

2007 SOCIAL RESPONSIBILITY REPORT

# Executive summary

can 

PIONEERS IN CIVIC BANKING





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## Introduction

Caja Navarra's (CAN) core strategy is 'Civic Banking'. We are focussing all of our efforts on implementing our strategy of Civic Banking and social, financial innovation<sup>1</sup>.

Caja Navarra's Social Responsibility Report 2007 aims to gauge its strategic determination regarding Civic Banking and social innovation, and to correlate it with sustainable development in economic, environmental and social terms. Likewise, it aims to make itself publicly accountable in this respect before its main stakeholders: customers, staff, suppliers, social organisations, public administrations, experts, the academic community, and society at large. We have added a new group to those considered in 2006. A group which we consider relevant to Caja Navarra's venture: experts and the academic community. The Report contains both Caja Navarra's positive and negative contributions.

This Report has been drafted in accordance with the most demanding international standard set for the subject: version G3 of the Global Reporting Initiative (GRI), obtaining the A+ qualification, the highest mark awarded. This level of application of the principles and contents of the Guide has been verified by the independent standards body AENOR (see verification report attached) and checked by the GRI. The Spanish Association of Accountancy and Business Administration (AECA) and the Institute of Chartered Accountants (ICJCE) awarded the previous report, 2006, the Prize for the Best Sustainability Report of a Spanish Company, the only prize of its kind awarded in Spain. Likewise, the 2006, 2005 and 2004 reports received what were at the time the GRI's highest qualifications: A+ or "In Accordance".

The Report uses the GRI indicator-response format in order to avoid wordiness and respond directly to the questions posed by the GRI Guide. This is now the third year we have used this system. We choose

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<sup>1</sup> See the financial-social innovation process in 4.16.



to use it because it involves a number of advantages which we feel are fundamental to a CSR report: thoroughness, clarity, transparency, comparability, simplicity, and exclusion of self-publicity. This format also dictates the physical form of the Report, allowing each reader to find the sections of the “threefold balance sheet” (economic, environmental and social) which he/she is most interested in, just like on a normal balance sheet. The principles used as guidelines when creating the Report are set out in 3.5. We also include information relevant to the two GRI Supplements for the financial service sector: environmental performance and social performance.

Caja Navarra is a signatory of the main guiding frameworks which serve as reference points in the field of CSR: the United Nation’s Global Compact and the Equator Principles for the environmental and social appraisal of credit policy. Since the very beginning of the partnership, Caja Navarra has belonged to the European Alliance for CSR (launched by the European Commission in 2006). Caja Navarra is an active member of leading CSR organisations, such as the “Fundación Forética” and the “Fundación Empresa y Sociedad”. Caja Navarra is a founding member of the CSR Observatory of Navarra. Caja Navarra is also a founding member of the Responsible Buying Group Nexos. Caja Navarra works in close conjunction with these organisations, proof of its commitment to CSR and to the integration of the underprivileged, both in terms of aspirations and practice.

This Responsibility Report forms part of Caja Navarra's Annual Report 2007 and employs the latest advances in the field of reporting. And this is all quite natural at Caja Navarra, where business strategy and CSR strategy are one and the same thing: Civic Banking.

**CSR:**  
thoroughness,  
clarity,  
transparency,  
comparability,  
simplicity, and  
exclusion of  
self-publicity.



## Improvements applied to this report

The 2007 report contains significant improvements and new features, all of which conform to the highest self-imposed level of excellence. The following points deserve special mention:

