the member companies of both institutions.



## incorpora

OBRA SOCIAL "LA CAIXA"  
CON LA INTEGRACIÓN LABORAL

### II EDITION OF THE INCORPORA AWARDS

In line with these initiatives, the Fundación "la Caixa" presented the Incorpora Awards to the companies Decathlon, Clece, Saramar and Ventana in June 2009. The aim of the award is to acknowledge best practises in the business sector in the area of fostering the hiring of underprivileged persons.

### SCHOLARSHIP PROGRAMME FOR PRISONERS

To compliment initiatives in support of eradicating poverty and tackling unemployment in Spain, the "la Caixa" Foundation champions a project to provide vocational training for inmates with a view to helping their reintegration into society once they have served their sentence. "la Caixa" allocated a total of EUR 4.6 million during the academic year 2008-2009 to this project, 30% more than the previous year. This investment has resulted in 1,000 vocational training scholarships being awarded to inmates from prisons all over Spain. This figure represents an increase of 300 scholarships in comparison with the previous academic year.

These scholarships result in the beneficiary, inmates who are serving the final stage in their sentence, being able to acquire sufficient knowledge so as to prepare themselves to tackle future social re-insertion with the solid guarantees in the labour market.

#### 4. Acting in accord with corporate values

- Integrated Care for Very Ill People Programme



*“Accompanying someone in the difficult moments of his/her life makes me feel fulfilled. There is always something to do for the sick person”.*  
**Silvia Viel, clinical psychologist at the Sant Camil General Hospital.**

In keeping with the guiding principles of flexibility and anticipating coverage for social needs, “la Caixa” set up a groundbreaking programme in 2009 aimed at supplementing the existing care model for [persons in the advanced stages of a disease](#). The project has the following basic objectives: ease the suffering of those who are in the advanced stages of a disease; contribute to providing sufferers with suitable care during their final days and ensure they are provided with spiritual guidance. Caring for the bereaved and supporting the families and professional who work in the area of palliative care provision complete the range of objectives.

The initiative is currently undertaken throughout Spain with the support of 30 multidisciplinary teams made up of a doctor, a psychiatrist, a volunteer worker and a social worker. The programme was allocated a budget of EUR 11 million in 2009 and provided care for a total of 6,793 patients and 10,794 relatives.

- Other welfare projects

In 2009, the introduction of two further projects stand out. The first, which demonstrates the ability of Welfare Projects of “la Caixa” to adapt to conditions of its environment, is a commitment to reactivate property developments which were halted as a result of the financial crisis in order to provide 3,000 houses under the [affordable rent](#) scheme for families. “la Caixa” will invest EUR 150 million in the project.

The second project provides care for a group which “la Caixa” have always given special attention to since its very origins; the elderly. The birth of the imprint publishing house [“Lectura+”](#), set up by “la Caixa” Welfare Projects in conjunction with Grupo Planeta and Ediciones 62, facilitates access to reading for the elderly or for the visually impaired. The project envisages publishing a collection of 100 renowned literary works, both classical and modern in large text and in Spanish and Catalan.

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THE PROGRAMME TACKLING INFANT POVERTY, CAIXAPROINFANCIA, PROMOTING OPPORTUNITIES FOR WORK AMONG THE UNDERPRIVILEGED OR PROVIDING CARE FOR PERSONS IN ADVANCED STAGES OF A DISEASE AND THEIR FAMILIES WERE JUST SOME OF THE STRATEGIC PRIORITIES OF WELFARE PROJECTS DURING 2009. PRIMARY PURPOSE: PROVIDING OPPORTUNITIES FOR PEOPLE

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In addition, Welfare Projects has continued the consolidation process of several other programmes set up over the past few years in response to pressing social demand. Among these are, the programmes designed to avert situations of dependency among the elderly, to reduce narcotics consumption, Foster the integration of new residents, promote childhood vaccination in the developing world or to encourage corporate volunteering.

On the international stage, the launch of the Fundación Inbursa, deserves a special mention here, through which "la Caixa" and the group led by the Mexican businessman Carlos Slim will promote welfare, educational and environmental projects in Latin America.

### Educational programmes

Welfare Projects support training as an essential instrument required for personal growth. Among the initiatives in this area there are several which stand out, like the "la Caixa" Welfare Projects [Scholarship programme](#). Different models enable beneficiaries to study a Master's degree in Spain, undertake postgraduate courses in academic centres abroad or complete a PhD in biomedicine.

It is worthy of note that in this regard during 2009, Welfare Projects awarded the first 40 scholarships in its international programme in PhD i Biomedicine aimed at assigning the best young talents from around the world to one of four renowned biomedicine research centres in Spain.

### Environmental and Science programmes

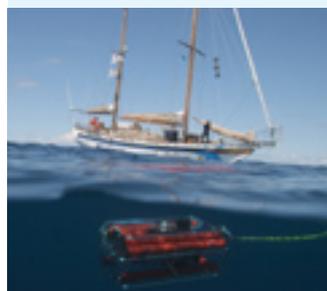
Committed to the preservation of our surroundings, "la Caixa" Welfare Projects also promotes several initiatives designed to raise public awareness, conserving the planet's biodiversity and improving the environment.

One of the projects which stand out is the preservation and improving the state of the many nature reserves located throughout Spain. This programme, [Conservation of Natural Spaces and Reintegration](#) into Society, which is developed in conjunction with regional organisations and local government of autonomous regions, is also designed to assist employment of persons at risk of social exclusion. In 2009, over 1,800 individuals in a range of difficult situations worked in tasks focused on environmental conservation promoted by "la Caixa".

Another significant initiative from this year was the Polo Sur Sin Límites: Obra Social "la Caixa", expedition to the South Pole. The adventure represented, for the first time in history, that a group of persons with psychical disabilities achieved an unaided 250 kilometre journey across the Antarctic plain: apart from demonstrating the extraordinary abilities of these individuals, the aim of the expedition was to collect samples in order to perform analysis regarding the impact of climate change on the Antarctic continent.

### CARBOOCEAN PROGRAMME

The preservation of marine ecosystems located along the Spanish coastline is more than sufficient justification for the "la Caixa" Marine programme: the Vell Mari route. In 2009, within the framework of this programme, the Carboocean project was furthered, which is a research campaign to analyse the importance of oceans as a source of CO<sub>2</sub> and a carbon sink. For this, water samples have been collected from along the Spanish coastline and from the islands. These samples will be included in a continental database, the aim of which is to gather knowledge regarding the evolution of marine carbon in European waters over the past 200 years.



Parallel to research activities, the project has developed a public awareness raising campaign to highlight the effects of climate change on the seas by way of a mobile workshop and guided tours of the scientific sailing ship, the Vell Mari.

#### 4. Acting in accord with corporate values

Finally, the setting up of RecerCaixa stands out in the area of research. The goal of groundbreaking project is to promote the furthering of knowledge together with public university in Catalonia.

##### Cultural programmes

"la Caixa" has always given its support to the cultural dissemination among audiences and public of all ages and from all walks of life. In this regard, during 2009 Welfare Projects implemented a new line of action focused on fostering strategic alliances between the world's most important museum centres.

In April, the institution signed an agreement with the [Prado Museum](#) to develop the initiative "la Caixa". *Museo del Prado. El arte de educar*, (The art of education), an ambitious educational programme for schools and families that visit the museum and which endeavours to reach over 200,000 schoolchildren with the help of the teaching materials that have been elaborated.

Also in this context, Welfare Projects and the French [Louvre Museum](#) have signed a joint collaboration agreement to organize exhibitions together. Thanks to this unprecedented agreement, the CaixaForum centres in Barcelona, Madrid, Palma, Girona and Lleida will play host to art exhibitions from the Louvre as well as from others who will loan works for exhibitions.

On a final note, in 2009, Welfare Projects presented projects for the building of two new CaixaForum centres in Zaragoza, planned for 2012, and Seville. The latter will see the transformation of the Andalusian city's Royal Shipyards into an innovative cultural centre planned to open in 2015.

To sum up, all the above will be developed together with its programme of travelling exhibitions as well as bolstering activities focused on bringing music and the arts closer to the general public at large.

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"LA CAIXA" MAINTAINS THE COMMITMENT TO ITS CENTRES FOR CULTURAL DISSEMINATION CAIXAFORUM, WITH PROJECTS UNDERWAY FOR TWO NEW VENUES IN SEVILLE AND ZARAGOZA WHICH, IN COMING YEARS WILL JOIN EXISTING CENTRES IN BARCELONA, MADRID, PALMA, GIRONA AND LLEIDA

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IN 2010, "LA CAIXA" WILL MAINTAIN BUDGETARY FUNDING FOR ITS WELFARE PROJECTS IN EUR 500 MILLION

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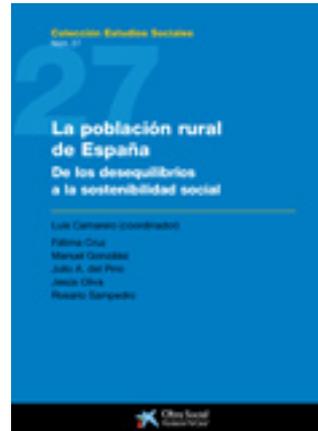
## Contribution to knowledge dissemination

The Institution contributes to knowledge dissemination through publications and other activities organised by the Research Department and “la Caixa” Welfare Projects.

