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Probuilding I  
Repsol YPF  
Sanitas  
Santander  
Telefónica  
The Boston Consulting Group  
TNS  
Unidad Editorial  
Uría Menéndez  
Vodafone España  
Trustee  
Trustee  
Trustee  
Managing Director

* Member of the Executive Committee.
Overview

In 2007, Fundación Empresa y Sociedad and its Members again stepped up the level of their commitment to the inclusion of the disadvantaged. That commitment is not merely individual, but group-wide, extending to the entire business world and the community at large.

We think it is especially important to inspire senior business executives to apply their result-oriented focus and their gifts of leadership to bring about social change. Our research is thus aimed at identifying those challenges that strengthen social cohesion and, at one and the same time, enhance business competitiveness. Executives have been taking an active stance - this year’s two meetings of the Board of Trustees recorded 57% attendance, and the Executive Committee’s seven meetings garnered 66% attendance.

Second, we encourage the involvement of product managers, service heads and people managers. We help them achieve their goals with actions that also reinforce social cohesion in the environments in which they operate. With over 23% of our Members, therefore, we are now in contact with more than one line of business.

The third pillar of our strategy is to have a balanced impact on the community and on business. All three of our programmes have benefited from our use of metrics, teamwork, exchange of experiences and economies of scale. In the disability area, Members have implemented active policies to adapt 3,019 workplaces, create 1,024 jobs directly, and design tailored products such as special health cover and special recruitment services. 27% of the employees of Member companies and savings banks took part in social projects; nine Members have pioneered activities relevant to their employees’ vocational skills. In the immigration field, we take coordinated action to raise awareness of such a complex issue and improve the social and economic context.

The fourth strategic element, which is part of the essence and calling of Empresa y Sociedad, is to exert an influence for change. We issue five publications a year, are partnered with other publications to create a multiplying effect, cooperate with the main business media, and put forward proposal papers to key public policymakers.

Our activity is closely tied to specific companies and savings banks, to people with specific names and faces. Our purview embraces both business and the community; we touch on both technical and human fields of concern. And our approach takes on real meaning and potential only if brought to bear with genuine enthusiasm and focused intelligence. That is our vision.
Inspiring
senior executives

Comparative analysis of over 200 companies and savings banks.

Executive versions of our 5 main publications, which address the following issues:
- What do companies and savings banks do?
- How do they communicate what they do?
- How are they perceived?

51 individual and 15 group meetings with chairmen, CEOs and other representatives on the Board of Trustees.

Annual Members’ meeting on Business and multicultural neighbourhoods with integration difficulties with Julia Cleverdon, Chief Executive of Business in the Community, as main speaker.

Sixth Empresa y Sociedad Awards ceremony, presided over by Esperanza Aguirre, President of the Community of Madrid. Winning candidates:
- Sanitas, for products and services.
- Uría Menéndez, for human capital-based initiatives.
- Eulen, for employment.
- SOS, for community development.

The Board of Trustees’ two meetings in 2007 attained average attendance of 57%. The first meeting was chaired by the President of the Community of Madrid.

The Executive Committee’s seven meetings in 2007 attained average attendance of 66%.

Eight special papers were issued in response to inquiries on Members’ strategic profile.
Involving line managers

Highlights

With over 23% of Members, we work with more than one of their business lines - mainly through our People Management, Immigration and Communication areas. We held ten group meetings and a range of individual meetings.

97 Members used consultancy services on unregistered immigrants and 40 services relating to our Social Observatory, a tool that analyses and monitors over 100 community-related bodies.

Teamwork on three programmes:
- Business and disabilities.
- Social inclusion through human capital-based initiatives.
- Business and immigration.

<table>
<thead>
<tr>
<th>PROGRAMME FEATURES</th>
<th>Business and disabilities</th>
<th>Human capital-based initiatives</th>
<th>Business and immigration</th>
</tr>
</thead>
<tbody>
<tr>
<td>From</td>
<td>May 2005</td>
<td>June 2006</td>
<td>March 2007</td>
</tr>
<tr>
<td>Partnered with</td>
<td>Fundación ONCE and Fundosa Group</td>
<td>PeopleMatters and Engage</td>
<td>PeopleMatters</td>
</tr>
<tr>
<td>Member companies</td>
<td>32</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td>Group meetings in 2007</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
Impact
on the community and on business

Highlights

Disabilities

66 Members operate active policies. 32 Members are affiliated to the Business and disabilities scheme. 5,521 people with disabilities are on Members’ staff (+7.6% with respect to 2006).