- **Strategy.** Implementation of Civic Banking and Social Innovation as Caja Navarra's core strategy (see indicators 1.1 and 4.16). CAN's CSR and its general strategy are completely aligned and so is the conceptual structure of this Report.
- **Materiality and participation of stakeholders** (see indicators 3.5, 4.16 and 4.17).
- **Integrated indicators:** the context of sustainability (see 'Integrated indicators' in this Executive Summary).
- **Thoroughness.** By means of example, we could highlight, in the environmental content, the exhaustive calculation of total CO<sub>2</sub> emissions, both direct and indirect, through electricity consumption, heating oil consumption, travel (trains, aeroplanes, private vehicles), transportation (mailbags, couriers, security vehicles), paper and water (see EN16 and EN17 indicators).
- **Equality:** salary gap, tackled for the 2nd year running and calculated better (see LA14 indicator).
- **Products and services with CSR content** (see RB1 and IB3 indicators). Credits and loans with high social or environmental content (see RB2 indicator).
- **Work related to the integration of the underprivileged,** or social action, strategically employing business resources in five main fields: products and services, human capital, employment, networking and financing (reflected in the relevant indicators and also synthesised in the indicators SOC1 and RB1).
- **Executive Summary** and its publication in Spanish, Basque, Catalanian and English.

CAN's CSR and its general strategy are completely aligned and so is the conceptual structure of this Report.

## Most relevant facts from 2007

The most relevant facts from 2007 are summarised in six sections:

- Strategic field: Civic Banking.
- Governance and participation of stakeholders.
- Economic dimension of sustainability.
- Environmental dimension.
- Social dimension.
- Degree of compliance with the objectives for 2007.

### **Strategic field: Civic Banking**

2007 has been a very special year for Caja Navarra. The launch of our Strategic Plan 'Cantera' 2007-2010 has cleared the way for the implementation of a new way of doing finance, Civic Banking, organised around the Civic Banking Community (CAN customers and the members of organisations which present social projects), approximately one million strong in number.

2007 has seen the creation of new rights for our customers. Caja Navarra has also assumed new obligations which will help it become what it wants to be: a leader in civic finance.

It also continues to grow in Spain and abroad, and its results, both economic and beyond, are accompanying it on the way.

### **Social innovation. Our customers' rights**

Civic Banking is the result of our search for differentiation, an intense effort to immerse ourselves in social and financial innovation, and of constantly asking ourselves a single question: 'Do our customers only deserve obligations and not a single right?'

2007 has seen the creation of new rights for our customers.



Traditional banking forces customers to adapt to what bankers say. Customers fulfil the conditions set by their banks. Civic Banking breaks this paradigm, creating new rights (social, political and economic) for customers and encouraging their exercise, setting bankers duties in their relationship with customers... We have changed the rules.

In 2007, Caja Navarra customers already had the right to choose the social projects they wanted to fund with the profits their money made in CAN, through the initiative 'You choose: you decide'.

But we also recognised other, **new rights** over the year:

- **Civic Account.** The right to know how much money Caja Navarra makes from each customer and the specific contribution each customer makes to their chosen social project/s. CAN's 620,000 customers have all received detailed information by mail.
- **Accountability.** The right of customers to receive explanations from the organisations they decide that the profits from their money should go to regarding the development of the projects which these organisations have implemented thanks to contributions. 216 accountability sessions attended by 7,437 people.
- **VolCan.** CAN voluntary work. The right to take part in the projects funded by performing voluntary work. 2,951 customer voluntary workers.

The management system of the four rights which Caja Navarra gives its customers (social choice, civic account, accountability information and participation/voluntary work) has the UNE-EN ISO 9001 Quality Certification awarded by AENOR. CAN is the first organisation in the financial sector to manage all of its Social Project Work in accordance with this Standard.

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### Social innovation. Caja Navarra's duties

The duties which Caja Navarra assumes with regard its customers are guidelines set to change the traditional relationship between bankers and customers, and make for relationships between individuals, between citizens. They are guides of conduct which help foment relationships of trust. They are specified in 12 ideals which define a single aspiration... that Caja Navarra's customers feel that the bank cares about them. And the path towards accomplishing this aspiration is opened up by asking our customers if they are aware of this new approach to their relationship with CAN. Private customers scored their degree of satisfaction with the implementation of the twelve ideals as 6.99 out of 10, business customers as 7.05 and employees as 7.56.