### Social studies from “la Caixa” Welfare Projects

This collection represents an instrument for analysis, reflection and debate on social realities, based on the publication of benchmark [studies](#) in the field of social science. Each volume aims to highlight and bring encourage debate on especially significant social issues, such as tackling social exclusion or integration of vulnerable social groups.

In 2009, “la Caixa” Welfare Projects presented the titles: *Vocational Training in Spain. The road to a knowledge society, Sport, health and quality of life* and *Spain’s rural population. From imbalance to sustainability*, thereby reaching a total of 27 volumes published to date.



### Publications by the Research Department of “la Caixa”

The aim of these publications is to disseminate knowledge concerning economic and social realities, in order to stimulate debate and the exchange of experiences between all sectors of society. On the [website of the Research Department](#) one can find online versions of the publications *Monthly Report* and *Spain: Economic Yearbook*, as well as several other series which were added to in 2009 with new studies: the *Economic Studies Series*, the *Spanish Regional Communities Series* and the “la Caixa” *Economic Documents series*.

The department also edits other publications exclusively in English, such as the “la Caixa” *Economic Papers* and “la Caixa” *Working Papers*, targeting the scientific and professional community.



### The “la Caixa” Economy and Society Chair

The Research Department also organizes several academic seminars in Madrid and other major Spanish cities through the “la Caixa” [Economy and Society Chair](#). These events, grounded in intellectual excellence, deal with the principal issues which effect and concern modern day society. During 2009, the Chair organised the following conference cycles, among others: “An open society, diversity and cohesion”, “Europe: new scenarios, new frontiers” and “A European challenge: the future of the social welfare system”.

Furthermore, the Chair also arranges master classes which are held over several sessions. In this way, the Chair has a chance to offer systematic developments in areas of scientific as well as humanistic interest. In 2009, the Chair organised a total of 5 master classes in Madrid.

**The “la Caixa” Corporate Social Responsibility and Corporate Governance Chair**

“la Caixa” in collaboration with the IESE business school, founded the [Chair](#) in an attempt to promote, foster and disseminate the idea of CSR, especially with the in its practical application. During 2009, the Chair edited 18 publications, including books, chapters, scientific and informative articles and working papers. The Chair is also responsible for the publication of a newsletter three times a year, as well as a Cuadernos series, with several of the 2009 editions devoted to “Alliances between companies and civil society”, “Social responsibility of micro finance institutions” and “The fight against corruption”.

Moreover, among the range of activities organised, several deserve a special mention, such as the seminar titled “How to fly the CSR flag: FC Barcelona, a practical case study”, the round table discussion “Corporate social responsibility in the new economic order”, and the European Academy of Business in Society (EABIS) symposium “The role and purpose of business in society: Challenges and issues for global and corporate governance”.



## Sustainability in financial activity



*“Protecting the environment begins with small gestures within our own surroundings. When I gave it some thought, I realised that in order to make recycling easier, we could install wastepaper bins in every branch with separate compartments for paper, cardboard and plastic. Not long after submitting my suggestion, the bins arrived”.*  
**Antonio Miguel Benítez Mesa, 5971 branch - Puerto del Rosario-El Charco (Las Palmas).**

“la Caixa” assumes the fact that its responsibility as a financial institution does not rest solely on its ability to identify and finance viable economic projects, but also to fund projects that are viable from an environmental point of view. At the same time, the institution collaborates and encourages financing of renewable energies, sustainable over time as well as implementing strict internal environmental policy.

### The environment

The level of commitment of “la Caixa” to respecting and conserving the environment can be seen in the foundations of the Institution’s environmental management policy as well as that of its subsidiaries, and forms an integral part of its business activities shaping all its products, services and projects, not to mention the Welfare Projects programmes. Exceeding all legal requirements, “la Caixa” reasserts this responsible environmental management through its adherence to the [United Nations Environment Programme](#) – Finance Initiative (UNEPFI) and the [Equator Principles](#). Moreover, “la Caixa” strives to involve its customers, employees, suppliers and society in general in this commitment.

### Environmental policy

Environmental policy at “la Caixa” is the responsibility of the Environment Committee, whose objective it is to ensure that all financial activity and support processes meet environmental friendliness criteria, while at the same time promoting and encouraging the participation of its stakeholders in environmental policy objectives.

Since 2003, the ISO 14001 international standard and the European Regulation 761/2001 (EMAS) drive environmental regulatory compliance at “la Caixa”. These standards are ratified on a year by year basis. In addition, in 2009, the Institution renewed the environmental quality standard for its Catalan branch network. This Ecolabel certifies that “la Caixa” is in compliance with ecological criteria as stipulated by customer care networks and respect for the environment, far exceeding compulsory and voluntary requirements outlined under legislation.

FROM THE “LA CAIXA” CORPORATE WEBSITE  
 AREA [ECOCAIXA](#), THE INSTITUTION REDOUBLES ITS  
 COMMITMENT WITH ITS SURROUNDINGS, WHILE STRIVING  
 TO INVOLVE ALL ITS EMPLOYEES AND CUSTOMERS IN  
 PROCESSES AND INITIATIVES CARRIED OUT TO FOSTER  
 ENVIRONMENTAL CONSERVATION



#### 4. Acting in accord with corporate values

##### Environmental impact: indicators and initiatives for improvement

At "la Caixa" the push to reduce the adverse effects on the environment arising from its day-to-day operations is present year by year.

##### Branches and building projects

"la Caixa" continues adaptation of branches to reduce environmental impact and in 2009, a further 63 branches were refitted.

In addition, it is worthy of note that Vivienda Asequible subsidiary company continues promoting construction of housing in accordance with eco-sustainability criteria far exceeding the minimum legal requirements. These criteria are reflected in the use of advanced systems for attaining the absolute maximum energy efficiency possible, or the installation of retractable coverings which allow the temperature in the building to be regulated. Furthermore, all buildings are completely adapted and accessible to persons of reduced mobility.

##### Electric power

The Institution has had great success in fulfilling its objective to improve electric power consumption efficiency. In this respect, apart from action undertaken over previous reporting periods, during the 2009 energy saving campaign, stickers bearing the slogan "Turn me off before you go" to remind employees to switch off equipment at the end of the working day. In addition, branch specific energy consumption updates are sent on a regular basis, together with good practice tips in energy saving.

In another energy saving initiative, branch PCs have been programmed to go into automatic hibernation mode, which is activated for 66 hours every week.

CDT screens are replaced by the more power-efficient TFT models in all ATMs to reduce energy consumption. In addition to incurring lower maintenance costs, the new screens give added value to customers, given that resolution and brightness is enhanced, and consequently offering customers greater visibility and touch screen precision. Roll-out of TFT screens has already been completed in 1,430 ATMs.

At "la Caixa", throughout 2009 we achieved a 6.58% reduction in electric power consumption. Throughout 2010, awareness raising and best environmental practises programmes targeting employees are to be continued with a view to meeting the 10% energy consumption reduction goal.



##### CENTRALISED ON / OFF SWITCH

One new event worthy of mention in 2009 was the installation of an innovative remote control system in offices with higher energy consumption levels. The switch is the sole mechanism for switching off air-conditioning, lighting, and part of the IT systems. The system reacts automatically when the branch is closed the remote control can also detect whether any systems have been unduly left running and require that they be switched off. By the end of the year, the sole control switch had been installed and was in operation at over 1,000 branches with an average energy saving of 8%.

### Paper

Paper continues to be the most significant waste material generated at the Institution's facilities. As a result, initiatives designed to promote ever greater paper savings are still an active part of business practises. Examples of this include the digitalisation of documents. In this regard, paper consumption was reduced by 7% and the use of recycled paper grew to reach 99% during 2009. For the year ahead, another objectives has been established to reduce paper and toner consumption by 10%.

### Waste management

Despite the volume of waste it generates, in comparison with other sectors the amount is barely significant, "la Caixa" implements internal regulations to ensure the correct waste recycling management procedures are adopted, as outlined by law. All waste is examined and any waste with any contaminating or toxic elements is recycled using the appropriate container and is collected for disposal on a regular basis by duly qualified and authorized waste management service.

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

"la Caixa" has had great success also in reducing CO<sub>2</sub> emissions arising from the administration and air-conditioning of its properties, travel and, in the event of an emergency, running power generators and turbines.

In 2009, the Institution reduced the number of kilometres travelled by 1.35% –19,204,220 in 2009– by looking for alternatives such as increased use of video conference calls.

CO<sub>2</sub> emissions in 2009 amounted to 77,980.13 (Tn), corresponding to 77,231.77 tons from electric energy consumption and 748.36 from diesel oil. The reduction in these direct CO<sub>2</sub> emissions together with the indirect emissions arising from employees commuting to and from work was 5,087.71 tons.

For 2010, the target is to reach an additional reduction of 10% in CO<sub>2</sub> emissions arising from employees commuting to and from work.

### Training and awareness raising

It is important to note that all environmental management improvements introduced by "la Caixa" over the past few years were made possible thanks to the level of employee involvement, who have brought 47 fresh ecologically sound proposals to the table through the corporate network and the Eco-ideas Suggestions Box. In addition, 311 employees underwent 4,665 hours training through Virt@ula in sustainability by way of the course 'Environmental Management System ISO 14001' to raise awareness of environmental issues.

