

# 2009 Social Responsibility Report

## Caja Navarra



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LEGAL DEPOSITORY: 1887/2010



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# External assurance of CSR reporting

## INDEPENDENT REVIEW REPORT OF THE CAJA DE AHORROS Y MONTE DE PIEDAD DE NAVARRA 2009 SOCIAL RESPONSIBILITY REPORT AND 2009 XBRL SOCIAL RESPONSIBILITY REPORT

### *Scope of the review*

We have reviewed the contents of:

- the 2009 Social Responsibility Report (also referred to hereafter as the Report),
- the 2009 Social Responsibility Report in eXtensive Business Reporting Language (XBRL) format (also referred to hereafter as the 2009 XBRL CSR Report), according to the taxonomy designed by the Spanish Association of Accountancy and Business Administration (AECA) and
- the 2009 Central Scoreboard for Corporate Social Responsibility (also referred to hereafter as the 2009 CCI-CSR), developed by the Spanish Association of Accountancy and Business Administration (AECA)

of Caja de Ahorros y Monte de Piedad de Navarra (also referred to hereafter as Caja Navarra or Entity), available at [www.cajanavarra.es/es/nuestros-deberes/responsabilidad-social-corporativa/memorias-rsc/memorias-rsc-can/2009/](http://www.cajanavarra.es/es/nuestros-deberes/responsabilidad-social-corporativa/memorias-rsc/memorias-rsc-can/2009/), and their adaptation to the indications of:

- The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 3.0 (G3) and the GRI Financial Services Sector Supplement.
- The principles of AA1000 APS 2008 issued by AccountAbility.
- The taxonomy designed by AECA for Corporate Social Responsibility (CSR) Reports in XBRL format.
- The taxonomy designed by AECA for the Central Scoreboard.

The production of the 2009 Social Responsibility Report, the 2009 XBRL CSR Report and the 2009 CCI-CSR, and their contents, are the responsibility of the Bodies of Governance and the Senior Management of Caja Navarra, who are also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

### *Criteria*

We have performed our review in accordance with:

- The “Corporate Responsibility Report Review Guidelines” issued by the Spanish Institute of Chartered Accountants (ICJCE)
- “ISAE 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC)
- AccountAbility’s “AA1000 Assurance Standard 2008” according to the requirements of a type 2 assurance engagement.

The scope of the review observed the following criteria:

- Reasonable level of assurance according to “ISAE 3000”, which corresponds to high assurance according to “AA1000 Assurance Standard 2008” on the application in its preparation of the provisions of the “GRI Sustainability Reporting Guidelines”.

### *Procedures performed*

Our work consisted of interviewing the Senior Management and the Heads of the Sections and Departments taking part in the production of the 2009 Social Responsibility Report and the 2009 Social Responsibility Report in XBRL format, and the application of certain analytical procedures and review tests based on sampling as described below:

1. Interviews with the following people:

Rosa Jaso	Assistant Deputy General Director
Xabier Erize	Innovation and Strategic Implementation
David Pérez de Ciriza	Innovation and Strategic Implementation
Ruth Lleras	Personal Development
Idoia Alegría	Personal Development-Training
Carlos Artaso	Personal Development-Occupational Risk Prevention
Francisco Lacuza	Quality
Estibaliz Lacalle	Foundation
Mikel Aranguren	Marketing
José Miguel Albizu	Marketing
Maite Sánchez	Customer Service
Javier Álvaro	R&D&innovation

2. Review of the main processes and systems by which Caja Navarra establishes its undertakings with its stakeholders and the coverage, relevance and integrity of the information included in the 2009 Social Responsibility Report, the 2009 XBRL CSR Report and the 2009 CCI-CSR.
3. Review of relevant information, such as the audit reports of the 5 chief rights of CAN customers or the report for the Management on the Environmental Management System, in which matters related to Corporate Social Responsibility are addressed.
4. Review of the adaptation of the structure and contents of the 2009 Social Responsibility Report to the indications of the GRI G3 Guidelines.
5. Review of the adaptation of the contents of the XBRL CSR Report and the Central Scoreboard for CSR to the taxonomy designed by AECA.
6. Visit to Cancha branch office 094-San Ignacio, located in Avenida de San Ignacio, 16, 31001 Pamplona, as an example of the relationship model established by Caja Navarra with customers and non-customers.
7. Selective verification of the quantitative information in the indicators included in the 2009 Social Responsibility Report, the 2009 XBRL CSR Report and the 2009 CCI-CSR.

Regarding the three documents assured, a wide range of tests were performed on numerous indicators in order to guarantee a high level of assurance (according to the criteria of AA1000 AS, 2008 version) which corresponds to reasonable assurance according to ISAE 3000.

These procedures were applied to the information contained in the 2009 Social Responsibility Report, the 2009 XBRL CSR Report and the 2009 CCI-CSR.

### ***Independence***

Our work was performed in accordance with the standards for independence required by the Code of Ethics of the International Federation of Accountants (IFAC).

### ***Conclusions***

As a result of our review, we conclude that:

- The 2009 Social Responsibility Report has been produced in accordance with level A+ of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 3.0 (G3), as indicated by the Entity. Nothing has come to our attention which might lead us to believe that the indicators identified in Appendix I were not compiled reliably and suitably in all significant aspects.

Likewise, nothing has come to our attention which might lead us to believe that the 2009 Social Responsibility Report was not compiled in accordance with the principles of AA1000 APS (2008), issued by AccountAbility, understood as:

- ✓ **Inclusivity:** The Entity has mechanisms by which to identify its stakeholders and to discover and understand their expectations, as described in chapter 4. Governance, Commitments and Engagement, sections 4.16 and 4.17.
  - ✓ **Materiality:** The Entity performs analysis in order to select the relevant aspects to include in the Report, as described in chapter 4. Governance, Commitments and Engagement, sections 4.16 and 4.17. Indicators are also included which are not required in the Guidelines, but are considered significant for appraisal by stakeholder groups (e.g. average salary and gender pay gap).
  - ✓ **Responsiveness:** The Entity has mechanisms by which to design, develop, evaluate and communicate responses to the main expectations of its stakeholder groups, as described in chapter 4. Governance, Commitments and Engagement, sections 4.16 and 4.17.
- The 2009 Social Responsibility Report in eXtensive Business Reporting Language (XBRL) format has been compiled in accordance with the taxonomy designed by AECA for Corporate Social Responsibility (CSR) Reports in XBRL format. Nothing has come to our attention which might lead us to believe that the indicators identified in Appendix II were not compiled reliably and suitably in all significant aspects.
  - The 2009 Central Scoreboard for Corporate Social Responsibility has been compiled in accordance with the taxonomy designed by AECA. Nothing has come to our attention which might lead us to believe that the indicators identified in Appendix III were not compiled reliably and suitably in all significant aspects.

### **Recommendations**

We have given the Senior Management of Caja Navarra our recommendations regarding areas for improvement concerning the application of the principles of AA1000 APS (2008) and the production process employed for the three documents:

#### **a) Inclusivity:**

To continue to encourage the opening of new channels of stakeholder group dialogue and engagement, and to continue to improve those which already exist.

#### **b) Materiality:**

To continue to introduce indicators which, despite not being included in the reference guidelines for CSR reporting, are demanded and considered important by stakeholder groups in a rational manner.

#### **c) Responsiveness:**

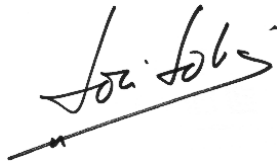
Disclosure of the degree of compliance with the objectives set for 2009 and the definition of new objectives for 2010 demonstrate Caja Navarra's commitment to respond to the expectations of its stakeholder groups. Our recommendations in this respect are as follows:

1. Banca Cívica, the financial group formed by Caja Navarra, CajaCanarias and Caja de Burgos, started to operate on July 1. Given that the Banca Cívica Group will foreseeably present consolidated annual accounts for 2010, we recommend that the CSR information for 2010 be compiled for the entire group and the next three phases to be carried out in the field of Corporate Social Responsibility in the Banca Cívica Group be explained as an exercise of transparency:

- Definition and unification of processes.
  - Design and unification of procedures.
  - Design, implementation and unification of information systems.
2. In future reports, cross reference the information provided regarding the CSR action performed by stakeholder groups with the values of Caja Navarra (Multicultural, Holistic, Evolutionary, Idealist, Sensitive, Creative, Intelligent, Good, Transforming, Responsible, Fun and Biological) to clearly demonstrate the alignment of its CSR values, strategy and performance.
  3. In future reports, consider the inclusion of graphics and more visual resources to make it easier to read and understand all the information provided.
  4. In order to make it easier to understand certain CCI-CSR indicators, a column could be added to the table explaining how it was arrived at or what it really means.

This report has been written solely for the use of the Senior Management of Caja Navarra, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.



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José Luis Solís Céspedes

Partner

Madrid, July 14, 2010

## APPENDIX I: TABLE OF 2009 GRI INDICATORS

TABLE OF CAN's 2009 GRI INDICATORS (\*)

ECONOMIC PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Economic Performance	EC1	G	CA/SVCC	C
	EC2	G	SI	Q/C
	EC3	G	SVCA	Q
	EC4	G	FE/IP/SI	C
Market presence	EC5	G	SVCC	C
	EC6	G	SVCC	C
	EC7	G	IP	Q
Indirect Economic Impacts	EC8	G	SI	C
	EC9	G	SI	Q
ENVIRONMENTAL PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Materials	EN1	G	SI	C
	EN2	G	SVCC	C
Energy	EN3	G	SVCC	C
	EN4	G	SVCC	C
	EN5	G	SVCC	C
	EN6	G	SI	C
	EN7	G	SI	Q
Water	EN8	G	SVCC	C
	EN9	NA	NA	C
	EN10	NA	NA	C
Biodiversity	EN11	NA	NA	Q
	EN12	G	PP	Q
	EN13	G	FE/IP	C
	EN14	G	PP	Q
	EN15	NA	NA	C
	EN16	G	SVCC	C
	EN17	G	SVCC	C
Emissions, Effluents, and Waste	EN18	G	SI	Q
	EN19	G	SI	Q
	EN20	G	SVCC	C
	EN21	G	SVCC	C
	EN22	G	SVCC	C
	EN23	G	SI	C
	EN24	G	SI	C
	EN25	G	SI	C
Products and Services	EN26	G	SI/IP	Q
	EN27	NA	NA	C
Compliance	EN28	G	SVCC	C
General (without O2)	EN29	G	FE/IP	Q
	EN30	G	SVCC	C
PRODUCT RESPONSIBILITY				
ASPECT	IND.	Scope	A.P.	T.I.
Customer Health and Safety	PR1	G	SI	Q
	PR2	G	SI	C
Product And Service Labeling	PR3	G	PP	Q
	PR4	G	SI	C
	PR5	G	SVPP	Q
Marketing Communications	PR6	G	PP/IP	Q
	PR7	G	SI	C
Customer Privacy	PR8	G	FE	C
Compliance	PR9	G	SI	C

SOCIAL PERFORMANCE INDICATORS				
LABOR PRACTICES AND DECENT WORK				
ASPECT	IND.	Scope	A.P.	T.I.
Employment	LA1	G	SVCC	C
	LA2	G	SVCC	C
	LA3	G	SVPP	Q
Labor/Management Relations	LA4	G	FE/PP	C/Q
	LA5	G	FE/PP	C/Q
Occupational Health and Safety	LA6	G	FE/PP	C/Q
	LA7	G	SVCC	C
	LA8	G	SVCC/PP	C/Q
	LA9	G	SVCC/PP	C/Q
Training and Education	LA10	G	SVCC	C
	LA11	G	SVCC/PP	C/Q
	LA12	G	SVPP	Q
Diversity and Equal Opportunity	LA13	G	SVCC	C
	LA14	G	SVCC	C
HUMAN RIGHTS				
ASPECT	IND.	Scope	A.P.	T.I.
Investment and procurement practices	HR1	G	PP/SI	C/Q
	HR2	G	FE/PP	Q
	HR3	G	SVCC	C
Non-discrimination	HR4	G	SVPP	C
Freedom of Association and Collective Bargaining	HR5	G	PP/PM	Q
Child Labor	HR&	G	PP/PM	Q
Forced Labor	HR7	G	PP/PM	Q
Security Practices	HR8	G	PP	Q
Indigenous Rights	HR9	NA	NA	C
SOCIETY				
ASPECT	IND.	Scope	A.P.	T.I.
Community	SO1	G	PP/SI	Q
	SO2	G	SI	C
Corruption	SO3	G	IP/PP	Q
	SO4	G	SI	C
Public Policy	SO5	G	IG/IP	Q
	SO6	G	IP	Q/C
Anti-Competitive Behavior	SO7	G	SI	C
Compliance	SO8	G	SI	C

IND. → Indicator.  
 Scope. → Scope.  
 A.P. → Assurance procedure.  
 T.I. → Type of indicator.  
 C → Quantitative indicator.  
 Q → Qualitative indicator.

GRI FINANCIAL SECTOR SUPPLEMENT				
PRODUCT AND SERVICE IMPACT MANAGEMENT APPROACH				
ASPECT	IND.	Scope	A.P.	T.I.
Product Portfolio	FS1	G	PP/IP	Q
	FS2	G	SV/PP	Q/C
	FS3	G	PM/PP/SI	Q
	FS4	G	PP	Q
	FS5	G	SVCC/PP	C/Q
PRODUCT AND SERVICE IMPACT PERFORMANCE APPROACH				
ASPECT	IND.	Scope	A.P.	T.I.
Product Portfolio	FS6	G	SI	C
	FS7	G	PP/SI	C
	FS8	G	PP/SI	C
Auditing	FS9	G	FE	Q
Asset ownership	FS10	G	FE/SI/PP	Q
	FS11	G	SVCC/PP	C/Q
	FS12	ND	ND	Q
SOCIETY PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Community	FS13	G	PP/SI	Q
	FS14	G	PP/SI	Q
PRODUCT RESPONSIBILITY MANAGEMENT APPROACH				
ASPECT	IND.	Scope	A.P.	T.I.
Product And Service Labeling	FS15	G	IP/PP	Q
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Product And Service Labeling	FS16	G	SVPP	Q

(\*) There is an explanation of the different review procedures and the boundary of the information reported on page 11 of the present report.

## APPENDIX II: TABLE OF 2009 XBRL INDICATORS

### TABLE OF CAN'S 2009 XBRL INDICATORS (\*)

GENERAL MANAGEMENT APPROACH				
ASPECT	IND.	Scope	A.P.	T.I.
General data of the company	Profile data	G	FE/CA/PP	Q
	Entity information (presentation)	G	CA/PP	Q
	Performance on corporate responsibility	G	PA/PP/FE	Q
OWNERS-SHAREHOLDERS PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Classification and consultation	Classification of the "shareholders" stakeholder group by subcategories	NA	NA	Q
	Channels of consultation and dialogue with shareholders on matters considered relevant with respect to CSR	NA	NA	Q
	Statutes and AGM	G	PA/CA	Q
Corporate Governance	Board	G	PA/CA	Q
	Board members	G	PA/CA	Q
	Commissions	G	PA	Q
	Management	G	PA	Q
Information - Transparency	Relationships with the shareholders	NA	NA	C/Q
	Communications	G	IG/CA	Q
	Website	G	IP	Q
	Reports	G	CA/IG	Q
	Channels of communication	G	SI/PP	C/Q
	Assurance	G	FE	C/Q
	Negative impacts on the share price of the decisions of the Board and the directors	NA	NA	Q
	Movements of investors during the year (increases or decreases in the number of shareholders)	NA	NA	C
	Profit per share (percentage variation)	NA	NA	C
	Percentage increase of the share price (stock market capitalization) in the latest year	NA	NA	C
	Dividends per share (percentage variation)	NA	NA	C
	Market value of the company with respect to the previous year (increase or decrease)	NA	NA	C
	Value generated by the investments made	NA	NA	C
Financial performance and value	Direct financial value generated: operating revenues and costs, employee remuneration, donations, undistributed profits, payments to suppliers and to governments	G	CA	C
	Direct financial value distributed: operating revenues and costs, employee remuneration, donations, undistributed profits, payments to suppliers and to governments	G	CA	C
	The financial information in the annual accounts is presented segmented by product line (if possible)	G	CA	C/Q
	The financial information in the annual accounts is presented segmented by country (if possible)	G	CA	C/Q
	The financial information in the annual accounts is presented segmented	G	CA	C/Q
	Model used to calculate the profit per share (IAS 33, Own, NS/NC)	NA	NA	C
	Financial indicators as a percentage of total indicators in the report	ND	ND	C
	Number of reports/year to the shareholders	NA	NA	C
	Profits derived from the sale of addictive products: tobacco, alcohol, games and betting, drugs (gross figure and as % of the total)	G	CA	C
	Quotation/score on indices of sustainability	NA	NA	C
Socially Responsible Investment	Amount of the socially responsible investments	G	CA/SI	C
	Criteria for socially responsible investment	G	CA/SI	Q
Accusations	Cases of corruption or serious deficiencies of Board members and managers	G	SI/CA	C
	Legal sanctions for breach of contract	G	SI/CA	C
	Fines and charges for governance actions harmful to the community	G	SI/CA	C
	Accusations for bad practices and hiding information from the market	G	SI/CA	C

SUPPLIERS PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Classification and consultation	Classification of the "suppliers" stakeholder group by subcategory	G	PP	Q
	Channels of consultation and dialogue with suppliers on matters considered relevant to CSR	G	SI/PP	Q
Relationships with Suppliers	Dialogue and transparency	G	PP/PM	Q
	Participation	G	PP	Q
	Others	G	SI/PP	C/Q
Codes of conduct, certification and control	Is the company certified under standard SA 8000?	G	SI	Q
	In the affirmative case, report the scope of this certification	NA	NA	Q
	Does a code of conduct exist for the organization's relations with its suppliers?	G	PM/PP	Q
	In the affirmative case, is there a protocol for monitoring adherence to the code?	G	SI	Q
	In the affirmative case, are internal and/or external audits made of the compliance with the Code?	G	SI	Q
	Are there criteria for the selection of suppliers based on CSR?	G	PP	Q
	In the affirmative case, state the conditioning factors	G	PM/PP	Q
	Does the organization operate a system for the certification of suppliers and/or subcontractors?	G	SI	Q
	Number of certified suppliers and subcontractors	G	SI	C
	Number of subcontractors / suppliers without certification	ND	ND	C
	N° of certified suppliers as a percentage of total suppliers	G	SI	C
	Are audits of suppliers performed to verify respect for human rights?	G	SI	C
	What systems does the company have in place to capture information in order to characterize and understand suppliers?	G	PP	Q
	Are suppliers required to comply with employment legislation?	G	PP	Q
	Does the company impose standards on its suppliers relating to compliance with commercial legislation?	G	PP/PM	Q
	Does the company set a formal term for its CSR criteria to be met by its suppliers?	G	SI	Q
	N° of suppliers visited and inspected by the company for their CSR practices, as a percentage of total suppliers	G	SI	C
	N° of suppliers and subcontractors that are aware of the company's codes of conduct and policies against corruption and bribery, as a percentage of total suppliers	G	PP/PM	C
Does the company require its suppliers to practice equality of opportunity in their processes of employee selection, promotion and compensation?	G	PP/PM	Q	
Accusations and non-compliances	Percentage of agreements made with subcontractors and suppliers that have been broken	G	SI	C
	N° of companies of the supply chain accused of non-compliance with the ruling legislation on human rights	ND	ND	C
	Number of lawsuits faced from suppliers for abuse of power	G	SI	C
	Number of accusations for non-compliance of the conditions of payment to suppliers	G	SI	C
	Number of contracts with suppliers annulled for non-compliance with good practice	G	SI	C
Average number per year of complaints and incidents with suppliers recorded	ND	ND	C	

IND. → Indicator.  
 Scope → Scope.  
 A.P. → Assurance procedure.  
 T.I. → Type of indicator.  
 C → Quantitative indicator.  
 Q → Qualitative indicator.

(\*) There is an explanation of the different review procedures and the boundary of the information reported on page 11 of the present report.

## APPENDIX II: TABLE OF 2009 XBRL INDICATORS

EMPLOYEES PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Classification and consultation	Classification of the "employees" stakeholder group by subcategories	G	SI	Q
	Channels of consultation and dialogue with employees on matters considered relevant to CSR	G	SI/PP/IG	Q
Code of conduct	Existence of a Code of Conduct for employees	G	PP	Q
	Percentage of employees covered by the code of conduct	G	PP	Q
Diversity and Equality of Opportunities	Labor Standards to which the company adheres (ILO, WHO, UDHR, OECD, GLOBAL COMPACT, SA8000, ETHICAL TRADE INITIATIVE)	G	PP/PM	Q
	Composition of the Workforce	G	CA/SI	C
Remuneration Policy	Others	G	PM/SI/PP/FE	C/Q
	Salary	G	CA/SI/PP	C/Q
Reconciling Family and Working life	Incentives	G	SI/PP	Q
	Social benefits	G	SI/PP	Q
Safety and Health	Others	G	SI/PP	Q
	Percentage of employees who are covered by policies or measures for reconciling family and working life	G	SI	C
Relationship with employees	State existing measures for reconciling family and working life	G	SI	Q
	State special measures for protecting women employees during pregnancy and breast-feeding	G	SI	Q
Training and Participation	Number of days free in each period of six consecutive days worked	NA	NA	C
	Number of employees whose working day exceeds 48 hours	NA	NA	C
Accusations and Non-compliances	Total overtime hours as a percentage of total hours of work done in the company	G	SI	C
	List of awards and certificates received for reconciliation of family and working life	G	FE	Q
Certification	Prevention	G	SI/PP	C
	Incidents	G	SI	C
Information - Transparency	Others	G	PP	Q
	Employment Contracts	G	SI/PP/ICC	C/Q
Voluntary activities	Dismissals and resignations	G	SI	C/Q
	Organization	G	PP/SI	C/Q
Classification and consultation	Satisfaction	ND	ND	C
	Human rights	G	IG/SI/CC/PP	C/Q
Safety and Health	Safety and Health	G	SI/PP	C/Q
	The Environment	G	SI	C
Human rights	Customers	G	SI	C
	Participation	G	SI/PP	Q
Others	Others	G	SI/PP/CA	C
	Human rights	G	SI/PP	C/Q
Safety and Health	Safety and Health	G	SI	C
	Others	G	SI	C
Existence of internal auditing procedures in respect of the occupational aspects of CSR	Existence of internal auditing procedures in respect of the occupational aspects of CSR	G	PP	Q
	Existence of external auditing procedures in respect of the occupational aspects of CSR	G	PP	Q
Existence of permanent systems for evaluating company performance against the CSR objectives set	Existence of any type of procedure for Certification of the occupational aspects of CSR	G	PP/SI	Q
	Existence of permanent systems for evaluating company performance against the CSR objectives set	G	PP	Q
Number of events per year for internal communication with and/or information to the personnel, of any type (discussions, meetings, presentations, etc)	Number of events per year for internal communication with and/or information to the personnel, of any type (discussions, meetings, presentations, etc)	G	SI	C
	Identification of "bottom-up" channels of communication	G	SI/PP/IP	Q
Production of reports on the social behavior of the company, directed towards the employees	Number of suggestions collected	G	SI	C
	Production of reports on the social behavior of the company, directed towards the employees	G	SI/PP	Q
Possibility of accessing information related to aspects of CSR	Possibility of accessing information related to aspects of CSR	G	PP	Q
	Existence of a plan for promoting voluntary activities, for employees	G	SI/PP	Q
If so, explain briefly its scope and contents	Existence of a plan for promoting voluntary activities, for employees	G	SI/PP	Q
	If so, explain briefly its scope and contents	G	SI/PP/CA	Q

COMMUNITY PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Classification and consultation	Classification of the "society" stakeholder group by subcategory	G	CA/SI	Q
	Channels of consultation and dialogue with society on matters considered relevant to CSR	G	SI/PP	Q
Information - Transparency	Public information on agreements and collaborations with the community / society	G	IP	Q
	Production of a report on Social Action programs	G	PP/SI/IP	Q
Relationship with Social Agents and Society	Production of reports of activities in countries that violate the Universal Declaration of Human Rights	NA	NA	Q
	Existence of communication channels directed externally (communications or PR agency, house journals, etc)	G	PP/IP	Q
Observance of international codes and agreements on ethics, human rights and the promotion of CSR	Observance of international codes and agreements on ethics, human rights and the promotion of CSR	G	PM/FE	Q
	Description of other activities that have significant indirect economic impacts on the Community	G	PP/SI	Q
Government aid received (financial and other kinds)	Government aid received (financial and other kinds)	G	SI	C
	Number of meetings held with organizations of civil society during the year	G	SI	C
Investments in infrastructures and services for public benefit	Investments in infrastructures and services for public benefit	G	CA	C
	Projects undertaken with universities or with other non-profit-making institutions	G	SI/FE	Q
Amount of investments made in countries with undemocratic regimes	Amount of investments made in countries with undemocratic regimes	G	SI	C
	Measures for facilitating access to products by handicapped persons or communities in development	G	PP/IP	Q
Financial help for social projects by agreement with government	Financial help for social projects by agreement with government	G	CA	C
	Taxes and fiscal sanctions paid for infringements of relations with the community	G	SI	C
Accusations from the community about company actions disrespectful of local customs	Accusations from the community about company actions disrespectful of local customs	G	SI	Q
	Measures of financial, social and political support made by the company at the local level	G	SI	Q
New businesses attracted to the local community through the company's influence	New businesses attracted to the local community through the company's influence	ND	ND	Q
	Programs and practices for evaluating and managing impacts on local communities	G	PP	Q
Is there a policy for supporting the community?	Is there a policy for supporting the community?	G	PP	Q
	Total financial contribution to social action	G	CA	C
Financial help for social projects by agreement with government	Financial help for social projects by agreement with government	G	CA	C

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## APPENDIX II: TABLE OF 2009 XBRL INDICATORS

CUSTOMERS PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Classification and consultation	Classification of the "customers" stakeholder group by subcategory	G	CA/SI	C
	Channels of consultation and dialogue with customers on matters considered relevant to CSR	G	SI	C/Q
Health and Safety of the Customer	Enumerate criteria of health and safety in your products	G	SI/PP	Q
	Number of products withdrawn from the market due to problems of safety and/or health	G	SI	C
	Number of incidents related to the safety of products	G	SI	C
	Are technical studies and research carried out for the diagnosis and solution of the potential damage products and services may cause?	G	SI	Q
	In the affirmative case, are the results obtained divulged to your commercial partners?	G	SI	Q
	Are preventive or corrective measures adopted promptly?	G	SI	Q
	Is information from the research on these risks made available to the public?	G	SI	Q
	Do you seek continuous improvement of your products and services? Do you replace them with new versions that are more efficient and safe, and that represent lower risk to the health of the employee, when these are developed?	G	SI	Q
	In which phases of the life cycle of products and services are they evaluated in order to improve them in respect of their impacts on the health and safety of the customers?	G	SI	Q
	What percentage of product categories are evaluated, in order to improve them in respect of their impacts on the health and safety of the customers?	G	SI	C
Commercial communication and other marketing activities	Are consumers informed about the conditions in which the products are manufactured?	G	PP/SI	Q
	Are customers given the clearest possible information on the conditions of sale (price, conditions of payment, delivery, guarantees, after-sales service)?	G	PP/SI	Q
	Are consumers clearly informed on the care necessary in using your products and services?	G	PP/SI	Q
	If so, in what part of the labeling is this information given?	G	SI/PP/IP	Q
	State the values that you promote in your communications policy	G	SI/PP/IP	Q
	Before a publicity campaign, do you conduct an analysis to confirm that the publicity conforms to the ethical values of the company?	G	PP/IP	Q
	Before a publicity campaign, do you conduct an analysis to confirm that the publicity conforms to laws protecting the rights of consumers?	G	PP/IP	Q
	Is the prohibition of unethical selling practices made formally explicit in the declaration of company principles, vision and/or mission?	G	PP/IP	Q
	Are periodical assessments made of the sales personnel to ensure that they do not utilize dishonest selling techniques?	G	PP	Q
	Are the sales personnel given instruction and training on ethical selling practices?	G	SI/PP	Q
Are there incentives for sales personnel linked to consumer satisfaction?	G	PP	Q	
Is the information given on the product label relating to instructions for use or conditions of guarantee updated periodically?	G	PP	Q	
Privacy	Are the customer data bases registered with the National Agency for the Protection of Data?	G	FE	Q
	State the measures established for ensuring the security of the data and information on customers	G	PP	Q
Accusations and Non-compliances	Is information, especially that in data bases, utilized ethically, without invading the privacy of the individual?	G	PP	Q
	Nº of accusations for non-compliance with regulations concerning the health and safety of the customer	G	SI	C
	Nº of complaints ratified by official regulatory authorities responsible for supervising or regulating products and services in respect of health and safety	G	SI	C
	Incidents of non-compliance with regulations on the safety of products and services	G	SI	C
	Amount of fines imposed for non-compliance with regulations in relation to the use of products and services	G	SI	C
	Nº of accusations for non-compliance with regulations on information and labeling of products	G	SI	C
	Number of sanctions imposed for non-compliance with the regulations and codes on labels	G	SI	C
	Nº accusations received for publicity campaigns not respectful of human rights	G	SI	C
	Number of publicity campaigns reported to regulatory authorities	G	SI	C
	Amount of fines imposed for non-compliance with regulations in relation to the delivery of products and services	G	SI	C
	How many lawsuits has the company faced for violating individual privacy in its selling procedures?	G	SI	C
	Number of agreements made with customers	G	SI	C
	Number of agreements made with customers that have been broken	G	SI	C
	Number of administrative and/or judicial processes faced for violation of laws protecting Consumer Rights	G	SI	C

CUSTOMERS PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
	Does the company voluntarily observe set arbitration procedures for resolving conflicts with consumers?	G	SI	Q
	What procedures for dialogue and negotiation are in place for resolving lawsuits brought by customers?	G	SI/PP	Q

CUSTOMERS PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Complaints and claims	Number of complaints made with respect to the privacy of personal data	G	SI	C
	Average number per year of complaints and incidents with customers recorded	G	SI	C
	Are there systems in place for rapid response to claims for damages made by consumers?	G	SI/PP	C
	Is there a system for recording consumer complaints?	G	SI/PP	Q
	Does the company have a Customer Attention Service?	G	SI/PP	Q
	Total calls attended by the Customer Attention Service	G	SI	C
	Customer complaints as a percentage of total calls attended	G	SI	C
	Percentage of complaints not resolved	G	SI	C
	Average time taken to resolve a complaint (days)	G	SI	C
	Number of innovations implemented as a result of calls received by the Customer Attention Service	G	SI	C
Codes of conduct	Result of the survey of customer satisfaction	G	SI	C
	Is there a postbox or telephone number for receiving suggestions?	G	SI	Q
Relationships with Customers	State the codes of ethics observed by the company in respect of publicity and marketing	G	PP	Q
	Is there a code of conduct for the organization's relations with its customers?	G	PP/IP	Q
Products and services	In the affirmative case, is there a protocol and/or external audit for monitoring adherence?	G	PP	Q
	Dialogue and transparency	G	SI/PP	Q
	Participation	G	PP	C/Q
Products and services	Others	G	SI/FE/PP	Q
	Number of products and services developed with social or environmental criteria	G	SI/PP	C
	List the products and services developed with CSR criteria	G	SI/PP	Q
	Indicate the percentage of these in which some stakeholder group has been involved	G	SI	C
	Actions undertaken to improve the accessibility of products and services and customer attention centers	G	SI/PP	Q

COMPETITION PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Relationship and alliances with competitors	Alliances with competitors to carry out projects and investments	G	FE	Q
	The code of ethics of the company is explicit in promoting and defending fair competition	G	PP	Q
	The posture of the organization towards the competition is discussed internally and a fair positioning is sought	G	PP	Q
	Does a code of behavior exist for the organization's relationship with its competitors?	G	SI	Q
	In the affirmative case, is there a protocol for monitoring adherence to the code?	NA	NA	Q
	Associations are developed with its competitors with the object of creating a culture of social responsibility in commercial relationships	G	FE	Q
	The company participates in consortia and sectoral groupings	G	FE	Q
	The code of ethics of the company expressly prohibits corrupt practices to gain commercial advantages (for example, illegitimate pressures or extortion)	G	PP	Q
	Nº of accusations made by competitors for bribery and corruption	G	SI	C
	Nº of court cases filed for unauthorized utilization of trade names, brands or other similar types of property of competitors	G	SI	C
Accusations	Nº of court cases for industrial espionage	G	SI	C
	Sanctions imposed for unfair competition	G	SI	C
	Accusations of monopolistic/oligopolistic practices	G	SI	C

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## APPENDIX II: TABLE OF 2009 XBRL INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS				
ASPECT	IND.	Scope	A.P.	T.I.
Information - Transparency	General	G	PP/SI/FE	C/Q
	Environmental investment and costs	G	CA/SI	C
	Products and services	G	PP	Q
	Regulation - Behavior	G	PP	Q
	Transport	G	SI	C/Q
Accusations	Number of environmental accusations or infractions dealt with	G	SI	C
	Monetary amount of the environmental accusations dealt with	G	SI	C
	Number of non-monetary environmental sanctions imposed	G	SI	C
	Number of complaints received in respect of damage to the natural environment	G	SI	C
Emissions, Discharges and Residues	General	G	SI	C
	Use and contamination of the soil	G	SI	C
	Water contamination	G	SI	C
	Air contamination	G	SI	C
	Acoustic contamination	G	SI	C
Recycling	Residues	G	SI	C
	Kg of material recycled, by category	G	SI	C
	Material recycled, as a percentage of total material	G	SI/CC	C
	Products sold and packaging recovered at the end of their useful life, as a percentage of the total	NA	NA	C
	Volume of water re-utilized [cubic meter]	G	SI	C
Consumption	Equipment re-utilized per year, as a percentage of the total	ND	ND	C
	Compensations for the extraction of non-renewable resources	NA	NA	Q
	Loss of heat in buildings	ND	ND	C
	Reduction of use of substances extracted from the Earth's crust	NA	NA	C
	Consumption of renewable energy as a percentage of the total consumption of energy	G	SI	C
	Direct and indirect consumption of energy, by primary sources	G	SI	C
	Consumption of water	G	SI	C
	Energy saving due to improvements and conservation of installations [GJ]	G	SI	C
	Deforestation (indiscriminate cutting of trees) [ha]	G	SI	C
	Impacts on protected and unprotected natural spaces with high diversity of species	G	SI	Q
Climate change / biodiversity	Have strategies been implemented for the management of impacts on biodiversity?	G	PP/FE	Q
	State any species in danger of extinction affected by the activities of the organization	G	SI	Q
	Nº of species of flora in danger of extinction threatened or destroyed by the activities of the company	G	SI	C
	Nº of species of fauna in danger of extinction threatened or destroyed by the activities of the company	G	SI	C
	Measures taken to combat climate change	G	PP/FE	Q
	State if the company takes any action to make the public aware of and sensitive to Climate Change	G	PP/FE	Q
	Number, type and scope of environmental certifications obtained	G	SI	Q
Certification	Hours of training given in environmental matters, per employee, per year	G	SI	C
	Suppliers and subcontractors with environmental certification, as a percentage of the total	ND	ND	C
	Number of potentially dangerous practices recorded annually	G	SI	C
	Work units audited for environmental performance per year, as a percentage of the total	G	SI	C
	Average length of time elapsing from detection of an environmental non-conformity to taking corrective action on it [days]	G	SI	C

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### APPENDIX III: 2009 CENTRAL SCOREBOARD

**TABLE OF CAN's 2009 CCI-CSR INDICATORS (\*)**

INDICATOR				
ASPECT	IND.	Scope	A.P.	T.I.
Economic	Revenue	G	CA	C
	Employee compensation		CA	C
	Suppliers expenses	G	CA	C
	Owners retribution	NA	NA	C
	Public Administration expenses	G	CA	C
	Economic contribution to the community	G	CA	C
	Distributed Economic Value (DEV) Result	G	CA	C
	Level of debt	G	CA	C

INDICATOR				
ASPECT	IND.	Scope	A.P.	T.I.
Social	Employees	G	CA/SI	C
	Gender diversity of employees	G	CA/SI	C
	Gender diversity of management board	G	SI/CC	C
	Job stability	G	SI/CC	C
	Accidents and diseases at workplace	G	SI/CC	C
	Absenteeism	G	SI/CC	C
	Employee turnover	G	SI/CC	C
	Seniority	G	SI	C
	Employees training	G	SI/CC	C
	Non compliance with legal regulation concerning customers	G	SI	C
	Locally based suppliers	G	SI/CC	C
	CSR certified suppliers	ND	ND	C
	Payment period to suppliers	G	SI	C

INDICATOR				
ASPECT	IND.	Scope	A.P.	T.I.
Environmental	Energy consumption	G	SI/CC	C
	Water consumption	G	SI/CC	C
	Polluting emissions	G	SI/CC	C
	Waste generation	G	SI/CC	C
	Waste processed	G	SI/CC	C

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**KEY TO REVIEW PROCEDURES AND SCOPE OF INFORMATION**

<b>KEY Review Procedure</b>	<b>CA</b>	Assurance with CAN's audited 2009 Individual Annual Accounts and Management Report.	<b>IP</b>	Comparison of the quantitative and/or qualitative information with the public information disclosed by CAN to the markets or on its own Website.
	<b>IG</b>	Comparison with CAN's 2009 Annual Report of Good Corporate Governance, approved in March 2010.	<b>PP</b>	Assurance of the existence of the Policies, Systems and Procedures described.
	<b>FE</b>	Comparison of the quantitative and qualitative information from CAN's internal systems with external sources for sampling purposes. Depending on the indicator, the external sources used were reports issued by third parties for internal use at CAN, press articles, access to non-CAN Websites, invoices, payroll, among others.	<b>CC</b>	Assurance of the calculations made following the methodology applied by CAN.
	<b>PM</b>	Assurance of adherence to the Global Compact and the Equator Principles.	<b>NA</b>	Assurance that the criteria used to allocate "not applicable" to the work performed by CAN are reasonable.
	<b>SI</b>	Assurance of suitable collection of the data reported using internal information systems and/or comparison of the qualitative information with documents provided by the sections or departments responsible.	<b>ND</b>	Indicators applicable to CAN's work on which no information is available or no information has been disclosed or no information exists in the Entity.