#### Caja Navarra's ideals

| <b>We are a bank which is...</b> | <b>We...</b>   |
|----------------------------------|--|
| <b>Responsible</b>               | Promote fair relationships                             |
| <b>Transforming</b>              | Encourage and extend your rights                       |
| <b>Good</b>                      | Explain why and why not                                |
| <b>Intelligent</b>               | Listen to our customers                                |
| <b>Creative</b>                  | Devote 20 minutes every day to just thinking           |
| <b>Sensitive</b>                 | Are truly interested and care                          |
| <b>Idealist</b>                  | Think everybody is worthy of credit                    |
| <b>Evolutionary</b>              | Inventory mistakes and 'Noes'                          |
| <b>Holistic</b>                  | Appreciate people for what they want to and can become |
| <b>Multicultural</b>             | Integrate diversity                                    |
| <b>Biological</b>                | Humanise our language. Care about the environment      |
| <b>Fun</b>                       | Spread optimism  |



## Expressions of Civic Banking: 'Cancha' branches

We let people use our premises. CAN is creating a new model of branch office: the 'Cancha' branch. There were already 67 in 2007. These branch offices are places for the public, customers and non-customers alike, which totally break with the traditional model of bank branches. Our relationship with customers takes on a new binding dimension at the 'Canchas', things happen, and, what is more, business is showing greater growth at the 'Canchas' than at conventional branches.

'Cancha' branches are more than just a place to deposit savings and get financing. Anybody, be they a CAN customer or not, can enter a 'Cancha' to have a cup of coffee, read a book or newspaper, use Internet or attend the activities which each branch organises once a week. 'Canchas' also have children's corners where kids can draw and play.

In 2007, the 65,000 people who visited a 'Cancha'...

- Took part in 1,581 activities:
  - For children (56%): storytelling, magic, plays, dance...
  - Musical (18%): concerts by local groups, students from local music schools...
  - Social (8%): run by associations and NGOs.
  - Conferences (7%): on sport, culture, travel, the economy...
  - Participatory workshops (11%): wine and food tasting, beauty, diet, massage, first aid...
- Surfed Internet for 18,000 hours.
- Read the press or books for 12,000 hours.
- Attended 300 concerts.
- Came with their kids: more than 47,000 hours of children's game.
- Released more than 1,000 books as part of the book release movement Bookcrossing.

When they leave, we ask those attending to fill in a questionnaire and the results from 2007 show that 57% considered what went on in the 'Canchas' as 'very good' and 36% regarded it as 'good'. 95% said that

**65,000 people at our 'Canchas':**

**1,581 activities.**

**18,000 hours surfing Internet.**

**12,000 hours reading.**

**300 concerts.**

**47,000 hours of children's games.**

**1,000 books released.**



they would come back in the future and 96% said that they would recommend the activities to other people.

### Implementation of the Strategic Plan 'Cantera': economic results

The Civic Banking strategy has led to CAN obtaining very good results, both economic and beyond. In 2007, we achieved our 5 economic benchmark objectives:

- **Results:** PBT (Profit Before Tax) grew by 18.1%; the target was 10%.
- **ROE:** 15.95%, while the target was set at 15%.
- **Efficiency:** with a target of 80 basic points, a reduction of 115 was witnessed.
- **Turnover per employee:** growth of 10.2%. The target was 10%.
- **Balanced growth, financing-investment.** Credit to customers grew by 20.2% and assets on the balance sheet by 19.4%.

### Implementation of the Strategic Plan 'Cantera': results beyond economic results

- **Brand value.** 'MERCOS Personas' [MERCOS People] Index 2007. Caja Navarra: 70<sup>th</sup> in the list of the 100 best workplaces in Spain. Best workplace in Navarra.

Caja Navarra: among the 63 best workplaces in Spain according to the international organisation CFR (2007).

'MERCOS Marcas' [MERCOS Brands] acknowledges Caja Navarra as the "financial service organisation at autonomous community scale (without generalised presence) with the best reputation among users".