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THE 'ONLINE POST' SERVICE CURRENTLY BOASTS OVER 2.5 MILLION CUSTOMERS, AND SINCE 2007, HAD RESULTED IN 38 MILLION LESS ENVELOPES BEING USED. IN 2009, THE NUMBER OF ENVELOPES SENT FELL BY 16.4% IN COMPARISON WITH 2008

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#### 4. Acting in accord with corporate values

INDICATORS OF DIRECT ENVIRONMENTAL IMPACT	"la Caixa"		"la Caixa" Group	
	2008	2009	2008	2009 <sup>1</sup>
<b>Energy (direct consumption itemized by primary energy source) (GJ)</b>				
Total Electric power consumed	773,144	721,743	780,124	729,748
Total Electric power consumed per employee	30.27	28.93	30.03	28.48
<b>Diesel oil (GJ)</b>				
Total Diesel oil consumed	5,503	10.113	5,503	10,113
<b>Direct CO<sub>2</sub> emissions (Tn CO<sub>2</sub>)</b>				
Total direct CO <sub>2</sub> emissions	82,232	77,132.9	82,944	77,980.01
CO <sub>2</sub> emissions from Diesel oil consumption	407.77 <sup>ii</sup>	748.36	407.77 <sup>ii</sup>	748.36
CO <sub>2</sub> emissions from electric power consumption	81,824.41 <sup>iii</sup>	76,384.5	82,536.12 <sup>iii</sup>	77,231.65
<b>Indirect CO<sub>2</sub> emissions (Tn CO<sub>2</sub>/km)<sup>iii</sup></b>				
Emissions per trip coefficients (Tn CO <sub>2</sub> )	0.100	0.102	0.109	0.115
Total Km travelled commuting and in corporate travel	19,464,826	19,204,220	21,600,334	22,200,929
Air travel	15,920,170	16,128,170	17,491,283	18,187,943
Train	3,326,406	2,739,442	3,392,686	3,065,992
Automobile travel (company car / rented vehicle)	218,250	336,608	716,365	946,994
Total indirect emissions CO <sub>2</sub>	2,539.23	2,550.62	2,840.77	2,954.40
<b>Total CO<sub>2</sub> emissions (Tn CO<sub>2</sub>)</b>				
Total CO <sub>2</sub> emissions (direct and indirect)	84,771.23	79,683.52	85,784.77	80,934.41

<sup>1</sup> Data for: "la Caixa", Caixa Capital Risc, e-la Caixa, GDS-Cusa, Silk, Sumasa and ServiHabitat.

<sup>ii</sup> This data has been recalculated: emission factors indicated by Red Eléctrica Española have been substituted by those provided by UNESA in 2009 and data from 2008 has been recalculated in order to provide comparative figures.

<sup>iii</sup> Emission factors for 2008 data have been recalculated.

INDICATORS OF DIRECT ENVIRONMENTAL IMPACT	"la Caixa"		Grupo "la Caixa"	
	2008	2009	2008	2009
<b>Water (m<sup>3</sup>)<sup>1</sup></b>				
Total Water consumed	73.847	75.202	76.379	75.202
Variation in consumption of Water per employee		-2,20		-1,55
<b>Paper<sup>ii</sup></b>				
Total paper consumed (Kg)	1.928.713	1.795.913	1.996.412	1.830.692
Variation in consumption of paper (%)		-6,89		-8,30
Paper consumed per employee	76,13	71,99	76,62	71,22
% recycled paper over total consumed	64,55	99,25	63,60	98,30

Note: Data for 2007 has not been included here as this information does not assist in making a comparison with data provided for 2008 and 2009

<sup>1</sup> Water: Head office building of "la Caixa", Caixa Capital Risc, e-la Caixa, Silk, Sumasa, ServiHabitat.

<sup>ii</sup> Paper: overall data provided for "la Caixa", Caixa Capital Risc, e-la Caixa, GDS-Cusa, MicroBank, PromoCaixa, Silk, Sumasa, ServiHabitat and Vivienda Asequible.

<b>WASTE COLLECTED SUBJECT TO REGULATORY SPECIFICATIONS</b>	<b>2008 <sup>1</sup></b>	<b>2009 <sup>1</sup></b>
<b>Total toner cartridges (units)</b>	4,546	5,140
<b>Total chemical products containers (kg)</b>	351	564
<b>Total fluorescent lights (kg)</b>	998	754
<b>Total paper &amp; cardboard (kg)</b>	184,038	167,006
<b>Total batteries (kg)</b>	574	604
<b>Total plastic (kg)</b>	1,842	4,151

<sup>1</sup> Toner cartridges includes the data for "la Caixa" Head Offices, Caixa Capital Risc, e-la Caixa, PromoCaixa, Sumasa and ServiHabitat. Chemical products containers and batteries includes the date for "la Caixa" Head Offices. Fluorescent lights includes the date for "la Caixa" Head Office" and e-la Caixa. Paper and cardboard includes the date for "la Caixa" Head Offices, Caixa Capital Risc, e-la Caixa, GDS-Cusa, PromoCaixa, Sumasa, ServiHabitat and Vivienda Asequible. The total for plastic includes the date for "la Caixa" Head Office" and e-la Caixa.

<b>INDIRECT ENERGY CONSUMPTION FOR "LA CAIXA"- BREAKDOWN PER PRIMARY ENERGY TYPE CONSUMED (GJ)</b>	<b>2008 <sup>1</sup></b>	<b>2009</b>
<b>Conversion factor: GJ per Kwh: 0.0036. Source: GRI Technical Protocols</b>		
<b>Biomass</b>	17,579	16,858.68
<b>Coal</b>	986,120	945,729.43
<b>Natural Gas</b>	35,067	33,630.30
<b>Hydroelectric</b>	115,832	111,087.66
<b>Nuclear</b>	934,385	896,113.95
<b>Oil</b>	207,454	198,956.80
<b>Wind</b>	14,466	13,873.61

<sup>1</sup> Note: data provided for "la Caixa" and subsidiaries

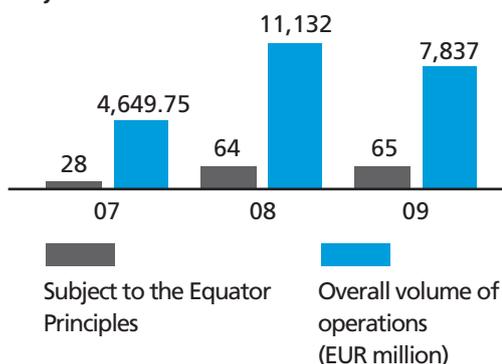
**The Equator Principles**

In 2007, "la Caixa" adopted the [Equator Principles](#), representing a series of voluntary directives based on standards outlined by the International Finance Corporation (IFC), and which must ensure not only the economic viability of a project, but also bearing in mind the social and environmental implications at the time of appraising [project finance](#) in excess of 10 million dollars. Projects must be viewed overall in a favourable light before receiving finance.

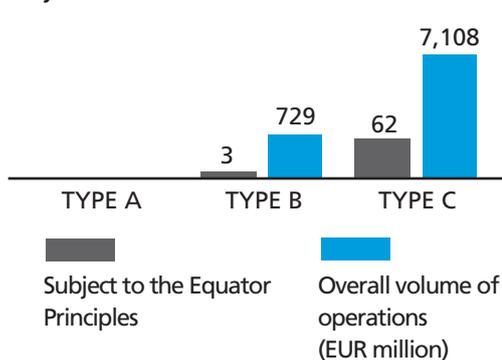
In 2009 "la Caixa" made significant progress in the application of The Equator Principles and internal Protocol is now in place for appraisal, classification, and management of these projects, in addition to a plan for communicating the protocol to employees.

During the previous reporting period, "la Caixa" participated in 65 projects (in Spain, Europe and America), with an overall investment to the tune of EUR 7,837 million, EUR 2,125 million assigned directly and underwriting a further EUR 1,573 million. All the aforementioned projects received "type C" classification, given to projects with minimal or no environmental or social impact, with only three projects receiving the "type B" classification.

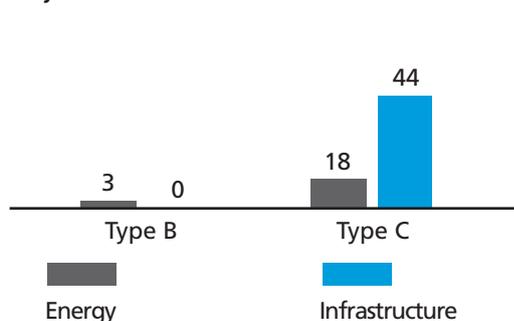
**Project Finance**



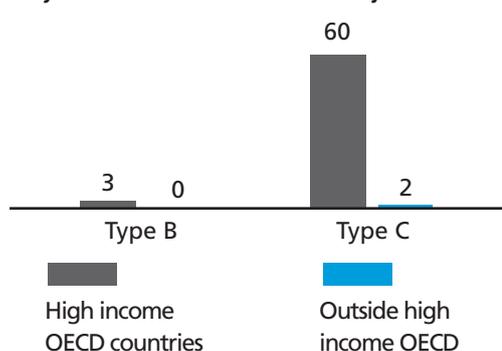
**Project Finance 2009**



**Project Finance / Sector**



**Project Finance / Location of Projects**



**Project finance for renewable energy projects**

In order to contribute to generating long-term positive environmental impact, a financial institution can play an important role in funding environmentally friendly projects or which are grounded in renewable energy sources. Within this framework, during 2009 "la Caixa" participated, either independently or together with other institutions, in 21 funding operations for an overall amount of EUR 3,172 million, with "la Caixa" underwriting EUR 575 million and investing a further EUR 587 million. These projects represent a combined energy output of 1,554 MW.