<b>KEY Boundary of the information provided</b>	<b>G</b>	CAN
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## **Banking in the future, civic or bust**

**Enrique Goñi Beltrán de Garizurieta**

### **Sustainable finance**

2009 was marked by a deepening of the economic crisis, aggravated in this country by a barely sustainable, shortsighted model of growth. Knowing how we came to get into this situation is important, but, right now, what we have to do is get out of it. Although many organizations have not made it, there are others among us who know that there is a different way of looking at things and who maintain their commitment to the development of the society in which they operate and try to get things moving.

For this reason, 2009 was also a year for recognition of those organizations which, like Caja Navarra, have based their growth on a different, socially responsible, innovative business model. The Civic Banking strategy that we implemented back in 2004, based on transparency, participation and the creation of civic communities among our customers and the social organizations they support, has allowed us to lead the way with the first interregional savings bank integration process, due to be completed in 2010 with the creation of the Banca Cívica Group, without aid from the Bank Restructuring and Organization Fund (FROB).

Our strategy is a synonym of CSR as a basis for business. That means that our customers, suppliers and partners create, promote, take part in and recommend active social communities, creating a financial model in which everyone wins. This is made possible thanks to our Civic Banking Networks: 120 community management experts who have got more than 6,000 social organizations involved in our customer relationship model (customers know how much CAN makes from their business and decide which social causes should receive a percentage of the profit).

This difference has led to magnificent results and solvency ratios: we ended 2009 with 20% growth in recurring profit, a delinquency rate of 3.27% (2/3 the sector average) and a core capital of 9.03%, making us one of the best capitalized banks in Spain and confirming our 'A' rating, stable outlook.

But economic results are not everything at Caja Navarra. Over this time, we promoted the value of solidarity, creating a line of 'Basic Needs' to help those most affected by the crisis. The line was enthusiastically supported by our customers (they provided more than € 4.48 million to help meet these needs).

We also stood by our business customers, raising credit and loans by 5.6%, just slightly less than the 6% we had set ourselves as a target.

As always, progress in terms of our strategy was accompanied by technical progress in the field of CSR: CSR reporting at CAN is advanced, pioneering and comprehensive, the bank being the first company in the world to report the Central Scoreboard for CSR (CCI-CSR) designed by AECA and a pioneer in producing its CSR Report in XBRL format, a great qualitative step forwards in terms of innovation, transparency, comparability and the automatic processing of information.

All this without forgetting our commitment to society. We adhere to the principles of the United Nations Global Compact, an undertaking that we renew every year and progress regarding the application of which we report on in this Report.

In 2009, we implemented the 'environmental rating' system for companies and helped them take stakes in CSR by producing CSR reports for SMEs (through a collaboration agreement with ICO), an initiative which we are set to keep running this year.

But we cannot just sit back and relax despite such good results. The continuation of the crisis in 2010 will make us redouble our Civic Banking strategy: we will see the birth and consolidation of the Banca Cívica group, together with our partners CajaCanarias and Caja de Burgos, we will see it go international with the launch of our model in the US market and we will lead the way in CSR by taking new steps, such as linking the variable remuneration of senior management to customer satisfaction; a further example of our commitment to work in search of excellence, something which would be impossible without the endeavor of all of those who, like us, are trying to make banking sustainable.



**Enrique Goñi Beltrán de Garizurieta**  
Managing Director of Caja Navarra

# Strategy, analysis and overview of CSR

The 2009 CSR Report exhaustively describes the strategy and main indicators of Caja Navarra so that those interested can get an accurate picture of the bank's performance in all fields of sustainability (environmental, social and economic) and the business model which we have been developing over recent years, which can be summarized as a different approach to banking, Civic Banking, based on two fundamental principles which guide our work: transparency and participation, while still thoroughly addressing the more technical side of CSR.

## Relevant facts from 2009

### 1. Creation of the Banca Cívica Group

In a tough year for the Spanish economy, the Civic Banking strategy has given CAN a boost in terms of differentiation in the banking world and has permitted it to take a place among the most solid, most solvent entities in the sector, a situation which allows it to tackle the challenges involved in the crisis head on and lead the first interregional savings bank integration process: the Banca Cívica Group, consisting of Caja Navarra, CajaCanarias and Caja de Burgos. In 2009, the bases were defined and steps were taken to make the Banca Cívica Group a reality in 2010, which will allow hundreds of thousands of customers to exercise unique rights in their banking relationships and create distinctive, lasting, emotional ties with their savings bank and the social organizations they support.

### 2. Civic Banking Networks: a new business unit

The differentiation of Civic Banking lies in specializing in the social organization (NGO) sector, because we are experts and pioneers in social mobilization and the tools required to help these organizations publicize their projects. In 2009, we created our Civic Banking Networks business unit, which by the end of the year consisted of more than 120 experts whose work is based on helping social organizations raise greater recurring funds for their projects, achieved through a stronger relationship between the social organization, its members and Caja Navarra. The objectives which the Civic Banking Networks unit has set for 2010 consist of getting 6,500 social organizations involved in the Civic Banking system with their social projects and attracting 65,000 new customers through the deployment of social networks.

### 3. Implementation of CSR reporting in SMEs, in collaboration with ICO

In 2009, and thanks to the collaboration agreement signed with the Official Credit Institute (ICO) for the promotion of CSR in the Spanish business world, Caja Navarra helped spread CSR economic, environmental and social reporting among Spanish SMEs. The initiative consisted of producing CSR reports for those Spanish SMEs interested free of charge. As a result, a total of 1,114 companies received their first social responsibility reports for the first time in 2009 free of charge. This ICO-Caja Navarra collaboration initiative for the production of CSR reports for

SMEs was renewed in 2010, meaning that for the second year running, those SMEs that so wish will be able to produce their CSR reports for free thanks to ICO and Caja Navarra.

CAN was already running this initiative for its business customers and it earned the Prize for the 'Best Communication and Reporting Solution' of a Spanish Company at Forética's CSR MarketPlace in 2008.

The idea which led to the project came from the wish to provide SMEs with tools in order to compete better in a context in which transparency and differentiation play a significant role, whilst also being aware that producing such reports meant initiating companies in the main aspects of CSR and self-diagnosis.

Another 2009 initiative to boost CSR reporting consisted of more than 2,000 CAN business customers receiving Social Action or CSR Reports compiled by CAN, corporate documents which show how their financial costs are converted into social action by choosing CAN as their financial provider.

## 4. The Civic Banking strategy

### Social innovation. Our customers' rights

Caja Navarra's Civic Banking model works through differentiation and the creation of unique bonds with customers, and is based on the principles of total transparency and customer participation in the actual shaping of the strategy through the exercise of rights not available to them at any other bank:

- **The right to choose the social projects they wish to fund** with 30% of the profit generated by their business and thereby determine 100% of CAN's Social Project work.
- **The right to know how much money Caja Navarra makes from them on an individual basis** and the specific contribution they make to their chosen social project/s.
- **Accountability.** The right of customers to receive explanations from the organizations they decide that the profit from their business should go towards regarding the development of the projects these organizations have implemented thanks to contributions.
- **VolCan.** CAN voluntary work. The right of customers to take part in the projects funded as voluntary workers and a commitment by the social organizations to provide voluntary work opportunities.
- **The right to know where CAN invests their savings on an individual basis and the right to decide who to lend this money to.** This right, in addition to being a landmark in terms of financial transparency, marks a true revolution in the development of Socially Responsible Investment in Spain.

The practical application of these 5 major rights of CAN customers is measured by the "Synthetic Indicators of Civic Banking" described in this chapter. See also indicator FS1.

Many of CAN's products and services also bear the so-called '**Civic Seal**'. This is an instrument which informs customers buying products or services how much Caja Navarra is going to make from their sale and how much their purchase is going to contribute to the social project/s the customers choose, as shown in this example:



EVERY €6,000 OF AVERAGE BALANCE IN  
'CAN PENSIONES GESTIÓN 20' CONTRIBUTES €45  
A YEAR TO THE PROFITS OF CAJA NAVARRA, €12,16  
OF WHICH GO TO YOUR SOCIAL PROJECT.

CAN customers are the only customers in the entire financial system who have this information available to them when they buy products or contract services, meaning that not only do they know how much money the bank makes from them (a landmark in terms of transparency), but that they also have the chance to modify their relationship with CAN depending on what they contribute to the projects they choose: right to participate in management.

### **Social innovation. Caja Navarra’s duties.**

Besides creating and promoting customer rights, the duties which Caja Navarra voluntarily adopts with regard its customers constitute another essential component of its strategy, helping establish relationships of trust and symmetry between the bank and customers-citizens. For this purpose, we have set out a total of 12 ideals which define us for what we want to become. These ideals represent guidelines for conduct which allow for the creation of relationships based on trust and which define one ambition: 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.

#### **Caja Navarra’s ideals**

**We are a bank which is... We...**

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 rejections</b>
Holistic	<b>Appreciate people for what they want to and can become</b>
Multicultural	<b>Integrate diversity</b>
Biological	<b>Humanize our language. Care about the environment</b>
Fun	<b>Spread optimism</b>

Measurements of the degree of implementation of these ideals are given in this chapter in “Synthetic Indicators of Civic Banking”.

## 5. Caja Navarra's externally certified SGE21 Ethical and Socially Responsible Management System

Caja Navarra's voluntary adoption of undertakings with its stakeholders is reflected in the obtainment of external SGE21 certification, which audits CAN and its Ethical and Socially Responsible Management System in nine major fields: senior management, customers, suppliers, people who work for the organization, social environment, environmental surroundings, investors, the competition and public administrations. The Standard sets out the requisites, which go beyond legal requirements, that the organization must meet in each of the areas analyzed in order to be considered ethical and socially responsible.

### Main indicators

#### Synthetic indicators of Civic Banking

The indicators of Civic Banking are extremely relevant to CAN, which is why they are included on the Management's balanced scorecard and in our key strategic progress management reports. Civic Banking is shaped around our customers' five major rights and Caja Navarra's strategic ideals. Consequently, we also present those indicators which summarize their progress, including measurements of dimension, perception, results in society and business results.

Indicator	2009	2008	2007
<b>CAN customers' 5 major rights</b>			
<b>1<sup>st</sup> Right to choose the social projects you wish to fund</b>			
Amount used to fund social projects (chosen by customers the previous year)	€45,065,322	€50,542,153	€42,000,000
% of profit used to fund social projects	30 %	30 %	30 %
No. of customers who chose a social project	579,724	581,816	530,362
No. of projects chosen	6,277	3,798	2,723
<b>2<sup>nd</sup> Right to know how much CAN makes from your business</b>			
Civic accounts sent to customers	650,000	650,000	620,000
<b>3<sup>rd</sup> Right to know what the projects do with the money received</b>			
No. of project accountability sessions for customers	4,012	517	216
<b>4<sup>th</sup> Right to participate as a voluntary worker</b>			
Customers who have done voluntary work through VolCan	12,069	9,872	2,750
Hours doing voluntary work	306,280	205,996	22,000
<b>5<sup>th</sup> Right to know and decide what your savings are used to finance (traceability and transparency)</b>			
No. of customers who have received information on what their savings deposited in CAN are used to finance	100%	100%	---
No. of customers with socially responsible "Elección" accounts (SRI)	40,034	26,587	---

Volume of "Elección" (SRI) accounts and deposits	€276,451,310	€118,418,937	---
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### Caja Navarra's ideals

Staff satisfaction with the level of implementation of CAN's ideals (out of 10)	Not available	7.90	7.56
Personal banking customer satisfaction with the level of implementation of CAN's ideals (out of 10)	6.91	6.86	6.99
Business customer satisfaction with the level of implementation of CAN's ideals (out of 10)	6.70	6.74	7.05

## Central Scoreboard for CSR (CCI-CSR)

Caja Navarra is the first company to report its Central Scoreboard for Corporate Social Responsibility (CCI-CSR). As indicated, the Central Scoreboard for CSR is an initiative of the CSR Committee of AECA, which has selected a total of 27 central CSR indicators so that companies can produce their "Basic Statuses" of CSR and, through a taxonomy in XBRL-CSR language (XBRL= *eXtensible Business Reporting Language*, the computer language in which financial information is reported to the regulator and which allows for automatic processing and comparison of information) and their computer applications, these can be stored in a CSR-XBRL Basic Statuses Repository and be analyzed and compared with each other automatically.

Indicator	CAN 2009	Definition of the Indicator	Explanation of how the Indicator is calculated and presented
<b>1. Economic indicators</b>			
<b>Revenue</b>	762,613,000	Total revenue in the year.	<i>Presentation</i> Sum of all revenue from the sale of products and services, financial and non-financial investments, and the sale of tangible and non-tangible assets.
<b>Employee compensation</b>	16.77	Expenditure on employee compensation	<i>Presentation</i> Staff costs / Revenue x 100 <i>Considerations:</i> Staff costs include salaries and social security payments.
<b>Suppliers expenses</b>	59.09	Expenses on purchases and other items from third parties	<i>Presentation</i> Amount of purchases from suppliers and other operations / Revenue x 100 <i>Considerations</i> Includes expenses on the acquisition of raw materials, product components, fixed assets, installations and services received, and expenses on the rental of property, licenses, royalties, outsourced and freelance workers, training (when employing external trainers), external financial providers, employee protection equipment, etc.

<b>Indicator</b>	<b>CAN 2009</b>	<b>Definition of the Indicator</b>	<b>Explanation of how the Indicator is calculated and presented</b>
<b>Owners retribution</b>	0	Dividends for owners and investors	<p><i>Presentation</i> Amount of dividends for owners and investors / Revenue x 100</p> <p><i>Considerations</i> Dividends whose distribution is agreed on in the year.</p>
<b>Public Administration expenses</b>	1.89	Expenses on taxes	<p><i>Presentation</i> Expenses on taxes / Revenue x 100</p> <p><i>Considerations</i> Includes all the taxes paid by the company (corporation, on profit, real property, etc.) to the different public administrations (local, regional, national and supranational)</p>
<b>Economic contribution to the community</b>	4.79	Money contributions and donations of an altruistic nature made during the year.	<p><i>Presentation</i> Amount of contributions to the community / Revenue x 100</p> <p><i>Considerations</i> Includes all types of donations made directly by the company or through its foundations</p>
<b>Distributed Economic Value (DEV)</b>	82.54	Sum of contributions to different stakeholder groups.	<p><i>Presentation</i> Distributed economic value / Revenue x 100</p> <p><i>Considerations</i> The DEV is calculated: Employee compensation, supplier expenses, owners retribution, public administrations expenses and economic contribution to the community.</p>
<b>Result</b>	€121,549,000	Profit (Loss) after tax.	<p><i>Presentation</i> Profit from the year after deducting tax.</p>
<b>Level of debt</b>	Core Capital: 9.03%. Solvency Ratio (BIS II Ratio): 14.54%.	Level of debt at the end of the year.	<p><i>Presentation</i> Long-term and short-term debt / Net worth + Liabilities x 100.</p> <p><i>CAN Comment</i> Being a company in the banking sector, we understand that this indicator IS NOT APPLICABLE in its strict sense. Solvency, which refers to the company's guarantee regarding the risks it has assumed, is more indicative for a company in the banking sector,</p>
<b>2. Environmental indicators</b>			
<b>Energy consumption</b>	56,830.75 GJ	Direct energy consumption in gigajoules (GJ).	<p><i>Presentation</i> GJ of energy consumed</p> <p><i>Considerations</i> The sum of consumption of all types of renewable and non-renewable energies.</p>

<b>Indicator</b>	<b>CAN 2009</b>	<b>Definition of the Indicator</b>	<b>Explanation of how the Indicator is calculated and presented</b>
<b>Water consumption</b>	25,332 m <sup>3</sup>	Water consumption in cubic meters	<p><i>Presentation</i> Cubic meters of water consumed</p> <p><i>Considerations</i> The sum of consumption of water from all sources for all uses during the reporting period.</p>
<b>Polluting emissions</b>	7,823.60 t CO <sub>2</sub>	Direct emissions of greenhouse gases directly attributable to energy consumption	<p><i>Presentation</i> Direct emissions of greenhouse gases in tonnes CO<sub>2</sub> equivalent.</p>
<b>Waste generation</b>	88.9 t	Waste generated, hazardous and non-hazardous.	<p><i>Presentation</i> Tonnes of waste generated.</p>
<b>Waste processed</b>	100	Waste processed as percentage of total waste generated.	<p><i>Presentation</i> Tonnes of waste processed / Tonnes of waste generated x 100</p> <p><i>Considerations</i> Waste processed is that which is reused, recycled or put to new use.</p>
<b>3. Social indicators</b>			
<b>Employees</b>	1894	Workers with contracts	<p><i>Presentation</i> Number of employees with valid contracts at the end of the year.</p>
<b>Gender diversity of employees</b>	47.47%	Women with contracts	<p><i>Presentation</i> Number of women with valid contracts at the end of the year / Number of employees x 100.</p>
<b>Gender diversity of management board</b>	30.8%	Women with contracts who work in senior management posts.	<p><i>Presentation</i> Number of women with senior management posts / Number of employees with senior management posts x 100.</p>
<b>Job stability</b>	99%	Employees with indefinite-term contracts.	<p><i>Presentation</i> Number of employees with valid indefinite-term contracts / Number of employees x 100.</p>
<b>Accidents and diseases at workplace</b>	7.88	Days not worked as a result of accidents and diseases at workplace.	<p><i>Presentation</i> (Number of days lost / Total hours worked) x 200,000. Note: The 200,000 factor is the result of 50 working weeks of 40 hours per 100 employees.</p> <p><i>Considerations</i> Occupational accidents include those occurring: (i) at work centers; (ii) when traveling for work purposes; (iii) when traveling to or from work. Occupational diseases are those caused by the work situation or activity or those derived from an occupational accident.</p>

<b>Indicator</b>	<b>CAN 2009</b>	<b>Definition of the Indicator</b>	<b>Explanation of how the Indicator is calculated and presented</b>
<b>Absenteeism</b>	3,316	Days lost for unjustified reasons.	<p><i>Presentation</i>            (Number of days lost through absenteeism over the period / Number of days worked by all employees over the same period) x 200,000.</p>
<b>Employee turnover</b>	3.33	Employees who leave the organization	<p><i>Presentation</i>            (Number of employees who leave their job in the year / Total employees at start of year ) x 100.</p> <p><i>Considerations</i>            The reasons for departure may be dismissal, voluntary, retirement or death while employed.</p>
<b>Seniority</b>	10.84	Years employees stay with the company	<p><i>Presentation</i>            Number of years with the company of all employees / total employees.</p>
<b>Employees training</b>	50.6	Training received by employees	<p><i>Presentation</i>            Number of hours of training received in the year / Number of employees with valid contracts.</p> <p><i>Considerations</i>            All types of professional training and instruction given to workers both internally and externally.            On-site instruction given by supervisors is not considered training.</p>
<b>Non compliance with legal regulation concerning customers</b>	0	Incidents deriving from non-compliance with legal regulations in any area related to customers.	<p><i>Presentation</i>            Number of incidents derived from non-compliance with legal regulations resulting in fine, sanction or reprimand.</p> <p><i>Considerations</i>            An "incident" is any complaint, accusation or claim which leads to a ruling by the competent body (administrative, arbitration or judicial), even though the organization may appeal.</p>
<b>Locally based suppliers</b>	93%	Local suppliers worked with.	<p><i>Presentation</i>            Number of local suppliers/ Total number of suppliers x 100.</p> <p><i>Considerations</i>            A locally based supplier is understood as one located in the geographical area defined by the locality, region or country in which the reporting company operates.</p>

<b>Indicator</b>	<b>CAN 2009</b>	<b>Definition of the Indicator</b>	<b>Explanation of how the Indicator is calculated and presented</b>
<b>CSR certified suppliers</b>	Not available	Percentage of suppliers with corporate social responsibility certification	<i>Presentation</i> Number of suppliers with certification / Total number of suppliers (strategic in the case of large companies) x100.
<b>Payment period to suppliers</b>	30	Average period for the payment of invoices.	<i>Presentation</i> Average number of days between invoice date and payment.

## CAN's performance within the context of sustainability: integrated indicators (sectorial, national and international figures)

CAN is the only company we are aware of that includes a complete table of indicators which allows readers to compare its performance within the sustainability context, in line with one of the main challenges for sustainability highlighted by experts<sup>1</sup>, as a purely voluntary improvement to its reporting approach: integrated indicators. Companies do not usually include information of this type in their sustainability reports and it is not required by the GRI G3 Guidelines. CAN is a pioneer in this important element of CSR reporting.

Integrated indicators allow us to situate the performance and information disclosed by a company within the sustainability context (comparison of sectorial, national and international figures), because knowing a company's figures in isolation is not the same as comparing them with performance in its sector or geographical area.

## Criteria for the selection of the integrated indicators

We have selected relevant integrated indicators for which comparable information is available. It should be pointed out that sets of commonly accepted integrated indicators with reliable data with which to contextualize company information simply do not exist. 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 organization itself. The integrated indicators are reported in four sections:

- Compared with the sector.
- Compared with the Spanish context.
- Compared with the international context.
- Other ratios.

<sup>1</sup> Bebbington, Jan, 2007. "The future and challenges for sustainable development reporting". Paper given at the 6<sup>th</sup> Conference on Social and Environmental Accounting Research, September 13-15.

## Ratios compared with the sector (savings banks)

Indicator	CAN 2009	CAN 2008	Sector 2008 <sup>2</sup>	CAN 2007	Sector 2007 <sup>3</sup>
Percentage of profit devoted to social projects	30%	30%	27.71%	30%	17.77%
Av. retribution of members of Board of Directors	€14,000	€12,000	€15,368	€10,053	€9,835
Av. retribution members of Supervision Committee	€16,000	€14,000	€14,338	€14,859	€13,347
Offices in municipalities <10,000 inhabitants (geographical inclusion)	37%	35.6%	25%	33%	35%
Job creation	-4%	+3.1%	+1.67	+13.1%	+16%
Percentage of indefinite-term contracts	99%	96.15%	96%	91.2%	89.10%
Training: hours per employee	50.6 h	51 h	36.1 h <sup>4</sup>	51 h	55 h
Women on the General Board/AGM	20%	19%	25.9%	17%	23.5%
Employees by gender	Women 47% Men 53%	Women 47% Men 53%	Women 43% Men 57%	Women 46% Men 54%	Women 42% Men 58%
Electricity consumed per employee	21.66 GJ (6,015.37 kWh) <sup>5</sup>	20.81 GJ (5,780.4 kWh) <sup>6</sup>	Not available	21.79 GJ (6,053.5 kWh) <sup>7</sup>	27.46 GJ (7,628 kWh) <sup>8</sup>
CO <sub>2</sub> emissions <sup>9</sup> through electricity per employee	2.10 t <sup>10</sup>	2.28 t <sup>11</sup>	Not available	2.79 t <sup>12</sup>	2.92 t <sup>13</sup>
Water consumed per employee	9.95 m <sup>3</sup> <sup>14</sup>	9.55 m <sup>3</sup> <sup>15</sup>	Not available	10.52m <sup>3</sup> <sup>16</sup>	16.43 m <sup>3</sup> <sup>17</sup>

<sup>2</sup> Source: *Responsabilidad social corporativa de las cajas de ahorros. Memoria 2008* (Corporate Social Responsibility Report of Savings Banks. 2008 Report), the latest available information at the time of drafting CAN's 2009 CSR Report.

<sup>3</sup> Source: *Obra Social. Memoria 2007 de las Cajas de Ahorros* (Social Project Work. 2007 Savings Banks Report) and *Memoria de Responsabilidad Social Corporativa de las Cajas de Ahorros 2007* (2007 Corporate Social Responsibility Report of Savings Banks).

<sup>4</sup> 4,867,267 hours divided by 134,867 employees = 36.1.

<sup>5</sup> In ISO 14001 certified buildings (central building + Pío XII office). No. employees 2009: 483.

<sup>6</sup> In ISO 14001 certified buildings.. No. employees 2008: 492.

<sup>7</sup> In ISO 14001 certified buildings.. No. employees 2007: 456.5.

<sup>8</sup> Central building.

<sup>9</sup> The calculation and conversion protocols and factors of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) were followed through the recommendations of "Indicators protocols Set: EN", Version 3.0/FSSS/Final Version.

<sup>10</sup> In ISO 14001 certified buildings.

<sup>11</sup> In ISO 14001 certified buildings.

<sup>12</sup> In ISO 14001 certified buildings.

<sup>13</sup> Central building.

<sup>14</sup> In ISO 14001 certified buildings.

<sup>15</sup> In ISO 14001 certified buildings.

<sup>16</sup> In ISO 14001 certified buildings.

<sup>17</sup> Central building.

Indicator	CAN 2009	CAN 2008	Sector 2008 <sup>2</sup>	CAN 2007	Sector 2007 <sup>3</sup>
Recycled paper consumed per employee	103.32 kg	105.58 kg	Not available	98.82 kg	69.8 kg

## Ratios compared with the Spanish context

### Average labor cost

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

	CAN 2009	Spain 2009 <sup>18</sup>	CAN 2008	Spain 2008 <sup>19</sup>	CAN 2007	Spain 2007 <sup>20</sup>
<b>Average labor cost</b>	€63,861 (2.12 times cost in Spain)	€30,180	€62,377 (2.11 times cost in Spain)	€29,610	€60,623 (2.19 times cost in Spain)	€27,673

### Average annual gross salary

	CAN 2009	CAN 2008	CAN 2007	Spanish financial sector 2007 <sup>21</sup>	CAN 2006	Spanish financial sector 2006 <sup>22</sup>
<b>Average gross salary</b>	€50,134	€48,677	€48,096 (1.24 times the average salary in Spanish financial sector)	€38,870	€46,567 (1.21 times average salary in Spanish financial sector)	€38,351

### Training

	CAN 2009	Spanish financial and insurance sector (s.a.) <sup>23</sup>	CAN 2008	Large Companies in Spain 2008 <sup>24</sup>	CAN 2007	Large Companies in Spain 2007 <sup>25</sup>
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<sup>18</sup> Source: annualized estimate based on the quarterly surveys of Labor Cost 2009 by the National Institute of Statistics ([www.ine.es](http://www.ine.es)), consulted on 04.23.10.

<sup>19</sup> Source: *Encuesta Anual de Coste Laboral 2008* [Annual Survey of Labor Cost 2008]. National Institute of Statistics ([www.ine.es](http://www.ine.es)), consulted on 03.11.2010.

<sup>20</sup> Source: *Encuesta Anual de Coste Laboral 2007* [Annual Survey of Labor Cost 2007]. National Institute of Statistics ([www.ine.es](http://www.ine.es)), consulted on 05.26.2009.

<sup>21</sup> Source: *Encuesta de Estructura Salarial 2007* [Survey on Salary Structure 2007]. National Institute of Statistics ([www.ine.es](http://www.ine.es)), the latest published, consulted on 01.28.2010.

<sup>22</sup> Source: *Encuesta de Estructura Salarial 2006* [Survey on Salary Structure 2006]. National Institute of Statistics ([www.ine.es](http://www.ine.es)), consulted on 05.28.2009.

<sup>23</sup> Source: "La formación online, asignatura pendiente de las empresas", in *Cinco Días*, March 27, 2010.

<sup>24</sup> Source: "El estado del arte de la formación", in *Capital Humano*, 232, May 2009. Consulted on 05.03.2010.

<sup>25</sup> Source: "El estado del arte de la formación", in *Capital Humano*, 232, May 2009. Consulted on 05.03.2010.

<b>Annual investment per employee</b>	€2,175	€544	€2,358	€370	€2,404	€353
<b>No. hours per employee</b>	50.6 h	40 h	51 h	32 h	51 h	34 h

### Gender pay gap in Spain

	CAN 2009	CAN 2008	Spain 2008 <sup>26</sup>	CAN 2007	Spanish financial sector 2007 <sup>27</sup>
<b>Women. Average annual gross salary</b>	€40,709	€39,907	€17,866	€36,479	€31,586
<b>Men. Average annual gross salary</b>	€57,388	€57,621	€24,020	€53,664	€44,542
<b>Gender pay gap<sup>28</sup></b>	71%	69 %	74.38 %	68 %	70.9 %

The gender pay gap is as significant in the financial sector and throughout Spain as it is in CAN itself, which even shows worse percentages. It should, however, be pointed out that the salaries of women at CAN are far above the Spanish average (223% in 2008) and that of the financial sector (115.5% in 2007).

## Ratios compared with the international context

### Investment in social projects

	CAN 2009	CAN 2008	World's leading companies 2008 <sup>29</sup>	CAN 2007	World's leading companies 2007 <sup>30</sup>
<b>Total investment in social projects</b>	€45,065,322	€50,542,153	€18,588,825 (\$25,950,000) <sup>31</sup>	€42,000,000	€15,976,372 (\$23,530,000) <sup>32</sup>
<b>% of profit</b>	30%	30%	1.23%	30%	0.92%

<sup>26</sup> Source: Adecco-IESE. 2010 (January 18). "España es el cuarto país europeo con mayor brecha salarial entre hombres y mujeres (Source: Eurostat)". Consulted at <http://www.adecco.es/data/NotasPrensa/pdf/197.pdf> on 01.25.2010.

<sup>27</sup> Source: *Encuesta de Estructura Salarial 2007* [Survey on Salary Structure 2007]. National Institute of Statistics ([www.ine.es](http://www.ine.es)), the latest published at the time of drafting this Report, consulted on 01.28.10.

<sup>28</sup> Women's salary as percentage of men's salary.

<sup>29</sup> Source: Committee Encouraging Corporate Philanthropy. 2009. *Giving in Numbers*. (137 leading companies in the world, including 55 companies from *Fortune 100*) (<http://www.corporatephilanthropy.org>), consulted on 04.23.2010. Latest report available.

<sup>30</sup> Source: Committee Encouraging Corporate Philanthropy. 2008. *Giving in Numbers*. (155 leading companies in the world, including 69 companies from *Fortune 100*) (<http://www.corporatephilanthropy.org>), consulted on 06.02.2009. Latest report available.

<sup>31</sup> Fixing 12.31.2008: €1 = US\$ 1.396.

<sup>32</sup> €/€ Fixing on 12.31.2007: 1.4728.

<b>Average per employee</b>	€23,794	€25,628 (34.1 times more than world's leading companies)	\$752	€21,955 (49.8 times more than world's leading companies)	€441.34 (\$650)
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## Gender pay gap compared with international figures

	CAN 2009	Great Britain 2009. Financial sector <sup>33</sup>	CAN 2008	Europe 2008 <sup>34</sup>	USA 2008. Business and financial sector <sup>35</sup>
Women. Average annual gross salary	€40,709	€31,236 <sup>36</sup>	€39,907	€22,918	€32,966 <sup>37</sup>
Men. Average annual gross salary	€57,388	€59,375 <sup>38</sup>	€57,621	€29,341	€43,470 <sup>39</sup>
<b>Gender pay gap<sup>40</sup></b>	<b>71%</b>	52.61 %	69 %	78.11 %	75.84 %

## Integrated indicators: other ratios

Figures	2009	2008	2007
Paper consumed per employee	121.8 kg	140 kg	145 kg
Use of recycled paper as % of total paper consumption	85%	75.62%	70.20%
Paper recycled per employee	46.94 kg	45.89 kg	46.21 kg
R&D&innovation per employee	€3,634	€2,908	€2,849

<sup>33</sup> Source: Equality and Human Rights Commission. 2009. Financial Services Inquiry. Sex discrimination and gender pay gap report. London.

<sup>34</sup> Source: Adecco-IESE. 2010 (January 18). "España es el cuarto país europeo con mayor brecha salarial entre hombres y mujeres (Source: Eurostat)". Consulted at <http://www.adecco.es/data/NotasPrensa/pdf/197.pdf> on 01.25.2010.

<sup>35</sup> Source: Bureau of Labor Statistics: [www.bls.gov/cps/cpsaat39.pdf](http://www.bls.gov/cps/cpsaat39.pdf) (consulted: 01.28.2010).

<sup>36</sup> £ 27,747 (exchange rate on 12.31.2009: €1 = £0.8883).

<sup>37</sup> US \$ 46,020 (fixing 12.31.2008: €1 = US \$ 1.396).

<sup>38</sup> £ 52,743 (exchange rate on 12.31.2009: €1 =£0.8883).

<sup>39</sup> US \$ 60,684 (fixing 12.31.2008: €1 = US \$ 1.396).

<sup>40</sup> Women's salary as percentage of men's salary.

# Degree of compliance with the 2009 objectives

## Degree of compliance with the 2009 objectives [which are CSR in broad sense]

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### 1.- Customer scoring:

Score from personal and business customers: >7.2 out of 10.	Medium. >6.91 out of 10.
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Score from CAN Wealth Management customers: >8.5.	High. Score of 8.63.
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### 2.- Customer participation:

90% of customers choose social projects.	High. 93.6 % chose project.
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### 3.- Penetration of Civic Banking (surveys):

Know why CAN is different (spontaneous).

• 70% in Navarra.	Low. 36%.
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• 10% in other geographical areas.	Low. 5%.
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Know CAN's customers' rights (suggested).

• 75% in Navarra.	High. 74%.
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• 15% in other geographical areas.	High. 18%.
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Score the rights of Civic Banking (out of 10):

• 8 in Navarra.	Medium-High. 7.55.
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• 8 in other geographical areas.	Medium. 7.15.
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### 4.- Growth based on networks:

A. Social networks.

• New customers (25%).	Medium
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• 10,000 <i>civic samplings</i> <sup>41</sup> activated.	High
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B. Virtual networks.

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<sup>41</sup> *Civic sampling*: try Civic Banking. CAN created a card (called *civic sampling*) worth €10 which non-customers can donate to the social project of their choice and, therefore, experience what Civic Banking is, i.e. discover how CAN customers feel when they choose which social projects they wish to support with part of the profit generated by their business at CAN. 'Activating' a *civic sampling* means donating the €10 to a specific social project.

• 2,000 exclusively online customers.	High
<b>5.- Groundbreaking territory:</b>	
A. People.	
• Score of 3.85 out of 5.	Low. Climate survey not conducted.
• Investment in training of 4%.	Medium-Low. 3.42%.
B. CSR for SMEs.	
• 100,000 CSR reports.	High. 159,200.
C. Customers.	
• 300 multimedia projects (CAN videos).	Medium.

## Degree of compliance with the 2009 economic objectives

<b>1.- Solvency.</b>	
Core capital 8.30%.	High. 9.03%.
<b>2.- Asset quality.</b>	
Delinquency rate 4.00%.	High. 3.27%.
Quality of delinquency: provision 20%.	High. 19.77%.
<b>3.- Return.</b>	
ROE 11.92%.	High. 12.50%.
<b>4.- Balanced growth.</b>	
On balance sheet. 1.25 x 1.	High. 1.3 x 1.
Total. 1.4 x 1.	High. 1.5 x 1.
<b>5.- Contribution by areas.</b>	
Insurance and funds; Private banking; Personal and SMEs; International; Large companies; Services.	Medium-High.

## Main objectives for 2010

The main objective for 2010 is to get the Banca Cívica Group, the result of the integration of Caja Navarra, CajaCanarias and Caja de Burgos, referred to earlier, up and running. This event, crucial from a strategic and economic point of view, will also be reflected in an effort to integrate CSR reporting **in order to present the integrated CSR information for 2010 for the entire group.**

In addition to this, CAN's Civic Banking strategy sets out two types of objective: economic objectives and management (beyond economic) objectives. With our sights clearly set on the long term and on achieving sustainable development and growth, the accomplishment of the

economic objectives is intrinsically linked in with the development of an active, participatory Civic Banking community.

The management objectives inform us of the state of health of this community and mark the path for us to follow:

## 2010 Management Objectives

We have set five objectives related to the following areas:

### 1.- **Customer scoring:**

- Score from personal and business customers: >7 out of 10.
- Score from CAN Wealth Management customers: >8.5.

### 2.- **Customer participation:**

- 90% of active customers choose social projects.

### 3.- **Social impact**

- 5,500 projects on the roster.
- 100% projects measured.

### 4.- **Growth based on networks:**

- 80 new customers [social networks]/quarter/officer.
- 5,000 new customers [virtual networks: banking 2.0].
- 'My Cancha branch office'.
- Neighborhood networks [working in September].

### 5.- **Groundbreaking territory:**

- A. People.  
3.85 out of 5 [climate survey].  
4% [investment in training].
- B. CSR for SMEs [reports].  
2,500 SMEs [customer reports].  
1,500 SMEs [non-customer reports].
- C. International.  
50 projects from social organizations based outside Spain.

## 2010 economic objectives

In line with the current financial situation, Caja Navarra has defined its economic objectives into the following groups:

### 1.- **Solvency (core capital):**

- +15 basis points.

### 2.- **Delinquency rate:**

- We have set two limits on the delinquency rate:  
4.5% or  $\frac{2}{3}$  of the delinquency rate in the sector.

### 3.- **ROE:**

- >2 times 10-year bond return.

#### 4.- Networks:

- A.- Contribution by areas:
  - Private banking: +17.5 %.
  - International: +15 %.
  - Disintermediation: 95 % [compliance with business plan] and 95 % [company evaluation in June].
  - Large companies: +10 %.
  - Private customers and SMEs: +10 %.
  - Non-financial service group: +40%.
- B. Asset growth: +2 %.
- C. Products and services: +7.5 %.

#### 5.- Liquidity:

- 1.25 x 1 on balance sheet.
- 1.5 x 1 on and off balance sheet.