- **CAN staff involvement.** One target in Caja Navarra's Strategic Plan 2007-2010 is that 75% of CAN employees should be satisfied with their social, personal and professional situations. The work climate survey of employees ('Clima Cantera') performed in September 2007 to analyse the degree of establishment of CAN's ideals gave a satisfaction result of

Economic results and results beyond economic results



3.78 out of 5 for pride in belonging to the company, a balanced family life, the atmosphere at work and professional development.

- **New customers.** 15% of CAN's new customers choose our bank due to its Civic Values.

### **Awards and acknowledgements**

- In 2007, Caja Navarra's CSR Report 2006 was awarded the Prize for the 'Best Sustainability Report of a Spanish Company' for its outstanding system of participation involving customers, investors, suppliers, etc. The prize was awarded by the Institute of Chartered Accountants (ICJCE) and the Spanish Association of Accountancy and Business Administration (AECA).
- On the 4<sup>th</sup> of October 2007, the Civic Account won the Prize for the Best CSR Solution by a Spanish Company at the MarketPlace organised by "Fundación Forética" in Madrid.
- At the European CSR MarketPlace in Brussels (29<sup>th</sup> of November 2007), Caja Navarra was the highest marking financial organisation in the opinion of both public and jury.
- CAN's Women's Plan won the 'Prize for the Company Policy in favour of Women 2007', awarded by the Federation of Women Managers and Entrepreneurs (FEDEPE).
- Our 'Cancha' branch offices were acknowledged as the 'Fourth Most Innovative Bank Branch Model in Europe' by the study performed by the English consultants I-Am Associates.
- The "Fundación Sagardoy" awarded Caja Navarra the 'Prize for Best Social and Occupational Action' for the implementation of Civic Banking, which grants and recognises new customer rights.
- Caja Navarra, the most innovative savings bank in the sector according to the study "Current Trends in the Financial Sector in Spain", carried out by the consultants Tatum for the EOI business school.
- Caja Navarra, ninth Spanish company in the funding of social projects according to "Treatment of social action in the 2006 Annual Report of large companies" by the "Fundación Empresa y Sociedad".

In 2007, Caja Navarra's CSR Report 2006 was awarded the Prize for the 'Best Sustainability Report of a Spanish Company'.



### Synthetic indicators of Civic Banking:

| Indicator  | 2007       |
|--|------------|
| Amount (in €) devoted to funding social projects (chosen in 2007 for implementation in 2008) | 50,250,000 |
| No. of customers who chose a social project  | 530,362    |
| No. of projects funded   | 2,723      |
| Civic accounts sent to customers   | 620,000    |
| Customer voluntary workers   | 2,750      |
| Hours doing voluntary work   | 22,000     |
| No. of project accountability sessions for customers   | 216        |
| No. of people attending accountability sessions  | 7,437      |
| Distance accountability acts (%)   | 100        |
| No. of 'Cancha' branches   | 67         |
| No. of activities at 'Cancha' branches   | 1,581      |
| Staff satisfaction with the level of implementation of CAN's ideals                          | 7.56       |
| Private customer satisfaction with the level of implementation of CAN's ideals               | 6.99       |
| Business customer satisfaction with the level of implementation of CAN's ideals              | 7.05       |



## Governance and participation of stakeholders

- Dialogue with and active participation of stakeholders in decision-making at Caja Navarra: customers, staff, the public administration and economic and social agents are represented with full speaking and voting rights on the organisation's managing bodies (general board, board of directors, supervision committee and delegate committees).
- Corporate Governance: in 2007, the chairman of Caja Navarra made an Institutional Declaration (with the backing of the Board of Directors, the Supervision Committee and the General Board) to promote a Basic Agreement regarding an Agenda of Good Governance based on:
  - Enhancing the specialisation of the different managing bodies.
  - Guaranteeing the qualification, autonomy and independence of the different decision-making bodies.
  - Boosting both Social Project Work, as the essence of identity, and social innovation.
- As a consequence, a drafting board was set up to write a Code of Recommendations of Good Governance for Caja Navarra, for proposed approval in 2008.
- Social and financial innovation: a model resulting from dialogue with stakeholders.
- 530,362 customers decided how CAN should invest in social projects.
- 2,723 projects chosen by customers.
- 620,000 customers received information about their CAN Civic Accounts.
- Materiality:
  - Customer survey on CAN's CSR Report 2006.
  - Staff survey on CAN's CSR Report 2006.
- "Vialogos": structured dialogue with business customers: 1,800 surveys in 2007.
- Surveys on customer perception of Caja Navarra's degree of fulfilment of its ideals.