BUSINESS AND DISABILITIES PROGRAMME: OUTCOMES

Accessibility
- 3,019 adapted workplaces.
- 18 adapted health centres and hospitals.
- Audit conducted on 400 workplaces, hotels, shopping centres and own shops.
- Range of white papers on property-related products.
- 3 university professorships created.
- Accessible banking channels.
- 75 accessible diagnostic facilities and 18 accessible websites.

Employment
- 1,024 direct jobs.
- 4,416 indirect jobs created through alternative measures.
- 15,333 successful recruitments handled.
- 2 new CEEs.
- 6 companies manage 17 CEEs and 3 employment enclaves covering 920 employees.
- 3 companies support the professionalisation of CEEs.
- 3 companies employ job integration coaches.
- New technologies training centre.
- Employment practices schemes.

Overall design of products and services
- Health insurance tailored to people with spinal cord injuries and people with Down’s syndrome; medical care for the Spanish Paralympic team.
- Financial product for managing protected assets.
- Travel assistance services.
- Mobile telephony.
- Recruitment services.
Human capital-based initiatives

43 Members operate active policies, involving 10,223 employees (3.9% of total staff of participating Members) and 88,749 hours’ dedication in 2007 (average 8.7 hours per employee).

Immigration

18 Members operate active integration policies.

Members employ a total 19,889 immigrants, making for an overall proportion of 5%.

HUMAN CAPITAL-BASED INITIATIVES: OUTCOMES

- 18 Members.
- Average 27% of staff involved.
- 9 Members operate schemes enlisting their teams’ vocational skills.
- 3 Members advise officers of community-related bodies.
- 150 new technologies trainers.
- 150 school educators and 110 young people’s coaches.
- 7 Members’ executives involved in the governing bodies of 4 community-related organisations.
- 2 companies partnered on a joint project.
- 3,227 employees involved in voluntary work.
- 17,660 employees donated over €750,000 for community-related projects.

BUSINESS AND IMMIGRATION: OUTCOMES

- 23 Members.
- 5 companies have started fostering, training and integration schemes covering 5,700 people.
- 17,692 immigrants employed (4% of total).
- 4 companies handled employment processing for 1,684 immigrant applicants under a quota system.
- 13 Members offer tailored products.
- Member banks and savings banks cater for over 1.5 million immigrant customers. Members also offer immigrants tailored legal advice, repatriation insurance, telephony services, Internet access and document translations.
- 4 Members publish regular reports on immigration.
- Empresa y Sociedad released La visión externa de la immigration (“An outside view of immigration”) in partnership with PriceWaterhouseCoopers.
Influencing for change

Highlights

Empresa y Sociedad released 5 publications of its own in 2007:
- Coverage in companies’ annual reports (5th edition).
- Public perception (since 1996).

Media cooperation:
- 49 op-ed articles, 43 on a special page in Monday’s edition of Expansión business daily.
- 12 press releases, 3 press conferences and 2 interviews.
- 12 case-studies published in Capital Humano magazine.
- Contributions to a range of Members’ publications.
- Contributions to 2 special publications on corporate social responsibility.
- 22 institutional announcements in print media.

213,350 unique visitors to www.empresaysociedad.org (+19%).

Presentation of paper Proposals addressed to public policymakers on disabilities and immigration, in partnership with companies and savings banks involved in each scheme.

Open ongoing institutional cooperation with key experts, opinion formers and related bodies.

Cooperation with educational events and publications:
- Celebration marking achievement of target 62,000 jobs for people with disabilities, in partnership with Fundación ONCE since 1988.
- Guide to 100 accessible tourist accommodation providers, published by Vodafone.
- Workplace accessibility observatory, by Grupo Konecta.
- Guide to accessible financial services, published by Bankinter.
- Guide to promoting corporate voluntary work, by La Caixa.

6,602 subscribers to our electronic newsletter (+2%).
Perception
Public opinion analysis in partnership with TNS.

Experts placed the highest value on savings banks’ philanthropic initiatives and on community involvement relating to job creation.

The public perceived the business world as ranking third in commitment to social responsibility, after government authorities and the general public itself. In 2000, business was perceived as ranking sixth.

42% of citizens thought that as a priority businesses should direct their resources at people with disabilities. From 1999 to 2001, 61% citizens cited children as the main priority.

The number of citizens capable of unprompted recall of companies and savings banks implementing specific social inclusion initiatives moved up from 4% in 2003 to 36% in 2007.

Actions

Data first compiled in 2002:
- 64% did not work to a set plan.
- Merely descriptive details on the 87 cases.

2003:
- 68% of 91 participants took an aid-based approach.
- 44% of actions were funding-based.

2007:
- 24% of actions across 134 cases qualified as strategic.
- 51% were product-based, 16% employment-related, 5% funding-based.