## Improvements in Caja Navarra's CSR reporting

Caja Navarra's 2009 CSR reporting is innovative, advanced and self-demanding, and markedly different from that of other companies. We have included significant improvements compared to last year. Caja Navarra's CSR is the sum of three documents and, when it comes to appraising improvements and highlights, they all need to be taken into account, not just the GRI format report:

- 2009 XBRL CSR Report (as explained earlier, XBRL = *eXtensible Business Reporting Language*, the computer language in which financial information is reported to the regulator and which allows for automatic processing and comparison of information). CAN was the first company in the world to produce its CSR Report in XBRL format, a great qualitative step forwards in terms of innovation, transparency, comparability and the automatic processing of information (see [www.cajanavarra.es](http://www.cajanavarra.es)), as recognized by the foremost experts in reporting. This year, we are presenting it for the second year running and, once again, we are the first company in the world to do so.
- 2009 Central Scoreboard for CSR (CCI-CSR). We are the first company in the world to present this data. This is the first year that we present this data: the first public version of CCI-CSR was released at the beginning of 2010. The CCI-CSR is an initiative of the CSR Committee of AECA, which has selected 27 basic CSR economic, environmental and social indicators so that companies can produce their "Basic Statuses" of CSR and, through a taxonomy in XBRL-CSR language and their computer applications, these can be stored in a CSR-XBRL Basic Statuses Repository and be analyzed and compared with each other automatically.
- 2009 Social Responsibility Report in GRI-G3 format, level A+, plus the GRI Financial Services Sector Supplement, with significant improvements.

## Improvements on 2008 reporting

- CAN's 2009 Central Scoreboard for CSR (CCI-CSR). First company in the world to present this data.
- 2009 XBRL CSR Report. Caja Navarra is publishing its XBRL CSR Report for the second year running.

- External assurance of the set of three documents which comprise CAN's CSR reporting (CSR Report, XBRL CSR Report and CCI-CSR), with a "reasonable" level of external assurance per "ISAE 3000", which corresponds to "high" assurance per "AA1000 Assurance Standard 2008".- ISAE 3000.

## Highlights of Caja Navarra's CSR reporting

- Caja Navarra is a pioneer and unique<sup>42</sup> in the dissemination of key aspects of CSR:
  - **Integrated indicators** which situate the entity within the sustainability context by comparing it with sectoral, national and international sustainability figures (see 'Integrated Indicators' in this report).
  - **Gender pay gap.** CAN is a pioneer in the business world insofar as it reports the gender pay gap in the bank since 2006 (see indicator LA14). This information is in line with the most advanced approaches to CSR and gender reporting (see *Embedding Gender in Sustainability Reporting, 2009*, by the International Finance Corporation and Global Reporting Initiative) and is even more advanced than the recommendations of other leading international projects. The data is presented in terms of salary/hour, technically the most thorough and accurate method, as well as annual salary.
  - **Average staff salary:** this highly significant indicator of work performance is greatly demanded by different stakeholder groups (unions, employees, etc.) and is reported voluntarily, not being required by the GRI G3 Guidelines.
- Other highlights of the report are:
  - Full application of the Financial Services Sector **Supplement** (RG Version 3.0/FSSS Final Version, 2008).
  - **Report in "GRI Indicator-answer" format** to ensure exhaustiveness, clarity and comparability of the information. Caja Navarra used this format for the first time in its *2005 Social Responsibility Report* at a time when practically no company did so. It led the way, an increasing number of important companies having adopted the format since then.
  - **Comprehensive calculation of CO<sub>2</sub> emissions**, not just those relevant to energy consumption or a number of specific buildings, but to all buildings and all the types recommended by leading experts: electricity, diesel, air travel, rail travel, business travel in private vehicles, transportation of money and pouches, and, of course, paper and water consumption (see indicator EN16).
  - **Carbon neutral:** Caja Navarra offsets all its CO<sub>2</sub> emissions, making it carbon neutral and unique among financial entities.
  - **Survey of customers and employees on the CSR report** (see 4.17), crucial for the materiality of the report.
  - **R&D&innovation:** for the second year running, we are reporting on CAN's R&D&innovation investment (see indicator 2.8).

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<sup>42</sup> "Unique", to the extent to which we have reasonably been able to research in foremost Spanish and international reports.

# Contents of the 2009 Social Responsibility Report in GRI format

## 1. Strategy and analysis

1.1. Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.

See the letter by the Managing Director at the beginning of this report.

1.2. Description of key impacts, risks, and opportunities.

The chief impacts, risks and opportunities are related to the current economic crisis. The crisis has found CAN in a solid position, thanks to the Civic Banking strategy and responsible management over previous years, with little exposure to the real estate sector (see delinquency and solvency indicators in 2.8). This is allowing it to adopt an active position in the face of the crisis and respond in line with Civic Banking: the Banca Cívica Group (Consolidated Economic Group), consisting of Caja Navarra, CajaCanarias and Caja de Burgos.

CAN's strategic orientation focuses on its stakeholders, in a thoroughfare of dialogue and profound, systematic participation, with outgoing and incoming paths through which customers, employees, social organizations and other stakeholders can decide on CAN's major lines of work.

In this context, the analysis of Spanish savings banks by the European Economic and Social Committee is particularly relevant: "In the realm of financial institutions, the founding principles of the Savings Banks confirm these bodies, along with credit cooperatives and social welfare mutual organizations, as the forerunners of today's corporate social responsibility (CSR). Their social dimension as an identifying feature gives them specific objectives closely related to the philosophy of the Social Economy, a social and economic force gaining pace throughout the world, one reflection of this commitment being the inclusion of the disabled"<sup>43</sup>.

The trends indicated previously are compounded by the climate of distrust generated by the crisis and the social perception of banking and large international firms' responsibility for the situation:

- Poor public perception of banks.
- Concern for the social consequences of the crisis.
- Concern for people.

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<sup>43</sup> European Economic and Social Committee. 2010 (May 26). *ECO/266. Socially responsible financial products*. Brussels.

- Concern that companies treat their employees properly.
- Concern for the environment.
- Concern for inequalities in development and cooperation.

In order to identify these trends, we have used several sources, both our own and external. Some of these are:

- **CAN's own sources** (these are highly significant in terms of quality and volume. See sections 4.16 and 4.17). The main sources are:
  - More than 500,000 customers choosing social projects.
  - Thousands of social organizations presenting projects.
  - Customer surveys on degree of compliance with CAN's ideals.
  - The Saviálogos think factory.
  - Viálogos sessions, particularly the XXIX Viálogos session, held on November 17, 2009, with keynote speech by Edward Prescott, winner of the Nobel Memorial Prize in Economics, titled "How Spain can get out of the crisis".
- **External sources:**
  - Opinions of the public/consumers on what a responsible company is.
  - Studies: Forética, international studies.
  - GRI & IFC Study *Embedding Gender in Sustainability Reporting* (2009).
  - International trade union study of the G3-GRI model: *Trade union guide to the guidelines for the compilation of GRI initiative sustainability reports* (2008).

Caja Navarra's response to the social trends indicated is its overall Civic Banking strategy, defining the ideals which it wishes to fulfill (see Executive Summary), an advanced system of stakeholder engagement (sections 4.16. and 4.17.) and all the developments and actions explained throughout this report.

CAN understands sustainability as a whole in which the economic, social and environmental dimensions are all linked.

The introduction to this report contains a summary of the degree of compliance with the 2009 objectives and sets the chief objectives and developments planned for 2010.



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## **2009 CAN Management Committee**

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Enrique Goñi

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Roberto Ducay

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José Luis Larríu

---

Joaquín Arbeloa

---

Alberto Pascual

---

Francisco Lana (until 2009)

---

Juan Odériz

---

Cristina Mendía

---

Carlos Ayesa

---

Amaya Rández

---

Iñaki Iraizoz

---

Susana García

---

Juan Plaza

---

Rosa Jaso

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## **2.4. Location of organization's headquarters.**

Caja Navarra's headquarters are at Avenida de Carlos III nº 8, Pamplona, 31002, Navarra, Spain.

## **2.5. Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.**

Spain.

## **2.6. Nature of ownership and legal form.**

Caja de Ahorros y Monte de Piedad de Navarra is a credit institution run on a social enterprise foundation basis which, in order to achieve its objectives, performs credit, banking and general financial transactions as authorized by current regulations.

The entity, of indefinite duration and run on a non-profit basis, is the result of the buyout by Caja de Ahorros de Navarra (founded by resolution of the Regional Government of Navarra in 1921) of Caja de Ahorros y Monte de Piedad de Pamplona (founded by resolution of the City Council of Pamplona in 1872).

## 2.7. Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

Caja Navarra has a general commercial policy of universal Civic Banking with a particular emphasis on retail banking, but also serving the business, institution and private banking sectors. From the outset, Caja Navarra has united two dimensions, the business dimension and the social dimension, household economies, together with small- and medium-sized enterprises and Navarra's institutional customers, being the main focus of its work. Strengthening the fabric of society and the local area, and providing access to financial services, financial inclusion, are intrinsic to Caja Navarra's foundation status:

On December 31, 2009, Caja Navarra served 619,550 customers. It had 336 branch offices, 111 of which followed the new Cancha branch office model.

This indicator includes the following points:

- Geographical-financial inclusion promoted through CAN branch offices.
- Distribution of CAN branch offices by autonomous community.
- Accessibility.
- Service provision through cards and other means of payment.
- Service provision through new channels.

### Geographical-financial inclusion promoted through CAN branch offices.

	2009	2008	2007
Number of offices in municipalities <10,000 inhabitants	125 (37.2%)	125 (35.6%)	125 (33.0%)
Population of Navarra covered by CAN branch offices in their own municipality	560,399 (92.5% of the population) <sup>44</sup>	560,399 (92.5% of the population) <sup>45</sup>	560,399 (92.5% of the population) <sup>46</sup>

### Distribution of CAN branch offices by autonomous community:

Community	2009	2008	2007
Navarra	181	184	183
Basque Country	57	61	43
Madrid	38	58	58
Catalonia	25	31	29
La Rioja	12	18	16
Aragón	12	16	16

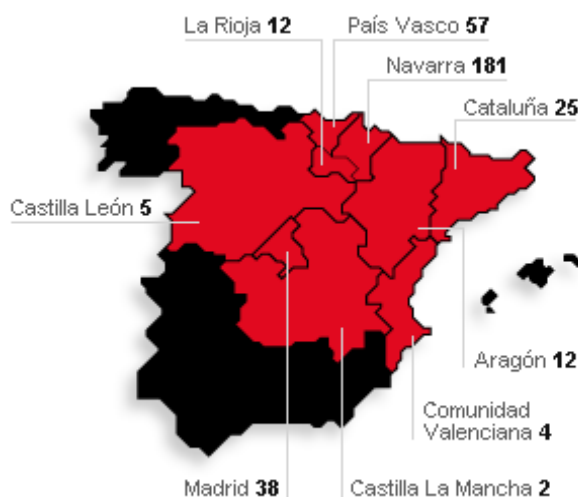
<sup>44</sup> 2006 population figures.

<sup>45</sup> 2006 population figures.

<sup>46</sup> 2006 population figures.

Castilla León	5	4	3
Comunidad Valenciana	4	4	---
Castilla La Mancha	2	3	3
<b>Total branch offices</b>	<b>336</b>	<b>379</b>	<b>351</b>

The following map summarizes our branch office network by geographic region:



## Accessibility of customer service channels

	2009	2008	2007
Accessible offices	304 (90.5%)	343 (90.5%)	Not available
Website accessibility	Not available	Level A	Level A
No. "Cercanía" mobile bank terminals	582	410	345

## Service through ATMs, cards and other means of payment:

	2009	2008	2007
No. of ATMs	482	523	497
Total number cards	1,063,907	1,072,235	1,017,412
Number prepaid cards	582,037	578,092	544,557
No. '+ Cerca' cards (for new residents' to send cash)	4,654	6,766	6,912
Number of operations in ATMs	14,788,574	15,397,286	14,806,190
POS	7,390	8,659	8,228

## Service provision through new channels (Digital Business):

	2009	2008	2007
No. online banking contracts (Clavenet)	162,438 <sup>47</sup>	187,153	160,697
No. Clavenet operations	26,378,428	23,277,409	30,371,525
No. stock market operations via Clavenet	39,399	36,193	43,460
Calls attended by telephone banking	254,061	206,789	201,575
Website visits	6,263,893	5,500,758	3,748,187
Canmóvil (mobile phone banking) operations	45,782	47,020	40,848
Alerts sent by mobile phone	2,073,776	1,870,613	706,239

## 2.8. Scale of the reporting organization, including:

### Number of employees

	2009	2008	2007
Total staff	1,894 (-4%)	1,972 (+3.1%)	1,913 (+13%)

### Net sales

Being a bank, Caja Navarra understands net sales as business turnover.

	2009	2008	2007
Credit investment (in € ,000)	13,295,945 (-0.2%)	13,317,110	12,329,318
Net resources managed (in € ,000)	18,247,184 (+5.2%)	17,351,651	15,469,298
<b>Total business turnover</b> (in € ,000)	<b>31,543,129 (+2.9%)</b>	<b>30,668,761</b>	<b>27,798,616</b>

<sup>47</sup> The fall compared to 2008 is due to a purge of the database performed in 2009.

## Total capitalization broken down in terms of debt and equity

Being a bank, Caja Navarra understands capital as “net worth” and debt as “financial liabilities at redeemed cost (external resources)”:

<b>Total capitalization</b> (in € ,000)	<b>2009</b>	<b>2008</b>	<b>2007</b>
Net worth	1,178,198	1,087,260	1,039,644
Financial liabilities at redeemed cost	17,914,256	17,420,316	13,866,417

## Total Assets

	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Total Assets</b> (in € ,000)	19,384,456	18,747,747	15,167,088

**The following indicators** of the financial scale and health of the reporting organization are also provided:

	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Business</b> (in € ,000)			
Turnover (=Credit to customers + Net resources managed)	31,543,129 (+2.9%)	30,668,761 (+10.3%)	27,798,616
• <i>Turnover, Navarra branch offices</i>	21,021,542	20,479,806	18,376,620
• <i>Turnover, non-Navarra branch offices</i>	10,521,587	10,188,955	9,421,996
Credit to customers	13,295,945 (-0.2%)	13,317,110 (+8%)	12,329,318
Net resources managed	18,247,184 (+5.2%)	17,351,651 (+12.2%)	15,469,298
Economic Value Added (=Basic Margin)	346,764	412,968	383,250
Delinquency	3.27	1.93	0.61
Solvency	14.54	10.42	10.88
Core capital	9.03	8.15	8.12
<b>Profit and loss</b> (in € ,000)			
Pre-Tax Profit (PTP)	135,931	150,232	168,195
After-Tax Profit (ATP)	121,549	150,013	167,192
Tax paid	14,382	219	1,003
ROE	10.38	13.82	15.95
Efficiency	56.12	53.19	50.75
<b>Rating</b>	Fitch A	Fitch A	Fitch A

	2009	2008	2007
<b>Customers</b>			
Total No. of customers	619,550	615,479 <sup>48</sup>	603,376
<i>Business customers</i>	75,318	72,975	60,969
<i>"New Resident" customers<sup>49</sup></i>	49,143	52,672	44,826
Personal customer satisfaction (degree of implementation of CAN's strategic ideals)	6.91	6.86	6.99
<b>Socially Responsible Investment (SRI)</b>			
<b>Total Socially Responsible Investment (SRI)</b>	€281,701,852	€118,516,928	€219,915
<i>SRI accounts and deposits</i>	€276,451,310	€118,418,937	---
<i>SRI mutual fund</i>	€79,312	€97,991	€219,915
<i>CAN Verde life insurance</i>	€5,171,230	---	---
<b>Credit with CSR aims</b>	€2,584,890,650	€2,835,163,350	€2,665,064,000
<b>R&amp;D&amp;innovation</b>			
R&D&innovation	€6,882,903	€5,735,212	€5,450,029
R&D&innovation per employee	€3,634	€2,908	€2,849

## 2.9. Significant changes during the reporting period regarding size, structure, or ownership.

As in previous years, there were no changes in the scale, structure or ownership of Caja Navarra in 2009.

## 2.10. Awards received in the reporting period.

### Awards

Financial Innovation Awards 2009: "Best Corporate Social or Environmental Responsibility Program", awarded by the IFS School of Finance, London.

Prize of the Spanish Confederation of People with Physical and Organic Disability (COCEMFE).

Prize of the Zaragoza Down Foundation.

<sup>48</sup> The data for number of customers in 2008 and 2007 are different from those reported in the previous Report because the figures have been recalculated applying the net customer growth criteria designed in the COAS project.

<sup>49</sup> "New residents": CAN defines this group as private individuals of nationality other than Spanish or whose Tax ID number begins with "X".

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Prize for “Innovation in Internal Communication”, at the II Awards for Best Practices in Internal communication run by the Observatory of Internal Communication and Corporate Identity.

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Accudes Prize, from the Spanish Uterine Cancer Association.

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Prize from the Álava Association of Parents of Children with Cancer (ASPANAFOHA).

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## **Distinctions**

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MERCO Empresas Index 2009: No. 65 in the ranking of the 100 Spanish companies with the best reputation (up one place on 2008).

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“Notable Communication on Progress” (Global Compact).

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EFQM: 'Recognized for Excellence 5 Stars'.

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MERCO Personas Index 2009: No. 33 in the ranking of the 100 best workplaces in Spain (up one place on 2008).

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MERCO Marcas 2009: Caja Navarra as the “organization with the best reputation among users of financial services at autonomous-community level”.

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Subvention from the Basque Government, through official public call, for CAN’s adaptation to the language obligations established in Decree 123/2008 in its relations with consumers and users.

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## **Speeches at congresses, seminars and conferences**

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Speech by Enrique Goñi at the seminar on “Recovering from the crisis”, at The Wharton School, University of Pennsylvania (July 2009).

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Presentation at the “2<sup>nd</sup> European Workshop on ESG Disclosure – The Investor Perspective”, organized by the European Commission, October 30, 2009.

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Speech at the VII Interamerican Conference on CSR, organized by the Banco Interamericano de Desarrollo, Punta del Este (Uruguay), 12.02.2009.

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Speech at the IV Seminar on Linguistic Management in Business, Elgoibar (Guipúzcoa), organized by IMH, October 22, 2009.

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Speech at the AECA workshop on XBRL CSR, 11.26.2009

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Participation at round table on Banking 2.0, FICOD, 11.18.2009.

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CAN is developing a solid trajectory of awards and distinctions. From previous years, we can highlight the following:

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### **2008**

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### **2007**

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#### **Awards**

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Empresa y Sociedad Prize for the best business action, Products and Services category.

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Prize for the ‘Best Sustainability Report of a Spanish Company’, VI edition.

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Best CSR Solution of a Spanish company in the “Communication and reporting” and “Innovation” categories at Forética's II CSR MarketPlace, Madrid, 10.09.2008.

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Prize for the Best CSR Solution of a Spanish company at Forética’s I CSR MarketPlace, Madrid, October 4, 2007.

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National Alares Prize 2008 for work-life balance in the executive category to Cristina Mendía, Director of CAN.	The bank most appreciated by the public and the jury at the European CSR MarketPlace, Brussels, 11.29.2007.
ESADE Centro de la Marca Prize, "Brand repositioning" category.	Prize for the Company Policy in favor of Women 2007, awarded by the Federation of Women Managers and Entrepreneurs (FEDEPE), for CAN's Women's Plan.
Luchadores Prize 2008, from Colectivo Ataxias en Movimiento.	Prize for Best Social and Occupational Action, awarded by the Fundación Sagardoy.
Prize for Financial Excellence 2008, at the I Prizes of Institut d'Estudis Financers for Financial Excellence.	Special Jury's prize at the 'Actualidad Económica' Social Project Work awards.
Navarrese Prize for Excellence 2008, in the large company category.	
Accudes Prize 2008 from the Spanish Uterine Cancer Association to Caja Navarra and Investigación Solidaria Sadar for their work in the prevention of cancer of this kind.	
Cibervoluntarios Prize 2008 for technological innovation for the best communication through social networks (CAN blogosphere).	

## Distinctions

MERCO Empresas Index 2008: No. 66 in the ranking of the 100 Spanish companies with the best reputation.	MERCO Personas Index 2007. Caja Navarra, ranked 70 <sup>th</sup> in the 100 best workplaces in Spain. Best workplace in Navarra.
MERCO Personas Index 2008: No. 34 in the ranking of the 100 best workplaces in Spain.	Cancha branch offices acknowledged as the 'Fourth Most Innovative Bank Branch Model in Europe' in the study of all European banks performed by the English consultants I-Am Associates.
MERCO Marcas Index 2008: Caja Navarra as the "organization with the best reputation among users of financial services at autonomous-community level".	Caja Navarra, the most innovative savings bank according to the "Current Trends in the Spanish Financial Sector" study, performed by the consultants Tatum for the EOI business school.
EFQM 'Recognized for Excellence 5 Stars'.	
SGE21 certification as ethical and socially responsible company.	
Speech at "The Amsterdam Global Conference on Sustainability and Transparency", organized by the GRI, Amsterdam, of May 7-9, 2008.	
2008 Empresa y Sociedad Report: one of the three best Spanish companies for their treatment of company action related to the integration of disadvantaged people (social action) in annual reports.	
Navarrese Re-concilia Seal for life-work balance.	

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Center of Environmental Resources of Navarra (CRANA): Special mention 2008 to Caja Navarra from the Jury of "The Energy Stakes" for the organization's continuous commitment to energy saving and efficiency.

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## 3. Report parameters

### Report profile

#### 3.1. Reporting period for information provided

The present report covers 2009.

#### 3.2. Date of most recent previous report.

2008.

#### 3.3. Reporting cycle.

Annual.

#### 3.4. Contact point for questions regarding the report or its contents.

- Rosa Jaso: Assistant Deputy General Director of CAN. E-mail: rsc@cajanavarra.es
- David Pérez de Ciriza: CSR Department. E-mail: rsc@cajanavarra.es
- Website: cajanavarra.es.
- Also through CAN branch offices.

### Report scope and boundary

#### 3.5 Process for defining report content, including determining materiality, prioritizing topics within the report and identifying stakeholders the organization expects to use the report.

The contents of the report have been defined in consideration of Caja Navarra's main stakeholder groups, which are: customers, employees, suppliers, social organizations, public administrations, experts, the academic community and society at large. The processes by which to determine materiality and to discover the concerns and interests of the stakeholder groups are explained in section 4.16 of this report, and the results of the same are set out in section 4.17.

For the third year running, a specific survey on the CSR Report and the topics they feel should be addressed in it has been performed on customers and employees.

In order to arrive at a reasonable, balanced presentation of Caja Navarra's performance, we have abided as closely as possible to the Principles of AA1000APS *The AccountAbility Principles Standard (2008)*, the *GRI G3 Sustainability Reporting Guidelines* and the *GRI*

*Financial Services Sector Supplement.* Caja Navarra's 2009 XBRL CSR Report, which, together with the present report, forms part of CAN's 2009 CSR reporting was compiled in strict compliance with the *XBRL CSR Taxonomy* designed by the Spanish Association of Accountancy and Business Administration (AECA).

The guiding principles of the report are:

## **Basic Principle of Inclusivity (AA1000 2008)**

Inclusivity refers to the participation of Caja Navarra's stakeholder groups in the development of and arrival at a responsible, strategic response to sustainability. The report aims to reflect the commitment we have made to our stakeholders, who guide our decisions and strategic objectives in the area of sustainability, and with whom we employ channels and tools through which they can decide the direction we should take. Civic Banking is transparency and participation. This is chiefly explained in the Letter from the Managing Director and points 4.16 and 4.17.

## **Principle of Materiality (AA1000 2008)**

The Principle of Materiality consists of determining the relevance and importance of a topic to CAN and its stakeholder groups. A relevant subject is a topic which will influence the decisions, actions and performance of the bank and its stakeholder groups.

We aim to provide the information relevant to our stakeholders and CAN itself. In order to determine what is relevant or material, we employ significant channels of engagement with our stakeholder groups (4.16 and 4.17).

For the third year running, surveys on the CSR Report and the information they wish to find in it have been performed on customers and employees (see 4.16 and 4.17). These surveys shed light on what is relevant for customers and employees in the field of CSR and provide suggestions for modification or improvement for future CSR reports.

Likewise, the information we provide in this report covers and aims to respond to all the indicators set out in the G3 guidelines and the new Financial Services Sector Supplement (FSSS Final Version, 2008). In line with our policy of absolute transparency, we even report on points not required by the guidelines which we believe may bear significant influence over the appraisals of and decisions reached by our stakeholders (see, for example, indicators EC5 and LA14, which include extremely significant items, such as average salary and the gender pay gap, respectively). This indicator-answer format used in the report also contributes to its materiality, allowing each reader to find the sections of the "threefold balance sheet" (economic, environmental and social) which he/she considers most relevant, just like on a normal balance sheet.

## **Principle of Responsiveness (AA1000 2008)**

CAN's Responsiveness is the entity's response to the matters of its stakeholder groups which affect its performance in the field of sustainability and is performed through decisions, actions, performance and communication with the stakeholder groups. Caja Navarra aims to address and respond to matters brought up by its stakeholder groups and this principle guides both its actions and the production of the present report. See 4.16 and 4.17.

## **Materiality (GRI)**

See Principle of Materiality.

## **Stakeholder inclusiveness (GRI)**

See Basic Principle of Inclusivity.

## **Sustainability Context (GRI)**

This report presents Caja Navarra's performance within the context of sustainability through comparison with sectoral, national and international figures. To this end, we have voluntarily included the widest possible set of integrated indicators (see 'Introduction'). The production of the XBRL CSR report and the Central Scoreboard (CCI-CSR), which allow for the automated comparison of information, are also included for this same purpose.

## **Completeness (GRI)**

Precise coverage is given to indicators and material aspects, and the scope of the report itself ensures they are sufficient to reflect social, economic and environmental impacts and thereby allow stakeholders to appraise Caja Navarra's performance over the period covered by the report. This is reflected, among other things, in the fact that we *comprehensively* respond to all the indicators set out in the Guidelines and Financial Services Sector Supplement, the CCI-CSR and the more-than-500 indicators in the XBRL CSR taxonomy.

## **Balance (GRI)**

The report discloses both positive and negative information on the bank's performance so that stakeholders can appraise it in a reasonable, objective manner.

## **Comparability (GRI)**

The information disclosed is provided in a consistent format which facilitates comparability with other national and international organizations and sectors, and an analysis of Caja Navarra over time, through figures and an indicator-answer system consistent over time and avoidance of overwordiness, which aims to offer those readers interested precise, comparable information on the indicator being consulted. See also "Sustainability Context".

## **Accuracy and Clarity (GRI)**

The information provided is accurate and detailed so that the different stakeholder groups can assess Caja Navarra's performance. The indicator-response system has been adopted in order to contribute to the accuracy and clarity of the report.

## **Timeliness (GRI)**

The information is presented annually and punctually, i.e. as close as possible to the period of time being described.

## **Reliability (GRI)**

The information and procedures followed in the preparation of the report have been collected, recorded, compiled, analyzed and presented in such a way that they can be examined, thereby establishing the quality and materiality of the information. The report is subject to independent external assurance to guarantee the veracity of its contents and application of the Principles for the production of reports so that all the stakeholder groups can trust it.

### **3.6. Boundary of the report**

The boundary of this report covers all of Caja Navarra, taking into consideration the indications of point 1.3 of the GRI *Sustainability Reporting Guidelines* and its Boundary Protocol.

### **3.7. State any specific limitations on the scope or boundary of the report.**

The present report does not have any limitations on scope or boundary. The information provided is sufficient to reflect Caja Navarra's social, economic and environmental impacts and allow stakeholders to appraise its performance appropriately. To this end, the details required for each indicator have been provided in full, in line with the *Sustainability Reporting Guidelines*, which highlight Completeness as a key criterion to describe scope.

Unlike other wordier formats, the Indicator-Answer format employed obliges us to address all the matters requested and allows independent third parties to judge the thoroughness with which we deal with scope and boundary for themselves.

### **3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.**

The present report only contains information relative to Caja Navarra and no business activity which may significantly affect the comparability of the report with regard to previous years has taken place.

### **3.9. Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.**

The following framework documents, supplements and report protocols, most of which are available on Internet, have been used:

- AccountAbility: *AA1000 AccountAbility Principles Standard 2008 (AA1000APS 2008)*. (<http://www.accountability.org/publications.aspx?id=3040>).
- AccountAbility: *AA1000 Assurance Standard 2008 (AA1000AS 2008)*. (<http://www.accountability.org/publications.aspx?id=3092>).
- Global Reporting Initiative: *Financial Services Sector Supplement (FSSS Final Version)*, 2008. (<http://www.globalreporting.org/ReportingFramework/SectorSupplements/FinancialServices/>).
- Global Reporting Initiative: *Gender & Reporting* ([www.globalreporting.org/CurrentPriorities/GenderandReporting](http://www.globalreporting.org/CurrentPriorities/GenderandReporting/)).
- Global Reporting Initiative: *Sustainability Reporting Guidelines (GR Version 3.0)*, including the *Indicator Protocol Sets* for each area of performance (<http://www.globalreporting.org/ReportingFramework/G3Guidelines/>).
- International Finance Corporation & Global Reporting Initiative: *Embedding Gender in Sustainability Reporting. A Practitioner's Guide*. 2009 ([http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/web\\_GenderReporting\\_EmbeddingGender/\\$FILE/GRI-IFC\\_Full\\_Gender.pdf](http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/web_GenderReporting_EmbeddingGender/$FILE/GRI-IFC_Full_Gender.pdf)).
- International Trade Union Confederation-ITUC. *A Trade Union Guide to the GRI Sustainability Reporting Guidelines*. May 8, 2008 ([http://www.ituc-csi.org/IMG/pdf/08-05-08\\_GRI\\_Guide.final.pdf](http://www.ituc-csi.org/IMG/pdf/08-05-08_GRI_Guide.final.pdf)).

And:

- AENOR (2007). *Ethics. Company social responsibility management system*. Madrid.
- Forética (2008). *SGE 21:2008. Ethical and socially responsible management system*. Madrid. (<http://www.sge21.foretica.es/es/>). Caja Navarra is SGE21 certified.
- For environmental matters, the calculation and conversion protocols and factors of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), by recommendation of the "Indicators Protocols Set: EN" GRI Version 3.0. WRI/WBCSD documents consulted:
  - "Mobil Combustion CO<sub>2</sub> Emissions Calculation Tools". January 2005. Version 1.3. WRI- WBCSD GHG Protocol Initiative.
  - World Resources Institute (2008). "GHG Protocol for Stationary Combustion". Version 4.0.
  - "Indirect Purchased Electricity". Version 3.0.
  - "Energy Balance Sheet". Energy Protocol (GRI).

The techniques usually employed in accountancy and financial reports have also been used. The main internal information systems are controlled by the internal audit service, including, Caja Navarra's Ethical and Socially Responsible Management System, specifically relevant to CSR.

### 3.10. Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.

There is no re-statement of significant information contained in previous reports. When any information is reformulated, due to typographical error not previously detected or because a different calculation method has been used as a result of a new information management tool, then a footnote explaining the reason for said reformulation has been added.

### 3.11. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

There are no significant changes with regard to the previous period.

## GRI content index

### 3.12. Table identifying the location of the Standard Disclosures in the report.

See the GRI contents table in Appendix III.

## Assurance

### 3.13. Policy and current practice with regard to seeking external assurance for the report.

All of Caja Navarra's 2009 reporting, consisting of the Social Responsibility Report, the XBRL CSR Report and the CCI-CSR, has been independently externally assured by Ernst & Young using:

- ISAE 3000.
- The "Corporate Responsibility Report Review Work Guidelines" issued by the Spanish Institute of Chartered Accountants (ICJCE).
- The principles and guidelines of the GRI *Sustainability Reporting Guidelines* and the *Financial Services Sector Supplement*.
- The Principles of AA1000APS 2008.
- The taxonomy for CSR reports in XBRL format designed by the Spanish Association of Accountancy and Business Administration (AECA).

The structure and contents of the three reporting documents named above have been verified in order to guarantee a "reasonable" assurance according to ISAE 3000 which corresponds to a "high" level of assurance according to the criteria of AA1000 AS, 2008 version.

Caja Navarra's annual accounts are audited on a yearly basis by independent external companies in accordance with current legislation and are permanently controlled by the Bank of Spain. All the internal information systems are monitored by the Internal Auditing service.

# 4. Governance, commitments and engagement

## Governance

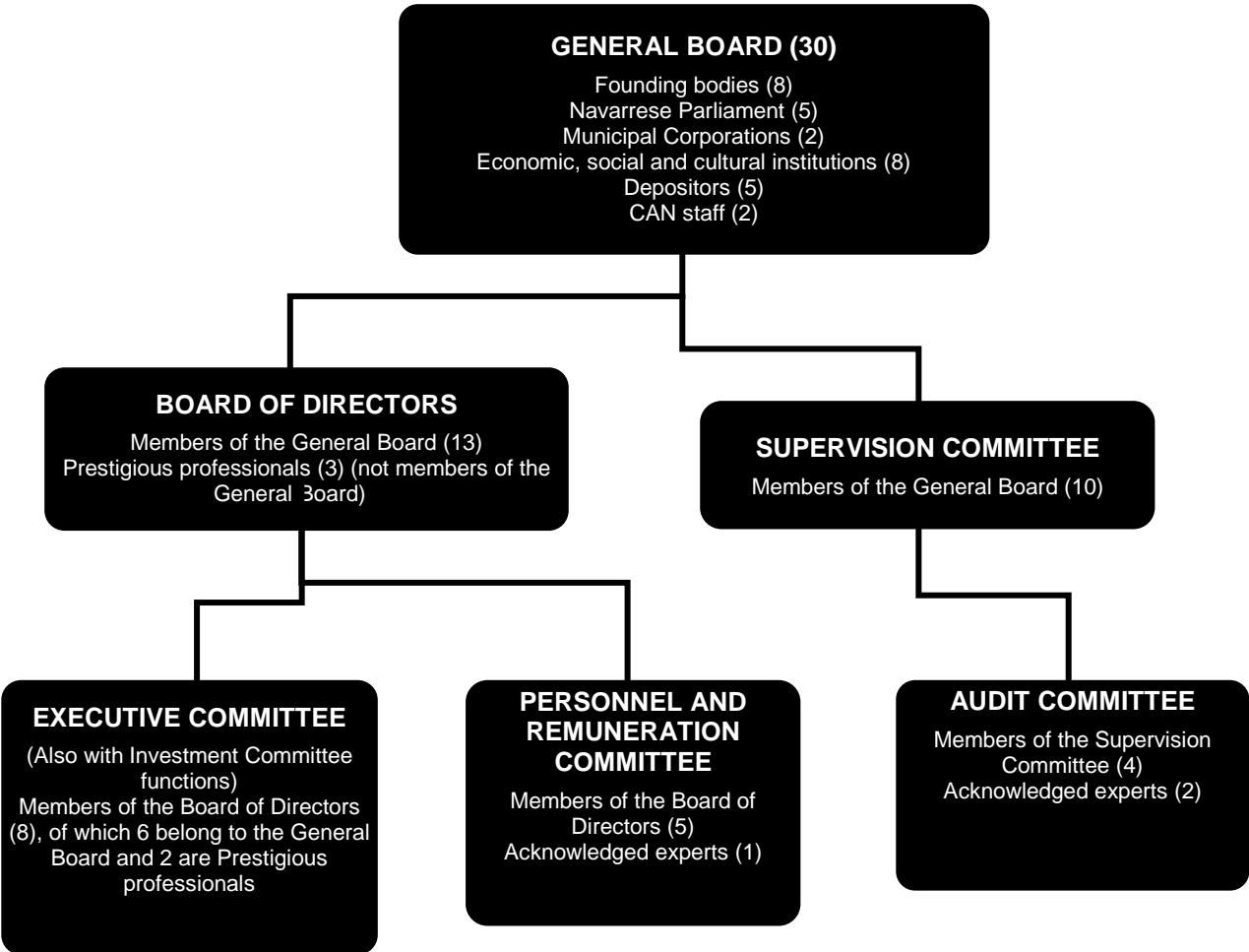
4.1. Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

CAN distinguishes between its non-executive governing bodies and its operational executive management structure. See indicator 2.3 for the operational executive management structure.

This section deals with the non-executive Corporate Governance system.

### Non-executive Corporate Governance System

(The number of members in brackets)



Caja Navarra's corporate governance system is geared towards sustainability and directly aimed at its stakeholder groups, most of which participate directly in the Bodies of Governance. The different interests which converge in Caja Navarra come together in these bodies: the founding bodies, the Parliament of Navarra, Municipal Corporations, depositors (customers), Caja Navarra employees and Navarra's leading economic, social and cultural organizations.

The governance structure is defined in the following Bodies:

- General Board (30 members)
- Board of Directors (16 members)
- Supervision Committee (10 members)
- Executive Committee (8 members)

The **General Board** is Caja Navarra's highest governing body. 30 members sit on the board. 15 represent administrations and bodies governed by public law, 8 represent Private institutions of economic, social or cultural relevance (CEN, UGT, CCOO, Fundación Tribunal Laboral, ANFAC, AN SC and AIN), 5 represent customer interests and 2 represent Caja Navarra employees.

The five Members of the Board representing customers are chosen by the delegate system. 51 delegates entrusted to vote from among the candidatures presented by customers are chosen by draw before notary. The two Members of the Board representing Caja Navarra staff are chosen directly by all those working there.

The principal functions of this Board are:

- To dictate and establish the general lines of Caja Navarra's Plan of Action.
- To approve the Annual Accounts, the Management Report and the Proposed Distribution of Earnings.
- To approve the annual Social Project Work budgets and administration.
- To elect the members of the Board of Directors and the Supervision Committee.

**The Board of Directors** is the body in charge of directing, administrating and representing Caja Navarra. Its main function is to oversee the permanent, ordinary management of Caja Navarra performed by the General Management and the Senior Management team, also electing an Executive Committee from among its number to act with delegated powers.

According to express statutory provision, the functions which the Board of Directors delegates in the **Executive Committee** are those of ordinary management, administration and representation of Caja Navarra. Within the scope of its delegated competences, the Executive Committee is fully independent in terms of decision making and its agreements do not need to be ratified subsequently by the Board of Directors. Nevertheless, whenever circumstances so advise, the Chair of the Committee can decide that the agreements adopted be ratified by the Board. The same system is applied when the Board delegates the review of a matter to the Committee, the Board reserving, in last instance, the right to make decisions.