Customers, staff, the public administration and economic and social agents are represented with full speaking and voting rights on the organisation's managing bodies.



- Staff survey on climate at work (their perception of Caja Navarra's degree of fulfilment of its ideals).
- Formal and informal dialogue with experts and the academic community.
- Most of the synthetic Civic Banking indicators (listed previously) involve significant 'dialogue-with-stakeholder' features.
- See 4.16 and 4.17 for the complete stakeholder dialogue system: customers, staff, suppliers, social organisations, public administrations, experts, the academic community and society at large.

### **Economic dimension of sustainability**

- Caja Navarra's direct economic value generated and distributed to society: €383,250,000 in 2007 (19.1% more than in 2006), consisting of:
  - Labour: €116,575,000
  - Suppliers: €78,863,000
  - Community (Social Project Work): €50,250,000
  - Business (reserves and provisions): €136,559,000
  - Tax: €1,003,000
- Increase in expenditure on Social Project Work to €50.25M (allocated in 2007 to spend in 2008), 19.6% more than the previous year, which stood at €42M (allocated in 2006 to spend in 2007).
- Purchases from Special Employment Centres (which employ people with disabilities): €987,702 (10.7% more than 2006). Equivalent to hiring 45.5 people with disabilities.
- Environmental appraisal of credits and loans (Equator Principles): 90 credit operations worth more than \$10M appraised, making for a total sum of €1,502.29M.
- Credits and loans with CSR content: €2,665.06M.
- Creation of regional business. Purchases from local suppliers: 75.1% of all purchases from suppliers.

Increase in expenditure on Social Project Work to €50.25M, 19.6% more than the previous year.



- Social and geographical inclusion:
  - Branches in municipalities with populations of less than 10,000: 112 (32% of all branch offices).
  - 24% of business in municipalities with populations of less than 10,000.

### **Environmental dimension of sustainability**

- Increase of 36% in environmental expenditure and investment re. 2006, to a total of €3,863,856 in 2007.
- Renewal of UNE-EN ISO 14001 environmental certification and the Environmental Management System.
- In 2007, offsetting of the CO<sub>2</sub> emissions generated directly or indirectly by the organisation and calculated in the CSR Report 2006: 3,002 tonnes of CO<sub>2</sub>.
- Paper consumption: 278,308 kg.; paper per employee: 145 kg (increase of 3.6%).
- Use of recycled or environmentally-friendly paper.
  - Increase of 14.1% on 2006. 70.2% of all the paper consumed was recycled: 195,399 kg.
  - The rest: chlorine-free, environmentally-friendly paper.
- Paper recycling: recycling increase of 13.3%. 88.4 tonnes of paper were recycled in 2007, 10.4 tonnes more than in 2006.
- Electricity consumption:
  - Buildings certified per UNE-EN ISO 14001 (central building and Pamplona's Pío XII branch): Savings of 2.3% re. 2006. Consumption of 2,763,401 kWh.
  - Total CAN: 13,553,445 kWh (estimate, calculated for first time).
- Water:
  - Buildings certified per UNE-EN ISO 14001: saving of 1,220 m<sup>3</sup> (20.3%) re. 2006. Consumption of 4,801 m<sup>3</sup>.
  - Total CAN: 19,213 m<sup>3</sup> (estimate, calculated for first time).