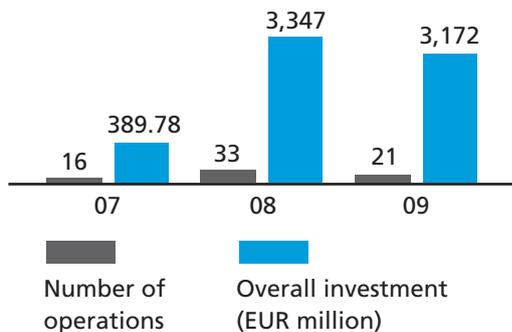
Over the past few years, the Institution has been increasing its funding participation in these kinds of operations, and consequently, specialists in the field have been incorporated into the team. From 2009 onwards, any project in excess of 10 million dollars will be subject to prior validation by an independent technical advisor pursuant to criteria established under the Equator Principles. Similarly, every project is subject to ongoing review during the development stages in order to ensure compliance with environmental standards.

Also in 2009, a new line of leasing specifically allocated for installation of solar energy farms was implemented and in this regard, 13 operations were carried out for a sum of EUR 23 million.

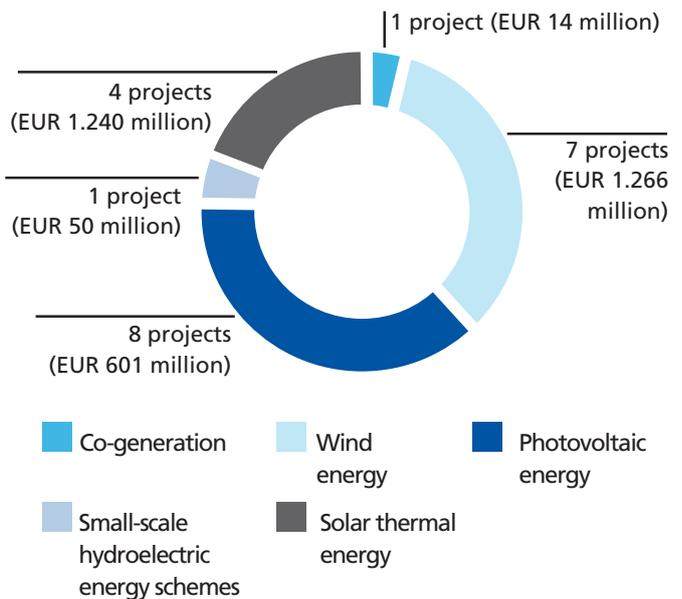
**AGREEMENTS FOR FINANCING PROJECTS WHICH FOCUS ON IMPROVING ECO-EFFICIENCY AND SUSTAINABILITY**

"la Caixa" collaborates with public administrations in initiatives focusing on energy efficiency through its adherence to cooperative agreements for financing projects designed to conserve or improve the environment: among these, the ones that stand out are the ICO-FuturE (promoting more environmentally efficient tourism activities), the ICO-VIVE Buses (to replace existing buses with more sustainable vehicles), the ICO-Incendios (designed to tackle repair work or replacement of facilities and equipment damaged by fire or flooding) or the agreement signed with the Institut Català d'Energia (to promote the use of renewable energy). In 2010, work is already underway to introduce credit facilities for individuals or companies wishing to purchase more environmentally efficient goods.

**Renewable energies**



**Type of energy financed 2009**



**Socially responsible investment**

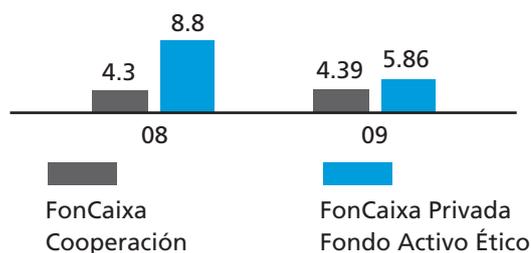
One of the challenges for "la Caixa" is to continue providing customers with products tailored to their specific needs, with ever greater long-term profitability and security expectations. The trend in socially responsible investment is one of the lines "la Caixa" being consolidated on a gradual basis with the addition of products which meet objective criteria.

The institution's portfolio includes several socially responsible investment funds. On the one hand, the FonCaixa Cooperación Socialmente Responsable is an equity investment fund which assigns investment to companies who comply with corporate responsibility standards. On the other hand, FonCaixa Privada Fondo Activo Ético is an international mixed equity fund with the same asset selection policy as the previous fund. The fund is also subject to the appraisal of an Ethics Committee made up of renowned independent professionals of prestige in the field of social responsibility.

Both of these funds are of a socially responsible nature given that, in the case of the first fund, a portion of the administrative commission fee is assigned to welfare projects, and in the second case it is assigned to a non-governmental organisation chosen by the participants.

In 2009 the FonCaixa Cooperación Socialmente Responsable had a total equity of EUR 4.39 million, while the FonCaixa Privada Fondo Activo Ético amounted to EUR 5.86 million. In the future plans have been made to increase promotion of this product kind in collaboration with InverCaixa and Private Banking.

**Socially responsible investment funds (EUR million)**



## Contribution to the welfare of society

In 2009, "la Caixa" redoubled its commitment to the needs of people in general and to Human Rights. The involvement of the Institution's subsidiary companies in the United Nations Global Compact, the extension of the Affordable Housing programme to include new segments of the population and the renovation of its commitment to the GAVI Alliance, are just some of the examples.

### Commitment to Human Rights

Since 2005, "la Caixa" has been a signatory of the [United Nations Global Compact](#), an international initiative set up to promote ethical and responsible business practises through a series of ten principles grounded in human rights, workers rights, the environment and the fight against corruption. In 2009, the following subsidiary companies adopted the Global Compact: Caixa Capital Risc, GDS-Cusa, PromoCaixa, MicroBank, ServiHabitat, e la Caixa, Silk, Sumasa and Vivienda Asequible.

Adherence to these ten principles is reflected in the day-to-day and strategic management of "la Caixa" and its subsidiaries, and is outlined in the Institution's Code of Ethics. Compliance with these principles is monitored from the Auditing or Regulatory Compliance Departments.

### Commitment to the community

#### Affordable Housing

In 2009, the [Affordable Housing](#) programme championed by "la Caixa" was extended and a further 1,000 houses for low-income families will be added to the 3,000 houses allocated for young people between the ages of 18 to 35 and for over 65s that are already under construction and due for completion by 2012.

The Affordable Housing programme was set in motion in 2004 and by 2012, will have been allocated a total investment of EUR 610 million with the construction of 4,000 houses. In the first phase of the programme (2004-2006) 1,084 apartments were built and the keys handed over to young persons and the elderly. In the second phase (2007-2009) 998 houses were built, 526 of which have already been assigned. In addition, the programme is to have a third phase (2010-2012) during which a further 954 properties will be built, thereby fulfilling the allocation of 3,000 residences for young people and the elderly, in addition to a further 1,000 new apartments assigned to low-income families. All building developments are located in provincial capital cities, urban areas and other municipalities where this kind of housing is in shortage.

The rental contract for young people and the elderly is for a 5 year term and is renewable in the event that the tenant continues to be in compliance with access requirements as established under regulation. In the case of housing for families, some of the building developments offer tenants the option to purchase the dwelling.

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**FOLLOWING THE COMMITMENT UNDERTAKEN BY "LA CAIXA", ITS SUBSIDIARIES, CAIXA CAPITAL RISC, GDS-CUSA, PROMOCAIXA, SERVIHABITAT, E-LA CAIXA, MICROBANK, SILK, SUMASA AND VIVIENDA ASEQUIBLE ALL BECAME SIGNATORIES IN 2009 OF THE UNITED NATIONS GLOBAL COMPACT**

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### **EXTENSION OF THE AFFORDABLE HOUSING PROGRAMME WITH A FURTHER 1,000 NEW APARTMENTS AVAILABLE FOR RENT TO FAMILIES**

With a view to expanding the commitment undertaken by "la Caixa" to include other social groups and to facilitate access to rented housing, in April 2009 the extension plan to the Affordable Housing programme was unveiled in Barcelona to provide accessible housing for low income families from any age sector of the population. In this way, not only the young people and the elderly would benefit from the advantages under the programme. Rental conditions for this kind of housing better than the conditions offered by subsidized housing market, and both the approach and the surface area (up to 85 m<sup>2</sup>, with two or three bedrooms) make them an ideal choice for families without occupation limitations.

The first property development in this extension, which will eventually develop 1,000 new apartments throughout Spain by 2012, is being built in Sentmenat (Barcelona), where 150 apartments are due to be constructed.