The Executive Committee also has functions befitting an **Investment Committee**, informing the Board of Directors on the stable, strategic investments which Caja Navarra makes either directly or through organizations it owns.

The professionalization of the Board of Directors and the Executive Committee is reflected in the presence, among their number, of three professionals of acknowledged prestige who are not General Board Members, and whose knowledge and experience is related to Caja Navarra's work.

This professionalization process is also evident in the **Personnel and Remuneration Committee**, in charge of informing the Board of Directors on matters related to the general policy of Caja Navarra regarding internal corporate structure and retribution, and incentives for Caja Navarra's management staff, the members of which are named by the Board of Directors

and include two individuals of acknowledged experience in such matters who are not members of the Board of Directors and act as External consultants.

Finally, there are the auditing bodies: **The Supervision Committee** and **the Audit Committee**.

In brief, an organizational structure with different levels specializing in basic decisions (General Board), financial control and Social Project Work (Supervision Committee), and the supervision of direction and management (Board of Directors and Executive Committee) within a context of clear separation of functions, transparency and advocacy of professionalism and participation in the different Governing Bodies.

#### 4.2. Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

The Chair of the Board of Directors does not perform executive functions. Executive functions are performed by the General Director.

#### 4.3. For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

Not applicable. Caja Navarra does not have a unitary board structure because, as explained in indicators 2.3 and 4.1, there is clear separation and independence between the operational management structure and the non-executive governance bodies.

#### 4.4. Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Caja Navarra is a credit institution run as a foundation on the principle of social enterprise which does not have shareholders.

The employees of Caja Navarra form part of the bank's governing bodies. The two General Board members corresponding to the Caja Navarra employees sector and their four substitutes are named through a process of direct election in which all Caja Navarra employees take part. All workers associated with Caja Navarra through an ordinary labor relationship and who, on the date on which the electoral process begins, have worked for Caja Navarra for at least one month take part in the electoral process as voters.

All workers associated with Caja Navarra through an ordinary labor relationship who meet the requirements in order to become members of the General Board and are not subject to any conflict of interest are considered eligible. The Caja Navarra employees who become members of the General Board have the same guarantees as those established in current labor legislation for the legal representatives of workers.

## 4.5. Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

30% of CAN's senior management's variable remuneration has, since July 2009, depended on customers' opinion of the bank. This opinion is measured through surveys on CAN's ideals, in which customers score the bank's degree of compliance with its Ideals (see 4.8 and section on "Caja Navarra's ideals" in the Introduction to this report) and which basically refer to its social and environmental performance. Taken as a whole, the remuneration of Caja Navarra's senior management is directly linked to the application of the Civic Banking strategy, which includes significant social and environmental components.

This remuneration consists of a **fixed component** (which breaks down into several categories from the Collective Bargaining Agreement (convenio) linked to professional category and the so-called "post supplements" linked to the actual performance of a certain job or managerial responsibility) and a **variable component**, which depends on the opinions of customers regarding the bank, the achievement of a set of professional objectives, the economic results of Caja Navarra over the year in progress and its "beyond economic" results. Key management staff refers to the General Director, the Assistant General Directors, the Deputy General Directors, the Assistant Deputy General Directors and the General Secretary. This key management staff does not form part of the Board of Directors or the non-executive governing bodies, thereby guaranteeing independence and separation between the executive management bodies and the non-executive bodies of governance.

The compensation of Caja Navarra's non-executive governance bodies is not linked to CSR performance or criteria.

<b>Remuneration of Key management staff (in thousands of euros)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>Salaries and other similar forms of remuneration</i>	2,770	2,751	2,591
<i>Obligations regarding pensions or payment of life insurance premiums</i>	19.57	19.46	20.05
Total remuneration of Key management staff	2,789.6	2,770	2,611

<b>Remuneration of the non-executive governance bodies (in thousands of euros)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Remuneration members of the Board of Directors	216.9	192	160.9
Remuneration members Supervision Committee	157.9	140	148.6

## 4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided.

The Statutes of Caja Navarra include a number of procedures to avoid possible conflicts of interest between the bank and its board members:

- The members of the Board of Directors and the Supervision Committee may not belong to the Boards of Directors of more than four commercial companies without authorization from the Supervision Committee (Art. 38.2 and 56.2 of the Statutes of Caja Navarra).

At the session held on November 8, 2004, for the purposes established in articles 38.2 and 56.2 of the current Statutes of Caja Navarra, the Supervision Committee agreed to authorize<sup>50</sup> membership of the Board of Directors and the Supervision Committee of all those members of said bodies that, both in its current composition and any which might succeed it in the future, might belong to the Boards of Directors of more than four companies, without prejudice to the presence of members of the Board of Directors and the Supervision Committee on boards being reviewed and updated on a yearly basis, and having collected this information, the Supervision Committee being informed of the same in order that it might monitor the situation existing at all times.

- The Executive Committee knows of and approves the granting of credit, surety and guarantees to the members of the Board of Directors, the Supervision Committee and their first degree relatives and those companies over which they bear control according to art. 4 of Law 24/1988, of July 28, on the Securities Market. Likewise, said operations are reported in the Annual Corporate Governance Report.
- The members of the Board of Directors and the Supervision Committee are subject to the procedures and requisites established in Caja Navarra's Internal Regulations regarding the Securities Market. To this end, they must communicate any operations which they may perform in the field of the securities market and inform of any potential conflicts of interest which may arise from the exercise of their functions.
- Submission to the obligations established in the Statute of Board Members (prohibition of the use of Caja Navarra assets, independence in the exercise of their post).

## 4.7. Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.

In this area, the Code of Recommendations of Good Governance for Caja Navarra, approved in 2008, which can be consulted at [cajanavarra.es](http://cajanavarra.es), deserves special mention. It should be pointed out that CAN was not obliged to produce this code, but that it did so as an act of voluntary self-

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<sup>50</sup> The authorization which the Supervision Committee of Caja Navarra granted to make an exception regarding the total number of Boards which the members of the Supervision Committee and the Board of Directors could belong to was based on the following grounds: i) The obliged respect of the Board members and members of the Supervision Committee to the regime of prohibitions and incompatibilities established in articles 17 to 19 of the Statutes, which prevents the existence of conflicts of interest, ii) the fact that the Board members and members of the Supervision Committee are subject to the requirements of the Internal Regulations of Conduct of Caja Navarra regarding any operations which they may perform in relation to the securities market, iii) the fact that all credit, surety or guarantee operations of members of the governance bodies, their relatives, companies and associated entities are subjected to the process of information/approval by the Executive Committee, information to the Bank of Spain and inclusion in the Annual Corporate Governance Report, iv) the increasingly frequent multiplicity of corporate forms surrounding the same business activity and the changes which the future of trade activity may cause to the structure and composition of corporate bodies.

exaction to enhance its commitment to transparency and the professionalism of its governance bodies, with consequences in terms of its standing and credibility in the market.

This code has a threefold purpose:

1. To enhance the specialization of the different governance bodies.
2. To ensure the qualification, autonomy and independence of action of the members of the governance bodies.
3. To enhance Social Project Work as the essence of identity and social innovation through the encouragement of customer choice and participation, accountability, managerial transparency and a commitment to pioneering Civic Banking.

The recommendations aim to provide the governance bodies of Caja Navarra with a set of guidelines for action in line with its status as national and international operator, and which reflect the responsible and exacting use of the powers of self-governance which Caja Navarra's statutes grant it.

The Recommendations of Good Governance complement the statutes and Regulations of Organization and Internal Operation of Caja Navarra by providing guidelines for conduct in line with the unique nature of Caja Navarra as a private entity run as a foundation based on social enterprise which serve as standards for action for the different social and stakeholder groups represented on the General Board and the members of the bank's governance bodies.

Regarding the guidelines for action, the Recommendations of Good Governance are based on three basic principles:

- Respect for the character of Caja Navarra as an entity whose structure of governance is based on the nature of its General Board as a body which embraces different interests (depositors, workers, public institutions and private entities of economic, cultural or general social relevance).
- Compatibility of this model of composition of the General Board with the accomplishment of suitable levels of professionalism, experience and independence of its governing structure based on the qualification and autonomy of action of the members of Caja Navarra's governance bodies.
- Enhancement of Social Project Work as the essence of identity and social innovation through the encouragement of customer choice and participation, accountability, managerial transparency and a commitment to pioneering Civic Banking.

Likewise, representatives of the public administrations or entities or corporations governed by public law do not exceed 50% of the total number of the members of any of the governance bodies or committees of the same. Political-administrative bodies (essentially the Government and Parliament of Navarra) only have the power to name a certain number of members, although these do not have to belong to the Government or Parliament of Navarra.

Consequently, the public administrations and entities or corporations governed by public law do not reach the limit of 50% in the current composition of the governance bodies and their committees (on the General Board 26.66%; on the Board of Directors: 25%; and on the Supervision Committee: 20%).

Likewise, the presence of professionals of acknowledged prestige on the Board of Directors, Executive Committee and Personnel Committee should be underscored, not to mention assistance from independent external consultants in the Audit and Personnel Committees.

The Chair of each of the governance bodies of Caja Navarra ensures that the members of these bodies receive sufficient information prior to and during each of the sessions, in addition to favoring debate on each of the matters on the agenda.

Finally, qualified lawyers act as secretaries to the different governance bodies. The secretaries are not Members of the Boards, thereby guaranteeing professionalism and independence in the exercise of their functions.

The members of the different governing bodies of Caja Navarra devote all the effort and time required in order to perform their functions effectively. To this end, the members of the Supervision Committee and the Board of Directors attend the informative sessions which Caja Navarra organizes at its headquarters. These sessions address topics related to Caja Navarra's work and are presented and led by professionals of national and international prestige related to the economic and social world.

## 4.8. Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

Caja Navarra's **ideals, mission and vision** are formally defined and constitute the bank's first-level strategic position.

*Ideals:* We will become leaders of civic finance through the implementation of 12 ideals (CAN's values). Our ideals are to be a bank which is: idealist, evolutionary, responsible, intelligent, transforming, biological, fun, holistic, sensitive, creative, good and multicultural. Available at [cajanavarra.es](http://cajanavarra.es).

*Mission:* From a stance which sets us apart, to become leaders in civic finance through the implementation of our ideals.

*Vision:* The promotion of the exercise of our customers' 'new' rights as pioneers of Civic Banking, making CAN a reference point for social and financial innovation as a means of competing better.

'Metacanteras' surveys, which appraise the degree of implementation of Caja Navarra's ideals and allow us to see how the bank's stakeholders perceive the bank, are held on a regular basis. See results in section 4.17 of the report.

The **principles** relevant to the economic, environmental and social performance of CAN, and the management objectives and their state of implementation are fully addressed in the 'Management approaches' in the respective Sections of the report.

- *Code of Recommendations of Good Governance:* this voluntary Code contains Caja Navarra's main guidelines for action and stands as a means of evaluating Caja Navarra's commitment to transparency regarding its internal organization and rules of operation.
- *Code of Ethics and Conduct of Caja Navarra:* the Code of Ethics and Conduct of CAN contains the set of basic principles of action and norms of professional conduct for all those who work in the Caja Navarra Group.
- *Caja Navarra's Ethical and Environmental Policy:*

These codes and policies can be consulted, together with the other two regulations of conduct which employees follow (*Internal Regulations of Conduct regarding the Securities Market* and *Manual for the Prevention of Money Laundering*) on the Caja Navarra Website: [cajanavarra.es](http://cajanavarra.es).

The Code of Ethics and Conduct, the Ethical and Environmental Policy, and the System of Ethical and Socially Responsible Management are key to the systems of Quality, Ethical and Responsible Management, and Environmental Management, certified and reviewed using

SGE21 and ISO14001, respectively. Likewise, the EFQM management model is followed, the bank being “Recognized for Excellence 5 Stars”.

The declarations mentioned ultimately refer to the Universal Declaration of Human Rights and two initiatives which Caja Navarra has adhered to since 2005: the United Nation’s Global Compact and the Equator Principles for the environmental and social evaluation of credit.

#### **4.9. Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.**

The Managing Director, in collaboration with Caja Navarra's senior management and under the supervision of the Board of Directors, performs the function of permanent, ordinary management of the bank, executing all the agreements of the Board of Directors and the Executive Committee, and, in the event, the General Board. This involves the management of the economic, environmental and social policies adopted in Caja Navarra.

Within the senior management structure of Caja Navarra, Rosa Jaso, Assistant Deputy General Director of CAN, is responsible for CSR.

Since 2008, CAN has had a Committee of Ethics and Social Responsibility, the key overseeing body for the implementation of the bank’s System of Ethical and Socially Responsible Management, certified under SGE21.

The rules of control and internal interrelation between the different governance bodies which affect the control of compliance with the agreements adopted in each are essentially based on the distribution of competences and functions among said governance bodies as established by statute.

In this context, the Executive Committee, notwithstanding the control exercised over it by the Board of Directors within the framework of the relations of delegation between the two governing bodies, must provide the Chair of the Supervision Committee with copies of all its agreements, including matters related to the management of environmental and social opportunities and risks. Likewise, the Board of Directors must provide the Chair of the Supervision Committee with copies of all its agreements pursuant to the overseeing and consultancy functions of the Committee.

Finally, the Supervision Committee has the permanent power to propose the suspension of the effectiveness of the agreements adopted by the Board of Directors to the General Board when it understands that they violate statutory provisions or affect the assets, results or credit of Caja Navarra or its customers, thereby, within this context, continuously overseeing the agreements adopted by the Board and its Executive Committee.

## 4.10. Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

Notwithstanding section 4.9 above, to which we refer here, it should be pointed out that the General Board of Caja Navarra will oversee due fulfillment of the functions of the members of the Supervision Committee, including economic, environmental and social performance, whom it may remove from the exercise of their responsibilities should they fall foul of the requisites, prohibitions and grounds for incompatibility for said members provided for in the Statutes.

Likewise, and regarding the Supervision Committee's power to propose the suspension of effect of the agreements of the Board of Directors and the Executive Committee (Art. 60.5 of the Statutes of Caja Navarra), said proposal for suspension is submitted to the Government of Navarra's Department of the Economy and the Treasury (Art. 61 of the Statutes of Caja Navarra).

## Commitments to external initiatives

### 4.11. Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Caja Navarra takes the precautionary principle into full account according to its capabilities: when there is a danger of serious or irreversible damage, the lack of absolute scientific/technical certainty should not be used as a reason to postpone the adoption of effective measures in line with costs to prevent harm to the environment. In the management of credit and loans, Caja Navarra adheres to the Equator Principles, by which it appraises projects according to the levels of environmental or social risk which they involve –high, medium and low— and undertakes to demand corrective measures when a project is rated as high or medium risk and undertakes not to grant financing should such measures not be complied with. As for new products and services, see 'Management Approach' in the section 'Product responsibility', which explains how the precautionary principle is applied when new products are created.

Likewise, when new Caja Navarra premises are built or pre-existing ones are refurbished, material regarding which doubt exists as to its environmental consequences is not used. See indicators EC2 and EN7 in this report.

### 4.12. Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

The social, environmental and economic programs which Caja Navarra develops externally are determined by its customers through the 'You choose: you decide' initiative. See detailed information in 4.17.

The bank has participated in the United Nations' Global Compact since 2005, applying its 10 principles regarding human rights, work, environmental protection and combating corruption, and also subscribed to the Equator Principles the same year.

The principles of the Global Compact have been passed on to all suppliers since January 2006 through clauses in supply contracts and a further clause of commitment to the environment has also been required.

### 4.13. Memberships in associations (such as industry associations) and/or national/international advocacy organizations which the organization supports.

Caja Navarra is an active member of leading CSR associations and bodies. In 2009, it was a member of:

<b>Association or body</b>	<b>Comments</b>
<b>International.</b>	
Global Compact.	Since 2005.
Equator Principles.	Since 2005.
European Alliance for CSR.	Since 2006.
GRI.	Organizational Stakeholder since 2008.
<b>National.</b>	
Fundación Forética.	Since 2005. Promoting Partner.
Fundación Empresa y Sociedad.	Since 2005. Patron.
Spanish Global Compact Association.	Since 2005.
CECA CSR Committee.	Since 2005.
Spanish Association of Accountancy and Business Administration (AECA)	Member of the CSR Committee since 2009. Member since 2007.
CSR Work Group of the Spanish Association of Responsible Buying (AERCE)	Since 2008. Chair.
Responsible Buying Group Nexos.	Founding Member. Since 2007.

## Stakeholder engagement

### 4.14. List of stakeholder groups engaged by the organization.

Customers, staff, suppliers, social organizations, public administrations, experts, the academic community and society at large. Customers, staff, social organizations and public administrations are represented in the bank’s corporate governance bodies.

## 4.15. Basis for identification and selection of stakeholders with whom to engage.

Caja Navarra's organizational structure places customers at the center of its decisions, and the ideals which form the basis of work and relations with customers make for a bank which is a pioneer in Civic Banking.

Caja Navarra believes that sustainability has economic, social, environmental and ethical dimensions.

Employees form a vital stakeholder group and the bank's relationship with them aims to ensure the harmonious evolution of employees within the company (training, flexibility, work-life balance, freedom).

The ultimate purpose of Caja Navarra being the fulfillment of general interests by increasing wealth and economic and social development, as stated in article 4 of its statutes, an extremely significant group of stakeholders is the society which should benefit from said economic and social development.

Social organizations are particularly important to Caja Navarra as they present all the social work projects which customers decide to fund with the profit generated by Caja Navarra.

Suppliers are of specific interest because their contributions are essential when it comes to making Caja Navarra more competitive.

The Public Administrations are the legitimate representatives of society, and are, consequently, represented in the bank's governance bodies, engagement with this stakeholder group being of particular relevance to CAN.

Likewise, we consider the stakeholder group comprising experts and the academic community to be of great relevance to Caja Navarra, given that their studies, public opinions and contributions, and a flowing relationship with them are all essential if Caja Navarra wishes to be considered a reference point in social and financial innovation.

## 4.16. Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

Civic Banking is transparency and participation, i.e. stakeholder engagement. CAN's social and financial innovation model forms part of the bank's overall strategy. The key to CAN's model of innovation is the engagement and participation of stakeholders, and to this end, we base ourselves on the three principles of AA1000APS 2008: Inclusivity, Materiality and Responsiveness. CAN's strategy is stakeholder-oriented.

### **CAN's social and financial innovation: through dialogue with stakeholder groups**

Caja Navarra has developed systematic methodologies of dialogue and communication with stakeholders, a focus which means **that the social and financial innovation which the bank promotes is the fruit of dialogue with these.**

Caja Navarra understands innovation as a process which converts creative ideas regarding any field into practical applications which create value for our stakeholders and, particularly, current or potential customers, in accordance with our customer-oriented strategy of differentiation.

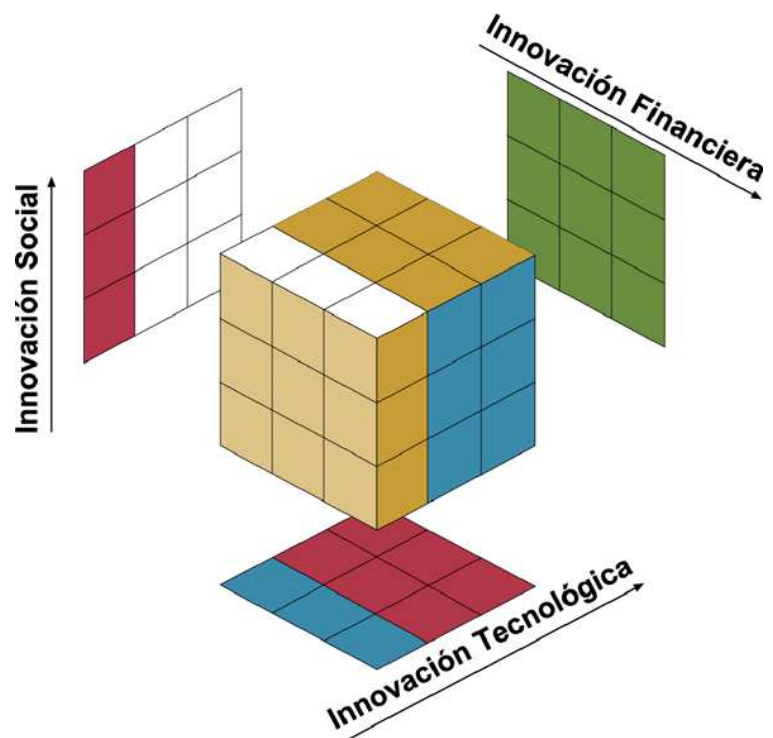
The social and financial innovation process is based on the following principles:

- To compete better.
- It is not the same as research.
- It embraces everything: in every field of management at CAN, products, services, technology...
- Genetics: as a feature which sets Caja Navarra apart from the rest, one of its hallmarks.
- From 10 to 1: to study the maximum number of ideas in order to select the best. No idea is rejected: even those considered not to have present potential are kept for the future.
- Implemented: if it is not implemented, it is not considered innovation.

In order to manage the process suitability, a set of channels and tools which enhance the participation of all the bank's stakeholders in the generation of ideas and their later implementation has been designed.

Caja Navarra envisages innovation in three large blocks: social, financial and technological, although the latter is always considered a bolster for one of the other two.

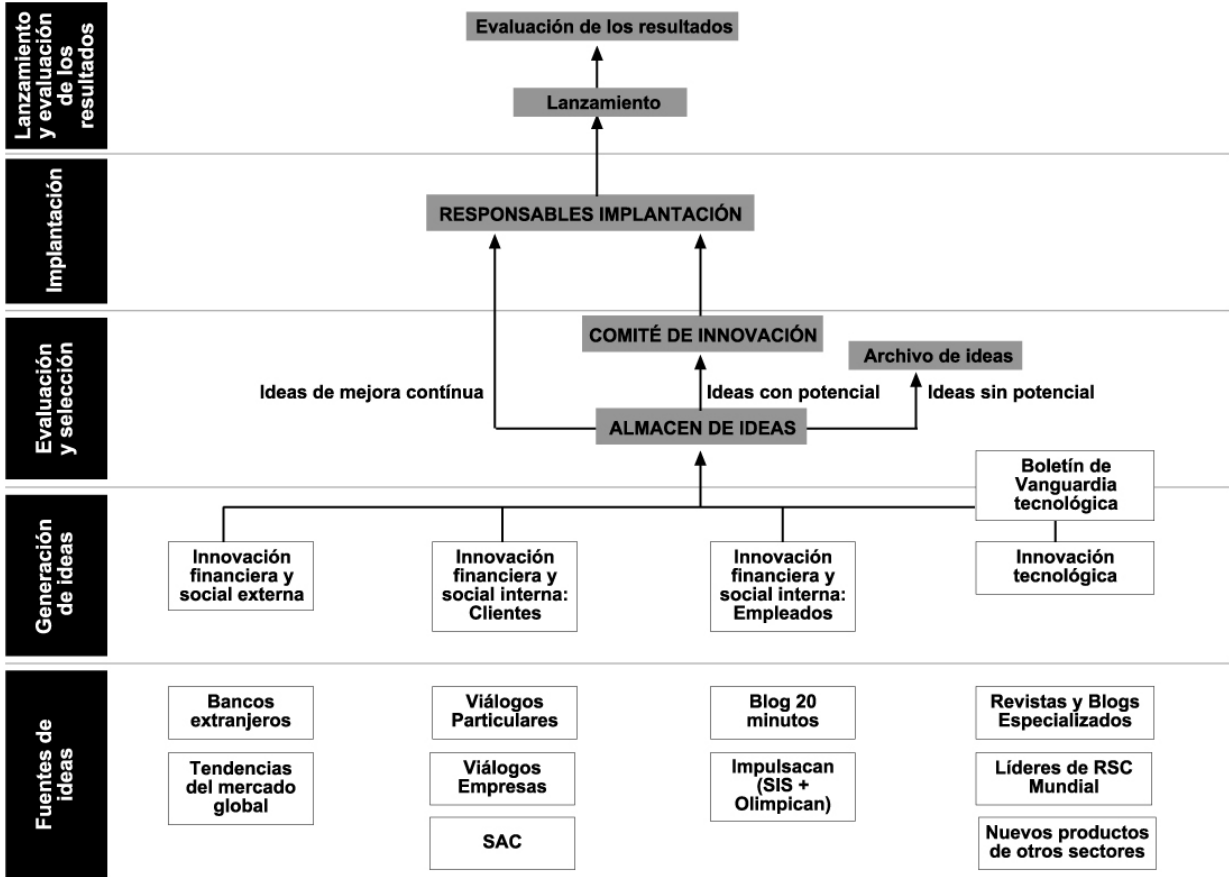
The ideas which can be generated as a result of the innovation process can be classified according to the flow chart of CAN's "innovation cube". This cube marks the social, financial and technological profile of ideas depending on the dimension we address them on.



# CAN innovation flow chart

As shown in the flow chart, CAN's sources of innovation are its main stakeholders, through the channels of dialogue established with them. Four groups of innovation sources can be defined:

- External: market trends, analysis of leading foreign experiences, financial or otherwise.
- Internal: customers. Through the different channels of dialogue.
- Internal: employees. Through the different channels of dialogue.
- Technological innovation.



## Channels of stakeholder dialogue and participation

The following is a description of the different channels of dialogue and participation which we have adopted with our stakeholder groups and which feed the flow of innovation and continuous improvement in CAN (the results of dialogue with stakeholder groups are described in indicator 4.17):

- Customers.**
- Employees.**
- Suppliers.**
- Social organizations.**
- Public administrations.**
- Experts and the academic community.**
- Society in general.**

**A. Customers. Participation and dialogue through:**

- **Customers choosing social work projects** through the ‘You choose: you decide’ initiative. The nature of all of Caja Navarra’s Social Project Work, to which 30% of its profits are devoted, is determined by its customers: this is unique in the world. In 2009, a total of 579,724 customers chose social projects; these will be allocated funds in 2010. The results of the choosing process, shown in section 4.17, are a source of great importance when it comes to finding out the preferences of customers and the public in the field of social intervention.
- **Viálogos:** an active channel of communication with business customers based on asking them what CAN does badly, how it could improve and how it can help them. Basing itself on their responses, CAN enters into public undertakings, develops the initiatives proposed by its customers and is publicly accountable for progress in their implementation. See results in section 4.17.
- **‘Cancha’ branch offices: an expression of Civic Banking.** See details in section 4.17.
- **Voluntary work:** see section 4.17.
- **Surveys of customers/public opinion:**  
‘Metacantera’ survey on the degree of implementation of Caja Navarra’s ideals, allowing us to see how customers perceive the bank. These surveys are performed on all customer segments, both private individuals and business customers.
- **Participation with full speaking and voting rights in CAN’s governance bodies** (see section 4.17).
- **Customer Service:** the Customer Service is a unit which listens, deals with and responds to the needs of our customers, providing suitable solutions to the range of issues presented. The department is independent from CAN’s other services so that it can maintain a neutral, mediating role. It operates according to Caja Navarra’s Regulations for the Protection of Customers, which is approved by the Board of Directors. It also complies with Order ECO 734/2004 of March 11, 2004.
- **Specific surveys of customers on Caja Navarra’s CSR Report.** For the third year running. The results are given in section 4.17.
- **Linguistic development: customer choice of language of communication.**
- **‘Focus Groups’** with customer segments to identify their specific needs (see section 4.17).

## **B. Employees. Participation and dialogue through:**

- **Participation with full speaking and voting rights in CAN’s governance bodies.**
- **Structured labor relations:** collective bargaining agreement (convenio), joint committees, management/unions dialogue, etc.
- **‘Impulsacan’ employee participation system:** to boost and channel employees’ initiatives. The Impulsacan system consists of:
  - ‘Impulsacan Competition’: aimed at issues which call for innovative solutions and aid differentiation. Participation in the Impulsacan Competition takes place as part of the working day, one of its aims being to realize one of the principles in CAN’s Strategic Plan: to devote 20 minutes every day to thinking.
  - ‘20 minutes blog’: platform which employees can participate on freely and anonymously that allows them to express ideas, share them and see what other people think.
  - ‘Impulsacan’: ideas for continuous improvement.

- **Employee voluntary work:** employees can devote up to two hours a day to voluntary work at organizations which have asked CAN customers for help through the 'You choose: you decide' initiative. These hours are considered work hours. Employees have flexible timetables so as to perform social project work. Likewise, for every week of vacation which employees devote to voluntary work, Caja Navarra gives them another week of vacation.
- **Transversal projects:** channel for the transformation of customer services. These projects are led by teams from different departments, all working on a common subject.
- **Specific surveys of employees on Caja Navarra's CSR Report.** For the third year running. The results are given in section 4.17.

### **C. Customers. Participation and dialogue through:**

**Purchasing methods,** through a centralized, systematic process via a purchasing platform, in which potential suppliers compete according to the principles of equal opportunities, transparency and objectivity for contract awards.

We regard suppliers as active associates. All purchasing processes begin with as precise as possible a definition of the needs of the area requesting purchase. The purchasing department then writes up a set of specifications which it presents to the different suppliers invited to take part in the operation. Through this process and continuous communication with the requesting area, a document of requirements satisfactory to all parties is arrived at and the negotiation stage begins.

From the outset, all the suppliers are informed of the negotiation process and they are all given the same information and the same opportunities to be awarded the operation. Electronic negotiations are used. In these negotiations, the actual suppliers enter their details and prices, once the product or service to allocate has been clearly defined, and know their position within the set of quotations.

### **D. Social organizations. Participation and dialogue with social organizations through:**

- **Presentation of social projects to the 'You choose: you decide' initiative,** so that customers can choose to fund them. Projects can be presented through any CAN branch office or directly through the Website: [cajanavarra.es./es/tus-derechos/tu-eliges-tu-decides/presenta-un-proyecto/](http://cajanavarra.es./es/tus-derechos/tu-eliges-tu-decides/presenta-un-proyecto/).
- **Project accountability** to customers. The social organizations which have presented projects render accounts to customers, because the latter have the right to know how the organizations use the money allocated to carry out their projects.
- **Meeting points:** expression of participation through Civic Banking. The meeting points bring social organizations and their members together with customers and the public so that the organizations can present their projects, explain to customers who choose them where their money goes and seek the support they need to implement their initiatives through participation and voluntary work opportunities.
- **Participation with full speaking and voting rights in CAN's governance bodies.**

### **E. Public administrations. Participation and dialogue through:**

- **Participation with full speaking and voting rights in CAN's governance bodies.**
- **Other formal and informal means.**

## **F. Experts and the academic community. Participation and dialogue through:**

- **‘Saviálogos, encounters with knowledge’.** Think factory or forum of intellectuals from the social and economic scene run by CAN. 2009 saw the fourth session, with more than 60 key figures taking part in the work groups and designing proposals centering on the future of Europe. The aim is to express viewpoints and come up with solutions through calm, deep reflection.
- **Dialogue and flowing communication with academics expert in CSR,** responding to CAN’s philosophy of Innovate → Implement → Communicate.
- **Universities and Business schools,** at which the bank is taken as a case study.

## **G. Participation and dialogue with society in general through:**

- **Study and monitoring of advanced CSR trends.**
- **Sum of the channels indicated for the different stakeholder groups, all significant components of society as a whole.**

## **4.17. Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.**

Constant dialogue with our different stakeholder groups through the different tools designed for this purpose mentioned in section 4.16. has allowed Caja Navarra to detect numerous stakeholder expectations and needs. In this section, we will see how CAN has responded in each of the channels of engagement and the results of these, which have not only proven essential to the compilation of the present report, but also to the definition of the bank’s strategy.

As in indicator 4.16, this section covers the following points:

- A. Customers.**
- B. Employees.**
- C. Suppliers.**
- D. Social organizations.**
- E. Public administrations.**
- F. Experts and the academic community.**
- G. Society in general.**

### **A. Customers: main points and results of participation and dialogue:**

- **Choice of social projects.**

The decisions of the 579,724 Caja Navarra customers who participated in the ‘You choose: you decide’ initiative in 2009 determined the allocation of 100% of the Social Project Work budget to be distributed in 2010.

In order to encourage the exercise of this right and make customers aware of their decisions’ power to transform society, each and every one of them has been informed individually and

in writing of their “Civic Account”, which explains how much money CAN has made from their business and the exact amount set aside for the social projects which they have decided to fund.

In 2009, customers decided to support a total of 6,277 projects, among which the €36,500,000 million which will make up the Social Project Work of 2010 will be distributed. Grouping the projects together into large-scale definitions, the choices of customers can be summarized as follows:

<b>Choice of social projects by customers (as %)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Disabilities and care	23.15	30.24	31.96
Welfare, sport and leisure	19.34	18.53	18.24
Cooperation	13.73	17.84	17.00
Basic needs	12.29	---	---
Culture	8.41	6.92	6.09
Research	8.17	8.80	8.85
Heritage conservation	7.55	9.07	7.88
The environment	4.61	5.65	6.59
Employment and entrepreneurship	2.75	2.95	3.39
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

As can be seen in point D of this indicator, the projects chosen by customers do not coincide with those presented by the social organizations.

For general information on Caja Navarra’s social integration work, see “Relevant facts” and indicators EC1, FS1, FS2 and FS14.

• **Viálogos:**

CAN asked businesspeople and institutions what they needed and what support they expected from Caja Navarra. Through 670 answers received and 4 Viálogos seminars which took place in 2009, CAN undertook 19 new commitments with its business customers. Of these, 17 have been implemented and two are in the course of being implemented.

These are some of the main commitments undertaken in 2009:

<b>Commitment</b>	<b>Brief explanation</b>
Financing line worth €200 million.	(ICO Funds and Can Funds) to buy companies in other countries.
Can Satellite.	Access to commercial and financial reports on 130 million companies in more than 200 countries.
Can Guarantee.	Design of ad hoc international guarantees for import/export operations. Receipt of international guarantees via SWIFT, completely free of charge.
We have bettered the best documentary credit offer by 15%.	

<b>Commitment</b>	<b>Brief explanation</b>
Collection and Payment. International payment management without origination fees.	Reply in less than 24 hours with at least 3 customized alternatives to guarantee the exchange rate in your foreign currency operations.
Counseling and support for international establishment.	
Financing for company employees.	<ul style="list-style-type: none"> <li>&gt; 2-year loans for your employees [Euribor + 0.95].</li> <li>&gt; To a total sum of your average liquid assets over the last 12 months or the balance of your resources for more than one-year terms.</li> </ul>
Line of €50 million to finance energy consumption enhancement or waste elimination projects, over 3-year terms.	
Diagnosis of opportunities to implement transparency and participation processes for your customers.	<p>Through Conciban España.</p> <ul style="list-style-type: none"> <li>&gt; In two weeks.</li> <li>&gt; Free diagnoses for the first fifteen companies.</li> </ul>
Canfirming line for companies with 1, 2 and 3 ratings in 2009.	> Bonus of 0.50 pp on interest rate for advances for your suppliers that register for the automatic advance system.
Can New Projects.	<p>We offer advances on subventions for new projects.</p> <ul style="list-style-type: none"> <li>&gt; When the subvention is collected, we do not cancel the advance, but convert it into a 5-year loan at Eur. + 1.50% (rating 1-3).</li> </ul>
Can New Countries	<p>For new exportation countries.</p> <ul style="list-style-type: none"> <li>&gt; For the first year, 50% discount on <ul style="list-style-type: none"> <li>&gt; Means of Payment Collection Insurance (Collection Services).</li> <li>&gt; Shipping Insurance.</li> </ul> </li> </ul>
Can Collection Rights	<ul style="list-style-type: none"> <li>&gt; We buy your collection rights with the Administration: Eur. + 1.75%. Factoring fee: 0.50</li> <li>&gt; <i>If collection does not take place, we run the risk.</i></li> </ul>
Can MAB	<ul style="list-style-type: none"> <li>&gt; Free VCC consultancy to prepare SME IPOs on the MAB (Alternative Investment Market).</li> <li>&gt; Fixed rate of 6% of the capital quoted (in the event of success) or 4% of capitalization +4% <i>success fee</i>.</li> </ul>
Can Efficiency	<ul style="list-style-type: none"> <li>&gt; Reengineering of business processes.</li> <li>&gt; Fee: 10% of identified savings implemented.</li> </ul> <p>Can Forma Session</p>
Can Mobility	<ul style="list-style-type: none"> <li>&gt; We inform (Canforma sessions) on and finance investments in mobile equipment to enhance the versatility of existing capacity.</li> <li>&gt; Conditions: Eur. + 1.50% (rating 1-3). Origination fee: 0.5%. Term: 5 years.</li> </ul>

<b>Commitment</b>	<b>Brief explanation</b>
Workshops	Result of the workshops: <Co-invest €10.5 million in our funds <Invest €59.5 million in your companies. We undertake to offset interest and cover 35% of identified capital needs.

● **‘Cancha’ branch offices: an expression of Civic Banking.**

We let people use our premises. CAN is creating a new model of branch office: ‘Cancha’ branch offices. By the end of 2009, there were 111 (33% of all branch offices). These branch offices are more than just somewhere where you can leave your savings and get financing. They are designed as meeting places for the population, customers and non-customers alike, where people can use our premises to meet other customers, neighbors or suppliers, have a coffee, read a book or newspaper, surf Internet or attend the leisure activities which each branch office holds periodically. ‘Canchas’ also have children’s corners where kids can draw and play.

These branch offices are a radical departure from the traditional bank branch model, becoming locales for meeting and interaction for those living in the area as opposed to typical bank branches, which are inaccessible for any activity other than the purely financial.

At ‘Cancha’ branch offices, our relationship with customers takes on another dimension. Given that the ‘Cancha’ branch offices take the pulse of Caja Navarra’s Civic Banking strategy, the indicators, both economic and otherwise, which these offices give rise to are directly monitored by the senior management.