**Increase of 36%  
in environmental  
expenditure  
and investment  
re. 2006  
(€3,863,856  
in 2007).**



- Exhaustive calculation of the organisation's CO<sub>2</sub> emissions. These correspond to those generated by: electricity of CAN in its entirety, heating oil, staff travel, transportation of money and material, paper consumption, water consumption. Total CO<sub>2</sub> emissions: 10,308.44 tonnes.

### **Social dimension of sustainability**

- More staff: net creation of 221 jobs. We ended the year with 1,913 employees, 13.1% more than the previous year.
- Job quality and stability: creation of 238 permanent jobs and reduction of temporary posts: 91.2% in 2007, in comparison with 89.1% in 2006.
- Greater gender balance: at the end of 2007, 46% of the Caja Navarra staff were women, as opposed to 42% at the end of 2006.
- More women in managerial jobs. 35%, as opposed to 31% the previous year.
- Training: 51 hours of training per employee in 2007. 96,676 hours of staff training. Expenditure of €1,441 per employee.
- Average staff age: 36; men, 38.8, and women, 32.9.
- Promotion opportunities: in 2007, 562 people were promoted (29.3% of the entire team). 51.8% of those promoted were women.
- Transparency regarding average staff salary: €48,096.
- Transparency in the gender analysis of salaries. In a year marked by transparency and a will to tackle such questions, we have confronted the problem of the salary gap between men and women, something none too common in CSR reports. Unfortunately, we are obliged to recognise that there is a salary gap at Caja Navarra as well.
- Disability:
  - Compliance with the Law on the Social Integration of People with Disabilities, by means of Declaration of Exceptional Circumstances.
  - 7 employees with disabilities on the staff.
  - Purchases of €987,702 from Special Employment Centres, equivalent to hiring 45.5 people with disabilities<sup>2</sup>.

**221 new jobs.**  
**1,913 employees.**  
**91.2% permanent jobs.**  
**46% of Caja Navarra's staff were women.**  
**562 people promoted.**

<sup>2</sup>Conversion factor per Royal Decree 364/2005, of the 8<sup>th</sup> of April, regulating alternative compliance with the quota of workers with disabilities in special circumstances.



- The first complete survey of psychosocial risks in the sector. First plans of action following analysis of the results.
- MERCO Personas 2007: Caja Navarra features in MERCO Personas' 'Top 100' best workplaces in Spain. In 2006, it was number 79 and in 2007, number 70. Best workplace in Navarra.
- Caja Navarra, one of the 63 best workplaces in Spain according to the international organisation CFR.
- Employee voluntary work: 143 employees performed voluntary work in 2007.
- 'Tribucan. The tribe sets out!': school educational project stemming from the pioneering spirit of Civic Banking, the aim of which is to help educate citizens in solidarity, responsibility and the capacity to successfully embark on entrepreneurial ventures. A different kind of financial education. Backed by the philosopher José Antonio Marina, directed by CAN staff, supported by a team of entrepreneurial businessmen and with advice from teachers and educators. In 2007, pilot schemes at 8 schools. Project implemented: vocational training school for the population affected by the Tsunami in Galle (Sri Lanka).

**'Tribucan. The tribe sets out!': school educational project stemming from the pioneering spirit of Civic Banking.**



## Degree of compliance with the CSR objectives set for 2007

| 2007 Objectives   | Degree of compliance   |
|---|--|
| Progress in terms of transparency with customers, offering them information on the profit their money makes and their contribution to the social projects they choose | High   |
| Develop new products and services with CSR content  | High   |
| Perform an energy audit and design an energy efficiency plan performed;   | Medium-high: audit energy efficiency plan started in 2007 and approved in 2008 (v.EN5) |
| Progress in the environmental appraisal of credits and loans  | Medium-high  |
| Progress in the CSR management system   | Medium   |
| Implement an Ethically and Socially Responsible Management System per the SGE 21 standard with recognition and certification from Forética                            | Medium (certification by 2008)   |

## Main objectives and developments planned for 2008

Most of the objectives indicated in this Report are CAN 2008 overall management objectives, in line with the Strategic Plan 'Cantera' 2007-2010. It should be remembered that CAN's core strategy is Civic Banking. Other more specific objectives are also described.