Communication

Survey of print media coverage, in partnership with Servimedia.

Number of published news items increased sevenfold since 2004.

4,508 relevant news items appeared in 2007.

According to large companies’ and savings banks’ annual reports for 2002, actions were predominantly funding-based.

According to annual reports for 2006, 35% of actions were product- and service-related. 41% qualified as strategic.
Committed Members

Member profiles
118 committed companies and savings banks (data as at December 2007):

- 40% are the Spanish subsidiaries of international groups.

- 16% are professional services firms.

- 18% are listed on the Spanish stock exchange.

- 13% employ fewer than 200 people.

- Members account for 33% of GDP at current prices and 6.3% of total private sector employment in Spain.

40 are Trustees, and 18 sit on the Executive Committee.

2007-2009 Plan
Drawn up with the active involvement of 89% of Members.

Vision
To become a byword for high professional standards and commitment in supporting the community through companies’ and savings banks’ competitive initiatives towards the social inclusion of the disadvantaged.

Priorities
- To strengthen each Member’s individual commitment.
- To encourage Members to work as a network.
- To influence public policy on social affairs.
- To enlist the rest of key companies and savings banks as Members.
- To extend scope of action to new fields (international, SMEs and universities).

Funding
Members’ fees accounted for 68.3% of ordinary revenue.

Equity stood at €861,569 at 31 December 2007.

Our team
In 2007 our average headcount was 15. We have had the support of Accenture, The Boston Consulting Group, Technosite, PeopleMatters and Uría Menéndez, among others.
The financial statements should be interpreted on the basis that the priority of Fundación Empresa y Sociedad is for its resources fully to support the achievement of its goals and firmly establish its level of activity in the medium term.

As a non-profit body, the Fundación Empresa y Sociedad must reinvest any surplus so as to grow its charitable activities.

<table>
<thead>
<tr>
<th>INCOME STATEMENT</th>
<th>(in euro)</th>
<th>Year-on-year change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2006</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORDINARY ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ fees</td>
<td>1,131,550</td>
<td>1,062,000</td>
</tr>
<tr>
<td>Revenue-generating activities</td>
<td>423,476</td>
<td>356,929</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>85,128</td>
<td>54,489</td>
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<tr>
<td>Other revenue</td>
<td>16,166</td>
<td>15,070</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>1,656,320</td>
<td>1,488,488</td>
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<tr>
<td>MEDIATION-RELATED DONATIONS</td>
<td>593,692</td>
<td>1,136,538</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORDINARY ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(963,967)</td>
<td>(934,956)</td>
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<tr>
<td>Other operating expenses</td>
<td>(503,181)</td>
<td>(346,529)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(9,167)</td>
<td>(9,479)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>(1,476,315)</td>
<td>(1,290,964)</td>
</tr>
<tr>
<td>DONATIONS</td>
<td>(599,067)</td>
<td>(1,141,311)</td>
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<tr>
<td><strong>GROSS GAIN/LOSS ON ACTIVITIES</strong></td>
<td>174,630</td>
<td>192,751</td>
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<tr>
<td>Financial income</td>
<td>37,961</td>
<td>18,339</td>
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<tr>
<td>Extraordinary items</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>SURPLUS</strong></td>
<td>212,591</td>
<td>211,090</td>
</tr>
</tbody>
</table>
MEMBERS

Abertis Infraestructuras
ABN Amro
Accenture
Acciona
Accor Services
Adecco
Aeropuertos Españoles y Navegación Aérea
Aguirre Newman
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Allen & Overy
American Nike*
Avon
Bancaja
Banesto
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BT España
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Caja Navarra
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Citi*
Clear Channel España
Coca-Cola
Compass Group Holdings Spain
Contrapunto
Corporación Grupo Norte*
Correos
Cuatrecasas Abogados
Deloitte
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Diageo*
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Euroconsult
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Genetis
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Grupo Arturo
Grupo Banco Popular
Grupo Caser
Grupo CorteFiel
Grupo Eulen
Grupo Fundosa*
Grupo Hospitalario Quirón*
Grupo Informe
Grupo Joly
Grupo Konecta
Grupo Lar*
Grupo Redur
Grupo Sifú
Grupo Siro*
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Morgan Stanley
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ONCE*
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PeopleMatters
Philip Morris Spain*
Philips Iberica
PricewaterhouseCoopers*
Probuilding I*
Prosegur
Randstad
Red Eléctrica de España
RENFE
Repsol YPF*
Roche Farma
Sanitas*
Santander*
Schindler
Schroders
Siemens
Sol Meliá*
SOS Cuétara
Supermercados Sabeco
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