	<b>2009</b>	<b>2008</b>	<b>2007</b>
No. of ‘Cancha’ offices	111	103	67
No. attending activities	48,964	79,200	65,000
Total No. activities	2,099	2,640	1,581
• <i>Children’s activities</i>	56%	56%	56%
• <i>Music activities</i>	11%	15%	18%
• <i>Social activities</i>	11%	9%	8%
• <i>Conferences</i>	10%	7%	7%
• <i>Others</i>	12%	13%	11%
Hours surfing Internet	64,080	69,525	18,000
Hours reading press and books	42,720	46,350	12,000
Hours children’s games	38,995	65,602	47,000
Books crossed	1,068	1,545	>1,000
<i>Assessment questionnaire</i>			
• Very good	55%	55.7%	56.6%
• Good	36.8%	37.9%	35.8%
• OK	1.6%	1.9%	1.2%
• Poor	0.2%	0.3%	0.1%
• Very poor	0.9%	0.9%	1%

• DK/NA	5.4%	3.3%	5.3%
• Will return in the future	95%	95.7%	95.1%
• Would recommend to others	93.7%	96.5%	96.1%

• **Voluntary work.**

To participate actively and be a voluntary worker in the projects chosen is one of CAN's customer rights, the exercise of which is guaranteed through VolCan, Caja Navarra's active participation and voluntary work promotion service, through which social organizations and customers meet up to cover existing voluntary work opportunities.

In 2009, VolCan covered 16,537 voluntary worker places with the participation of 12,069 customers, who performed solidarity-based work for a total of 306,280 hours, in a total of 887 projects that asked for voluntary workers.

	2009	2008	2007
Voluntary work places covered	16,537	10,737	2,951
Customer voluntary workers	12,069	9,872	2,750
Hours of voluntary work	306,280	205,996	22,000
Voluntary work courses: number attending	583	437	417
Projects requesting voluntary workers	887	925	Not available

• **Surveys of customers/public opinion:**

***'Metacantera' survey on the degree of implementation of CAN's ideals***

Rates the degree of implementation of our ideals at Caja Navarra. This is CAN's main customer survey. It rates the bank according to the degree of implementation of its strategic ideals. Personal banking customers give us an average score of 6.91 out of 10.

	2009	2008	2007
Personal customers: survey of satisfaction with the degree of implementation of CAN's ideals	6.91	6.86	6.99
Business customers: survey of satisfaction with the degree of implementation of CAN's ideals	6.70	6.74	7.05

***EQUOS-STIGA Study Analyzing Objective Quality of Commercial Banking Networks***

In 2009 and for the tenth year running, STIGA performed a multi-client study of the commercial networks of Spain's leading banks (EQUOS-RCB). This evaluation of objective quality was performed through the *mystery shopping* technique to assess the service provided to potential customers. It assesses the following points: physical matters, speed, attitude, explanation of products and commercial performance. The main results were as follows:

<b>EQUOS-STIGA Study</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
CAN position	22 (out of 97)	20	33
CAN score (out of 10)	7.17	7.37	7.28
National average (out of 10)	6.94	7.08	7.24

• **Customer participation with full speaking and voting rights in CAN's governing bodies.**

Participation with full speaking and voting rights on CAN's *General Board*: opinions and proposals on all Caja Navarra strategy matters dealt with by the General Board.

<b>Group</b>	<b>Number of General Board Members</b>	<b>Representation re. total</b>
Depositors (customers)	5	16.67%

Customers also form part of the CAN *Board of Directors*, the Supervision Committee and the Delegate Committees:

<b>Group</b>	<b>Number of Members of the Board of Directors</b>	<b>Representation re. total</b>
Depositors (customers)	1	6.25%

• **Customer Service:**

As mentioned in section 4.16, the customer service is a neutral service responsible for mediating between the interests of CAN and those of its customers. It must tend to customers and respond suitably to the matters they bring up.

Customer communication with the Customer Service is a first-rate source of suggestions for improvement for the bank. These suggestions, together with those from Impulsacan (CAN's continuous improvement and innovation platform), help enhance service quality and encourage preventive policies regarding complaints and definitive claims instead of corrective ones.

The following is a summary of actions in 2009, grouped according to the Customer Service's own chief objectives:

- **Response to problems brought up by users.** A total of 1,166 complaints and definitive claims were dealt with in 2009, with an average resolution period of 7 days (the sector average is 15 days). The Customer Service also provided preventive support to branch offices in a total of 897 cases. The aim of this support was to deal with customer incidents, together with the branch office itself and with the help of the departments, following the filing of a definitive claim. This measure, together with the channeling of improvements, formed the main line of action to control variables such as Operational Risk and Reputational Risk.

**Types of services provided by the Customer Service:**

a. **Complaints and definitive claims:**

<b>Description</b>	<b>2009</b>	<b>%</b>	<b>2008</b>	<b>%</b>	<b>2007</b>	<b>%</b>
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Complaints <sup>51</sup>	910	78%	660	78.3	598	81
Claims <sup>52</sup>	256	22%	183	21.7	140	19
<b>Total</b>	<b>1,166</b>	<b>100</b>	<b>843</b>	<b>100</b>	<b>738</b>	<b>100</b>

**b. Preventive service (actions which do not lead to the filing of complaints or definitive claims):**

<b>Description</b>	<b>2009</b>	<b>%</b>	<b>2008</b>	<b>%</b>	<b>2007</b>	<b>%</b>
Complaints	297	33%	921	72.81	598	70%
Consultations	164	18%	96	7.59	51	6 %
Suggestions/Requests	429	48%	243	19.21	60	7 %
Congratulations	7	1%	5	0.40	4	0.5%
<b>Total</b>	<b>897</b>	<b>100</b>	<b>1,265</b>	<b>100%</b>	<b>853</b>	<b>100%</b>

*The 1,166 complaints and definitive claims were dealt with as follows:*

<b>Treatment</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Managed and customer notified	70.15%	78.9%	82.8%
Resolved in favor of the customer	18.18%	13.2%	12%
Joint agreement bank/customer	1.54%	1.7%	0.9%
Resolved in favor of the bank	9.01%	1.1%	1.8%
Withdrawn by the customer	0.26%	0.2%	0.4%
Dismissed by the bank	0.69%	4.5%	2.2%
Accepted <sup>53</sup>	0.17%	0.4%	0.00%
Rejected (non-comp. ECO order)	0.00%	0.1%	--
<b>Amount paid to customers</b>	<b>€64,211</b>	<b>€158,829</b>	<b>€64,211</b>

*Suggestions for improvement channeled through the Customer Service:*

**A total of 38 suggestions for improvement** were channeled (and implementation contributed towards) through the Customer Service, of which 32 have been implemented.

Significant efforts were taken in 2009 to give priority to their implementation.

Recommendations were also passed on to numerous departments and internal procedures were created regarding Bank of Spain rulings and precedents in order to avoid incidents and improve working systems.

<sup>51</sup> Incidents without economic impact.

<sup>52</sup> Incidents with economic impact.

<sup>53</sup> Accepted: complaints or claims accepted by CAN although it did not strictly have to accept them.

	2009	2008	2007
<b>Suggestions for improvement channeled through the Customer Service</b>	38	26	35
<b>Suggestions for improvement implemented through the Customer Service</b>	32	11	21

#### - Claims presented before the Bank of Spain

A total of 26 appeals (9 in 2008) were filed by our customers (following internal resolution) before the Bank of Spain Claims Service (SERBE). Looking at results, however, it should be pointed out 54% of resolutions were in favor of the bank (in 2008, 11%).

Type of resolution from SERBE	2009	2008	2007
In favor of CAN	14	1	3
In favor of the customer	3	4	2
Accepted	1	3	2
Not pursued by customer	2	-	Not available
Resolved without pronouncement	6	1	Not available
<b>Total</b>	<b>26</b>	<b>9</b>	<b>7</b>

#### - Specific surveys of customers on Caja Navarra's CSR Report and knowledge of its CSR

In 2009 and for the third year running, a customer survey was conducted on Caja Navarra's CSR Report and knowledge of its CSR. It was conducted on 1,728 CAN customers from different geographical areas by simple random sampling, stratified by type of customer and area. The results were as follows:

Did you know that CAN writes an annual CSR report? Have you read it?	2009	2008	2007
Yes, I have read it all	1%	1%	3%
Yes, but not in detail	34%	8%	15%
Yes, but I have not read it	15%	6%	12%
Yes, but I have not been able to find it	1%	1%	21%
No, I did not know	49%	84%	69%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>What points do you think CAN's CSR Report should pay special attention to? (multiple answer)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
CAN's social action	66.8%	34.5%	19%
CAN's strategic social and environmental vision	63.3%	34.7%	12%
Environmental performance	59.5%	32.3%	15%
Economic performance	52.3%	30.5%	13%
Dialogue with and participation of customers, employees, suppliers and society	50.5%	27.1%	12%
Organizational profile	33.8%	23.0%	8%
Corporate governance	31.5%	18.3%	4%
CAN's relationship with its employees	30.5%	21.2%	9%
Others (undefined)	23.1%	10.9%	62%

<b>What CAN CSR action are customers familiar with?</b>	<b>2009 (multiple answer)</b>	<b>2008 (multiple answer)</b>	<b>2007 (%)</b>
'You choose: you decide'	82.8%	91.0%	24%
Cases of social action	44.4%	33.1%	--
Sustainability and the environment	39.1%	24.1%	0.5%
Existence of social and environmental products and services	38.4%	22.6%	2%
Víálogos	27.5%	23.6%	10%
Civic finance	24.5%	18.1%	6%
Dialogue with employees, customers and society	11.4%	17.3%	53%
CAN's relationship with its employees	8.7%	16.3%	0.5%
Transparency	8.3%	23.1%	3%
Relations with suppliers	6.6%	8.0%	--
Adherence to the Global Compact or other leading initiatives	6.0%	7.1%	--
Others	4.3%	2.5%	1%

This survey (together with the employee survey described later) provides us with insight regarding what is relevant or material for customers in the area of CSR and also offers suggestions for improvement for future CSR reports. The rise in 2009 concerning the degree of customer knowledge of the CSR Report, which has risen from 16% to 51%, is significant, although the percentage of customers who are not aware of its existence or have not read it is still very high. This last fact bears similarity with the results of other studies for other entities.

As for the points which they would like to see CAN's CSR reports address, the three most prominent are social action, CAN's strategic vision and environmental performance, although perhaps the most relevant point is that all subjects have risen in importance and they are all relevant for customers.

In practice, the results obtained indicate that we should continue to report comprehensively on all the contents of the GRI guidelines without neglecting any, because they are all relevant to one extent or another. They also point towards certain options for improvement in the dissemination of contents and the CSR report in itself.

**- Linguistic development.**

To satisfy customer communication needs according to their different linguistic sensibilities and attend everybody in the language which they feel most comfortable in: CAN offers an important linguistic development service which clearly **sets it apart** from other banks. CAN customers can choose the language of communication that they wish to use: Spanish, Basque, Catalan or bilingual (Basque + Spanish), which are the languages spoken in the communities the bank operates in.

CAN is the only bank which fully develops these languages. It also offers English, increasingly present in certain services. Other banks either fail to offer services in different languages or only offer the languages spoken in their communities of origin (Catalan + Spanish, Basque + Spanish, Galician + Spanish), but none uses both Basque and Catalan. The main measures adopted are:

- Customer choice of language of communication per person or per account/card in Spanish, Basque, Catalan or bilingual format (Basque +Spanish). The number of customers who had chosen Basque, Catalan or bilingual Basque+Spanish to 12-31-2009 stood as follows:

<b>Languages chosen by customers</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Basque	7,038	6,947	4,263
Bilingual Basque+Spanish	8,343	6,588	835
Catalan	44,613	44,078	44,157

- Account books, checks and promissory notes in three language formats.
- Leaflets and posters in three language formats.
- Forms commonly used by customers in three language formats.
- Caja Navarra Website (cajanavarra.es. ) in four languages: Spanish, Basque, Catalan and English.
- Internal auditing procedures and incident processing system to ensure that the measures are implemented properly.

**- Focus groups.**

With specific customer segments to identify their specific needs, materializing clear commitment to, orientation towards and structure around customers. In 2009, the focus groups organized on financial needs in times of crisis and on customer-Caja Navarra relations can be highlighted.

**B. Employees: main points and results of participation and dialogue:**

**• Structured labor relations**

The II Collective Bargaining Agreement of Caja de Ahorros y Monte de Piedad de Navarra (2009-2012) caters for the participation of the staff, through their union representatives, in a

set of Committees which directly affect those who comprise CAN. The main bodies are: the Business and Intercenter Committees, the Personnel Committee, the Professional Development Committee, the Equality Committee, the Occupational Health and Safety Committee, the Employee Pension Plan Control Committee, the Office Classification Committee and the Mixed Collective Bargaining Agreement Interpretation Committee. The results obtained in 2009 are indicated in “*Labor practices and decent work*” in the present report.

• **Participation with full speaking and voting rights in CAN’s governing bodies**

Participation with full speaking and voting rights on CAN’s General Board: opinions and proposals on all Caja Navarra strategy matters dealt with by the General Board.

	<b>No. of General Board Members</b>	<b>Representation re. total</b>
<b>Employees</b>	2	6.66%

Employees also form part of the CAN Board of Directors, the Supervision Committee and Delegate Committees:

	<b>No. of Members of the Board of Directors</b>	<b>% of total</b>
<b>Employees</b>	1	6.25%

	<b>No. of Members of the Supervision Committee</b>	<b>% of total</b>
<b>Employees</b>	1	10%

• **Work climate survey**

In 2008, it was decided that work climate surveys should be conducted on a two-yearly basis, meaning that a survey was not held in 2009. One has been conducted in 2010 (to be reported in the next report).

<b>Work climate</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Ideals survey (work climate)	---	7.94	7.56

• **‘Impulsacan’ employee participation system:**

The new employee participation and suggestions system (described in 4.16) has given rise to the following results.

**Types of ideas received:**

	<b>2009</b>	<b>2008<sup>54</sup></b>	<b>2007</b>
Innovation Ideas (Impulsacan Competition) <sup>55</sup>	218	182	624

<sup>54</sup> There were 2 relevant events in 2008. 1) Processes were reengineered, meaning that Impulsacan, the competition, was only valid for 3 months. 2) The launch of the new financial platform NEO led to 400 suggestions for improvement.

Continuous improvement ideas (Impulsacan) <sup>56</sup>	422	853	305
<b>Total</b>	<b>640</b>	<b>1,035</b>	<b>929</b>

**Number of employees taking part:**

<b>No. employees taking part</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Impulsacan Competition	550 <sup>57</sup>	550	1.180
Impulsacan	422 <sup>58</sup>	327	198
<b>Total</b>	<b>972</b>	<b>877</b>	<b>1.378</b>

**Prizes and incentives for participants:**

	<b>No. prizes 2009</b>	<b>No. prizes 2008</b>	<b>No. prizes 2007</b>
Impulsacan Competition	114	23	150
Impulsacan	100	50	15
<b>Total</b>	<b>214</b>	<b>73</b>	<b>165</b>

• **Employee voluntary work.**

203 employees performed voluntary work in projects from the 'You choose, you decide' initiative in 2009. These are recognized as CAN corporate voluntary workers.

	<b>2009</b>	<b>2008</b>	<b>2007</b>
No. employee voluntary workers	203	162	143

• **Transversal projects.**

Projects managed by multidisciplinary teams led by a mentor in order to identify new ways of working and implementing the strategy. The transversal projects apply a standardized methodology which all the teams involved observe. Four projects of this kind were carried out in 2009.

	<b>2009</b>	<b>2008</b>	<b>2007</b>
No. of transversal projects	4	7	8
Employees taking part	20	41	42

• **Specific survey of employees on Caja Navarra's CSR Report.**

<sup>55</sup> The Impulsacan Competition corresponds to what was previously known as Olimpican / Canpions League.

<sup>56</sup> Impulsacan is the new name of the old Initiatives and Suggestions System-SIS.

<sup>57</sup> 550 participants in the 2009 Impulsacan Competition in 130 teams. They are the same as in 2008 because the reengineering process meant that the competition lasted for 15 months.

<sup>58</sup> 422 participants in the 2009 Impulsacan Competition corresponding to 159 different suggesters. The nature of the data is maintained in order to compare with previous years.

In 2009 and for the third year running, CAN conducted an employee survey on the CSR Report and the bank's CSR. It was conducted on a sample of 85 employees segmented by age, gender and area of work. The results were as follows:

<b>Did you know that CAN writes an annual CSR report? Have you read it?</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Yes, I have read it all	4.7%	5.8%	6%
Yes, but not in detail	37.6%	43.3%	19%
Yes, but I have not read it	42.4%	34.6%	41%
Yes, but I have not been able to find it	7.1	9.6%	6%
No, I did not know	8.2	6.7%	28%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>What points do you think CAN's CSR Report should pay special attention to? (multiple answer)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
CAN's social action	72.9%	67.3%	75%
CAN's strategic social and environmental vision	64.7%	63.5%	72%
Dialogue with and participation of customers, employees, suppliers and society in general	57.6%	65.4%	61%
CAN's relationship with its employees	42.4%	44.2%	44%
Organizational profile	34.1%	24.0%	17%
Corporate governance	15.3%	21.2%	11%
Others	4.7%	3.8%	3%

<b>What CAN CSR action are you familiar with? (multiple answer)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
'You choose: you decide'	78.8%	83.7%	94%
Víálogos	62.4%	63.5%	61%
Transparency	55.3%	61.5%	47%
Sustainability and the environment	21.2%	57.7%	61%
Cases of social action	43.5%	51%	25%
Civic finance	41.2%	49%	61%
Existence of social and environmental products and services	38.8%	43.3%	25%
Adherence to leading CSR initiatives or frameworks	20.0%	38.5%	19%
Dialogue with employees, customers and society	25.9%	33.7%	33%
Actions related to suppliers	48.2%	28.8%	22%
Relationship with employees	22.4%	22.1%	---
Others	5.9%	4.8%	6%

As with the customer survey, the employee survey is important because it gives us empirical data and tells us what relevant or material means to employees. Some of the answers

collected are similar to those given by customers and others are not. The high level of knowledge of the CSR Report (91.8%) is relevant, although it has dropped slightly since 2008 and 57.7% have not read it; customer knowledge of the report is lower. The varying levels of employee knowledge regarding the bank's CSR actions is significant. Regarding the points which the report should address, the suggestions are very much in line with the current contents of the CSR Report and do not imply significant changes. If anything, they suggest that corporate governance should bear less weight.

### C. Main points and results of participation and dialogue with suppliers:

The results of dialogue with suppliers are reflected in all the purchases made by CAN in 2009 (see indicator EC1) and the perfecting of the purchasing processes and the technical specifications of the products and services bought or requested.

### D. Main points and results of participation and dialogue with social organizations:

- **Presentation of social projects to the 'You choose, you decide' initiative.**

Taken as a whole, the 6,277 projects presented by social organizations are a first-rate indicator of the subjects they consider most important. They provide a clear picture of social action trends in Spain as seen by the organizations behind these trends.

Projects, by lines	2009	%	2008	%	2007	%
Welfare, sport and leisure	1,598	25	938	24.70	830	30.48
Culture	1,058	17	162	4.27	362	13.29
Disabilities and care	1,008	16	1,088	28.65	617	22.66
Basic needs	935	15	---	---	---	---
Cooperation	697	11	607	15.99	429	15.75
Research	285	5	509	13.41	127	4.66
Heritage conservation	275	5	232	6.11	161	5.91
The environment	267	4	161	4.24	120	4.41
Employment and Entrepreneurship	153	2	100	2.63	77	2.83
"All"	1	0	1	0	--	--
<b>Total projects</b>	<b>6,277</b>	<b>100%</b>	<b>3,798</b>	<b>100%</b>	<b>2,723</b>	<b>100%</b>

#### ***Different social trends according to customers and according to social organizations***

Although there was a good degree of similarity between the lines of activity given priority by social organizations and those given priority by customers through their choices (see section A of this indicator), there were significant differences, which can be interpreted as differences in social trends as seen by CAN customers and social organizations. 25% of the projects presented by the organizations concerned welfare, sport and leisure, but only 19% of customers chose projects of this kind (1<sup>st</sup> for organizations and 2<sup>nd</sup> for customers). Something similar happened with culture projects, which accounted for 17% of the projects

presented, but were only chosen by 8% of customers (2<sup>nd</sup> for organizations and 5<sup>th</sup> for customers). On the other hand, 16% of the projects presented by the organizations concerned disability and care, while 23% of customers chose projects of this type (3<sup>rd</sup> for organizations and 1<sup>st</sup> for customers).

Lines of social projects.	% chosen by customers 2009	% presented by organizations 2009	% chosen by customers 2008	% presented by organizations 2008	% chosen by customers 2007	% presented by organizations 2007
Disabilities and care	23.15	16	30.24	29	31.96	23
Welfare, sport and leisure	19.34	25	18.53	25	18.24	30
Cooperation	13.73	11	17.84	16	17.00	16
Basic needs	12.29	15	---	---	---	---
Culture	8.41	17	6.92	4	6.09	13
Research	8.17	5	8.80	13	8.85	5
Heritage conservation	7.55	5	9.07	6	7.88	6
The environment	4.61	4	5.65	4	6.59	4
Employment and entrepreneurship	2.75	2	2.95	3	3.39	3
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### • Rendering of accounts

Of social projects to customers, responding to our customers' right to know how the organizations use the money which they have been allocated by customers to carry out their projects. As this is one of the major rights in the Civic Banking strategy, the figures are given in "Synthetic Indicators of Civic Banking" in the chapter "Strategy, analysis and overview of CSR".

#### • Meeting points

These are key events for direct contact between the social organizations that present projects and Caja Navarra customers. Four Meeting Points were held in 2009, in Barcelona, Bilbao, Madrid and Pamplona, and 85,000 people attended.

Meeting points	2009	2008	2007
Number held	4	9	5
Attendance at meeting points	85,000	25,000	18,000

#### • Participation with full speaking and voting rights in CAN's governing bodies

Institutions of Economic, Social and Cultural relevance take part in Caja Navarra's governance bodies, with the following representation:

No. Members of the General	%	No. of Members of	%	No. of Members of the	%
----------------------------	---	-------------------	---	-----------------------	---

	Board		the Board of Directors		Supervision Committee	
Economic, Social and Cultural Organizations	8	27%	3	19%	3	30%

## E. Main points and results of participation and dialogue with the public administrations:

- **Participation with full speaking and voting rights in CAN's governing bodies**

The founding bodies of Caja Navarra are the Government of Navarra and the City Council of Pamplona, meaning they are ex officio members of CAN's General Board. The Parliament of Navarra and local corporations, which we group together here within the category of public administrations, are also represented in the bank's governing bodies.

Administrations represented in governing bodies	No. Members of the General Board	%	No. of Members of the Board of Directors	%	No. of Members of the Supervision Committee	%
Founding bodies	8	27%	5	31%	3	30%
Parliament of Navarra	5	17%	2	13%	1	10%
Municipal corporations	2	7%	1	6%	1	10%

## F. Main points and results of participation and dialogue with experts and the academic community through:

- **'Saviálogos, encounters with knowledge'**. The fourth encounter of the "think factory" Saviálogos was held on October 1-2. 60 'wise people' or internationally prestigious figures from fields such as economics, communication, philosophy, new technology, business, sociology, law, engineering and politics, took part. The central subject for debate was the future of Europe and the balance of power with the rest of the world in economic, technological and social terms. The speeches, debates and conclusions were published in November 2009 in the book *Saviálogos'09. Cuarto Encuentro Viálogos. Can con el Saber*.

- **Dialogue and flowing communication with academics and CSR experts**

Responding to CAN's philosophy of Innovate → Implement → Communicate. In 2009, formal and informal meetings were held with academics and other CSR experts at which, through flowing communication and dialogue, improvement options for the production of the report and CSR performance were obtained, and CSR experiences and good practices were compared and shared.

- **CAN in the context of sustainability**

The significant effort made to place CAN's performance within the context of sustainability by reporting complete tables of integrated indicators was motivated by experts (see the chapter "Strategy, analysis and overview of CSR").

- **Universities and business schools**

CAN's strategic model is studied as a case study at significant universities and business schools.

- Harvard
- Columbia Business School
- Georgetown University (Washington D.C.)
- Wharton
- University of Michigan
- EAE
- ESADE
- IE
- IESE
- Master El Mundo-Universidad Carlos III
- Complutense University (Madrid)
- University of Navarra
- University of Valencia
- University Jaume I
- University Villanueva

## **G: Main points and results of participation and dialogue with society in general through:**

- **Study and monitoring of advanced CSR trends.**

As main trend or demand detected in 2009 and to be addressed in 2010, we can highlight: transparency, regulation, confidence and solvency, which are the chief values which people are missing in the financial crisis and current economic situation.

- **Other aspects of dialogue with society**

All the matters indicated in the previous points can be considered fruits of dialogue with society in a broad sense.

# 5. Management approach and performance indicators

## Dimension: Product and Service Impact

### Disclosure on management approach

CAN in its entirety is Civic Banking. This means that all CAN products and services are conceived and managed according to the ideals and strategy of Civic Banking. The Managing Director is ultimately responsible for this approach.

Information on the bank's strategy and its sustainability approach for its products and services can be found in the sections "Strategy, analysis and overview of CSR", "1. Strategy and analysis" and "2. Organizational Profile", and also in the indicators specific to Financial Services given here.

### Disclosure on management approach specific to the Financial Services sector

#### FS1 Policies with specific environmental and social components applied to business lines.

The information in this indicator is complemented, in the field of the environment, in the "Environmental dimension" section and indicator 2.8.

The information on social matters and the integration of the disadvantaged is complemented with indicators 2.8, EC1, FS2 and FS14, and the section "Society".

In this section, we shall expand on the following points:

- Socially responsible "Elección" deposits and loans (SRI).
- Full monthly public list of all credit and loans approved.
- Anti-crisis measures for companies.
- Specific products for groups with special needs.
- Accessibility of customer service channels.
- Specific products and services for new residents.
- Employment action for people with disabilities.
- Networking action.
- Action to support entrepreneurs.
- Action in services to institutions.

## **Socially responsible “Elección” deposits and loans (SRI)**

CAN's most specific policies with environmental or social components are expressed in its socially responsible “Elección” deposits and loans.

As stated in “Strategy, analysis and overview of CSR”, one of Caja Navarra's customers' major rights is that they can choose the types of loans they wish to finance with their savings. So, when a customer opens a new account or savings deposit, they can decide that these savings be used for specific socially or environmentally responsible purposes, which are grouped into 8 major lines:

- Loans to new residents: loans for non-national individuals starting out on new lives in Spain and, consequently, with special financing needs.
- Loans to organizations with ‘You choose: you decide’ projects: loans to non-profit organizations which have presented projects to the ‘You choose: you decide’ initiative.
- Loans to finance subsidized housing.
- Loans to young people: financing to meet the needs of young people, taking the form of products with particularly favorable conditions.
- Environmental and clean energies loans: financing clean energies and activities which contribute to preserving the environment and sustainable development (recycling, waste collection and treatment, solar energy and wind power production, etc.).
- Training and employment loans: financing of initiatives which encourage employment through a range of agreements with public administrations and financing for tuition fees and other costs incurred by those receiving training, and the centers which provide it.
- Family services and aid: financing for the specific needs of families (loans to large families, for adoption fees, reverse mortgages, etc.) and organizations which provide services to meet the needs of families (nurseries, home helps, services caring for the elderly, etc.).
- Loans to entrepreneurs and innovation: financing of entrepreneurial projects, through products specifically designed for entrepreneurs with favorable conditions, and financing for new technology and R&D projects.

The volume of savings and the number of customers of socially responsible investment (SRI) “Elección” deposits can be consulted in “Synthetic Indicators of Civic Banking” and in 2.8.

The volume and breakdown of “Elección” line loans can be consulted in “Synthetic Indicators of Civic Banking”, in 2.8 and in FS2.

## **Full monthly public list of all credit and loans approved**

CAN kept the financing tap flowing in 2009. And to back up this commitment and to distance itself from the general idea that banks have put financing on hold, on February 6, 2009, it decided to publish every month all the credit and loan operations approved the previous month on its Website and in the press, starting with January 2009. The lists were assured by the auditors Ernst & Young.

The lists included the following information:

- All credit and loans granted to private individuals each month.
- All credit and loans granted to companies each month.
- Parafinancial operations (leasing, renting, factoring and confirming).

## Anti-crisis measures for companies

In 2009, CAN, aware of the problems faced by business, launched specific products and services, and reached agreements so that companies could access financing. CAN's commitment was to continue providing solutions to improve competitiveness and business development in general. The main anti-crisis measures for companies were:

- Adherence to all the ICO financing facilities.
- Financing for companies that are members of the Confederation of Businesspeople of Navarra.
- Collaboration agreement with the Chamber of Commerce.
- Agreement with the Government of Navarra-Nafinco.
- XXV Viálogos Seminar: 'The future starts today'.
- Production of CSR reports.
- Debt restructuring.
- Business product/service diversification consultancy service.
- Financing for ANEL-member companies.
- Agreement with the Basque Government for business financing.
- Consultancy service for the purchase of companies abroad.
- R&D product financing.

## Specific products and services for groups with special needs

Below is a list of some of the products and services launched or available in 2009 which aim to meet the specific needs of groups which require products which take their specific situations into account.

- **Young rent loan (Can rent credit)**

This product was created as a measure to favor the financial inclusion of young people with few resources and help them set up home on their own. It makes the monthly quantity needed in order to pay rent or first-home purchase payments available to the holder, even if he/she does not have a guaranteed income. The holders only pay interest for the first two years of the loan.

- **Adoption Credit**

Credit of up to €6,000 to finance child adoption costs, without any kind of fees, with an interest-only period on payment of up to two years and interest at straight Euribor the first two years.

- **Products for large families**

Set of products for large families, offering special prices and conditions to help them cover their personal financing (Can Vehicle Loan, Home Improvements, Can Nursery Credit), savings and insurance needs.

## Accessibility of customer service channels

See indicator 2.7.

## Employment action for the disadvantaged

See LA13.

## Networking action

In 2009, Caja Navarra actively participated in the following Fundación Empresa y Sociedad programs:

- **Business and Disability Program:**

CAN is taking part in the Business and Disability program for the second time. It did so in 2005-2008 and is doing so again in 2008-2010. The program consists of a work plan in which different companies from a range of sectors participate. Its objective is to work on design for everybody, accessibility and employment, seeking improvements in these fields and acting as an agent of change for other companies, through joint work and sharing experiences.

- **Business and Immigration Program:**

Like the program described above, the Immigration program is a 3-year multi-company work plan (2007-2009) whose objective is for member companies to work with a focus and in a structured manner regarding immigration, share knowledge and make the most of economies of scale, with the following objectives: to promote new products which facilitate social integration: to define active employment and integration policies, and put them into practice; and to come up with proposals for those in charge of public policies.

## Action to support entrepreneurs: Eurecan

Eurecan is Caja Navarra's platform to support entrepreneurs. In addition to financing, it also offers its knowledge and experience in the creation and consolidation of new technology-based companies and opening up international markets for them.

The Eurecan platform develops other initiatives of great value to entrepreneurs, such as the Eurecan Copilot initiative, a network of mentors through which consolidated businesspeople guide young entrepreneurs. The Eurecan Community, which groups together all the entrepreneurs that have been supported by Eurecan, has its own blog to share experiences and identify synergies. Eurecanforma, training sessions given by CAN experts. Active participation in the Entrepreneur Day workshops held in major Spanish cities. Participation in Tribucan, a pioneering CAN initiative to cultivate the values of entrepreneurship from primary education onwards. The initiative is in practice at dozens of schools throughout the country.

In 2009, CAN strengthened its support of entrepreneurial initiative by investing and sharing risks with entrepreneurs through participating loans and direct investment in company capital. Many of the projects backed by CAN were bolstered through the capitalization of participating loans.

All this financial support was offered, while maintaining a different relationship with entrepreneurs: people are appreciated for what they may become, respecting their management systems and providing all the banks financial expertise.

In 2009, CAN provided different projects with more than €6 million through participating loans and capital investments, consolidating its portfolio of investee companies, on the verge of reaching 100 projects.

## Eurecan European Venture Contest Award

Once again, Eurecan ran the 'Eurecan European Venture Contest Award 2009', with a cash prize of €90,000 which makes it the most lucrative European award for entrepreneurs. In 2009, more than 770 projects were presented by entrepreneurs from 23 different countries. Following the 5 semi-finals in Düsseldorf, Budapest, Luxembourg, Turin and Pamplona, the 25 best projects competed in the final, which was held in Barcelona. The jury, which consisted of international investors and technical experts, decided on the Danish Biomedics project. This company has developed a new biomedical treatment for catheters, modifying their surfaces through nanotechnology so that they release antibiotics and antimicrobial agents which prevent bacteria from building up.

## Service to institutions

Caja Navarra provides a special service to institutions, understanding this as a service to society. It provides this service through an Institutions Unit, whose job it is to attend to public administrations, official bodies, autonomous entities, foundations and associations with significant volumes of business.

The Unit offers these customers a wide range of specific products and services, such as, for example, on-line tax payment, counseling for the development of initiatives, payment services through Canfirming, special savings deposits for institutions, flat rates for local councils, cultural activity programs, special financing, and aid and subvention information services (regional, national and European).

<b>Service to Institutions</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Resources managed	€513,471,000	€878,248,891	€836,099,234
Credit investment	€283,066,000	€224,781,166	€161,957,168
<b>Turnover</b>	<b>€796,537,000</b>	<b>€1,103,030,057</b>	<b>€998,056,402</b>

## FS2 Procedures for assessing and screening environmental and social risks in business lines.

This indicator elaborates on the evaluation of the environmental and social risks of credit and loans. This section is complemented by FS1.

## Credit and loans with significant social or environmental content

### Elección line loans (socially responsible)

As explained in indicator FS1, one of Caja Navarra customers' major rights within the Civic Banking strategy is that they can decide that their savings be used to finance socially responsible causes, broken down into eight major lines.

At the end of 2009, Caja Navarra had an outstanding balance of €2,584,891 financing these socially responsible lines on the balance sheet.

## Breakdown of Elección (socially responsible) credit and loans

(in € ,000)	2009	2008	2007
Loans to New Residents	340,003	435,743	438,813
Loans to organizations with 'You choose, you decide' projects	185,991	111,024	105,631
Loans to finance subsidized housing	504,142	582,397	521,161
Loans to young people	1,377,652	1,360,520	1,382,475
Environmental and clean energies loans	122,799	210,444	126,640
Training and employment loans	5,780	47,457	33,236
Family services and aid	25,354	58,552	34,615
Loans to entrepreneurs and innovation	23,170	29,026	22,493
<b>Total</b>	<b>2,584,891</b>	<b>2,835,163</b>	<b>2,665,064</b>

## Social and environmental evaluation of credit according to the Equator Principles:

### Projects analyzed in 2009 according to the Equator Principles:

Category	No. operations		Amount
	Europe (100% in Spain)	Other countries	
A	17	0	€185,963,721
B	9	0	€147,623,642
C	0	0	0
Total	26	0	€333,587,363

## Discussion on the implementation of the Equator Principles

Caja Navarra first adhered to the Equator Principles in 2005, implementing social and environmental criteria in the financing of all projects (*Project Finance*) in which it participates whose cost exceeds \$10 million and in which repayment of the loan depends on the income generated by the project once set up and in operation. The bank classifies these projects into three risk categories (A, B and C) and demands that precautionary measures be taken in accordance with each risk threshold. The Equator Principles are usually applied to complex, large-scale building work involving high environmental or social risk, such as power stations, chemical plants, mining facilities or transport infrastructures in Not High Income OECD Countries. In these cases, extremely precise requirements defined by the International Finance Corporation (IFC) are applied. In a broader sense, the Equator Principles are also applied to High Income OECD Countries, the main principles being compliance with national environmental and social legislation.

As Caja Navarra only operates in Spain, **it does not finance complex installations involving high environmental risk in Not High Income OECD Countries.** Consequently, Caja Navarra

uses the Equator Principles in a broader manner, taking them as the basis for the inclusion of social and environmental principles in its credit and loan policies.

Project financing is analyzed by the Credit Section teams and approval of operations is given on an individual basis by the Caja Navarra Credit Committee.

In 2009, 26 operations to a sum of €333,587,363 were environmentally screened. They were all in High Income OECD Countries (Spain). 17 were classified as A, 9 as B and none as C. After securing the necessary guarantees regarding impact, they were all granted.

## 2008 and 2007

We also present the figures for 2008 and 2007, in which slightly different criteria were applied to define which operations should be screened using the Equator Principles.

<b>Equator Principles</b>	<b>2008</b>	<b>2007</b>
Total sum evaluated	€1,878,173,172 (+25%)	€1,502,292,066
No. operations screened	111 (+23%)	90
Sum granted	€1,833,173,172	€1,502,292,066
No. operations granted	108 (+20%)	90
Sum rejected	€45,000,000	0
No. operations rejected	3	0

## FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.

- Environmental undertaking and Global Compact clauses in contracts with suppliers. Failure to comply with these is a cause for contract termination.
- Business loans and credit are subject to environmental and social screening (see FS11). Depending on the degree of importance of compliance, in some cases, compliance with the points of environmental and social screening is assured prior to granting the operation and environmental reports are requested from external consultants. In other cases, the operation is formalized and the Early Termination clauses include compliance as a condition and obligation of the borrower.

## FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.

- Policies and procedures which are applied throughout the bank:

- Civic Banking: this is the Managing Director's core communication concept and that of all the formal and informal networks of internal training and communication.
- Products and services with special social or environmental content: all employees working in the commercial network receive specific training on these products and services.
- Policies and procedures specific to certain areas (credit, purchasing, etc.):
  - The employees in these areas receive specific training in order to apply the policies and procedures relevant to their areas.

## FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.

100%. CAN interacted regarding environmental and social matters with all its customers, all its investees and all its business partners, given that they all received information on Civic Banking, the right to choose social projects through the 'You choose, you decide' initiative and each company's own Civic Account. Many formal and informal actions on environmental and social matters arose from this source.

## Indicators of product and service impact

### Aspect: **Product portfolio**

FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.

See 2.8 and EC1.

FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.

See FS1 and FS2.

FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.

See FS1 and FS2.

## Aspect: Auditing

### FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.

SGE21 certification of Caja Navarra's Ethical and Socially Responsible Management System: covers 100% of Caja Navarra. External audit for initial certification performed in October. 1<sup>st</sup> external monitoring audit performed in November 2009.