### Business Alliance for Childhood Vaccination



*“Today, the Procoin Group is made up of ten companies with operations in substantial number of lines of business, safeguarding its firm ethical undertaking and company policy based on the grounded belief that the company should generate wealth, while effecting an improvement on the global environment in which it operates. It’s hard to understand corporate ambition if this does not go hand-in-hand with an equally ambitious social commitment. The companies which make up the Procoin Group take an active role in several CSR programmes, among which, undoubtedly the one that stands out is the Group’s adherence to the Business Alliance for Childhood Vaccination in 2008 in collaboration with the GAVI Alliance. This Alliance provides hope and opportunity for those who lived with the uncertainty of an easily avoidable death. It’s hard to imagine a more effective, just and universal way to contribute to eradicating inequality and marginalization of entire communities”. **Constantino Martínez Pérez, President of the Procoin Group.***

Through its Welfare Projects, “la Caixa” entered into a strategic European partnership with the GAVI Alliance in 2008. This global alliance between the public and private sectors fights infant mortality in underprivileged countries, improving access to vaccination programmes and their distribution, as well as contributing to bolstering healthcare systems in these areas.

In 2009, the Institution ratified this commitment, donating EUR 4 million for the second year in succession to the GAVI Alliance, thereby holding its position as the organization’s most important private European partner and restating its firm commitment to world healthcare issues and the Millennium Development Goals.

“la Caixa” also fostered the creation of the [Business Alliance for Childhood Vaccination](#), a groundbreaking initiative whose objective is to provide Spanish companies who wished to participate in the initiative with the necessary means to do so, guaranteeing that donations are entirely allocated to childhood vaccination schemes through the GAVI Alliance. Since its inception, 150 companies from all over Spain have joined the Alliance, which has already raised more than EUR 450,000.

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THE BUSINESS ALLIANCE FOR CHILDHOOD VACCINATION IS A GROUNDBREAKING SOCIALLY RESPONSIBLE BUSINESS INITIATIVE IN SPAIN SPEARHEADED BY “LA CAIXA”, AND WHICH AIMS TO CONTRIBUTE TOWARDS MEETING CHILD HEALTH MILLENNIUM DEVELOPMENT GOAL: TO REDUCE INFANT MORTALITY BY TWO THIRDS IN 2015

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## Human Resources



*"I began working at "la Caixa" thirty-five years ago and throughout my long career have been able to develop my profession in a stable working environment, taking advantage of the opportunities for learning and professional growth that the Entity offers us".*

**Juan Antonio García Gálvez, Deputy Managing Director of Banking Services.**

Our human resources team are the most valuable asset which "la Caixa" possesses and a factor which can mark the difference between us and other financial institutions. It is not surprising that the employees themselves in their day-to-day activity take it on themselves to transmit the values of the Institution.

In 2009, a total of 25,706 professionals made up "la Caixa" and its subsidiaries Caixa Capital Risc, e-la Caixa, GDS-Cusa, MicroBank, PromoCaixa, ServiHabitat, Silk, Sumasa and Vivienda Asequible.

### A great place to work

Satisfaction of "la Caixa" employees is achieved by taking into account their current and future work-related concerns, as well as personal motivation. "la Caixa" strives to ensure stability, acknowledge equality in working conditions and reward employees in accordance with personal merit and the task performed. Moreover, the Institution undertakes to provide professional development for the entire staff and addresses their social concerns by fostering involvement in society through the [Corporate Volunteer](#) programme.

In this respect, for the fourth year in succession, "la Caixa" was chosen as the best company to work for in Spain, according to the results of the Merco Personas 2009 survey. The Institution is at the forefront of the 100 companies analysed in the study, according to the 10,000 people surveyed (employees, university students, alumni of business schools and the general public). In a group specific analysis, "la Caixa" comes top as the company highest rated among its employees.

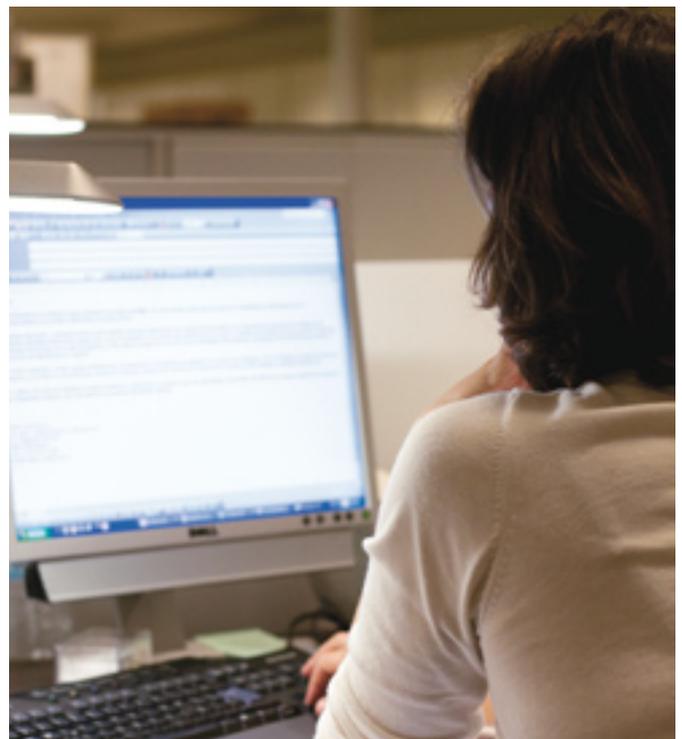
### Commitment to preserving jobs

Over the last two years, the adverse economic climate in Spain has driven the banking sector to rethink its dimensions and structure. In this respect, "la Caixa" has

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FOR THE FOURTH YEAR IN SUCCESSION, "LA CAIXA" WAS CHOSEN AS THE BEST COMPANY TO WORK FOR IN SPAIN, ACCORDING TO THE MERCO PERSONAS 2009 REPORT

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#### 4. Acting in accord with corporate values

designed a new business model in order to adapt to the new situation, while to the extent possible, preserving jobs.

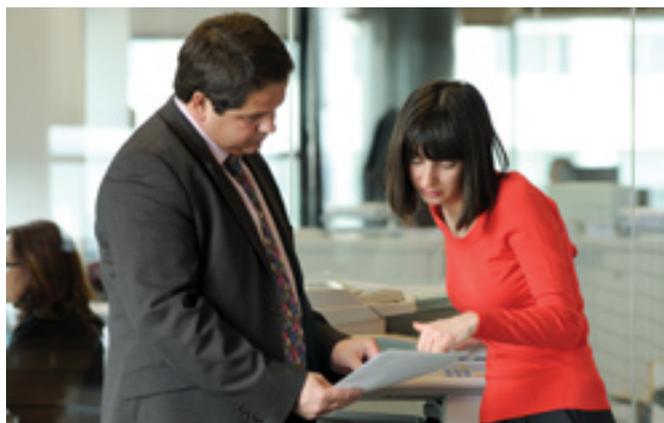
The new model is grounded in two principles: optimization of the sales network and efficiency in strategic decision making. In other words, the institution aims to locate the available human resources in its most strategic areas or in those areas where they can offer broader and better quality service to customers. This process has resulted in a restructuring process which translates to branches being absorbed and streamlining the structure at Head Offices, but also in the opening of new Business Banking centres, with a view to enhancing customer service in this business segment.

The majority of branch integration operations carried out in 2009 were due to the reduced size of the branch absorbed, with less than three employees, and located near another larger branch which absorbed the workload and a portion of the staff, all the time ensuring that customer care was not affected. Branches in some small towns with only one employee have also been affected by the change. The process mostly affected Catalonia and The Balearic Islands, where "la Caixa" has a greater number of branches. Staff movement was performed in conjunction with retirement, early retirement and partial retirement programmes.

Moreover, the implementation of the new business model has resulted in the definition of seven separate business areas (Corporate Banking, High Net Worth Customers, Business Banking, Private Banking, SME Banking, Individual Banking and Personal Banking) thereby resulting in a clearer definition of new more specialized professional tasks. Among these we can find, private banking consultants, company banking managers, personal banking managers or SMEs consultants. Work is underway to define profiles for these new positions, as well as providing specific training with a revised and adapted salary scale.

##### **Equal opportunities for all employees**

Our commitment to the human resources team at the Institution, respect for diversity and the capacity for personal and professional growth are the key elements responsible for the retail banking leadership position of "la Caixa" in Spain and the largest savings bank in the world. The Institution goes to great lengths to prevent discrimination on the grounds of sex, age, disability or for any other reason.



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**"LA CAIXA" CONTINUES PROMOTING EQUAL OPPORTUNITIES AND NON-DISCRIMINATION ON THE GROUNDS OF SEX, RACE, AGE, DISABILITY OR ANY OTHER GROUNDS AMONG EMPLOYEES**

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### Ongoing efforts in favour of equality and

In 2008, "la Caixa" carried out an internal assessment of equality in the entire organisation. Based on the results of the assessment and with prior experience in the application of the Work/Life Balance Protocol, a new equality plan was designed in 2009 in order to establish the basis upon which the equality indicators defined can evolve in a positive light.