## CAN 2008 management objectives

- **Customer scoring:**
  - Private: >7.3
  - Business: >7.4
- **Customers already exercise 4 rights:**
  - They choose social projects (1<sup>st</sup> right):
    - Project: 80%
    - Project or line of action: 90%.
  - They know how much CAN makes from their money and how much they contribute to social projects (2<sup>nd</sup> right): 100%.
  - They know how their social contribution is used (3<sup>rd</sup> right): 500 accountability sessions.
  - They actively participate in projects (4<sup>th</sup> right): 5,000 voluntary workers.
- **CAN will create new rights:**
  - Traceability (5<sup>th</sup> right): Where is CAN's customers' money and what does CAN do with it? Customers will know and decide what CAN invests their money in.
  - Customers set prices depending on how much they use CAN (6<sup>th</sup> right).
- **More CSR in companies:** 100,000 copies of company CSR Reports/ Social Action Reports which CAN will help its customers draft free of charge (see EC1).
- **CAN people:**
  - Investment in training: 4% of total expenditure.
  - Work climate survey: 7.5.
- **Groundbreaking territory:**
  - To internationalise CAN and Eurecan.
  - To become women's favourite bank.
  - New digital Cancha (web site).

In 2008, CAN will help its business customers design and distribute 100,000 copies of their CSR Reports/Social Action Reports.



### **Other objectives 2008**

- To implement an Ethically and Socially Responsible Management System per the SGE 21 standard with recognition and certification from Forética.
- To create a Code of Recommendations for Good Governance of Caja Navarra.
- Caja Navarra's Energy Efficiency Plan: energy audit, approval of the Plan and implementation.
- Quality: EFQM certification.
- Tribucan: to extend the educational project to more than 25 schools by school year 2008/2009.
- People: 360° appraisal.
- To develop new products and services with CSR content.
- To progress in environmental risk analysis.

## **Integrated indicators: the context of sustainability**

Caja Navarra has voluntarily decided to include a set of integrated performance indicators as a means of surpassing the guidelines of GRI-G3. These integrated indicators help put the information provided in the organisation's Social Responsibility Report in context; it is not the same to know a company's data in isolation as it is to compare it with performance in its sector or geographical area. Although GRI-G3 does not require indicators of this kind, CSR experts believe that progress in this area represents one of the main challenges remaining for CSR reports.

### **Criteria for the selection of integrated indicators**

We have selected relevant integrated indicators for which comparable information is available. It should be pointed out that a set of commonly accepted integrated indicators with reliable data with which to contextualise company information simply does not exist.

It is not the same to know a company's data in isolation as it is to compare it with performance in its sector or geographical area.



For those indicators for which no comparable external information is available, we provide the information in the form of ratios (per employee, etc.), showing annual evolution within the organisation itself.

The main source for comparison is the CSR of savings banks, Report 2006, published by the Spanish Confederation of Savings Banks (CECA), with data on all savings banks, a highly relevant document.

The integrated indicators are published in three sections:

- Compared with the sector.
- Compared with the national average.
- Other ratios.

### Compared with the sector

| Indicator  | CAN 2007 | CAN 2006 | Sector 2006 = savings banks <sup>3</sup> |
|--|----------|----------|--|
| Percentage of profit devoted to social projects                        | 30%      | 30%      | 23.8%                                    |
| Average pay of members of Board of Directors                           | €10,053  | €9,835   | €13,022                                  |
| Average pay of members of Supervision Committee                        | €14,859  | €13,347  | €13,623                                  |
| Offices in municipalities <10,000 inhabitants (geographical inclusion) | 32%      | 35%      | 26%                                      |
| Job creation   | + 13.1%  | + 16%    | + 7.3%                                   |
| Employees with disabilities  | 0.37%    | 0.35%    | 0.28%                                    |
| Non-Spanish staff  | 0.58%    | 0.41%    | 0.19%                                    |
| Percentage of indefinite-term contracts                                | 91.2%    | 89.1%    | 93.7%                                    |