EFQM: covers 100% of Caja Navarra. Recognized for Excellence 5 Stars. External audit performed in October 2008.

ISO14001: covers the head office building and branch office 107 (Pío XII, Pamplona), which account for 26% of the entire CAN staff. Initial certification through external audit in 2006, renewed in 2007 and 2008. New certification through external audit: 26.01.2010.

ISO9001: covers 100% of the 'You choose: you decide' initiative and the Caja Navarra Foundation. Initial audit in 2007, renewed in 2008 and 2009. There will be a new audit in 2010.

Caja Navarra's complete CSR reporting (100%) (2009 Social Responsibility Report, 2009 XBRL CSR Report and the 2009 CSR Central Scoreboard [CCI-CSR]) have all been assured using ISAE3000, the Institute of Chartered Accountants (ICJCE) Guidelines, the Principles of AA1000 2008, the GRI G3 Guidelines, the GRI Financial Services Sector Supplement, the AECA XBRL CSR Taxonomy and AECA's CCI-CSR. External assurance was performed by the independent auditors Ernst & Young. The auditors confirmed that the contents of the information reported is true and complete, and that the documents which comprise the bank's CSR reporting are compiled correctly in accordance with the reference documents indicated above. The report has also been checked by the GRI in accordance with the maximum level of application (A+ GRI Checked). The complete external assurance report on CAN's 2009 CSR reporting can be found at the beginning of this report.

Caja Navarra has produced annual social responsibility reports since 2004 and they have all been externally assured by independent auditors and checked by the GRI in accordance with the maximum level of application (In Accordance or A+ GRI Checked, respectively).

## Aspect: Asset ownership

### FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.

100%. CAN interacted regarding environmental and social matters with all its business customers, given that they all received information on Civic Banking, the right to choose social projects through the "You choose, you decide" initiative and each company's own Civic Account. Many formal and informal actions on environmental and social matters arose from this source.

Other channels of interaction: environmental and Global compact clauses in contracts with suppliers.

# FS11 Percentage of assets subject to positive and negative environmental or social screening.

In 2009, 25.81% of all of CAN’s credit and loans were subject to environmental or social screening, as shown in the following table.

The main novelty compared to previous years is that environmental and social screening formed part of the bank’s company rating system (for companies with turnover of more than €1.5 million) on December 1, 2009, i.e. as of this date, CAN has environmentally and socially screened all companies for which credit and loan ratings are calculated.

<b>Assets subject to environmental or social screening</b>	<b>% 2009</b>	<b>% 2008</b>	<b>% 2007</b>
CSR-oriented loans and credits (Elección lines)	19.44	20.9	17.3
Loans and credits to companies with environmental and social rating	3.86 (estimated)	---	---
Loans and credits screened according to the Equator Principles	2.51	Not available	Not available
<b>Total</b>	<b>25.81%</b>	<b>20.9%</b>	<b>17.3%</b>

See also 2.8, FS2 and EC1.

# FS12 Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.

There is no formal voting policy. This topic is an improvement option for CAN.

## Economic dimension

### Disclosure on management approach

- **Economic performance:**

*Degree of compliance with the economic objectives for 2009:*

See “Strategy, analysis and overview of CSR”.

- **Presence in the market:**

See indicators 2.7 and 2.8.

- **Indirect economic impact:**

In addition to the Economic Value Added and Caja Navarra’s contribution to Navarra’s GDP (described in EC1 and EC9), investments in infrastructures and services provided which benefit the public are worthy of mention: social care, child care, teleassistance, priests’

center, special education center (Isterrria), voluntary care work, investments and cooperation (see indicator EC8).

## Goals and performance

See “Strategy, analysis and overview of CSR”.

## Policy

This new approach to banking, **Civic Banking**, also calls for a **new business model** based on social innovation (innovation in every area of the company, products, technology, the network, finances, etc.) See “Strategy, analysis and overview of CSR”.

## Additional information

See sections 1.1 and 1.2 of this report.

## Economic performance indicators

### Aspect: economic performance

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

	<b>2009</b>
Economic value generated	€762,613,000
Economic value distributed	€592,894,000
Other general administration expenses	€63,777,000
Fees paid	€7,520,000
Staff expenses	€127,895,000
Interest and assimilated expenses	€379,320,000
Tax on profit	€14,382,000
Economic value retained	€169,719,000
Amortization	€33,209,000
Contributions to provisions	€14,961,000
Year's profit after tax	€121,549,000
Economic contributions to the community (social projects), taken from profit	€36,500,000

Economic contributions to the community represent 26.85% of profit before tax (€135,931,000), and 30.03% of profit after tax (€121,549,000).

## 2008 and 2007

In 2008 and 2007, we reported on this indicator in a slightly different way to that employed in 2009. We calculated the economic value generated and distributed as the Economic Value Added (=Basic Margin).

<b>Economic Value Added (=Basic Margin)</b>	<b>2008</b>	<b>2007</b>
Work factor	€128,828,000	€116,575,000
Suppliers	€86,996,000	€78,863,000
Community (social projects)	€45,100,000	€50,250,000
Business (reserves and provisions)	€151,825,000	€136,559,000
Tax	€219,000	€1,003,000
<b>Total</b>	<b>€412,968,000</b>	<b>€383,250,000</b>

**Investment in social projects was distributed as follows, based on the choices of customers, as explained in 4.17:**

<b>Line</b>	<b>Investment 2009</b>	<b>Investment 2008</b>	<b>Investment 2007</b>
Disabilities and care	€8,440,329	€16,152,832	€14,132,011
Welfare, sport and leisure	€7,051,918	€9,220,314	€6,533,866
Cooperation	€5,006,586	€8,592,323	€6,795,643
Basic needs	€4,482,220	---	---
Culture	€3,069,028	€3,077,509	€2,392,039
Research	€2,980,351	€4,472,214	€4,596,391
Heritage conservation	€2,752,193	€3,983,792	€2,060,777
The environment	€1,679,805	€3,328,846	€3,821,547
Employment and entrepreneurship	€1,002,150	€1,714,323	€1,667,726
<b>Total</b>	<b>€36,464,580</b>	<b>€50,542,153</b>	<b>€42,000,000</b>

## Examples of the projects most chosen by lines

### Disabilities and care

The most voted project was the Colegio Isterrria, founded by Caja Navarra in 1966 and which educates children with disabilities in the village of Ibero (Navarra). This project was the most supported of all the projects on the ‘You choose: you decide’ roster, being chosen by 32,375 customers and receiving €1,833,912.05 to keep it running.

The Navarrese Association in Favor of People with Intellectual Disabilities (ANFAS) was the second most popular choice in this line, being chosen by 6,348 customers and receiving €406,743.82. The third initiative most chosen by Caja Navarra customers was the project for

integration in the workplace and training for people with disabilities, presented by the Down Syndrome Association of Navarra, which received €115,444.65 thanks to 1,128 customers.

## Cooperation

The initiative which received the greatest number of votes was the Catastrophe Emergency Fund run by the Caja Navarra Foundation, which was supported by 25,077 customers and received €1,042,365.49. The ONAY (Navarrese Organization for Aid between Peoples) project received €175,693.21 thanks to the support provided by 3,369 customers, while Fundación Sananda, with its cooperation project in Kenya, received €110,160.92, being chosen by 57 customers.

## Welfare, sport and leisure

The activities promoting youth football run by Fundación Osasuna received the largest amount of money, €145,823 euros, being chosen by 690 Caja Navarra customers. Next in line was the Club Ciclista Adi, which secured €99,077.31 for its activities and was chosen by 238 customers. The Unión Navarra Basket team also received €86,768.60 with a project supported by 70 people.

## Research

The Asociación Investigación Solidaria Sadar, which investigates uterine cancer under the Colombian scientist Manuel Elkin Patarroyo, received €546,480 after being chosen by 10,509 customers. The research project on cell therapy for children with cancer run by the biomedical research foundation of Hospital Niño Jesús was supported by 112 customers, who allocated €304,490. And the young researcher aid program run by Madrid's National Center of Oncological Research was supported by 5,868 customers, earning it €294,850.

## The environment

The activities of the Natural Science Society Gorosti were supported by 1,839 customers, who provided it with €99,308.98. The next most popular project was the project to promote the area surrounding the old track of the Plazaola train, run by the Plazaola Tourism Consortium, which was supported by 1,118 customers, earning it €94,729. The Asociación Laboral Josenea was supported by 360 people, earning it €90,985 to perform its work at Finca Bordablanca in Lumbier.

## Culture

The initiative which received the largest sum of money was the year's Nafarroa Oinez festival, run by the Federation of Basque-language Schools of Navarra, which picked up €72,185 as a result of being chosen by 1,148 Caja Navarra customers. The cultural program of Milagro Local Council's Fundación Milagro XXI also got €67,025.30 after being selected by 795 customers. And the third most popular cultural option, with the support of 591 Caja Navarra customers, were the activities of the Symphonic Orchestra of Navarra, run by Fundación Orquesta Pablo Sarasate, which received €44,671.

## Heritage conservation

Restoration of the Parish Church of Azagra received the largest donation, €115,942.45, after being chosen by 1,448 customers. The restoration of the Parish Church of San Adrián earned €105,465 after being chosen by 1,154 people, while paving the fortified wall of the village of

Artajona, a project run by the local council, was supported by 1,376 customers, receiving €101,820.

## Employment and entrepreneurship

The job creation project for people with disabilities run by Tasubinsa was supported by 1,658 Caja Navarra customers, earning it €118,205. The next most popular choice was the development of a Building Observatory, promoted by the Association of Builders and Developers of Navarra, which earned €92,000 as a result of being chosen by 52 customers. And the Consumer's Association Irache received €58,480 in order to publish the newspaper "La voz de Irache", supported by 1,113 customers.

## Traceability: Where is CAN's money?

All Caja Navarra customers have the right to know and decide where their savings are invested: financial traceability. All CAN customers receive a detailed explanation of where CAN's money is. This is the information, which we believe is key to understanding CAN's economic performance regarding sustainability:

<b>Traceability: Where is CAN's money?</b>	<b>% 2009</b>	<b>% 2008</b>	<b>% 2007</b>
<b>TOTAL BALANCE</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>1. LOANS TO CUSTOMERS</b>	<b>69.13</b>	<b>71.5</b>	<b>81.54</b>
<i><b>Elección-line loans<sup>59</sup></b></i>	<i><b>13.11</b></i>	<i><b>14.9</b></i>	<i><b>17.34</b></i>
Subsidized housing	2.56	3.1	3.39
Young people	6.99	7.2	9.00
New residents	1.72	2.3	2.86
Organizations with 'You choose: you decide' projects	0.94	0.6	0.69
The environment and clean energies	0.62	1.1	0.82
Training and employment	0.03	0.2	0.22
Family services and aid	0.13	0.3	0.23
Entrepreneurs and innovation	0.12	0.2	0.15
<i><b>Other loans</b></i>	<i><b>56.02</b></i>	<i><b>56.6</b></i>	<i><b>64.20</b></i>
Private-sector housing	24.81	25.1	30.62
Personal customers	4.44	4.7	4.81
Individual companies and services	16.76	17.3	17.82
Property developers	8.43	7.6	9.66
Public institutions and others	1.57	1.9	1.28
<b>2. LIQUID ASSETS ACCOUNTS</b>	<b>7.39</b>	<b>6.7</b>	<b>6.17</b>
Cash	0.31	0.4	0.33
Account in Central European Bank	6.10	0.9	1.13
Temporary debt acquired	0.17	1.2	1.88
Interbank loans	0.68	3.9	1.82

<sup>59</sup> The 'elección' lines are lines available to CAN customers since 2008 so that they can choose where their money is invested. They are all socially responsible.

<b>Traceability: Where is CAN's money?</b>	<b>% 2009</b>	<b>% 2008</b>	<b>% 2007</b>
Other accounts	0.13	0.3	1.01
<b>3. FIXED REVENUE</b>	<b>15.49</b>	<b>14.5</b>	<b>5.74</b>
Spanish public debt (State+Navarra+Official Credit Institute)	4.37	1.8	2.44
Spanish financial organization debt	10.90	12.6	3.19
Rest-of-EU financial organization debt	0.04	0.00	0.01
Non-financial organization debt	0.18	0.1	0.10
<b>4. VARIABLE REVENUE</b>	<b>2.64</b>	<b>2.6</b>	<b>2.37</b>
<i><b>Mutual funds</b></i>	<i><b>0.01</b></i>	<i><b>0.00</b></i>	<i><b>0.02</b></i>
<i><b>Listed portfolio</b></i>	<i><b>0.35</b></i>	<i><b>0.3</b></i>	<i><b>0.20</b></i>
National banks	0.04	0.00	0.05
International banks	0.01	0.00	0.004
Other national securities	0.13	0.1	0.10
Other international securities	0.18	0.2	0.04
<i><b>Unlisted portfolio</b></i>	<i><b>0.20</b></i>	<i><b>0.1</b></i>	<i><b>0.15</b></i>
<i><b>Corporation and other investments</b></i>	<i><b>2.07</b></i>	<i><b>2.2</b></i>	<i><b>2.00</b></i>
<b>5. OFFICES, FURNITURE AND COMPUTER EQUIPMENT</b>	<b>2.88</b>	<b>3.0</b>	<b>2.94</b>
<b>6. OTHERS</b>	<b>2.47</b>	<b>1.7</b>	<b>1.25</b>
Derivatives	1.04	0.5	0.39
Other financial assets	1.06	0.8	0.49
Tax assets	0.26	0.3	0.24
Social Project assets	0.08	0.00	0.10
Others	0.04	0.00	0.03

## EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.

Climate change has financial implications for Caja Navarra and supposes a set of risks and opportunities for it.

The financial implications are of two types: (a) direct consequences for Caja Navarra's business as a financial entity and (b) the costs of possible expenditure and investments to improve its environmental performance as a response to the challenges of climate change.

The risks are as follows: (a) the effects of climate change on the economy and society in general, and their consequences for the organization's business; (b) the risks which affect Caja Navarra as an organization that does Civic Banking; and (c) the reputational risk arising from hypothetical incorrect environmental management.

The main opportunities are: (a) the opening of new business lines in areas related to climate change, such as renewable energy and environmental management; and (b) reputational prestige in the event of attaining excellence in terms of environmental performance.

To consult the specific measures and initiatives adopted by Caja Navarra regarding this aspect (such as the inclusion of environmental screening in credit risk management models or measures

taken to reduce the environmental impact of the bank), see sections 4.8, 4.12, FS1, FS2, EN5, EN6, EN7 and EN14 of this report.

## EC3 Coverage of the organization's defined benefit plan obligations.

Caja Navarra provides all its employees with benefits superior to those established by law.

Defined by collective agreement, there is a pension plan which the bank makes fixed monthly contributions to for all its employees with indefinite-term contracts and an equivalent cash provision for temporary employees who do not become permanent employees.

### **Benefits for 100% of employees not required by law:**

- Pension plan which the bank makes fixed monthly contributions to for all its employees who have worked for Caja Navarra for 13 months and equivalent insurance for temporary employees who have still not worked for it for 13 months.
- In order to achieve an enhanced work-life balance, all employees (both mothers and fathers, on both the full-time and temporary staff) can reduce their working day by two hours without incurring a reduction in salary for one year.
- All employees have free life insurance which covers incidents of disability or death through accident.
- Study aid. All employees have the right to 90% of tuition fees plus text books in order to pursue any studies which may contribute to their technical and human training.
- Work from alternative locations through technology (Tablet PC and eToken).
- Different working days available, split shifts and reduced working days.
- Health care at the company itself.
- Advance payment of up to €6,000 without having to give reasons. For all employees whose job contracts exceed the term needed to amortize the loan.

### **Benefits for permanent employees (99% of the staff) not required by law:**

- Leave of absence according to Collective Bargaining Agreement. Opportunity to apply for a period of between 15 and 90 days every year with immediate reinstatement.
- Loan with personal guarantee and without fees for the purchase of first usual home to a maximum sum of €300,000 (includes cost of purchase plus all necessary expenses) and a maximum term of 30 years, including five paying interest only. Interest rates:
  - Up to €200,000: 65% of Euribor.
  - Rest: Euribor.
- Multipurpose credit: to a maximum sum of €30,000, at 1-year Euribor, monthly settlements and to amortize in a term of 5 years, starting at the age of 60.
- Advance payment to a maximum sum of 6 monthly pay packets, interest free, to amortize with 10% of monthly pay and intended to meet fully justified needs, such as costs of wedding, traffic accidents while on temporary job placement, etc.

## Significant economic indicators of CAN employee benefits not required by law:

Employee benefits (€)	2009	2008	2007
Contribution to pension plans	5,101,660	4,853,965	4,403,913
Life insurance	1,121,676	878,716	753,629
Contribution to Unit-linked funds	590,645	612,648	585,016
Study aid	150,217	126,196	69,418
Collective agreement advances	79,452	77,406	74,809
<b>Total</b>	<b>€7,043,650 (+7.6%)</b>	<b>€6,548,931</b>	<b>€5,886,785</b>

See also indicator LA3.

## EC4 Significant financial assistance received from government.

### Direct financial assistance:

In 2009, Caja Navarra received official assistance worth €200,000 for R&D&innovation.

Caja Navarra did not receive any financial assistance in terms of capital from governments or public institutions.

### Indirect assistance:

In 2009, CAN funds secured for liquidity with a commitment to return with Spanish Government intervention through two channels:

- Fund for the Acquisition of Financial Assets (FAAF).
- Government of Spain Guarantees Program for funds secured in financial markets.

### Funds secured through the Fund for the Acquisition of Financial Assets (FAAF):

Date	Expiry	Amount	Interest
01.28.2009	01.28.2012	€72,576,102	2.695%
02.17.2009	02.17.2012	€108,800,000	3.475%

In an exercise of transparency, Caja Navarra was the first bank to make acquisition of these funds public through a video on You Tube, which was widely acknowledged by the Spanish media.

### Funds secured in the financial market through the Government of Spain Guarantees Program:

	Year	Amount
Funds secured in the financial market through the Government of Spain Guarantees Program:	2009	€1,125,000,000

## Aspect: market presence

EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.

	2009	2008	2007
CAN entry salary	€21,294	€21,294	€20,774
Minimum Salary (SMI) in Spain	€8,736	€8,400	€7,988
CAN entry salary over Minimum Salary	2.44	2.53	2.60

## Average salary

CAN marks a difference reporting on this aspect which it believes very important because it is a highly significant indicator of work performance, greatly demanded by different stakeholder groups (unions, employees, etc.), but is not required by the GRI G3 Guidelines.

- **Average staff salary:**

	2009	2008	2007
Average salary	€50,134	€48,677	€48,096

- **Average labor cost** (includes the pay of active staff, Social Security contributions and contributions to pension plans):

We would like to report the average labor cost of CAN employees compared to that of the Spanish population. It should be highlighted that the average labor cost of CAN employees is 2.17 times higher than the Spanish average.

	CAN 2009	CAN 2008	CAN 2007	Spain 2009 <sup>60</sup>	Spain 2008 <sup>61</sup>	Spain 2007 <sup>62</sup>
Average labor cost	€63,861 (2.05 times cost in Spain)	€62,377 (2.11 times cost in Spain)	€60,623 (2.19 times cost in Spain)	€31,091	€29,610	€27,673

<sup>60</sup> Source: INE, Harmonized Labor Cost Index 2009: (29,610.14 in 2008 x 105% increase in 2009= 31,090.65), ([www.ine.es](http://www.ine.es), consulted 03.11.2010).

<sup>61</sup> Source: INE, 2008 Annual Labor Cost Survey ([www.ine.es](http://www.ine.es), consulted on 03.11.2010).

<sup>62</sup> Source: *Encuesta Anual de Coste Laboral 2007* [2007 Annual Labor Cost Survey]. National Institute of Statistics ([www.ine.es](http://www.ine.es)), consulted on 05.26.09.

## EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

In 2009, purchases from local suppliers represented 63% of all purchases from suppliers.

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.

For the purposes of greater economic efficiency, contracting is performed through a purchasing platform in which suppliers with which CAN has had a satisfactory relationship and others recommended by the platform itself can take part.

All the specifications in the tenders include business ethics clauses which the suppliers undertake to comply with.

All contracts signed with suppliers also contain Global Compact and environmental commitment clauses.

	2009	2008	2007
Percentage of local suppliers	63%	76.8%	75.1%

## EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

Caja Navarra's selection processes are carried out in line with the principles of equality, merit and ability, considering the nature of the post to cover, the personal worth of the candidates and their experience. One factor which is taken into account is knowledge of the local market in which the job is to be performed.

### Aspect: indirect economic impacts

## EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

	2009	2008
Social care centers	4,018,640	4,574,524
Culture centers	533,746	905,905
Education centers	167,485	151,699
Research and development centers	19,240	57,169
Environmental centers	419,145	299,617
Historical heritage centers	1,883,227	2,269,997

Health centers	350,257	333,355
Leisure centers	677,676	1,211,862
<b>Total</b>	<b>€8,069,417</b>	<b>€9,804,129</b>

## EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.

Caja Navarra tries to ensure that the indirect impacts resulting from its work are as positive as possible for the communities in which it operates, contributing to the encouragement of saving and investment in the community.

### Geographical breakdown of markets:

See 2.7 and 2.8.

### Geographical and social financial inclusion:

Geographical and social financial inclusion	2009	2008	2007
<i>Rural/Urban</i>			
Number of offices in municipalities <10,000 inhabitants (geographical inclusion)	125 (37.2%)	125 (33%)	125 (35.6%)
<i>Population of Navarra covered (geographical inclusion)</i>			
Inhabitants covered in their own municipality	560,399	560,399	560,399
Percentage	92.5% <sup>63</sup>	92.5% <sup>64</sup>	92.5% <sup>65</sup>

### CAN's industrial portfolio, investee companies.

There now follows a list of Caja Navarra's investee company portfolio, the composition of the portfolio bearing significant direct and indirect economic impact. The companies are classified into two large groups:

- **Consolidated companies:** principal, differentiated business focus, consisting of mainly unlisted companies with multisectoral approaches and which have good prospects of return through portfolio turnover.
- **Emerging companies (seed capital):** this is our particular commitment to entrepreneurs, the most groundbreaking and reliable; investments in high potential Start-ups and biotechnology projects.

<sup>63</sup> 2006 population figures.

<sup>64</sup> 2006 population figures.

<sup>65</sup> 2006 population figures.

<b>Investee companies on 12/31/2009</b>	<b>Percentage</b>
<b>CONSOLIDATED COMPANIES</b>	
Acciona Solar, S.A.	25.00%
Alimentos y Derivados Navarra, S.A.	25.00%
Anira Inversiones, S.L.	20.00%
Autovía del Camino, S.A.	48.00%
Barón de Ley, S.A.	9.87%
Bodega de Sarria S.A.	100.00%
Can Vida y Pensiones, S.A.	50.00%
Canaliza Energía, S.L.	50.00%
Congelados de Navarra, S.A.	25.00%
Dinamia Capital Privado, SCR S.A.	7.52%
DOCOUT, S.L.	45.07%
Fluidra, S.A.	7.43%
General de Alquiler de Maquinaria, S.A.	9.24%
Gestora Navarra de Inversiones, S.A.	65.00%
Grupo Isolux Corsan, S.A.	6.11%
Grupo NaturEner, S.L.	7.52%
Grupo Riberebro Integral, S.L.	15.08%
Grupo T-Solar, S.A.	11.68%
HBW Express Bank Private Company Limited	30.00%
Iberdrola, S.A.	0.14%
Ibermática S.A.	11.20%
IKUSI Angel Iglesias SA	32.23%
International Metal Service	6.85%
Inversiones Alaris, S.L.	33.33%
Inversiones Vitivinícolas, S.L.	100.00%
J Feliu de la Peña, S.L.	20.00%
Mebunik, S.A.	47.42%
Mecalux, S.A.	7.87%
Oesía Networks, S.L.	29.29%
Sociedad Concesionaria Canal de Navarra, S.A.	35.00%
Tubacex, S.A.	8.83%
<b>EMERGING COMPANIES</b>	
3P Biopharmaceuticals, S.L.	5.63%
Adecq Digital, S.L.	32.30%
AsomaTV Multimedia, S.L. (AD Fuera)	33.33%
BesTV Labs	32.30%
Cblaya & Mhuguet, S.L.	32.00%
Centro de Diagnóstico Radiológico de Navarra, S.L.	33.33%
CoolTra Motos, S.L.	11.77%
Delta-R Tecnologías de Decisión, S.L.	29.73%
Deneb Latinoamericana, S.A.	33.00%
Digna Biotech, S.L.	8.12%
Emotique S.L.	27.27%
Energías Renovables e Innovación de Sistemas, S.L.	18.00%
Grupo Informático Almira Labs, S.L.	20.90%
Idifarma Desarrollo Farmacéutico, S.L.	13.33%

Investigaciones Micológicas de Cataluña, S.L.	26.50%
Justinmind, S.L.	21.05%
Lokku Limited	20.00%
Mobile Advertising SL	19.68%
Nanobiomatters Industries, S.L.	17.00%
New Broadband Network Solutions, S.L.	23.18%
Okha Omni Networks, S.L.	22.22%
Pamplona Learning Spanish Institute, S.L.	15.50%
Polymita, S.L.	21.05%
Proretina Therapeutics, S.L.	8.60%
Proyecto Biomedicina Cima, S.L.	9.83%
Quasar Elite Spain, S.L.	10.43%
Sociedad General de Comercialización Hotelera, S.L.	20.00%
Solaiemes, S.L.	22.00%
Synergic Partners, S.L.	25.00%
Time Management, S.L.	23.40%
Todotur Servicios Electrónicos, S.L.	8.33%
Tu Plaza Movilidad y Desarrollo, S.L.	23.00%
U-Play Studios, S.L.L.	35.00%
UTE CIMA	10.00%
Vanios Consulting, S.L.	23.10%
Visuarios S.L.	25.00%

## Environmental dimension

### Disclosure on management approach

#### CAN carbon neutral

CAN is carbon neutral, i.e. it has offset all its CO<sub>2</sub> emissions from 2009. It has done so through projects to plant 26,756 trees (Holm oaks, maple, ash, cherry trees, tulip trees, birch, alder) in the Community of Navarra in collaboration with the local authorities in Tafalla, Lesaka, Etxaleku and Albiasu, and with technical collaboration from the Navarrese Forestry Association Foresna-Zurgaia.

The offsetting of all of CAN's annual CO<sub>2</sub> emissions by planting trees is a notable differential action because very few banks offset their CO<sub>2</sub> emissions and the fact that CAN does so by planting trees in the same territory in which the emissions took place means they are offset on site, contributing to local reforestation and employment.

#### A commitment to the environment

A commitment to the environment, consistent with an environmentally, economically and socially sustainable business model, is one of the major axes of Caja Navarra's Civic Banking strategy. CAN has equipped itself with the tools needed for comprehensive, integral environmental management within a corporate policy which considers every area of the bank's environmental performance.

Caja Navarra's corporate document 'Ethical and Environmental Policy' formally defines this commitment to the environment, which is managed through an Environmental Management System that is applicable to all of CAN's staff and actions, and is based on the standards described in UNE-EN ISO 14001:2004 and the EFQM continuous improvement model.

The environmental management system embraces CAN's different axes of action in all their manifestations:

- A. **Financial work.**
- B. **Management of the facilities, strict control of the bank's environmental indicators and the supply chain.**
- C. **Promotion and public commitment to environmental initiatives.**

## **A. Financial work.**

In 2009, a significant milestone in the environmental management of financial work was reached with the implementation on 12/1/2009 of environmental rating (which appraises the performance of the companies analyzed in terms of sustainability and the environment) for the credit operations of all companies that meet the calculation criteria for the rating.

Within the policy of lifelong training and specialization in environmental and social matters, 12.5% of the credit analysis staff received training on the subject in 2009, and the internal guide which takes environmental and social aspects into account to analyze financing projects pertaining to sectors with the greatest environmental impact continued to be applied.

Regarding the Civic Banking strategy which promotes a commitment to the environment among both personal and business customers, we can highlight:

- CAN customer support of the 'Environment Line' in the 'You choose; you decide' initiative. Thanks to being chosen by 50,285 CAN customers in the previous year (7.22% of all choices expressed), a total of 161 social projects related to the conservation of the environment and sustainable development received funding to a total of €2.47 million in 2009.
- The consolidation of the 'Environment and Renewable Energies' Line in the fifth CAN customer right, by which customers can decide that their savings should be used to finance socially responsible business projects, choosing from a total of 8 different lines. In 2009, CAN financed operations for projects related to the environment to a total of €122.79 million.
- Financial innovation in the field of the environment through the creation of new products with a significant environmental component, such as the 'Can Verde' (Can Green) mutual fund (see 2.8) and the fixed term deposit 'Copenhagen', in which families relinquish part of the return in order to offset the average CO<sub>2</sub> emissions of a family in one year through reforestation projects promoted by Caja Navarra.

## **B. Management of the facilities, strict control of the bank's environmental indicators and the supply chain.**

Caja Navarra pursues continuous improvement in the responsible management of facilities and responsible use of resources in order to minimize and, insofar as possible, neutralize the bank's environmental footprint. To this end, it has an Environmental Management System based on UNE-EN ISO 14001:2004, which, despite only being certified for the headquarters and one pilot branch office representative of the branch office network, is applied equally to all of the bank's facilities and procedures.

Due to the scale it reached in 2009, the completion of the implementation process of a pioneering, innovative project in Spain regarding energy consumption efficiency and monitoring within the organization should be underscored:

- Inmotican Project, through which energy measuring and monitoring technology is deployed in the branch office network, making for significant reductions in electricity consumption. This project allows for active energy policy management and creates an operational information system of great use when it comes to cutting consumption. In 2009, this technology was applied at 267 branch offices in the commercial network, meaning that all the branch offices in the network (336) were equipped with this technology by the end of the year.

### **C. Promotion and public commitment to environmental initiatives.**

Caja Navarra participates in different environmental initiatives which allow it to continuously improve in those fields in which the organization develops and implements the commitments which it adopts through its participation in:

- The United Nations Global Compact, which includes three principles concerning the environment, and implementation of which is reported on through the publication of the present document.
- Adherence to the Equator Principles, by which environmental and social criteria are applied to the financing of projects for sums of more than \$10 million (see sections 4.8 and 4.12).

### **Assessment of 2009 and objectives for 2010**

We can highlight some of the strong points indicated in the External Audit Report on the Environmental Management System performed at the end of 2009, a process which revealed not one non-compliance.

- High degree of environmental awareness at Caja Navarra, reflected in an increase of environmental investments and expenditure, and in an increase in activities related to the environment.
- Activities performed and planned by CAN to offset its CO<sub>2</sub> emissions and those planned to reduce said emissions.
- Creation of financial products with significant environmental component.
- Environmental diagnoses performed on and environmental training given at five investee companies in 2009.
- Automation and inclusion of environmental criteria in the company rating procedure.

Caja Navarra has set the following objectives in the field of the environment for 2010:

- Reduction of the organization's energy consumption by at least 1%.
- Neutralization of CO<sub>2</sub> emissions calculated in the organization's 2009 CSR Report and commitment to reduce emissions by at least 1%.
- To continue performing environmental diagnoses of CAN Group investee companies. In order to do this, environmental diagnoses and the generation of the relevant diagnosis reports using an electronic tool are planned.
- To cut Caja Navarra's paper consumption (overall) by 1%.

## Environmental performance indicators

### Aspect: materials

#### EN1 Materials used by weight or volume.

Being a bank, Caja Navarra's chief consumption is related to paper and printing consumables.

##### Paper

Paper consumption <sup>66</sup>	2009	2008	2007
Sheets of A4 and A3	150,933 kg	155,283 kg	127,907 kg
Forms	18,278 kg	34,209 kg	53,058 kg
Envelopes	56,313 kg	80,167 kg	90,037 kg
Savings books	4,548 kg	5,689 kg	7,590 kg
<b>Total</b>	<b>230,622 kg (-16.2%)</b>	<b>275,348 kg (-1.2%)</b>	<b>278,592 kg</b>
<b>Paper per employee</b>	<b>121.8 kg (-13%)</b>	<b>140 kg (-4.1%)</b>	<b>146 kg</b>

##### Toners and cartridges

	2009	2008	2007
Toners and ink cartridges (units)	2,757 (-4.2%)	2,878	2,973

Particularly worthy of note in 2009 was the reduction in overall paper consumption (16.2%) and particularly that achieved in the consumption ratio per employee, which dropped by 13% and occurred as a result of the continuous measures aimed at training and raising awareness among staff regarding the rational use of paper.

#### EN2 Percentage of materials used that are recycled input materials.

##### Use of recycled paper

	2009	2008	2007
Use of recycled paper	195,688 kg	208,212 kg	189,051 kg
% of total paper consumption	85%	76%	68%

<sup>66</sup> Includes all of Caja Navarra's paper consumption both for customer notifications and in offices. Data for publicity and publications not available.

All Caja Navarra publications and publicity materials are printed on recycled paper and when technical options do not exist, then eco-friendly paper is used (from certified forests; and/or chlorine free or partially chlorine free at minimum). The continued increase in the percentage of recycled paper consumed (+9% on 2008) indicates how exacting the organization is regarding this matter.

## Aspect: energy

### EN3 Direct energy consumption by primary energy source.

The energy consumption figures of the entire organization are reported, broken down into two sections:

- Buildings whose consumption is externally audited per UNE-EN ISO 14001 certification (central building and a pilot branch office representative of the commercial network).
- Rest of the organization (branch offices and premises not covered by UNE-EN ISO 14001, but which follow the same consumption guidelines and procedures as the certified buildings).

Energy	2009	2008	2007
Electricity, ISO 14001 certified buildings	10,458.68 GJ (2,905,422 kWh) <sup>67</sup> (+2.16%)	10,237.46 GJ (2,843,967 kWh)	9,947.45 GJ (2,763,401 kWh)
Electricity, rest of CAN (estimated)	45,523.22 GJ <sup>68</sup> (12,645,340 kWh) (-5.31%)	48,074.55 GJ (13,355,111 kWh)	46,002.96 GJ (12,779,622 kWh)
<i>Total CAN electricity (ISO 14001 buildings + estimation of the rest)</i>	55,982.74 GJ (15,550,762 kWh) (-4.0%)	58,312.01 GJ (16,199,078 kWh)	55,950.41 GJ (15,543,023 kWh)
<i>Heating oil</i>	848.01 GJ (21,100 liters) <sup>69</sup> (+6.57%)	795.76 GJ (19,800 liters)	1,601.85 GJ (39,857 liters)
<b>Total direct energy consumption (electricity + heating oil)</b>	<b>56,830.75 GJ (-3.85%)</b>	<b>59,107.77 GJ</b>	<b>57,552.26 GJ</b>
<i>Per employee</i>			
Electricity per employee ISO14001 buildings	21.66 GJ (6,015.37 kWh) <sup>70</sup> (+4.1%)	20.81 GJ (5,780.4 kWh) <sup>71</sup>	21.79 GJ (6,053.5 kWh)
Total electricity per CAN employee (estimated)	29.56 GJ (8,210.54 kWh) (-0.04%)	29.57 GJ (8,214.5 kWh)	29.25 GJ (8,124.9 kWh)

<sup>67</sup> Central building. 2,854,481 kWh; Pío XII branch office, Pamplona: 50,941 kWh.

<sup>68</sup> Consumption estimated by extrapolation of the 2009 figures obtained through the inmotics system fitted in offices.

<sup>69</sup> Source of conversion factor: AECA, 2010. *Central Scoreboard for Corporate Social Responsibility (CCI-CSR)*.

<sup>70</sup> No. of employees in ISO 14001 certified buildings in 2009: 483.

<sup>71</sup> No. of employees in ISO 14001 certified buildings in 2008: 492.

<b>Electricity consumption by source</b>	<b>2009 (%)<sup>72</sup></b>	<b>2009 (GJ)</b>	<b>2008 (%)</b>	<b>2008 (GJ)</b>	<b>2007 (%)</b>	<b>2007 (GJ)</b>
Renewable	16%	8,957.24	12%	6,997.44	12%	6,714.05
Hydraulic	15%	8,397.41	21%	12,245.52	21%	11,749.59
Other sources	69%	38,628.09	67%	39,069.04	67%	37,486.77

## EN4 Indirect energy consumption by primary source.

<b>Indirect electricity consumption by source<sup>73</sup></b>	<b>2009 (%)</b>	<b>2009 (GJ)</b>	<b>2008 (%)</b>	<b>2008 (GJ)</b>	<b>2007 (%)</b>	<b>2007 (GJ)</b>
Renewable	16%	27,202.88	12%	21,252.72	12%	20,390.64
Hydraulic	15%	25,502.70	21%	37,192.26	21%	35,683.62
Other sources	69%	117,312.42	67%	118,661.02	67%	113,847.74
Total indirect energy consumption	100%	170,018.00	100%	177,106.00	100%	169,922.00

## EN5 Energy saved due to conservation and efficiency improvements.

The completion of the innovative process to implement an inmotion system which permits absolute, centralized control of energy consumption throughout the branch office network led to electricity savings in 2009 of 2,329.27 GJ (648,316 kWh), which meant a drop in overall energy consumption of 3.85% on 2008. Given that practically all branch offices now have this technology, comprehensive control of energy consumption will be possible in coming years and an even higher reduction in consumption is expected, of around 20%. More information in indicator EN7.

<sup>72</sup> Breakdown according to Iberdrola's (Caja Navarra's main electricity provider) *2009 Sustainability Report* (consulted 03.26.2010) for Spain.

<sup>73</sup> CAN's indirect energy consumption is solely due to electricity. The Energy Balance Sheet, Energy Protocol (GRI) was used to calculate total indirect energy consumption and the breakdown by primary sources is per the breakdown supplied by the provider.

# EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

In 2009, Caja Navarra became the first bank to offer its customers services in a network of branch offices which are practically all equipped with an inmotoc energy measurement and control system, meaning that it provides its services in energy-efficient environments.