It is worthy of note that in 2009, no incidents of discrimination were reported and the role of female employees continued its consolidation within "la Caixa" and the Institution.

Similarly, staff at "la Caixa" is comprised of 504 professionals of varying nationalities, and as such, the staff profile perfectly reflects the demographic profile in Spain, affords all employees an opportunity for cultural enrichment and represents added value for our foreign customers, as they can enjoy more personalised care with greater attention given to bridge cultural and language differences.

Moreover, in compliance with existing legislation in force regarding equality for disabled workers, "la Caixa" fulfils the 2% quota reserved for disabled workers either through direct hiring of staff with 129 employees on staff in 2009, or by way of the legally established alternatives such as financial contributions to companies employing disabled workers or which undertake projects focused on disabled members of the community. In this respect, The Human Resources Department has set itself the goal to reach 2% quota through the direct hiring of disabled workers.

### A fair and equal salary scheme

The remuneration of the professional team at "la Caixa" is in accordance with professional ranking and the tasks performed, regardless of sex, or country of origin. The Institution strives to promote team work as well as individual effort. Therefore, employees' efforts are acknowledged through a fixed salary system, in addition to a variable system pursuant to achieving a series of individual and team objectives.

In 2009, a new variable salary administration system was introduced which allows for aligning variable salary payments more with commercial activity and with results for every individual within the business objectives set for the business unit.

It should be pointed out here that minimum wage for "la Caixa" employees is above that established under agreements for the sector.

### SEXUAL HARASSMENT PREVENTION AND RESPONSE PROTOCOL

In 2009, the institution introduced a new Protocol for the prevention, response, and eradication of sexual and workplace harassment. The document establishes preventative measures to be adopted to fight mobbing (harassment in the workplace, sexual or gender-based harassment) and proposes response procedures to address any doubts, queries or possible complaints. Furthermore, two external mediators were assigned to deal with queries and harassment complaints and to try to resolve conflicts. A free phone number and e-mail address are available in order to facilitate the best possible course of action for each case.

### "LA CAIXA", AN ÓPTIMA CERTIFIED INSTITUTION

In 2006, "la Caixa" obtained the [Óptima Programme](#) certificate from the Ministry for Equality in acknowledgement of collaborating as a company which promotes equality in the workplace. This certificate was successfully ratified in 2009, after ensuring that all recruitment, promotion, communication and training processes are in compliance with the programmes directives:

- Promote equality between male and female workers.
- Incorporate female staff members into areas where they are underrepresented.
- Ensure permanence.
- Foster promotion to management positions.
- Promote work/life balance measures.

**Commitment to training and personal development**

Training is a key factor in the personal and professional development of employees. It reflects positively on the development of "la Caixa" activities and improves competitive advantage and customer care.

**Training**

"la Caixa" provides employees with a wide range of training options to chose from:

- Regulated / Institutional training.
- Job specific training itineraries.
- Training portal Virt@ula.

One of the keys to success in integrating new recruits within the corporate culture at "la Caixa" is the "New Employees Welcome Programme". This programme is supplemented by the "First year training plan". Both initiatives seek to encourage new recruits and provide them with the necessary training in different aspects of interest: banking, economy and finance, taxation, insurance or online banking, among others.

In 2009, investment by the Institution in training witnessed a decrease as a result of, among other factors, the decision by "la Caixa" to undertake virtual online training (e learning), with an increase of more than 63% in the number of hours training using this training method which, incurring lower costs, allows for greater efficiency and enhanced agility. Furthermore, the decrease in the number of new recruits, who require a significant investment in training during the initial stages of employment, and the use of in-house trainers with no associated costs has meant that the Institution managed to maintain adequate employee training levels with increased economic efficiency.

**VIRT@ULA 2.0**

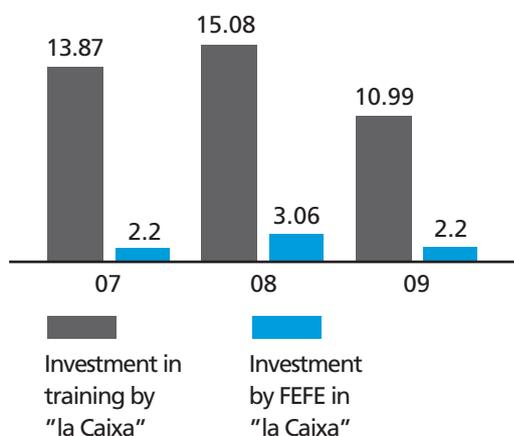
"la Caixa" set up Virt@ula 2.0, an innovative e-learning platform based on Web 2.0, accessible to all employees in the Institution. The aim of the project is to encourage employees to become trainers for their colleagues in the areas they are most qualified in.

For this, the "virtual space" was set up and includes Web 2.0 resources such as blogs (expert discussions), forums (tools for conversation and debate), wikis (group articles), video platforms and areas where live training sessions can be held.

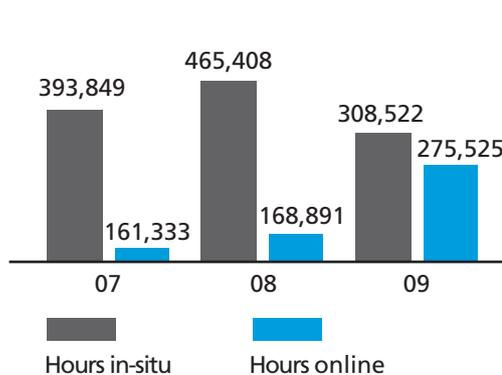
The platform is a benchmark virtual interactive training community in Spain and was awarded the prize for the best online training initiative by the Asociación Española de Formación On-line (AEFOL).

PROVIDING ONGOING TRAINING FOR THE TEAM OF PROFESSIONALS AT "LA CAIXA" REMAINS A KEY FACTOR FOR IMPLEMENTING CONSTANT IMPROVEMENTS IN COMPETITIVE STANDING AND CUSTOMER SATISFACTION

**Training (EUR million)**



**Hours training**



TRAINING	"la Caixa"		"la Caixa" and subsidiaries	
	2008	2009	2008	2009
Overall investment in employee training (thousand €)	15,088	10,991	15,675	11,632
Overall subsidies received for employee training (thousand €)	3,066	2,200	3,071	2,228
Overall number of staff trained	22,348	22,308	22,552	22,803
Overall number of hours training	634,296	584,047	639,945	595,517
Overall number of hours in-situ training	465,408	308,522	470,847	319,625
Overall number of online training	168,891	275,525	169,098	275,892
Overall number employees who act as in-house trainers	486	642	487	646
Overall number of employees in Occupational Hazard training course	2,911	5,577	3,225	5,892

### Professional development

In 2009, the finishing touches were put to initiatives set in motion the previous year to develop methods which enable the identification and development of employees' skills according to their professional profile. These programmes fall within the bounds of the "Administration and Development of Management Skills" project, which was set up to detect and develop the skills available to the Institution.

The "Skills management programme", which involved the entire Institution, assesses the management capabilities in order to foster development or, if the case be given, improvement in this area. The programme consist in elaborating a skills profile which includes the attitudes and behaviour considered critical for developing this position and which focus on four main areas: commercial management, business management, leadership and team development, as well as projection and impact of branch environment. The programme will be gradually extended to reach all the employees of the Institution.

The "Skills programme", closely linked to the one mentioned above, based on a leadership model for management, and which has been used to assess members of the management team from different areas of the organisation. The process was completed with an individual report including orientation for professional development and which defines the skills map of the Institution.

In 2009, 4,756 employees of the Institution were assessed using these two programmes.

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### "LA CAIXA" UNDERTAKES THE PROFESSIONAL DEVELOPMENT OF EMPLOYEES THROUGH DESIGNING TAILORED SKILLS AND ABILITIES MANAGEMENT PROGRAMMES

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**Commitment to striking a work/life balance**

“la Caixa” is aware that professional development can only go hand-in-hand with personal development. As a result, striking a work/life balance remains a priority in order to ensure employee welfare.

The initiatives undertaken by the Institution to strike a work/life balance are structured through the Óptima programme, in collaboration with the Instituto de la Mujer and the Ministry for Labour and Immigration. Within the framework of this programme the Armonía project was set up to design and implement policy to promote striking a balance between working, personal and family life of those who work at “la Caixa”.

In this regard, The Equality and Work/Life Balance Protocol has been in force since 2008 and which includes specific directives such as redefining work schedules and time management, leave of absence, time off and training programmes. This protocol is assessed by the Commission to Monitor Progress in Work/Life Balance, which monitors the application of the measures designed and proposes freshen ones. In this regard, during 2009 the conditions for granting advances for maternity were completed and priority has been given to transfers on the grounds of work/life balance.

All these initiatives are supplemented by additional welfare benefits (insurance or healthcare cover and salary subsidies) for full-time and part-time employees, to which “la Caixa” and its subsidiaries allocated a total of EUR 196 million in 2009.