<sup>3</sup>Source: CSR of savings banks. Report 2006, the latest available information at the time of drafting CAN Report 2007.



|   |   |  |                              |
|---|---|--|------------------------------|
| Training: average expenditure per employee                                  | €1,441  | €1,536   | €654                         |
| Training: hours per employee  | 51  | 55   | 44                           |
| Women on the General Board  | Women 17%<br>Men 83%                          | Women 20%<br>Men 80%   | Women 23%<br>Men 77%         |
| Employees by gender   | Women 46%<br>Men 54 %                         | Women 42%<br>Men 58%   | Women 41%<br>Men 59%         |
| Electricity consumed per employee   | 6,027 kWh<br>(21,70 Gj)<br>(central building) | 7,628.15 kWh<br>(27,46 Gj)<br>(central building <sup>4</sup> ) | 5,053.18 kWh<br>(18,19 Gj)   |
| CO <sub>2</sub> emissions <sup>5</sup> ,<br>due to electricity per employee | 2.79 m/t                                      | 2.92 m/t<br>(central building <sup>6</sup> )                   | 1.94 m/t                     |
| Water consumed per employee   | 10.04 m <sup>3</sup>                          | 16.43 m <sup>3</sup><br>(central building)                     | 13.83 m <sup>3</sup>         |
| Recycled paper consumed per employee  | 102.1 kg                                      | 69.8 kg  | 4.54 kg                      |
| Local Suppliers <sup>7</sup>  | 75.1%   | n. a. (not available)  | 64.6%<br>(Spanish suppliers) |
| ROE   | 15.95   | 15.45  | 15.3                         |

<sup>4</sup>For the environmental indicators, we use the concept of “users” of the central building instead of employees as people who are not CAN staff also work in the building, such as those belonging Can Foundation, Corporación and external auxiliary companies. The same approach is taken in the Environmental Management System. There were 449 users in 2007. This represents a small modification on the data given in the 2006 Report, which reported on the 347 employees working in the building rather than its 364 users (annual average).

<sup>5</sup>Conversion factor 2007: 1,000 kWh = 0.3942 Tonnes of CO<sub>2</sub>. These integrated indicators were calculated using the calculation and conversion protocols and factors of the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) through the recommendations of “Indicators protocols Set: EN” Version 3.0.

<sup>6</sup>For the environmental indicators, we use the concept of “users” of the central building instead of employees. Idem.

<sup>7</sup>By ‘local suppliers’, we understand suppliers which operate at regional scale in the same region in which Caja Navarra purchases its products and services, as opposed to suppliers which operate at national or international scale.



### Compared with the national average: average labour cost

The integrated indicator on labour costs is presented in comparison with national data from the Spanish National Institute of Statistics (INE), which is the only data available and provides a reference point of great value. The concept of “labour cost” is defined as the cost to the employer for the use of labour, including pay, company Social Security contributions and other items.

|                     | CAN 2007                                     | CAN 2006                                     | Spain 2007 <sup>a</sup> | Spain 2006 <sup>a</sup> |
|---------------------|--|--|-------------------------|-------------------------|
| Average labour cost | €60,623<br>(2.22 times the<br>cost in Spain) | €58,220<br>(2.21 times the<br>cost in Spain) | €27,263                 | €26,361                 |

### Integrated indicators: other ratios

|   | 2007   | 2006   | 2005   |
|---|--------|--------|--------|
| Paper consumed per employee                                       | 145 kg | 141 kg | 164 kg |
| Use of recycled paper as percentage<br>of total paper consumption | 70.2%  | 72.03% | 21.95% |

<sup>a</sup>Source: annualised estimate based on the quarterly surveys of Labour Cost 2007 by the National Institute of Statistics ([www.ine.es](http://www.ine.es)), consulted on 29.04.2008.

<sup>a</sup>Source: Annual Survey of Labour Cost 2006. National Institute of Statistics ([www.ine.es](http://www.ine.es)), consulted on 29.04.2008.



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