Considering this indicator in the broad sense, CAN offers its customers financial products which encourage investment in renewable energy and projects related to looking after the environment, such as the solar panel and the wind power production financing lines. In 2009, the bank provided financing to the sum of €122.79 million through projects in the “Environment and Clean Energies” financing line.

# EN7 Initiatives to reduce indirect energy consumption and reductions achieved.

See EN5 and EN6.

The following initiatives should be looked into in more detail:

## **Inmotican Project in branch offices in the commercial network.**

After noting the significant reduction in electricity consumption (reduction of 25%) achieved in a pilot branch office in 2007 through the installation of energy measuring and control technology, Caja Navarra has been developing the Inmotican project, which caters for the active management of energy policies, while also generating an operational information system of great use to the different departments in the bank. In 2009, the Inmotican system was applied at 267 branch offices, making for a total of 336 branch offices equipped with the system at the end of the year. The full-scale project represents an investment of over €3 million for CAN, €160,200 in 2009, and has been selected by the Institute of Energy Diversification and Saving (IDAE) as a strategic project. A reduction of 3.85% was achieved in 2009.

## **Substitution of paper correspondence for digital correspondence.**

The implementation of the digital correspondence system to replace traditional paper correspondence is a measure with great potential in terms of reducing paper consumption and protecting the environment.

By the end of 2009, 26,442 customers had signed up for the system.

	<b>2009</b>	<b>2008</b>	<b>2007</b>
No. of digital correspondence customers	26,442	19,369	12,820

**Aspect: water**

## EN8 Total water withdrawal by source.

Being a financial service provider, water consumption at Caja Navarra does not involve significant environmental impact. Consumption comes from the cooling systems (this is the most significant source of consumption due to the action taken to combat Legionellosis) and the water used by staff for hygiene purposes.

<b>Water</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Water ISO 14001 certified buildings	4,805 m <sup>3</sup> (+2.26%)	4,699 m <sup>3</sup>	4,801 m <sup>3</sup>
Water rest of CAN (estimated)	20,527 m <sup>3</sup>	15,667 m <sup>3</sup>	14,430 m <sup>3</sup>
<b>Total water consumption (estimated)</b>	<b>25,332 m<sup>3</sup></b>	<b>20,366 m<sup>3</sup></b>	<b>19,231 m<sup>3</sup></b>
Water per employee ISO 14001 buildings	9.95 m <sup>3</sup> (+4.2%)	9.55 m <sup>3</sup>	10.52 m <sup>3</sup>
Total water per employee (estimated)	13.38 m <sup>3</sup>	10.33 m <sup>3</sup>	10.05 m <sup>3</sup>

## EN9 Water sources significantly affected by withdrawal of water.

Due to the nature of Caja Navarra's work, water sources and related ecosystems are not significantly affected.

## EN10 Percentage and total volume of water recycled and reused.

Water is not recycled or reused.

### Aspect: **biodiversity**

## EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

Caja Navarra's premises are not in or adjacent to protected areas.

## EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

Due to the nature of its work, Caja Navarra does not cause impact on protected and/or sensitive areas. Caja Navarra works in urban environments. Its effect on biodiversity is not therefore relevant.

In the project finance work the bank is involved in which may have significant impact on the biodiversity of natural areas, protected or otherwise, be they projects which meet the requirements demanded as an organization adhered to the Equator Principles or not, CAN undertakes to demand corrective action from all projects qualified in evaluation as high or medium risk in terms of environmental impact and undertakes not to grant them financing should they fail to comply with these measures.

## EN13 Habitats protected or restored.

Caja Navarra voluntarily contributes to the improvement of the natural environment in those areas in which it operates through the initiative to fully offset its annual CO<sub>2</sub> emissions as calculated in its CSR Report.

This initiative is realized through reforestation projects in different local-council run areas. The aim of planting and looking after thousands of autochthonous trees and shrubs (15,150 trees and 3,283 shrubs in 2009, and 26,756 trees planned for 2010) is to improve the biodiversity of the habitats and environments where work is performed, create jobs for companies in the different areas of action, contribute to the stability of the rural population, favor species which may in the future prove valuable to the areas where work is performed, and create recreation and leisure areas to enhance the quality of life of those living in the rural environments in which reforestation work is carried out.

## EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.

In the strict sense, and given the nature of Caja Navarra's work, there is no specific strategy for the management of impacts on biodiversity as such. The strategy is integrated in the bank's ethical and environmental policy, which attempts to neutralize CAN's environmental footprint through a range of initiatives already covered.

## EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

Caja Navarra's operations do not affect any habitats with species on the IUCN Red List.

### **Aspect: emissions, effluents and waste**

## EN16 Total direct and indirect greenhouse gas emissions by weight.

## Caja Navarra's total CO<sub>2</sub> emissions (in tonnes)<sup>74</sup>.

CAN is carbon neutral. Firstly, it comprehensively calculates its CO<sub>2</sub> emissions using all the factors recommended by experts, not just some factors or parts of factors. And, as explained in the section on the management approach to the environment, it is offsetting all its 2009 CO<sub>2</sub> emissions.

Both facts are groundbreaking and worthy of note in terms of environmental management in Spanish business.

<b>Emissions by source (t CO<sub>2</sub>)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b><i>Direct emissions</i></b> <sup>75</sup>			
Heating oil	56.20	52.99	121
<b><i>Indirect emissions</i></b> <sup>76</sup>			
Electricity, ISO 14001 certified buildings	1,016.29	1,121.37	1,089.60
Electricity, rest of CAN (estimated)	4,423.26	5,265.92	4,254.50
<b><i>Other indirect emissions</i></b> <sup>77</sup>			
Employees' work-related journeys in own vehicle	710.14	606.4	695.7
Employees' train and airplane journeys	252.56	263.64	202.2
Transportation of pouches and parcels	808.60	1,345.4	1,270.1
Security van transportation	51.03	82.9	105.7
Paper consumption	467.52	596.30	635.76
Total water CAN (estimated)	38.00	30.55	28.85
<b>Total emissions (t CO<sub>2</sub>)</b>	<b>7,823.60</b> <b>(-16.46%)</b>	<b>9,365.47</b>	<b>8,403.41</b>
<b>CO<sub>2</sub> emissions per employee (t)</b>			
Through electricity ISO14001 certified buildings	2.10	2.28	2.39
For all CAN emission sources (estimated)	4.13	4.75	4.39

74 For the breakdown and calculation of direct and indirect greenhouse gas emissions, we used the criteria indicated in the Indicator Protocol Set: EN in the Sustainability Reporting Guidelines (GRI, version 3.0) and the Greenhouse Gas Protocol → Service Sector ([www.ghgprotocol.org](http://www.ghgprotocol.org), consulted on 03.30.2010).

<sup>75</sup> Emissions calculated using the tool: World Resources Institute (2008). GHG Protocol tool for stationary combustion. Version 4.0

<sup>76</sup> Emissions calculated using the tool: 'GHG emissions from purchased electricity'. Version 2.1 of the World Resources Institute (Jun. 2009).

<sup>77</sup> Tool used to calculate the emissions associated with employee travel, security vans, parcels and pouches: World Resources Institute (2008). GHG Protocol tool for Mobile combustion. Version 2.0, revised on May 10, 2009. For the calculation of emissions associated with the use of paper, the conversion factors from the Website [www.reciclapapael.org](http://www.reciclapapael.org) belonging to the Fundación Ecología y Desarrollo were used. The emissions associated with water consumption were calculated using a conversion factor of 1.5 kg of CO<sub>2</sub> per m<sup>3</sup> of water used. Source: CAN.

## EN17 Other relevant indirect greenhouse gas emissions by weight.

Due to the nature of its work, Caja Navarra does not produce significant greenhouse gas emissions other than the CO<sub>2</sub> emissions already described.

### Breakdown of indirect CO<sub>2</sub> emissions.

#### CO<sub>2</sub> emissions resulting from employee work-related travel:

	2009	2008	2007
Airplane journeys	155.21 t	233.85 t	186.32 t
Train journeys	97.35 t	29.79 t	15.93 t
Journeys in own vehicle	710.14 t	606.4 t	695.67 t
<b>Total t of CO<sub>2</sub> due to travel</b>	<b>962.70 t</b>	<b>870.04 t</b>	<b>897.92 t</b>
<b>CO<sub>2</sub> emissions per employee due to travel</b>	<b>0.51 t</b>	<b>0.45 t</b>	<b>0.46 t</b>

#### Kilometers traveled by staff as result of their work:

Type of travel	2009	2008	2007
Airplane journeys	1,040,944 km	1,628,510 km	1,322,529 km
Train journeys	1,617,166 km	496,566 km	265,609 km
Journeys in own vehicle	3,775,315 km	4,056,756 km	3,661,440 km
<b>Total</b>	<b>6,433,425 km (+4.07%)</b>	<b>6,181,832 km</b>	<b>5,249,578 km</b>
<b>Kilometers/employee</b>	<b>3,397</b>	<b>3,135</b>	<b>2,744</b>

#### CO<sub>2</sub> emissions due to transport of pouches, parcels and security vans:

	2009	2008	2007
Pouches and parcels	808.6 t	1,345.4 t	1,270.1 t
Security vans	51 t	82.9 t	105.7 t
<b>Total t of CO<sub>2</sub> emitted</b>	<b>859.6 t</b>	<b>1,428.30 t</b>	<b>1,375.80 t</b>

## Journeys of the companies which transport pouches and parcels, and do security van runs for Caja Navarra

	2009	2008	2007
Transportation of pouches and parcels <sup>78</sup>	2,975,000 km	3,125,000 km	2,950,000 km
Security van transportation	187,759 km	192,617 km	245,481 km

## CO<sub>2</sub> emissions due to paper consumption:

	2009	2008	2007
Due to consumption of recycled paper	352.25	374.78 t	340.28 t
Due to consumption of virgin fiber paper	115.27	221.52 t	295.48 t
<b>Total t of CO<sub>2</sub> emitted due to paper</b>	<b>467.52 t</b>	<b>596.30 t</b>	<b>635.76 t</b>

## CO<sub>2</sub> emissions due to water consumption:

	2009	2008	2007
UNE-EN ISO 14001 certified buildings	7.21 t	7.05 t	7.20 t
Rest of CAN	30.79 t	23.50 t	21.65 t
<b>Total t of CO<sub>2</sub> emitted due to water</b>	<b>38.00 t</b>	<b>30.55 t</b>	<b>28.85 t</b>

## EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.

See the initiatives specified in indicators EN7 and EN26.

## EN 19 Emissions of ozone-depleting substances by weight

The only emissions of ozone-depleting substances are produced by the cooling machinery in offices which have still not been refurbished. These use R22 gas. All the refurbished branch offices use gases which do not damage the ozone layer.

## EN20 NO, SO, and other significant air emissions by type and weight.

<sup>78</sup> Estimation according to data provided by service providers.

Caja Navarra does not produce significant emissions into the atmosphere resulting from the consumption of fossil fuels.

The bank's direct air emissions of NO and SO are those from boilers. According to the UNE-EN ISO 14001 Environmental Management standard, these air emissions are not significant.

## EN21 Total water discharge by quality and destination.

This information is not considered relevant to Caja Navarra, given that its water discharge is similar to household discharge and, therefore, not considered pollutant.

## EN22 Total weight of waste by type and disposal method.

	2009	2008	2007
Paper which has been recycled	88.9 t	90.50 t	88.40 t
Hazardous waste	0	0.42 t	0.5 t
Non-hazardous waste	0	0 t	0 t
<b>Total</b>	<b>88.9 t</b>	<b>90.92 t</b>	<b>88.90 t</b>
<b>Per employee</b>	<b>46.94 kg</b>	<b>46.11 kg</b>	<b>46.47 kg</b>

All Caja Navarra's waste paper in wastepaper baskets or document pouches is weighed and recycled, in collaboration with the cleaning firm and companies specializing in the treatment, destruction and recycling of paper.

The other waste generated by the bank is managed through the Environmental Management System according to the provisions of UNE-EN ISO 14001. The traceability of management until recycling or destruction is assured.

## EN23 Total number and volume of significant spills.

No accidental spills took place in the period covered by the Report.

## EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

Due to the nature of its work, Caja Navarra does not import, export, transport or treat waste deemed hazardous. Should waste of this type be produced as a result of the bank's work, then the special hazardous waste protocol established in the UNE-EN ISO 14001 Environmental Management System is applied.

No hazardous waste was produced in 2009.

EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

Due to the nature of its work, the discharges of water and runoff at Caja Navarra do not significantly affect water resources and related ecosystems.

### Aspect: **products and services**

EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

In addition to guaranteeing strict compliance with applicable environmental legislation and the systemization of control of all environmental aspects through its Environmental Management System, Caja Navarra continuously develops initiatives to mitigate the impact of its work, the most relevant of these in 2009 being:

- **Total offset of CAN's CO<sub>2</sub> emissions in 2009 by planting trees in Spain and commitment to cut emissions by 1%.**

For the second year running, Caja Navarra has run a pioneering initiative to neutralize all the CO<sub>2</sub> emitted as a result of its work, offsetting it through reforestation projects (see indicator EN26). This initiative is realized through agreements with Public Organizations.

- **Environmental analysis of business risk.**

Since December 1, 2009, the ordinary procedure for the calculation of company ratings for the evaluation of project finance has included a tool called 'environmental rating', which includes criteria to weigh up the credit quality of a company according to its environmental performance.

- **Inmotic project for branch offices.**

Elaborated on in the introduction to the Environmental Dimension and EN7.

EN27 Percentage of products sold and their packaging materials that are reclaimed by category.

Due to the nature of Caja Navarra's work, this indicator is not considered applicable.

### Aspect: **compliance**

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

No significant fines or non-monetary sanctions.

## Aspect: **transport**

### EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

The chief environmental impact of transporting staff and products results from the journeys made by staff in the performance of their work and the transportation of money, pouches and parcels.

The main consequence of this impact (emission of greenhouse gases) is quantified in indicator EN17 of this report.

Regarding the transportation of money, parcels and pouches, journeys are shared with other banks to cut costs and environmental impact, and regarding employee travel, videoconference equipment is used to cut travel down to the absolutely necessary and an agreement was signed with RENFE (Spain's national rail operator) in August 2009 to favor the use of rail over more polluting air travel.

## Aspect: **overall**

### EN30 Total environmental protection expenditures and investments by type.

	2009	2008	2007
<b>Environmental expenditure and investments</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
Environmental project assistance and financing	€2,470,943	€3,328,846	€3,821,547
CAN's Environmental Management System	€12,673	€7,500	€7,572
Offsetting of CO <sub>2</sub> emissions	€34,017	€39,106	€17,350
Investments in fixed assets for environmental improvement purposes (inmotics, boilers, power sources, etc.)	€160,200	€618,265	€17,387
Eco-friendly technology R&D investments	Not available	€500,000	Not available
<b>Total</b>	<b>€2,677,833</b>	<b>€4,493,717</b>	<b>€3,863,856</b>

# **Social dimension**

## **Labor practices and decent work**

### **Disclosure on Management Approach**

Civic Banking starts at home, with Caja Navarra employees. The Personal Development model which acts as an essential support for the implementation of the Civic Banking strategy was designed taking the expectations of employees at the bank and the strategic guidelines and aspirational targets set by the Cantera Plan as reference points. It includes:

- A mission in line with the corporate strategy: “attract talent to and develop and keep talent at the organization, increasing employability and developing personal development policies which implement Civic Banking in order to achieve economic and social results”.
- A vision based on “working with people to transform our environment through social and financial innovation”.
- A policy which marks guidelines regarding personal development and which is fed by the ideals of Caja Navarra.

This takes the form of the following lines of action:

- Create fair relationships with employees, without assuming positions of advantage over them.
- Take an interest in developing and taking risks with employees, being tolerant with mistakes and encouraging initiative.
- Promote social voluntary work among employees. See 4.16-4.17.
- Reserve time every day to ask ourselves why and how we do things... and thereby create.
- Assign resources and reward creativity. See 4.16-4.17.
- Encourage internal diversity, guaranteeing equal opportunities. See LA13-LA14.
- Favor the employability and in-service promotion of employees. See LA10-LA12.
- Exercise responsibility transparently and through team work; horizontality as opposed to verticality.

The bank is in favor of quality employment, with good working conditions and maximum proportions of permanent staff. Labor relations are based on union freedom, employee representation in the governance bodies, collective bargaining, joint/mixed committees and regulation. For the company-employee dialogue system, see indicators 4.16 and 4.17.

Regarding health and safety, there is a Prevention of Occupational Risks Plan and a Mixed Committee on Occupational Health and Safety. The bank's employees also receive training on these matters, with a special emphasis on risks in the branch office network, including risks of physical violence and crime. See indicators LA6-LA9.

### **Organizational responsibility.**

Operational management regarding labor matters in the organization is the responsibility of Roberto Ducay, Assistant Managing Director at Caja Navarra.

### **Monitoring and follow-up.**

The main labor practices monitoring and follow-up instrument at Caja Navarra and its supply chain is the bank's SGE21 Ethical and Socially Responsible Management System, externally certified in November 2008 and externally reviewed in 2009. which includes specific chapters on the question.

## Labor Practices and Decent Work Performance Indicators

### Aspect: **employment**

LA1 Total workforce by employment type, employment contract, and region.

<b>Employees</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Indefinite-term contracts	1,875 (99%)	1,896 (96%)	1,745 (91.2%)
Temporary contracts	19 (1%)	76 (4%)	168 (8.8%)
<b>Total employees</b>	<b>1,894</b>	<b>1,972</b>	<b>1,913</b>

The job creation trend of previous years suffered a setback in 2009 due to the economic crisis. The drop mainly affected workers with temporary contracts.

<b>Distribution of employees</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Employees in central building	373	440	419
Employees in the commercial network	1,521	1,532	1,492
Employees in Social Project Work	0	0	2

<b>Geographical distribution</b>			
	<b>2009</b>	<b>2008</b>	<b>2007</b>
Navarra	1,174	1,213	1,205
Madrid	228	240	246
Basque Country	183	191	150
Catalonia	138	150	147
La Rioja	65	71	75
Aragón	65	65	61
Castilla y León	19	15	13
Castilla La Mancha	6	10	9
Valencia	16	17	7

LA2 Total number and rate of employee turnover by age group, gender, and region.

### **Turnover:**

Percentage of the entire staff with indefinite-term contracts which has left the company due to termination of contract (voluntary, dismissal, retirement, early retirement, death) or suspension of contract (voluntary leave of absence or move to the Group), but not maternity leave, leave according to the collective bargaining agreement or sanctions.

Age	Gender	Employee turnover			Total employees			% Turnover		
		2009	2008	2007	2009	2008	2007	2009	2008	2007
<30	Female	2	9	5	287	385	418	0.70	2.34	1.20
	Male	4	7	6	150	227	263	2.67	3.08	2.28
30-39	Female	7	4	3	389	344	280	1.80	1.16	1.07
	Male	8	11	5	384	351	323	2.08	3.13	1.55
40-49	Female	1	2	3	145	119	104	0.69	1.68	2.88
	Male	0	1	4	232	228	229	0.00	0.44	1.75
>=50	Female	4	1	4	78	78	70	5.13	1.28	5.71
	Male	37	12	16	229	240	226	16.16	5.00	7.08
Total	<b>Female</b>	<b>14</b>	<b>16</b>	<b>15</b>	<b>899</b>	<b>926</b>	<b>872</b>	<b>1.56</b>	<b>1.73</b>	<b>1.72</b>
	<b>Male</b>	<b>49</b>	<b>31</b>	<b>31</b>	<b>995</b>	<b>1046</b>	<b>1041</b>	<b>4.92</b>	<b>2.96</b>	<b>2.98</b>
	<b>Total</b>	<b>63</b>	<b>47</b>	<b>46</b>	<b>1894</b>	<b>1972</b>	<b>1913</b>	<b>3.33</b>	<b>2.38</b>	<b>2.40</b>

#### Average age of employees who have left the organization (turnover)

	2009	2008	2007
Female	29	31	38
Male	43	41	45

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

See indicator EN3.

#### Aspect: labor/management relations

LA4 Percentage of employees covered by collective bargaining agreements.

100%.

#### Workers' committees:

There are six workers' committees in Caja Navarra (from which the Intercenter Committee is formed) the composition of which is the result of the union elections held in the organization.

- Committee of Customer Services and Head Office, with 13 members.

- Committee of Branch Offices in Navarra, with 21 members.
- Madrid Committee, with 9 members.
- Barcelona Committee, with 9 members.
- Zaragoza Committee, with 5 members.
- La Rioja Committee, with 5 members.

And:

- Intercenter Committee, with 13 members.

### Union representation in the Caja Navarra Workers' Committees:

Union/group	2009	2008	2007
UGT	23	23	17
CCOO	18	18	10
SEA	13	13	5
Barcelona Workers Group	4	4	4
LAB	3	3	3
ELA	1	1	1
SEPA	---	---	6
SIECAN-GICA	---	---	1
---	---	---	1 (vacancy)
<b>Total</b>	<b>62</b>	<b>62</b>	<b>48</b>

### LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

*Period of consultation and notice:* the average period of notice to employees and representatives regarding operational changes is between 15 days and one month.

In the event of termination of work contract for objective dismissal, the period of notice is the period provided for in the Workers' Statute (30 days).

*Consultation and negotiation practices:* The workers form part of CAN's governance bodies (General Board, Board of Directors and Supervision Committee), with full speaking and voting rights, through directly elected union representatives. They receive regular information on the bank's performance, investments and the activities of the Caja Navarra Foundation through their representatives.

In periods of crisis, concern to *minimize the social impact of potential significant staff reductions, the closure of work centers and large-scale dismissals* grows. At Caja Navarra, there have been no large-scale dismissals, significant staff reductions or work center closures over recent years and there are no plans in this regard for the future. Nevertheless, in 2010 Caja Navarra signed a Labor Agreement with the legal representatives of the workers in which it pledges that the integration process for the creation of the Civic Banking Group which CAN is involved in will not lead to staff restructuring, notwithstanding the adoption, in the event, of non-traumatic measures.

## Aspect: occupational health and safety

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

100% of the bank's employees are represented in Caja Navarra's joint company-workers Occupational Health and Safety Committee. The Committee held 8 meetings in 2009, 4 of which were ordinary quarterly meetings, the other 4 being extraordinary meetings.

LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.

The following figures correspond to 100% of the Caja Navarra staff, the details of which are given in LA1 and LA2.

	2009	2008	2007
<b>Rate of absenteeism (%)</b>	<b>4.24</b>	<b>3.17%</b>	<b>2.67%</b>
<i>For common disease</i>	2.71	2.26	1.98
<i>For accidents at work</i>	0.03	0.04	0.09
<i>Maternity</i>	1.41	0.8	0.54
<i>Paternity</i>	0.09	0.07	0.06
<i>Occupational diseases</i>	0	0	0
<b>Days lost for all types of leave</b>	<b>17,863</b>	<b>13,660</b>	<b>10,617</b>
<i>For common disease</i>	11,420	9,743	7,838
<i>For accidents at work (including travel to and from work)</i>	115	172	375
<i>Maternity</i>	5,962	3,443	2,156
<i>Paternity</i>	366	302	248
<i>For occupational diseases</i>	0	0	0
<b>Total No. of fatalities (related to work)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Other indicators of health in the work place

	2009	2008	2007
<b>Employees with sick/maternity/paternity leave in the year</b>	<b>733</b>	<b>737</b>	<b>563</b>
<i>For common disease</i>	585	632	482
<i>For accidents at work (at work and traveling to and from work)</i>	9	13	14
<i>Maternity</i>	98	58	38
<i>Paternity</i>	41	34	29
<i>For occupational diseases</i>	0	0	0
<b>Frequency index<sup>79</sup> (excluding accidents to and from work)</b>	<b>0.35</b>	<b>2.08</b>	<b>2.22</b>
<b>Frequency index (including accidents to and from work)</b>	<b>3.22</b>	<b>3.47</b>	<b>4.82</b>

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

100% of the bank's employees receive regular full medical check-ups and the medical service also counsels them regarding serious diseases, indicating the existence of external aid services.

<b>Actions of the Medical Service</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Medical examinations	541	596	563
Gynecological check-ups	145	124	143
Tests	608	503	621
Vaccinations	78	94	63
Consultations	851	1,008	1,070
Restocking first-aid boxes	137	172	167

The other medical services which Caja Navarra offers its employees include the opportunity for permanent staff to receive gynecological examinations paid for by the bank and, should employees suffer back problems or injuries, the opportunity to attend the 'back school' at no cost to the person affected.

Regarding tobacco addiction, legal regulations are strictly applied and programs to help employees kick the habit have been carried out.

<sup>79</sup> Frequency index: number of accidents with sick leave for every million hours worked.

## Work flexibility or work-life balance measures:

A broad set of work flexibility and work-life balance measures are available to those employees who wish to benefit from them. Most of these apply to 100% of the bank's employees, though some only apply to those with indefinite-term contracts (99%).

In 2009, 344 (+67.8%) employees made use of these measures, as opposed to 205 in 2008.

<b>Work-life balance measures</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Unpaid leave of absence according to CAN collective bargaining agreement	20	16	26
Reduced working day according to CAN collective bargaining agreement	59	28	29
Reduced working day	10	13	14
Banked breastfeeding hours	60	29	14
Paid leave from 35 <sup>th</sup> week of pregnancy	36	12	---
Leave to care for family	21	15	6
Paternity leave	42	35	29
Maternity leave	96	57	37
Technology for telework (tablet PC, eToken)	449	Not available	Not available
Working hours split between morning and afternoon for groups which find it difficult to access the job market (women >35).	45	45	45
<b>Total employees benefiting from work-life balance measures</b>	<b>838</b>	<b>250</b>	<b>200</b>

## Explanation of work-life balance measures:

- Unpaid Leave of Absence per Collective Bargaining Agreement: right of employees who have worked for the company for at least two years to request unpaid leave of absence, per calendar year, lasting no more than ninety days and no less than fifteen days.
- Reduced Working Day per CAN Collective Bargaining Agreement: parents legally in charge of children between 0 and 3 years of age have their working day reduced by two hours for 12 months without any reduction in pay.
- Reduced Working Day per Workers' Statute: those who for reasons of legal custody take direct care of a child under the age of eight or a person with a physical, mental or sensorial disability who does not perform paid work have the right to a reduced working day, with a proportionate reduction in pay.

CAN's Collective Bargaining Agreement allows this reduced working day to be extended until the child reaches the age of 12.

- The opportunity to bank the time for breastfeeding babies under the age of nine months into fifteen working days. As the table shows, in 2009, 60 employees requested that their breastfeeding hours be banked, as opposed to the 29 who did so in 2008.
- Paid Leave from 35<sup>th</sup> week of Pregnancy: paid leave available to all employees at the bank from the end of the 35<sup>th</sup> week of pregnancy until they give birth, generally in the 40<sup>th</sup> week of pregnancy.

- Replacement for maternity protocol: women managers and under-managers are supported by a member of staff from the moment they inform of their pregnancy until two weeks after they return to work following maternity leave. The technical systems required in order to keep track of business from home are also available.
- Use of technology to work from alternative locations (not just home): tablet PC and eToken (system which allows access to PC from a different location, accessing the same programs and files as those at post). These are supplied by individual request, according to personal situation. At present, 449 employees use eToken.
- Possibility of recourse to different working days to facilitate work-life balance. In 2009, 7.5% of the staff worked according to a timetable other than that established by the Collective Bargaining Agreement:
  - Possibility of reduced working day and adaptation to the school calendar:
    - Mornings from 10.30 am to 1.30 pm, from October to June. In offices with afternoon timetable, 3.30 pm to 8.30 pm or 4.30 pm to 8.30 pm.
    - Public job offer for both working days for groups with work integration difficulties (women over 40). At present, 45 women from this group work at CAN.

## Community programs

The social projects supported by CAN customers from the “disabilities and care” line in the “You choose: you decide” initiative, many of which are related to serious diseases, stand out for their economic volume and number. See economic figure in EC1.

## LA9 Health and safety topics covered in formal agreements with trade unions.

Health and safety topics are dealt with by the Occupational Health and Safety Committee, which is a joint company-workers committee. See LA6.

The subjects dealt with were:

- Medical Service.
- Preventive planning.
- Risk assessment and control.
- Occupational safety.
- Industrial hygiene.
- Ergonomics and applied psychosociology.
- Integration of Prevention in organization and coordination.
- Training and information.
- Cancha branch office counters.
- Swine flu.
- Activities of the Confederated Savings Banks Prevention Service (SPMCA).
- Dissolution of the SPMCA.

## Monitoring of the 2009 action plan:

2009 Objectives	Result
Training of "Occupational Risk Prevention Delegates".	Pending for 2010
30-hour classroom training for "Branch Office Prevention Officers".	Pending
Implementation of new occupational risk assessment criteria and guidelines for the risk of armed robbery.	Done
Evacuation drill at the Central Building.	Pending for 2010

## 2009 Occupational Risk Prevention training highlights:

- New employee reception course on Occupational Risk Prevention: 46 people trained.
- Occupational Risk Prevention course: 437 employees passed.
- Occupational Risk Prevention Course in Cancha branch offices: 82 employees trained.
- Course for data display screen users: 34 employees trained.
- Training of the CAN Prevention section Coordinator: 9 courses given in 2009.

## Objectives of the 2010 Occupational Risk Prevention action plan:

### 2010 Occupational Risk Prevention Objectives

Update occupational risk in offices assessment report.

Training in Occupational Risk Prevention for Prevention delegates.

Visits and update of report in Cancha branch offices: counter adaptation.

Armed robbery risk training for branch office employees.

Evacuation drill at the Central Building.

## Aspect: training and education

### LA10 Average hours of training per year per employee by employee category.

The average of training hours per employee in 2009 was 50.6 hours.

Hours of training	2009	2008	2007
Total hours of training	97,846	99,696	96,676
Hours of training per employee/year	50.6 h	51 h	51 h

As seen in "CAN's performance within the context of sustainability" in "Strategy, analysis and overview of CSR", these training hours per employee figures are far superior to those of the financial sector and even more so when compared with the average of large Spanish companies, without even considering other companies. It is worthy of note that these figures

remain constantly high over time. The same is true of the training investment indicators given below:

### Investment in training:

<b>Training investment</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Total investment <sup>80</sup> in training	€4,204,769	€4,649,499	€4,354,934
Investment in training per employee	€2,175	€2,358	€2,404
Investment in training as % of total salary expenditure	3.42%	3.84%	3.98%

### No. of people promoted (training is key to the professional development of those working at Caja Navarra):

<b>No. of people promoted</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Male	143	222	271
Female	245	314	291
<b>Total</b>	<b>388</b>	<b>536</b>	<b>562</b>

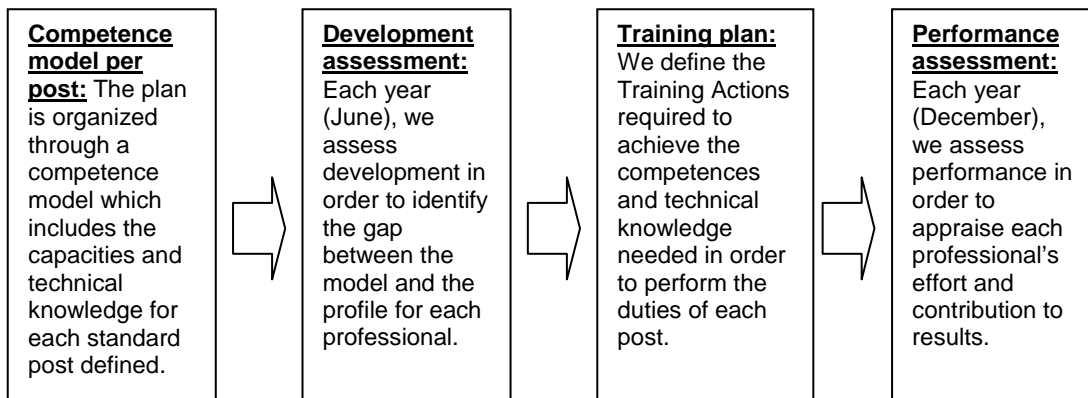
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

100% of the bank's employees are covered by the programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

### Role of the Training Program:

In order to understand the role of the Training Program in the structure and policy of training and development, it is necessary to refer to the following diagram:

<sup>80</sup> We understand "investment" in training as the sum of "expenditure" plus the "internal cost" (pay of employees who receive training in work hours). In previous years, we only reported expenditure.



Firstly, we develop a **competence model** for each standard post defined in the organization. This model includes the capacities and technical knowledge which each CAN employee should achieve depending on the post he/she holds or post he/she aspires to.

In order to draw up the organization's talent map and define training and development needs, a **development assessment** is performed each year (June) in order to identify the gap between the model and each professional's current profile.

We then implement the **Training Plan** required in order to develop and acquire the competences and technical knowledge needed in order to perform the duties of each post. This plan is designed according to a range of sources which reveal the organization's needs. These sources include: the results of the development assessment, meetings with senior management, middle management, social actors and people close to the lines of business, market trends and CAN's strategic orientation.

Finally, in order to appraise each professional's effort and contribution to results, and define the different variable compensation mechanisms, we carry out a **performance assessment** each year (December).

## Main characteristics of the Training Plan:

- **Transparent and participatory** training which encourages proactivity by presenting the training actions on the Employee's Portal. This allows those interested to know the programs related to their posts and professional careers, and sign up directly for those they wish to do.
- Additionally, those who wish may express their interest in developing a **professional career other than the one initially defined** and find out about and take part in the training actions which will allow them to pursue this course.
- A **computer tool** has been developed to manage training in with CAN's other human resource policy processes and policies.

## Other initiatives on which the training policy centers:

- Without under-exploiting the strong presence of mixed training (intense on-line training and, to a lesser degree, classroom training) and distance learning, we wish to place greater emphasis on **classroom training** given by internal monitors and trainers.
- Special attention is to be paid to training in the banking trade, sales skills and in the development of managerial and leadership capacities.

- Training programs which are more intense, shorter in length and strongly related to the training needs of daily work are to be implemented.
- In addition to boosting the role of internal trainers and monitors, we are also going to look towards **firms of acknowledged prestige in the training world** that can provide new focuses of learning and new sap to the professional lives of those who work with us.

## **Quantitative and qualitative objectives for 2010:**

### **Chief quantitative objectives:**

- Devote five percent of annual working hours to training.
- Maintain the investment as a percentage of payroll of recent years, approximately four percent.
- Provide half of our Cancha branch office managers with specific business banking training.
- Train all our financial consultants and officers in Sales Skills in order to increase cross selling and cut the customer desertion rate.
- Train all Civic Banking Networks consultants in sales skills.
- Have all Cancha branch office managers attend Managerial Skills workshops.

### **Qualitative objectives:**

- Contribute to the implementation of Acelera 2010, particularly in areas related to the optimization of revenue and consolidation of the new roles of intensification, integration, recovery and facilitation.
- Generate learning within the reach of the entire group in order to continue assimilating and developing the Civic Banking strategy in an innovative manner.
- Pay particular attention to training in those customer-related processes associated with forging stronger ties and loyalty.
- Develop training in "the trade", with special emphasis on risk analysis, good banking practices, regulations and auditing.
- Make a training catalogue available to all CAN staff so that they can express training preferences on a voluntary basis.

## **Processes**

Training is managed according to the now-traditional steps of identifying training needs, designing and developing programs, teaching and generating learning, and, finally, assessment of the training from the perspective of learning and contribution to the bank's objectives and results.

The design of a written Plan is a reflection of the needs analysis performed in consideration of the bank's business priorities, the main gaps in professional expertise detected in the different groups, the groups' own opinions and those of social actors,

The Plan draws from two sources. First of all, the results of the survey by the Personal Development department and, secondly, direct requests from the Service and Business areas, depending on their specific needs.

As a new feature, the creation of a new angle on training should be highlighted, making for a training design which responds to three possibilities:

- 1) **Training on the initiative of Personal Development and aimed at a specific group:** this section includes all the training actions proposed by Personal Development specific groups in the organization, Personal Development proposing those to take part in collaboration with Business or Central Services. In these cases, Personal Development manages the entire process and funds it from its budget.
- 2) **Training on the initiative of Personal Development and aimed at all those who wish to take part on a voluntary basis:** The difference from the first section is that those taking part do so having expressed an interest in taking part.
- 3) **Training proposed by the different areas of Central Services and Business:** this section includes all the training action requested by the different areas. It has a budget allocated for this purpose and Personal Development only acts as supervisor. These are basically external training actions given by quality providers which take place on a sporadic and specific basis. This can be represented with the following diagram:

## Indicators of the main training programs

The table shows the main training programs covered in 2010 which contributed to the development of the professional careers of CAN employees, together with the number of participants in each.

<b>No. employees in training programs</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Occupational Risk Prevention	293	1,435	---
Prevention of Money Laundering	313	503	1,146
EFA (Financial Consulting)	74	273	161
English	139	125	126
Business Banking	62	95	--
Access to Management (recently named managers and deputy managers)	40	80	127
CarreraCan (managerial development)	40	50	50

## Ágor@, Caja Navarra's on-line training track:

Training clips accessible to all employees on subjects which affect the bank.

<b>ÁGOR@</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Occasions accessed	40,737	41,033	47,623
Number of users	1,470	1,703	1,993

## Economic aid for studies:

Study aid to the sum of 90% of tuition fees and books is available to all employees according to the Collective Bargaining Agreement. 228 employees benefited from this aid in 2009, to a total sum of €150,217.

## Career endings

A range of keeping-up and bonding measures exist for those workers who end their careers at Caja Navarra through retirement or early retirement, such as:

- Monographic sessions on subjects of interest to retirees and early retirees.
- Sports, chess, cards championships, etc.
- Regular reunions.

## LA12 Percentage of employees receiving regular performance and career development reviews.

100% of employees receive regular performance and career development reviews.

Each employee's performance is assessed in relation with the ideals of Caja Navarra as established in its strategic plan (see 1.2). The Performance Management System is, therefore, a tool to:

- Implement the Civic Banking strategy, aiming everyone towards a common, shared goal.
- Assess and recognize each person's contribution fairly.
- Focus everyone's actions and behavior, aligning them with the strategic objectives.
- Know what is expected of each member of the organization at all times.
- Continuously measure person-post suitability at post and in the performance of daily functions.
- Identify people's potential, matching their interests and skills up with the organization.