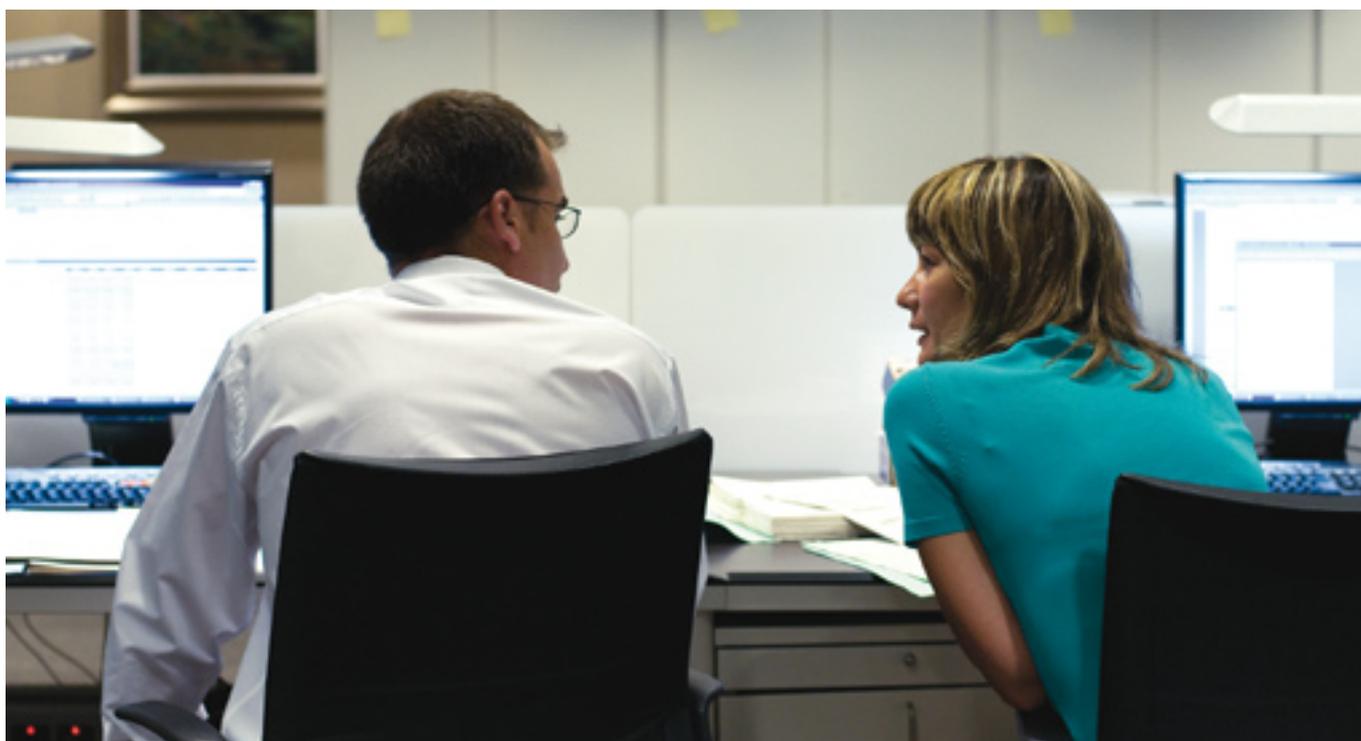
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**“LA CAIXA” IMPLEMENTS A WORK/LIFE BALANCE AND EQUALITY PROTOCOL FOR THE WELFARE OF ALL ITS EMPLOYEES**

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**TYPE A FLU RESPONSE PLAN**

In accordance with recommendations from healthcare authorities and WHO directives, in 2009, “la Caixa” set in motion a Response Plan to prevent the spread of the type A flu virus. Some of these measures adopted included developing the Type A flu portal in the corporate Intranet, information pamphlets in branches, redoubling cleaning and hygiene measures for all surface areas workers come into contact with and a daily follow-up on all absenteeism. A Monitoring Committee was also set up in charge of monitoring the ongoing situation and deciding whether to activate or deactivate the measures outlined in the plan.



## Promoting corporate volunteer programme



*"The social commitment characteristic of "la Caixa" is also one of the hallmarks of its employees. As a result, from Welfare Projects, and through the Corporate Volunteer Programme, we strive to assist our employees in taking an active role in cooperating with acts of solidarity and charities that they hold dear".*

**Elisa Durán, Assistant Executive Director of Presidency of Welfare Projects.**



*"It all started two years ago with a phone call from a friend and colleague. Since then, one Sunday every month I collaborate in the CiberCaixas located in hospitals. On other occasions, and always with the support of my wife, we took a group of blind people on a trek wearing snow shoes in the Pyrenees in Aragon, water sports activities with young people who suffered from cerebral palsy, etc. Reaching out to welfare organisations who need support means that our association makes sense and that day by day our numbers grow, with an objective that all volunteers share: we gain far more than we give".*

**Óscar Bailera. Aragon Business Centre (Zaragoza).**

The aim of the "la Caixa" Corporate Volunteer programme is to encourage the potential for willingness to help of our human resources, as well as fostering the idea of volunteering in general and the strengthening of social fabric.

According to the Report on Corporate Volunteering in Spain, prepared by the Corporate Volunteering Observatory in 2009, "la Caixa" is one of the top benchmark companies for the general public in this area.

Currently, "la Caixa" has over 45 volunteer associations located in 46 provinces around Spain, with 3,061 volunteers. Of these, 74% are active employees, 8% are retired and the remaining 18% are friends or family members of the employees and retired employees. "la Caixa" is well aware that every one of these associations are independent and as such, is completely free to choose the volunteer projects they wish to develop.

In 2009, "la Caixa" transferred a total of EUR 328,100 to these associations, and the money was allocated to developing 1,347 volunteer initiatives. In addition, in order to ensure the utmost development of the initiatives set in motion, the Institution provides training courses for members.

Among the initiatives that stand out, one campaign was run to collect foodstuffs at the end of December last year "Your grain of sand amounts to tons" which, in just five days, employees of the "la Caixa" Group collected a total of 102.4 tons of basic foodstuffs for people in greatest need and which were subsequently delivered to a Food Bank.

THROUGH THE CORPORATE VOLUNTEER PROGRAMME, "LA CAIXA" OFFERS ITS EMPLOYEES, WHETHER RETIRED OR ACTIVE, THE CHANCE TO PARTICIPATE DIRECTLY IN WELFARE PROJECTS, THEREBY CHANNELLING SOCIAL CONCERNS IN AN ORGANISED FASHION

### SOLIDARIDAD EMPLEADOS (EMPLOYEE WELFARE PROGRAMME)

This initiative enables means that employees of the Institution can participate by financing humanitarian projects with a donation from as little as 1 Euro a month. By the end of 2009, 660 employees of the Group had participated in the programme, collecting a total of EUR 55,900 throughout the year for different causes:

- The Incorpora project and Spanish Red Cross, who support the work life integration of women who are victims of domestic violence.
- GAVI Alliance, dedicated to the fight against infant mortality.
- The MCCH project (Maquita Cushunchic), a NGO devoted to providing training for entrepreneurial women from rural communities in Ecuador.

## Our relationship with suppliers



*"In PromoCaixa we want to make sure that the products we buy have been manufactured in accordance with the Human Rights principles of The United Nations Global Compact and that they are made using necessary environmental friendly practises. For this, we have for some time now, requested external audits of manufacturing plants where the goods are produced and we require that include a compulsory clause affirming their adherence to the aforementioned principles for all contracts with our suppliers. In the event that an issue arises, we contact the supplier and try to resolve the situation in the shortest time possible. If this is not possible, then we consider the option of changing suppliers".*

**Carles Guillot Colls, Managing Director of PromoCaixa.**

Purchasing policy at "la Caixa" is grounded in the strictest compliance with the established legal framework. In addition, the Institution, mindful of the need for responsible management in relation to its suppliers and for this it fixes the ideal criteria as being a balance between service quality and reliability as well as the value of ethical commitments the Institution adheres to. For this, among its undertakings are that of striving for transparency and rigour in the selection processes for new suppliers and in awarding contracts –all purchases made are subject to purchasing approval and depending on the amount, for public auction - or that suppliers must demonstrate environmentally friendly and respect for Human Rights, thereby promoting cooperation between both parties and loyalty.

All suppliers of "la Caixa" must be up to date with all the legal requirements before being able to work with the Institution. This generic control is more strict for sectors which present greater risk, such as suppliers from countries beyond OECD and those who manufacture very specific products or articles for the Institution.

In 2009, "la Caixa", with a total of 551 strategic suppliers, had a purchasing total volume of goods and services of EUR 1.144 million, which was paid through 659,841 invoices. 90% of invoices were paid within the agreed 60-day payment timeframe. The top five suppliers were paid a combined total of EUR 191.8 million.

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THE COMMITMENT OF "LA CAIXA" AND ITS SUBSIDIARIES TO RESPECTING ITS SURROUNDINGS AND FOR BASIC HUMAN RIGHTS IS REFLECTED IN THE INTRODUCTION OF COMPULSORY COMPLIANCE CLAUSES IN EVERY CONTRACT SIGNED WHICH ENSURE ENVIRONMENTAL CONSERVATION AND COMPLIANCE WITH THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT BY ALL SUPPLIERS

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### Extending environmental and human rights commitments through the value chain

In 2009, in relation to the approval process for suppliers, "la Caixa" as well as its subsidiaries continued introducing different demands concerning the Group's objectives to contribute to conserving the environment and respecting basic Human Rights. These measures are reflected in the contract model used with suppliers, and which includes environmental protection clauses which are compulsory, suppliers are requested to present any environmental certificates they may possess, and the commitment to respect the principles of The United Nations Global Compact.

