

SECTORIAL CSR REPORT

WORKING GROUP

2007

SUMMARY

A corporate responsibility report must serve to quantify and express the performance of an organisation in all fields which have an impact on those agents with an interest in the said organisation or in its activities.

In the sphere of operations of Savings Banks, given the context within which they undertake their activity, effective communications are essential in order to allow stakeholder groups to see the great value they are providing, through both their Social Projects and other responsible corporate policies.

The commitment of Spain's Savings Banks to transparency and communication with their stakeholder groups has given rise to the establishment of a working group involving all twenty-three institutions and the CECA, intended among other aims to produce standardised information for the sector allowing for comparisons to be made among the various Savings Banks and over time, thereby avoiding any repetition in the information sent to the various departments of the CECA.

In terms of the profiles of the people involved in the Working Group there has been a great variety, including individuals with specific responsibility for CSR and Social Projects.

The involvement of Savings Bank staff has been based on definition tasks, with the need for the CECA team to be informed of their criteria. These tasks are performed by means of meetings and the internal operations of the CECA team.

The outcome of the work performed takes the form of the Questionnaires which have been produced and the Sectorial CSR Report produced. It would in this regard be true to say that the Savings Bank sector has played a pioneering role in adapting its social and environmental reporting to the directives of the new 2006 Sustainability Report Publication Guide (G3-GRI).

SPECIFIC OBJECTIVES

The main specific objectives set for the Working Group were as follows:

- Identify and standardise the external information required to feed the questionnaire, through definition of information needs and the establishment of the necessary resources in order to obtain data, avoiding parallel requests for information already being gathered via other CECA channels (CECA Yearbook, Human Resources., Statistics...).
- Adapt the questionnaires to the new G3 focuses (New GRI Sustainability Report Publication Guide). This task involves defining all the indicators to be reported by the Savings Banks.
- Translation of the G3 technical protocols and adaptation to the specific issues facing Savings Banks.
- Development and inclusion in both the Social Projects and CSR Reports of specific indicators developed by the Savings Banks.
- Take part in the preparation and dispatch of sundry documents to the Savings Banks regarding CSR.
- Produce and send to the Savings Banks the documentation required for them to adapt their individual reports to the new G3 guidelines.

COORDINATION TASKS

Meanwhile, in terms of the General Coordination of the project, the following tasks have been undertaken by the Working Group:

- General administration and monitoring of the project.
- Decisions taken regarding the Sectorial Questionnaire.
- Active involvement in the Monitoring Cycle for the design of the Sectorial Report.

As for monitoring of the preparation of the Sectorial Report Questionnaire, meetings were held of the Working Group to review each of the tasks derived from the various stages, identifying possible critical information points and taking the corresponding corrective decisions.

In this regard, internal communication tools were used, in addition to face-to-face meetings, to develop tasks and deal with doubts, with the aim of making the working meetings more functional.

WORKING METHODOLOGY

The working methodology employed covered the following operational phases involved in producing the sectorial questionnaire:

- Conceptual Definition.
- Assessment of the Information Environment.
- Production:
 - Design of the Savings Banks' own indicators
 - Design of the Questionnaire.
- Resolution of doubts
- Data cleaning and processing

- CONCEPTUAL DEFINITION

The aim of this phase was to produce a conceptual description of the information required in order to produce the report in accordance with the GRI guidelines.

The issues discussed during this initial stage included such aspects as the main changes in the new G3 guide compared with the 2002 version, the principal modifications made to indicators, the criteria applied by the Savings Banks and a general analysis of the indicators and variables to be included.

- ASSESSMENT OF THE INFORMATION ENVIRONMENT

The aim of this second phase was to identify and standardise the information required to feed the questionnaire, through definition of information needs and the establishment of the necessary resources in order to obtain data

It was therefore intended that this stage should provide a proper definition, with the necessary degree of detail, of all information needs required in order to design the questionnaire.

This involved defining each and every one of the variables which make up the questionnaire, in addition to translating the G3 technical protocols and then adapting them to the specific issues facing Savings Banks.

- PRODUCTION

The aim of this phase was to produce the questionnaires required in order subsequently to develop the Sectorial Report.

This phase was divided into two parts, the design of indicators on the one hand, and the design of questionnaires on the other.

- **Design of Indicators**

The indicators were designed with the aim of measuring the results of the Savings Banks' real activity in various aspects of social responsibility.

The diagnosis and measurement of the development of corporate social responsibility at Spain's Savings Banks was thus performed by means of quantitative, qualitative and objective indicators, grouped into different key aspects of the administration of social responsibility, in both internal and external aspects.

This first involved development of the indicators proposed by the GRI, detailed as follows:

- Social aspects:
 - Corporate Governance
 - Working environment
 - Market environment
 - Community
- Environmental aspects.

Meanwhile, in addition to the above general indicators, the Savings Banks have added their own indicators, in accordance with the specific nature of their activities.

The main specific indicators developed are as follows:

- Aspects connected with Social Projects
 - Distribution of the Profits of Savings Banks and Expenditure on Social Projects.
 - Wealth creation: Analysis of the impact of the Savings Banks' Social Projects on Spain's Gross Domestic Product, analysing the extent to which the Social Projects have helped create wealth.
 - Job Creation, considering both direct and indirect employment generated through the Social Projects.
 - Social Cohesion, analysing the distribution of expenditure in accordance with the relative presence of certain social groups (the elderly, the disabled, children and young people, etc.).
 - Coverage, providing an assessment of the degree of capillarity and penetration of the Savings Banks and the extent to which they meet the demand for various types of service depending on the target consumer.

- Aspects connected with financial activities
 - Financial Exclusion: Social Microcredits and Monte de Piedad social finance¹.
 - Accessibility of financial products: Access to financial products and services
 - Geographical Coverage: Network of branches and access in geographical terms
- **Design of the Questionnaire**

A total of 7 Questionnaires have been produced, covering:

Economic Performance Indicators

Environmental Performance Indicators

Employment Practice and Work Ethics Performance Indicators

Human Rights Performance Indicators

Social Performance Indicators

Product Responsibility Performance Indicators

Financial Supplement Indicators

From the perspective of information management, a computerised application is needed to allow data to be both queried and entered from various locations and by different people. This computer application would give both CECA and the Savings Banks themselves access to updated, structured, detailed information about how the Savings Banks are performing in terms of CSR.

¹ Social Microcredits are defined as "credits of varying sums, although generally for small amounts, granted for self-employment or for economic activities generating revenue for individuals at risk of exclusion and without access to traditional sources of finance".

- RESOLUTION OF DOUBTS

The experience acquired during the process of producing the information was used to draw up a "Doubt Resolution Document" in order to provide general resolution, both now and in the future, of any doubts which could arise when completing the questionnaire.

- DATA CLEANING AND PROCESSING

Once the information had been sent off by the Saving Banks, the CECA was responsible for validating the quality and uniformity of the data received.