Two review processes are performed every year. Personal Development sends those in charge an e-mail with the review questionnaire, the guide to perform the review and an improvement plan. Those in charge must interview their coworkers to explain the review to them and help them understand what the Organization expects and how they should reach these objectives. They must create an improvement plan together dealing with those points which have underachieved and create a monitoring plan.

The person in charge must send the filled-in review questionnaire back to Personal Development for processing and filing in each employee's file.

The reviews are used to determine the variable part of salaries, to analyze employee training and development needs, and to plan careers.

## Aspect: diversity and equal opportunity

## LA13 Composition of governance bodies and breakdown of employees per category according to gender, age

group, minority group membership, and other indicators of diversity.

**Governance bodies: General Board.**

	<b>2009</b>	<b>2008</b>	<b>2007</b>
Female	20%	19%	17%
Male	80%	81%	83%

**Management Committee:**

	<b>2009</b>	<b>2008</b>	<b>2007</b>
Female	4 (31%)	4 (29%)	1 (10%)
Male	9 (69%)	10 (71%)	9 (90%)

**Staff:**

**Breakdown of employees by gender**

	<b>2009</b>	<b>2008</b>	<b>2007</b>
Female	899 (47%)	926 (47%)	872 (46%)
Male	995 (53%)	1,046 (53%)	1,041 (54%)

**Age**

<30	287 female 150 male	385 female 227 male	418 female 263 male
30-40	389 female 384 male	344 female 351 male	280 female 323 male
40-50	145 female 232 male	119 female 228 male	104 female 229 male
>50	78 female 229 male	78 female 240 male	70 female 226 male

**Average age**

	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Staff</b>	<b>38</b>	<b>37</b>	<b>36</b>
Female	35	34	33
Male	40	39	39
Senior Management	37	36	36
Management Committee	41	41	42

## Staff posts by gender

	2009	2008	2007
<b>Middle management/branch managers</b>			
Female	240 (37%)	269 (38%)	235 (35%)
Male	411 (63%)	446 (62%)	432 (65%)
<b>Technical</b>			
Female	55 (39%)	57 (36%)	50 (37%)
Male	87 (61%)	100 (64%)	84 (63%)
<b>Administrative</b>			
Female	602 (55%)	598 (55%)	585 (53%)
Male	490 (45%)	491 (45%)	515 (47%)
<b>Rest</b>			
Female	2 (22%)	2 (18%)	2 (17%)
Male	7 (78%)	9 (82%)	10 (83%)

Other aspects of diversity	2009	2008	2007
Foreign employees	17	18	11
Employees with disabilities	6 + purchases from Special Employment Centers equivalent to 63.20 employees with disabilities (€1,180,383). LISMI Exceptional Circumstances Certificate.	6 + purchases from Special Employment Centers equivalent to 54.8 employees with disabilities (€1,019,736). LISMI Exceptional Circumstances Certificate.	7 + purchases from Special Employment Centers equivalent to 55 employees with disabilities (€987,702). LISMI Exceptional Circumstances Certificate.
Women over the age of 35 previously unemployed	45	45	31

## LA14 Ratio of basic salary of men to women by employee category.

The ratio of basic salary of men to women is 1:1 in all categories, there being no difference between the salaries earned by men and those earned by women at any level in Caja Navarra.

## Gender pay gap

As part of the bank's policy of transparency and fairness in relationships with its employees and customers, CAN has taken the initiative, pioneering in the business world, of addressing and reporting thoroughly on the question of the gender pay gap.

The concept of the pay gap is the difference between the salaries earned by men and women, the income earned by women being expressed as a percentage of that earned by men<sup>81</sup>. Sociological studies show that beyond the formal equality between the pay of men and women,

<sup>81</sup> Commission of the European Communities. 2007. *Tackling the pay gap between women and men*.

real inequalities between the average income of men and women do actually exist as a result of a range of social circumstances.

We report on the pay gap through Gross Pay per Hour, the method recommended by Eurostat which compensates for differences arising from reduced working days, leave, etc. We also report on the pay gap calculated through Gross Annual Pay, which is the most common form of calculation in the statistics available (see the “Integrated Indicators” section in the Executive Summary).

## Gender pay gap calculated by Gross Salary per Hour

Age	2009			2008			2007		
	MALE	FEMALE	GAP	MALE	FEMALE	GAP	MALE	FEMALE	GAP
<30	24.86	22.20	<b>89%</b>	25.00	22.08	<b>88%</b>	23.17	21.24	<b>92%</b>
31-40	35.98	29.04	<b>81%</b>	37.73	30.03	<b>80%</b>	36.23	29.39	<b>81%</b>
41-50	47.32	30.83	<b>65%</b>	48.61	33.43	<b>69%</b>	46.64	34.52	<b>74%</b>
>50	43.50	41.57	<b>96%</b>	45.55	39.52	<b>87%</b>	43.96	37.64	<b>86%</b>
<b>Total</b>	<b>38.68</b>	<b>28.23</b>	<b>73%</b>	<b>39.13</b>	<b>27.96</b>	<b>71%</b>	<b>36.90</b>	<b>26.76</b>	<b>73%</b>

## Gender pay gap calculated by Gross Annual Salary

Age	2009			2008			2007		
	MALE	FEMALE	GAP	MALE	FEMALE	GAP	MALE	FEMALE	GAP
<30	36,223	32,177	<b>89%</b>	35,822	31,428	<b>88%</b>	31,596	28,249	<b>89%</b>
31-40	53,911	42,348	<b>79%</b>	55,825	42,778	<b>77%</b>	52,429	39,455	<b>75%</b>
41-50	69,126	41,986	<b>61%</b>	70,952	46,866	<b>66%</b>	68,276	48,364	<b>71%</b>
>50	65,189	61,557	<b>94%</b>	68,203	58,484	<b>86%</b>	66,304	56,056	<b>85%</b>
<b>Total</b>	<b>57,388</b>	<b>40,709</b>	<b>71%</b>	<b>57,621</b>	<b>39,907</b>	<b>69%</b>	<b>53,664</b>	<b>36,479</b>	<b>68%</b>

The figures show that there is a significant pay gap at CAN in Gross Salary per Hour, although Gross Annual Salary has improved by 3%.

In comparative terms, as seen in “CAN’s performance within the context of sustainability”, CAN has a gender pay gap similar to that in the Spanish financial sector and slightly greater than the average of Spanish companies. By contrast, it should be pointed out that the pay earned by women at CAN was 15.5% higher than the financial sector as a whole and more than double that of average pay earned by women in Spanish companies.

The in-depth implementation of the Women’s Plan, approved in 2007, the structuring of the ‘Pluralcan’ area and the broad set of work-life balance measures (LA8) should also eventually have a positive effect on the gender pay gap.

## Human rights

### Disclosure on Management Approach

- Investment and procurement practices

In all its relationships, Caja Navarra demands ethical behavior, which should not solely be limited to compliance with regulations and should involve the precautionary principle. All contracts signed include business ethics executive clauses which suppliers undertake to observe and which, should they fail to do so, enable Caja Navarra to terminate the contract. They reflect the Principles of the Global Compact and a commitment to the environment which CAN passes on to its entire supply chain.

Regarding procurement, Caja Navarra is a founding member of the Responsible Buying Group Nexos, a body which specializes in offering assistance and the tools needed to facilitate business procurement based on Socially Responsible criteria, thereby minimizing the risks associated with non-sustainable practices and avoiding conduct in breach of human rights in production processes beyond the control of the company.

- **Non-discrimination**

Caja Navarra has made an explicit declaration of non-tolerance of discrimination on gender grounds, which has found expression in the "Protocol of action against sexual harassment and gender discrimination at work".

The creation of this document falls in line with the Cantera Strategic Plan and the Women's Plan. It aims to prevent and eradicate all forms of gender discrimination in the work environment and publicize the importance which Caja Navarra places on discrimination of this kind and its refusal to tolerate any such conduct.

The non-tolerance of any form of discrimination is expressed in the Code of Ethics and Conduct in force at the bank and which all persons forming the Caja Navarra staff are required to observe (see indicator HR4).

- **Freedom of association and collective bargaining**

There is full freedom of association at Caja Navarra and labor relations are regulated through collective bargaining.

- **Prevention of forced and compulsory labor**

In a strict sense, given the regulatory framework of labor relations and the staff's working conditions, specified both in job contracts themselves and the Collective Bargaining which governs labor relations at the bank, there is no risk of forced labor or labor performed under coercion.

In order to continuously improve health and safety conditions for all workers, prevention and safety policy programs have been implemented, leading to a low rate of occupational accidents and one of the lowest absenteeism figures in any sector.

Caja Navarra adheres to the Principles of the Global Compact. One of the principles states that "business must support the elimination of all forms of forced and compulsory labor", a commitment which CAN passes on to suppliers through clauses in supply contracts.

Caja Navarra has not performed operations involving any potential risk of incidents of forced labor or exploitation.

- **Complaints and Grievance Practices**

There are communication and dialogue procedures with stakeholder groups and mechanisms for the defense of labor rights and customer rights reflected in other sections in this Report.

Regarding conciliation procedures, as could not be otherwise, Caja Navarra submits to the provisions of the Collective Bargaining Agreement and current legislation.

- **Security practices**

The prevention policy followed by Caja Navarra for the promotion and improvement of working conditions involves enhancing the level of security protection in every aspect and the continuous improvement of the health conditions of all workers, without consideration of the level of protection deemed necessary or the achievement of targets set. We are committed to achieving the finest level of health and safety at work, accepting legal provisions published in this regard and attempting to improve the preventive action required.

- **Indigenous rights**

Given that Caja Navarra only operates in Spain, this section is not considered applicable.

## **Goals and performance**

Caja Navarra systematically includes clauses in line with the Principles of the Global Compact in its supply contracts and specifications. The goal has, therefore, been achieved and the requirement to support and respect Human Rights has been included in all contractual relations.

At internal level, we define the maxims of responsible compliance and conventional observance of the law as minimums in our code of ethics and conduct, considering respect for human rights and current labor legislation as unquestionable at Caja Navarra.

Caja Navarra also works to help the most disadvantaged sectors of society, whose human rights may be violated, through the social projects in the “You choose: you decide” initiative (see 4.16, 4.17 and EC1).

## **Policy**

Caja Navarra guarantees maximum respect for human rights in all aspects of its policies, strategy and organizational structure. It works within a regulatory framework in which strict compliance with applicable regulations guarantees Human Rights and in which the bank's current Collective Bargaining Agreement guarantees the work rights of employees. It therefore adopts strict compliance with labor legislation as a minimum regarding its conduct. There are no latent risks of non-compliance in the field of human rights.

Caja Navarra extends its commitment to Human Rights to its suppliers through clauses in contracts by which they undertake to observe the Principles of the Global Compact and its commitment is provided for internally in its Code of Ethics and Conduct.

Caja Navarra applies a universal banking model based on the principle of non-discrimination. Through its Social Project Work, the bank helps disadvantaged sectors of society, supporting non-discrimination and accessibility.

## **Organizational responsibility**

All employees follow a training track in which special emphasis is placed on the values and ideals which guide the action of CAN and are committed to the ethical management of labor performance, as reflected in the Code of Ethics and Conduct. Given the nature and boundaries of action of the organization, nobody is directly in charge of human rights due to the fact that latent risks of non-compliance with the same in the relationship between Caja Navarra and its

employees and suppliers do not exist. The Code of Ethics and Conduct Committee would deal with any possible violation.

## **Training and awareness**

All employees have access to information on the Global Compact on the Caja Navarra Intranet and they have all received training on the 'You choose: you decide' program, which essentially comprises the practice of Caja Navarra regarding human rights.

## **Monitoring and follow-up**

Failure to comply with the Global Compact Principles clause is reason to terminate contracts with CAN suppliers. Cases of non-compliance have not arisen. Risks of non-compliance with human rights regarding employees have not been detected.

## **Additional contextual information**

Existence of freedom of association and union representation in the legal framework. Caja Navarra guarantees these rights to its employees and provides workers' representatives with premises to perform their union work. It also provides all employees with full medical examinations to ensure the right to health of its employees.

## **Human Rights Performance Indicators**

### **Aspect: investment and procurement practices**

**HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.**

Caja Navarra applies the same human rights policy to its investments as it does internally: to guarantee the maximum protection of human rights, to demand ethical behavior in all relationships and to adopt maximum compliance with applicable national and international legislation as a minimum. No specific risks in this regard have been detected in the sectors in which CAN invests. Information: see FS1, FS2, FS3 and FS11.

**HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.**

Caja Navarra contractually requires its suppliers to undertake compliance with the ten Principles of the Global Compact and, consequently, to support and respect basic human rights. This undertaking is included in a large majority of the supply contracts and formulas which the Bank signs.

### HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

In essence, Civic Banking consists of the application of human rights to financial activity. In this broad sense, it can be said that all CAN employees have received training on human rights by the formal and informal means in existence in the organization. In 2009, an estimated 22,255 training hours were devoted to human rights. 149 employees also received Prevention of Money Laundering training, totaling 298 hours.

#### **Aspect: non-discrimination**

### HR4 Total number of incidents of discrimination and actions taken

No incidents of discrimination took place in Caja Navarra in 2009.

Should an incident of gender discrimination arise, then the Protocol of Prevention of Sex-based Harassment and Discrimination in force at Caja Navarra defines a specific reporting procedure which guarantees the absolute confidentiality, privacy and dignity of those affected.

Should an incident of another nature take place which violates the provisions of Caja Navarra's Code of Ethics and Conduct, then a reporting procedure with the same guarantees as those in place for gender discrimination also exists.

All customers and employees must be treated equally, as established in the Code of Ethics and Conduct.

#### **Aspect: freedom of association and collective bargaining**

### HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

None.

#### **Aspect: child labor**

### HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

None.

#### **Aspect: forced and compulsory labor**

HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.

None.

**Aspect: security practices**

HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Caja Navarra contracts its security personnel through external companies authorized by the Directorate General of the Police force, which guarantees the suitable training of employees for the post.

**Aspect: indigenous rights**

HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.

None. Given that Caja Navarra only operates in Spain, this indicator is not, in practice, applicable to the bank.

## **Society**

### **Disclosure on management approach**

All of CAN's activity is Civic Banking and Civic Banking centers on community creation: the Civic Banking Community, consisting of CAN and its employees, customers, who choose the social projects they wish to support, social organizations, which present the social projects to choose from, and society in general as beneficiary. Consequently, all the information on this topic has already been provided in "Strategy, analysis and overview of CSR", "1. Strategy and analysis", "2. Organizational Profile" and "Product and service impact".

### **Society performance indicators**

**Aspect: community**

SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impact of operations on communities, including entering, operating and exiting.

The new approach to finances which Caja Navarra proposes, in which customers have new rights and decide 100% the Social Project Work that should be performed, is having an extremely positive impact which is finding expression in and around the Civic Banking Community (approximately one million people, consisting of CAN customers and the members of organizations that present social projects), the most relevant indicators of which are given in “Strategy, analysis and overview of CSR” (Synthetic Indicators of Civic Banking).

### FS13 Access points in low-populated or economically disadvantaged areas by type.

See “CAN’s performance within the context of sustainability” and 2.8.

### FS14 Initiatives to improve access to financial services for disadvantaged people.

CAN’s initiatives to integrate disadvantaged people are explained in the relevant indicators, outlined chiefly in “Strategy, analysis and overview of CSR”, EC1, FS1 and FS2. The entire set of these constitute CAN’s social integration action.

### Aspect: **corruption**

### SO2 Percentage and total number of business units analyzed for risks related to corruption.

Caja Navarra performs external audits which assess compliance with the Prevention of Money Laundering systems. The main conclusion of these audits is that the Caja Navarra Group’s Integrated Prevention of Money Laundering and Funding of Terrorism System complies comprehensively and suitably with the legal requirements set by Spanish law

Comparative studies performed by the Bank of Spain acknowledge CAN’s Prevention of Money Laundering System as one of the best in the sector.

All business units were analyzed for risks related to corruption in 2009. There were 8 notifications of suspect money-laundering operations in 2009.

<b>Risks related to corruption</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
No. of business units analyzed	All	All	All
Percentage of units analyzed	100%	100%	100%
Notifications of suspect money laundering operations	8	8	11

### SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.

6.23% of employees received specific training on anti-corruption policies and procedures in 2009. See also LA11.

In more general terms, all of Caja Navarra’s employees have the right and duty to know the different anti-corruption codes. The regulations which employees must observe in this respect (Code of Ethics and Conduct, Internal Regulations of Conduct regarding the Securities Market and the Manual for the Prevention of Money Laundering) are available to employees and the general public on Caja Navarra’s Web site, [www.cajanavarra.es](http://www.cajanavarra.es).

## SO4 Actions taken in response to incidents of corruption.

CAN did not detect any incidents of corruption involving employees in 2009 and did not, therefore, have to take any action.

<b>Actions in response to incidents of corruption</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Incidents of corruption	0	3	2
Action taken	None	Disciplinary dismissal. In one of the three cases, the employee resigned prior to dismissal.	Disciplinary dismissal

### Aspect: public policy

## SO5 Public policy positions and participation in public policy development and lobbying.

All relationships between Caja Navarra and the Administrations are effected in accordance with the principle of legality and within the framework of ethical and socially responsible conduct, respecting the guidelines for conduct established in the Organization’s codes of behavior, its acts being publicly inspectable and inspected. Caja Navarra publishes an Annual Corporate Governance Report which includes, among other things, information regarding its relationship with the Administration.

It is available for consultation at: <http://www.cajanavarra.es/es/conocenos/informacion-para-inversores/informe-anual-de-gobierno-corporativo/>

## SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

Caja Navarra does not make any contributions to any political parties.

In this regard, it should be pointed out that the Executive Committee of Caja Navarra is informed of and approves credit, sureties and guarantees to those political parties represented in local councils and autonomous legislative bodies which have participated in the Caja Navarra electoral process, ensuring that they are granted in accordance with market conditions. These operations are described in the Annual Corporate Governance Report and are reproduced here.

In 2009, a personal loan expiring on 08/19/2009 was granted to the political group Aralar on 08/19/2009 for €110,000. It was settled on 07/31/2009.

The current situation regarding credit and loans granted to the political groups which meet the conditions indicated is as follows:

### **Partido Socialista Obrero Español (PSN/PSOE):**

- Mortgage loan on commercial premises granted on 04/19/2001 and expiring on 04/19/2022, for €53,600 at an interest rate of 4.57%, without interest-only period, and with a balance on 12/31/2009 of €39,089.71 and paid principal of €14,470.22.
- Mortgage loan on commercial premises granted on 12/16/2002 and expiring on 12/16/2022, for €24,000 at an interest rate of 2.92%, without interest-only period, and with a balance on 12/31/2009 of €17,880.20 and paid principal of €6,119.80.
- Mortgage loan on offices granted on 12/16/2002 and expiring on 12/16/2022, for €21,000 at an interest rate of 2.92%, without interest-only period, and with a balance on 12/31/2009 of €15,645.26 and paid principal of €6,119.80.
- Personal loan granted on 04/19/2007 and expiring in 2011 for €70,000 at an interest rate of 5.75%, with an interest-only period of 0 months, settled on July 29, 2009.
- Mortgage loan granted on 01/17/2007 and expiring in 2022, for €120,000 at an interest rate of 6.25%, with an interest-only period of 0 months, and with a balance on December 31, 2009, of €103,667.06 and paid principal of €16,332.94.

### **Aralar:**

- Personal loan granted on 10/05/2007 and expiring in 2011, for €230,000 at an interest rate of 2.73%, without interest-only period, and with a balance on December 31, 2009, of €112,610.86 and paid principal of €117,389.14.

### **Convergencia de Demócratas de Navarra:**

- Surety for €25,956 dated 01/04/2005 and still valid on 12/31/2009.

### **Izquierda Unida de Navarra:**

- Mortgage loan granted on 03/30/2006 and expiring on 03/30/2021, for €157,000 at an interest rate of 2.24%, with an interest-only period of 16 months, and with a balance on 12/31/2009 of €129,237.72 and paid principal of €27,762.28.

### **Aspect: anti-competitive behavior**

**SO7 Total number of legal actions for anti- competitive behavior, anti-trust, and monopoly practices and their outcomes.**

None.

## Aspect: **compliance**

SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

None.

## **Product responsibility**

### Disclosure on Management Approach

#### **Goals and performance**

On a voluntary basis, Caja Navarra has its own “Ethical Code regarding Publicity”, applied since 2008, which defines the principles of action and rules which must be observed in all forms of publicity issued by Caja Navarra. The principles which govern the release of publicity by CAN approved by the Senior Management in this Code are:

- Transparency and veracity. Caja Navarra will not release publicity which, due to the inaccuracy of the main or secondary information which it contains, ambiguity, deliberate omissions or other circumstance, may be considered misleading or may cause audiences to arrive at mistaken interpretations.
- Respect for the values, principles and rights recognized in the Constitution and current legislation.
- Good faith. Caja Navarra’s publicity must never constitute a means by which to abuse the good faith of potential customers.
- Non-discrimination on grounds of gender, race, sexual orientation, nationality, religion and any other circumstance which may represent a form of discrimination which encroaches upon personal dignity.
- Respect for the right of honor, privacy and self-image in all of Caja Navarra’s publicity.
- To protect children, teenagers and other groups which call for special attention. All publicity will be thoughtful and under no circumstances shall it exploit the inexperience, ingenuity or credulity of especially sensitive groups.
- Regarding good taste, no publicity shall incite illegal behavior or violence. Under no circumstances shall Caja Navarra release publicity which may contravene general criteria of good taste or incite illegal behavior or violence.
- Respect for the environment. Caja Navarra’s publicity will not encourage or incite behavior incompatible with sustainable development and/or prove harmful to the environment.

No publicity contravening these principles will be released. The Code of Ethics and Conduct Committee will be the body responsible for ruling on any matter arising related to the application of or non-compliance with these principles in accordance with its competences.

The initiative of including a new product in the Caja Navarra catalogue is based on a customer need detected in any part of the organization. Once such a need has been detected, the Product Committee sets to work, its objective and responsibility being to launch products as quickly and

perfectly as possible. Although the Committee acts in an executive capacity, the Senior Management ultimately approves products. The objective of the Committee is to analyze matters of a legal, reputational, tax, credit, interest-rate and operational nature and all aspects which may affect the product being launched, coming up, in the event, with solutions to make it viable to launch the product in the market as quickly as possible, while scrupulously respecting legal regulations and conforming to the philosophy and policies of Caja Navarra.

When it is decided by any area of Caja Navarra that a new product should be launched or commercialized in the market, a standardized procedure begins which finishes with the approval or rejection of Senior Management and, consequently, its commercialization or not.

The unit which proposes the initiative sends the document to the Department of Organization, which immediately sends it on to all the members of the Products Committee. Each unit must analyze the product proposed and communicate its decision regarding those matters in which it is competent in writing.

In order to ensure strict compliance with regulations and conformity with current legislation and the interests and needs of customers, the Legal Affairs Department, the Department of Compliance and the Audit Department all form part of this Committee. The composition of the Committee is as follows:

- Marketing.
- Organization and Technology.
- Auditing.
- Compliance.
- Legal Affairs.
- Tax Consultancy.
- Risks.
- Disintermediation and markets.
- Accountancy Department.
- Means of Payment and Personal Financing.
- Commercial Section.
- Linguistic Development.

## **Policy**

CAN's traditional business segment is household economies and this segment has been its priority since the bank was founded. The business segment is also considered a priority and significant efforts have been made to attract and strengthen relationships with companies. Subsegmentations are used so that we can always offer the product most suitable to each kind of customer. Examples of subsegmentations catered for include: at personal banking level: the elderly, new residents, children and young people; and at business banking level: traders, industrial companies and real estate financing. Two groundbreaking territories linked in with the Cantera Plan have been defined: women and entrepreneurs, and a wide range of specific products have been developed for these subsegments.

Caja Navarra works systematically to identify and anticipate trends developing in the market and among the competition. In line with the pioneering role which the bank adopts, its efforts are more focused on anticipating trends through cutting-edge forums and research than on keeping an eye on the competition, although a system does exist in order to keep the bank informed regarding the competition's strategies and products.

## **Organizational responsibility**

The Head of the Organization Department is in charge of running the Product Committee, and it is their job to convene it, steer it and perform monitoring/follow-up work. Final approval is the responsibility of the bank's Senior Management.

## **Training and awareness**

The training track for new employees which provides them with comprehensive knowledge of Caja Navarra and the products and services which it offers its customers is described in section LA11 of this report.

## **Monitoring and follow-up**

The Organization Department coordinates and monitors the action which it is agreed that each area should perform in order to ensure that the end product is developed as specified and anticipated by the Product Committee. Each product must receive the relevant final approval from Senior Management, responsibilities being distributed as follows:

- The Assistant General Director in charge of Business Financing approves company-related products.
- The Assistant General Director in charge of Personal Banking approves all other products.

The following products are not monitored by the Committee due to their exclusive nature:

- Those defined for a single customer:
  - Private Banking Products.
  - Products specific to a single company.
- Personal Financing Products.
- Those which form part of pre-existing lines and which use normal channels.
- Products arranged for certain groups: it is sufficient to receive approval from the Department of Credit and contact Marketing to release publicity.

## **Special Information regarding the Financial Services Sector**

### **Aspect: product and service labeling**

FS15 Policies for the fair design and sale of financial products and services.

See "Disclosure on Management approach".

## **Product responsibility performance indicators**

### **Aspect: Customer health and safety**

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement,

and percentage of significant products and services categories subject to such procedures.

Given that the products and services which Caja Navarra offers its customers are of a financial nature, they do not involve components which may directly affect customer health. CAN offers its customers the products best suited to their needs and expectations. Matters of customer health and safety when using Caja Navarra products and services essentially refer to matters concerning their safety at the bank's branch offices and on its premises. Caja Navarra employs a full range of systems and services to ensure customer safety.

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

None.

### **Aspect: Product and service labeling**

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

Caja Navarra has a Product Committee whose job it is to conform each of its products not only to the bank's commercial policy, but also legal regulations. To this end, the Committee comprises the different sections of Caja Navarra and, particularly, the Legal Affairs Department and the Department of Compliance, which ensure that both products and other actions – publicity, contracts, etc.- strictly comply with all legal requirements.

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

No incidents of non-compliance took place over the period covered by the report.

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

See section 4.17 of the present report.

FS16 Initiatives to enhance financial literacy by type of beneficiary.

## **‘Tribucan. The tribe gets down to business!’**

TribuCan is an educational project stemming from the pioneering spirit of Civic Banking. In the academic year 2009/2010, it has been extended to 54 schools in Navarra (25), Madrid (10), the Basque Country (8), La Rioja (5), Catalonia (4) and Aragon (2), with the participation of 2,750 students aged from 12 to 16. 2009/2010 is the third year of Tribucan, which first began in the academic year 2007/2008 as a pilot program at 8 schools.

TribuCan is backed by the well-known teacher and philosopher José Antonio Marina, directed by CAN staff and supported by a team of entrepreneurial businessmen (Eurecan program), teachers and educators.

This initiative, a first in the educational world, aims to get society (the tribe) involved in encouraging entrepreneurial spirit based on civic values among children, within the framework of basic competences established in the Organic Law of Education. 108 of CAN’s top management personally take part in Tribucan, including the General Director, entering the classrooms and working alongside the students on their business-creation projects. 54 entrepreneurial businesspeople also take part, acting as tutors for students doing projects.

The project involves creating a company selling eco-friendly bags, the end profit going to the Technical-Productive Education Center run by UNESCO in Lima (Peru). The aim is get educational institutions, cultural bodies, associations, families, youth groups, political parties and anyone interested in supporting it involved in the initiative.

<b>Tribucan</b>	<b>2009/2010</b>	<b>2008/2009</b>	<b>2007/2008</b>
No. schools taking part	54	32	8
No. students taking part	2,750	1,660	416
No. CAN managers taking part	108	68	16
No. hours put in by CAN managers	702	680	80
No. businesspeople as tutors	54	20	8

## **Aspect: Marketing communications**

**PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.**

The standard procedure employed by the Marketing Department is that all product “publicity” for Navarra bearing an interest rate must be approved by the Government of Navarra’s Department of the Economy. At state level, like all other banks, we have to present our publicity to the Bank of Spain in order to receive approval prior to release in the media.

This also applies to mutual funds, which receive approval from the National Securities Market Commission (CMNV), and insurance, which is approved by the National Insurance Directorate.

Caja Navarra has voluntarily produced its own “Ethical Code regarding Publicity”. Regarding other codes and procedures, apart from relying on our different codes of good practice, we fundamentally base ourselves on the wisdom of experience and the use of a great deal of common sense, a basic tool in modern-day marketing.

PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

No incident of any kind has taken place in the period of time covered by the Report.

**Aspect: Customer privacy**

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

There were 12 substantiated complaints regarding customer privacy and loss of customer data in 2009.

	2009	2008	2007
Substantiated complaints regarding customer privacy and loss of customer data	12	9	8

None of these complaints went as far as the Data Protection Agency and no cases were opened.

**Aspect: Compliance**

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

No fines, significant or otherwise, were imposed during the period covered by the present report.

## APPENDIX I

## Balance Sheet and Profit and Loss Account for the last two financial years (individual)

### Balance Sheet for the last two financial years (individual)

(Prior to profit distribution)

In thousands of euros

<b>ASSETS</b>	<b>2009</b>	<b>2008</b>
<b>Cash and deposits at central banks</b>	<b>1,264,182</b>	<b>262,261</b>
<b>Trading portfolio</b>	<b>35,191</b>	<b>18,889</b>
<b>Financial assets available for sale</b>	<b>2,904,462</b>	<b>2,594,688</b>
Debt securities	2,801,890	2,499,169
Capital instruments	102,572	95,519
<b>Loan portfolio</b>	<b>13,698,709</b>	<b>14,492,601</b>
Deposits in credit entities	213,144	1,014,875
Credit to customers	13,485,565	13,477,726
Memorandum: loaned or pledged	747,365	959,585
<b>Held-to-maturity investment portfolio</b>	<b>253,262</b>	<b>255,735</b>
<b>Hedge derivatives</b>	<b>180,034</b>	<b>87,209</b>
<b>Non-current assets for sale</b>	<b>51,141</b>	<b>21,437</b>
<b>Shares</b>	<b>408,446</b>	<b>397,963</b>
Associated entities	2	5,770
Multigroup entities	5,789	4,508
Group entities	402,655	387,685
<b>Pension-linked insurance contracts</b>	<b>897</b>	<b>781</b>
<b>Tangible assets</b>	<b>505,678</b>	<b>532,436</b>
Fixed tangibles	459,897	520,048
Of own use	445,011	505,089
Moveable property investments	-	1,832
Related to Social Project Work	14,886	14,959
Real estate investments	45,781	12,388
<b>Intangible assets</b>	<b>25,207</b>	<b>19,858</b>
<b>Tax assets</b>	<b>51,063</b>	<b>58,530</b>
<b>Other assets</b>	<b>6,184</b>	<b>5,359</b>
<b>TOTAL ASSETS</b>	<b>19,384,456</b>	<b>18,747,747</b>

<b>LIABILITIES</b>	<b>2009</b>	<b>2008</b>
<b>Trading portfolio</b>	<b>80,485</b>	<b>36,745</b>
Trading derivatives	80,485	36,745
<b>Financial liabilities at redeemed cost</b>	<b>17,914,256</b>	<b>17,420,316</b>
Deposits central banks	601,650	1,282,857
Deposits credit entities	1,544,216	757,612
Customer deposits	13,232,925	13,613,349
Debits represented by negotiable securities	1,946,386	1,550,594
Subordinate liabilities	505,236	152,201
Other financial liabilities	83,843	63,703
<b>Hedge derivatives</b>	<b>40,848</b>	<b>33,742</b>
<b>Provisions</b>	<b>129,816</b>	<b>131,386</b>
For pensions and similar obligations	101,121	97,075
Provisions for tax and other contingencies	3,000	6,000
For contingents risks and obligations	11,023	13,594
Other provisions	14,673	14,717
<b>Tax Liabilities</b>	<b>3,934</b>	<b>6,801</b>
<b>Social Project Work Fund</b>	<b>15,194</b>	<b>15,447</b>
<b>Other liabilities</b>	<b>21,725</b>	<b>16,770</b>
<b>TOTAL LIABILITIES</b>	<b>18,206,258</b>	<b>17,660,487</b>
<b>NET WORTH</b>	<b>2009</b>	<b>2008</b>
<b>Valuation adjustments</b>	<b>-31,021</b>	<b>-45,510</b>
<b>Own funds</b>	<b>1,209,219</b>	<b>1,132,770</b>
Capital or provision fund	3	3
Reserves	1,087,667	982,754
Gain of financial year	121,549	150,013
<b>TOTAL NET WORTH</b>	<b>1,178,198</b>	<b>1,087,260</b>
<b>TOTAL NET WORTH AND LIABILITIES</b>	<b>19,384,456</b>	<b>18,747,747</b>

## Profit and loss account for the last two financial years

In thousands of euros

	2009	2008
Interest and assimilated revenue	647,790	828,778
Interest and assimilated expenses	(379,321)	( 577,803)
<b>A) INTEREST MARGIN</b>	<b>268,470</b>	<b>250,975</b>
Revenue from capital instruments	14,546	91,677
Fees received	71,268	79,182
Fees paid	(7,520)	(8,865)
Profit/loss from financial operations	53,801	(3,094)
Exchange differences (net)	1,334	1,779
Other operating products	8,851	8,974
Other operating expenses	(10,040)	(6,577)
<b>B) GROSS MARGIN</b>	<b>400,710</b>	<b>414,051</b>
Administration expenses	(191,672)	(192,415)
Staff expenses	(127,895)	(128,829)
Other administrative expenses	(63,777)	(63,586)
Amortization	(27,808)	(27,808)
Allocation to provisions (net)	(33,209)	(17,138)
Loss through financial asset impairment (net)	(71,887)	(104,387)
<b>C) PROFIT/LOSS FROM OPERATIONS</b>	<b>88,981</b>	<b>72,303</b>
Loss through other asset impairment (net)		
Profit/loss on current assets	45,393	74,748
Profit/loss on non-current assets	1,557	3,181
<b>D) PRE-TAX PROFIT/LOSS</b>	<b>135,931</b>	<b>150,232</b>
Tax on profit	(14,382)	(219)
<b>E) PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b>121,549</b>	<b>150,013</b>

## APPENDIX II

# United Nations Global Compact: Communication on Progress

The 2009 Social Responsibility Report is also the annual Progress Report on the application of the 10 principles of the United Nations Global Compact, which Caja Navarra has adhered to since 2005 and is a commitment that it renews every year.

It should be pointed out that through the use of this format, the Caja Navarra Communication on Progress has previously been awarded the highest possible qualification (Notable Communication on Progress).

Area	Principle	Contents	See indicators
Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed, fundamental human rights within their spheres of influence	EC5, LA4, LA6-9, LA13-14, HR1-9, SO5, PR1-2, PR8, FS2, FS3, FS4, FS5, FS10, FS11
Human rights	Principle 2	Businesses should make sure that they are not complicit in human rights abuses	HR1-9, SO5, FS2, FS3, FS4, FS5, FS11, FS13, FS14
Labor standards	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	LA4-5, HR1-3, HR5, SO5, FS2, FS3, FS4, FS5, FS10, FS11
Labor standards	Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	HR1-3, HR7, SO5, FS2, FS3, FS4, FS5, FS10, FS11
Labor standards	Principle 5	Businesses should uphold the effective abolition of child labor	HR1-3, HR6, SO5, FS2, FS3, FS4, FS5, FS10, FS11
Labor standards	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	EC7, LA2, LA13,-14, HR1-4, SO5, FS1, FS3, FS4, FS5, FS10, FS11
The environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	EC2, EN18, EN26, EN30, SO5, FS1, FS2, FS3, FS4, FS5, FS10, FS11
The environment	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	EN1-30, SO5, PR3-4, FS1, FS2, FS3, FS4, FS5, FS10, FS11
The environment	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	EN2, EN5-7, EN10, EN18, EN26-27, EN30, SO5, FS1, FS2, FS3, FS4, FS5, FS10, FS11
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	SO2-6, FS1, FS2, FS3, FS4, FS5, FS10, FS11

## APPENDIX III

# GRI content index

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## GLOSSARY

- CCI-CSR: Central Scoreboard for CSR. Scoreboard consisting of a set of 27 indicators of a company or entity's social, environmental and economic performance. The scoreboard is a pioneering initiative at world level designed by the Spanish Association of Accountancy and Business Administration (AECA), and available since 2010. It allows information on CSR performance to be produced, disseminated and compared in a straightforward fashion. Caja Navarra was the first company to produce its CCI-CSR, with information on its performance in 2009.
- *Civic sampling*: try Civic Banking. CAN created a card (called *civic sampling*) worth €10 which non-customers can donate to the social project of their choice and, therefore, experience what Civic Banking is, i.e. discover how CAN customers feel when they choose which social projects they wish to support with part of the profit generated by their business at CAN. 'Activating' a *civic sampling* means donating the €10 to a specific social project.
- Community management. At the end of 2009, CAN employed 120 experts in community management approached from a financial perspective. These people belong to the Civic Banking Networks business unit.
- GRI: Global Reporting Initiative (GRI), the body behind the commonly accepted benchmark guide at international level for the production of CSR reports.
- XBRL: acronym for *eXtensible Business Reporting Language*, the computer language in which financial information is reported to the regulator (National Securities Market Commission, Bank of Spain) and which allows for the automatic processing and comparison of information.
- XBRL-CSR: application of the XBRL language to CSR reporting. One of its chief purposes is to permit the automated comparison and processing of CSR information. This is performed through a set of more than 500 synthetic indicators from the XBRL-CSR Taxonomy, a pioneering initiative at world level designed by the Spanish Association of Accountancy and Business Administration (AECA) initiated in 2009. In 2008, Caja Navarra became the first company in the world to produce an XBRL-CSR Report.