Within this framework, as of 2010, "la Caixa" will adopt the new European Procurement Regulations presented in 2009 by the AERCE (Asociación Española de Profesionales de Compras, Contratación y Aprovisionamiento). This regulation, the first of its kind with a transnational nature designed by purchasing departments of medium sized and large companies, will permit, among other things, guarantee that operations of these departments are respectful of environmental, ethical and sustainability issues.

### PROMOCAIXA AND MONITORING ACTIVITY WITH SUPPLIERS

PromoCaixa requests external audits for suppliers factories situated in the Third World when specific production processes are needed. These audit controls assess correct management of aspects of production concerning work contracts, length of working day, safety in the workplace and the absence of child labour. In 2009, there were a total of 6 audits concerning the manufacturing of articles for launching in significant campaigns. One of these audits took place in Bangladesh, and brought to light severe non-compliance with issues regarding safety in the workplace, and it was therefore refused the contract. All remaining audits detected incidents regarding working conditions which were addressed and therefore production went ahead. One of the objectives for 2010 will be the inclusion of an even more restrictive clause within the bid specifications for tender which, in the event that the audit and subsequent inspection of a factory were to generate a negative result, will mean that the contract will automatically not be celebrated and if a second audit is required, the cost of same will be payable by the supplier.



## 5. Verification Report

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

### Independent Assurance Report on the 2009 Corporate Responsibility Report of "la Caixa"

#### Scope of our work

We have performed a review of the 2009 Corporate Responsibility Report (CRR) of "la Caixa", the scope of which is defined in "Relevant Issues". Our work consisted of the review of:

- The adherence of the content of the CRR to the GRI Sustainability Reporting Guidelines version 3.0 (G3) and the core performance indicators and the financial services sector supplement proposed in the aforementioned guidelines.
- The information included in the CRR relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard 2008 (AA1000APS).
- The information provided about the progress achieved in the Corporate Responsibility commitments under "Objectives and Challenges".

#### Assurance standards and procedures

We conducted our review in accordance with International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with Guidelines for engagements relating to the review of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants to achieve limited assurance. Also, we have applied AccountAbility's AA 1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA1000APS and on the sustainability performance indicators (type 2 moderate assurance).

Our work consisted of making enquiries to management and certain units of "la Caixa" and the subsidiaries involved in the preparation of the CRR, and of carrying out the following analytical procedures and sample-based review tests:

- Meetings with "la Caixa" personnel to ascertain the principles, systems and management approaches applied.
- Analysis of the processes and procedures relating to the collection, aggregation and validation of the sustainability information.
- Review of the steps taken in relation to the identification and consideration of the stakeholders during the year and of the stakeholder group participation processes through the analysis of the available internal information and third-party reports.
- Analysis of the coverage, materiality and completeness of the information included in the CRR on the basis of the understanding of "la Caixa" of its stakeholder groups' requirements in relation to the relevant issues identified by the organisation and described under "Relevant Issues".
- Review of the information relating to the management approaches applied and verification of the existence and scope of the Corporate Responsibility policies, systems and procedures.
- Checking that the contents of the CRR do not contradict any significant information furnished by "la Caixa" in its Annual Report.
- Analysis of the adherence of the contents of the CRR to those recommended in the G3 Guidelines and verification that the core and sector indicators included in the CRR agree with those recommended by the GRI G3 Guidelines and that any inapplicable or unavailable indicators are identified.
- Review on a sample basis, of the quantitative and qualitative information relating to the GRI indicators included in the CRR and of the adequate compilation thereof based on the data furnished by the information sources of "la Caixa".

The scope of the review of the 2009 CRR was extended to include the following procedures:

- Analysis of the processes to gather and validate the information presented in the CRR including the review on a sample basis and carrying out of effectiveness tests of the automatic and manual controls implemented in the information gathering, loading and treatment processes furnished by the Customer and Human Resources Divisions.
- Review of the security and completeness controls of the CRR information gathering application used by "la Caixa".

#### Responsibilities of "la Caixa" management and of Deloitte

- The preparation and contents of the CRR is the responsibility of the Corporate Responsibility and Brand Division of "la Caixa", which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is reported.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- Since a limited assurance is substantially less in scope than a reasonable assurance engagement, we do not provide reasonable assurance on the CRR.
- This report has been prepared in the interests of "la Caixa" management in accordance with the terms and conditions of our Engagement Letter. We do not accept any liability to any third party other than "la Caixa" management.
- We conducted our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).
- Our team consisted of a combination of professionals with assurance qualifications and professionals with social, environmental and stakeholder engagement experience and sustainability report assurance experience.

### Conclusions

The table of CRR indicators provides details of the indicators reviewed and of the limitations in the scope of our work, and identifies any indicators that do not cover all the areas recommended by the GRI. As a result of our review, no other matters were disclosed that would lead us to believe that the CRR contained material errors or that it was not prepared in accordance with the guidelines of the Global Reporting Initiative Sustainability Reporting Guidelines version 3.0 (G3).

Also, the review procedures performed did not disclose any matter that causes us to believe that "la Caixa" did not apply the principles of inclusivity, materiality and responsiveness as described under "Relevant Issues" in accordance with standard AA1000 APS 2008:

- **Inclusivity:** "la Caixa" has developed a participation process for stakeholders that facilitates their involvement in the development of a responsible approach.
- **Materiality:** the process of determining materiality requires an understanding of important or relevant issues for "la Caixa" and its stakeholders.
- **Responsiveness:** "la Caixa" responds with specific actions and commitments to the material matters identified.

Finally, our work did not disclose any matters that would lead us to believe that the information furnished about the progress made on Corporate Responsibility commitments in 2009 detailed under "Objectives and Challenges" contained material errors.

### Observations and recommendations

In addition, we presented to the management of "la Caixa" our recommendations relating to the areas for improvement in Corporate Responsibility and in the application of the principles of inclusivity, materiality and responsiveness. The most significant recommendations, which do not modify the conclusions expressed in this report, are summarised as follows:

#### Inclusivity

"la Caixa" has various channels of dialogue with all its stakeholders. In 2009 the consultation process with stakeholders was continued and improved to determine external materiality by: on the one hand through four specific workshops with experts and representatives from the aforementioned stakeholders and, on the other hand, through the attendance of conferences and seminars. This constituted a new source of contact with the stakeholders and enabled some of their main concerns to be identified.

Although the consultation and involvement process is integrated and applied throughout the organisation, we consider that it is advisable to systematise the information obtained from the various dialogue mechanism throughout the year to enable changes in relevant issues for "la Caixa" to be evaluated periodically.

#### Materiality

As set forth in section 1 of the 2009 CRR, "la Caixa" identified and prioritised the relevant issues for its stakeholders which underpin the lines of work associated with responsible management. For these purposes "la Caixa" has criteria and thresholds to determine materiality that should be specified in order to increase their objectivity.

#### Responsiveness

During the review process a significant improvement was noted in the management of the Corporate Responsibility management information gathering and reporting tool. In this regard, it should be noted that the review procedures were not confined to ascertaining and understanding the controls defined, but were extended to include the carrying out of effectiveness tests on the automatic and manual controls in place for the gathering, loading and treatment of the data in order to extend the scope of the review to become a reasonable assurance engagement in coming years. Related to this matter, we recommend that the use of this tool by the various divisions continue to be extended, in order to enable information to be obtained periodically and not just at the end of the reporting period.

Also, "la Caixa" highlighted in the CRR the state of adherence to the commitments undertaken in 2008 and the new challenges for 2009. Nevertheless, we recommend that the compliance indicators for each of the objectives and challenges should be stated more specifically, to facilitate the monitoring thereof.

As regards the management of suppliers, "la Caixa" must continue to strengthen and expand the implementation of its Corporate Responsibility policies.

Finally, the progress that has been demonstrated for the application of social and environmental criteria in the evaluation of project finance arrangements should be extended to the other financial transactions.

DELOITTE, S.L.

Helena Redondo  
Barcelona, 8 March 2010



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### Concept and coordination of content:

Valores & Marketing

### Design:

Èxit de disseny

### Layout:

MediaResponsable

### Images:

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photograph); 29; 38; 39; 40 (lower photograph); 42; 46; 47; 58; 64; 67 (lower); 68; 71; 72; 76 (large photograph; second and

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## For further information:

### General

“la Caixa”

Caja de Ahorros y Pensiones de Barcelona

Business address: Av. Diagonal, 621-629 – 08028 Barcelona, España

Tax Identification Number: G-58899998

Telephone no.: (34) 93 404 60 00

Fax: (34) 93 339 57 03

Website address: [www.lacaixa.es](http://www.lacaixa.es)

### Corporate Responsibility Report

Jordi Fabà

Corporate Responsibility Director

Avda. Diagonal, 621-629. 08028, Barcelona

Telephone no.: 93 404 60 00 / Fax: 93 339 57 03

If you wish to send us any remarks or have any queries regarding this report, please write to the following address: [rsc@lacaixa.es](mailto:rsc@lacaixa.es)