

Swedbank's sustainability work

Swedbank's purpose is to promote a sound and sustainable financial situation for the many households and businesses. The inclusion of sustainability in the bank's purpose is just as much a reflection of its history as a declaration for the future. With roots in the Swedish savings bank movement and agricultural credit societies, Swedbank has a strong tradition of corporate social responsibility and ethical standards.

Swedbank's sustainability work is manifested in, among other things, its lending to private customers. As a bank for the many households and companies, we have a responsibility to clarify any risks that could affect our customers' long-term finances. In spring 2009 we therefore introduced stricter requirements on loan-to-value ratios for mortgages and took part in the debate on risk-taking by customers who borrow to buy their homes. As a result of this debate, we have seen a shift in customer behaviour towards longer fixed rate periods and a greater willingness to amortise.

Institute of Private Finances in Estonia, Latvia and Lithuania

For several decades the Personal Finance Institute in Sweden has analysed personal finance issues and in various ways provided information to the public in this area. In 2010 similar institutes were established in Estonia, Latvia and Lithuania. The operations have the same purpose in all four of the bank's home markets: to analyse factors that affect private finances from an individual and household perspective and educate people. The institute's vision is to help people improve their private finances by better understanding their needs and opportunities at different stages of life.

Young Jobs and regional development

Unemployment among young people has risen in the wake of the financial crisis at the same time that the gap between young people entering the job market and older workers facing retirement is expected to grow in the 2010s. During the year Swedbank and the savings banks therefore launched an initiative called Young Jobs to utilise their extensive network of contacts to offer trainee positions to young people between the ages of 18 and 24. Through the initiative, Swedbank encourages all its branch managers to identify trainee opportunities at their own branches as well as with the bank's business customers. Since the start, the initiative has resulted in 1 500 trainee positions with outside companies and 150 within Swedbank.

Swedbank's strong local presence and tradition of social responsibility often give it a central position in local business

development. One example of how the bank supports local businesses is Arena for Growth, an alliance with Sweden's municipalities and county councils as well as ICA supermarkets. Arena for Growth promotes local and regional growth through knowledge transfers and by offering process support. All projects are demand driven and are owned by the principals. Since its start ten years ago, Arena for Growth has conducted activities of various sizes in around 150 of Sweden's 290 municipalities.

Responsible asset management

Swedbank Robur is a Nordic leader in socially responsible investing. Thanks to the attention it gave to research and asset management early on, the company today is able to offer a wide range of products that emphasise responsible business and environmental technology. Swedbank Robur's socially responsible funds offer investments in companies that have clearly demonstrated that they can manage social, ethical and environmental risks.

"More than a quarter million sustainability analyses are conducted annually among Swedbank's corporate customers."

Swedbank Robur has signed the UN's global Principles for Responsible Investments (PRI). This requires it to contribute to greater transparency on environmental and social issues as well as in terms of corporate governance in the companies in which it invests. Swedbank Robur's stance on responsible business is also expressed in its ownership policy.

Swedbank Robur decided in August 2010 that its socially responsible funds will not invest in companies that extract oil from tar sands, since it does not consider the current technology a sustainable alternative.

Swedbank and climate change

The financial sector plays a decisive role in mitigating climate change and designing solutions for sustainable development. The financial industry evaluates and prices risks and is an important channel for investment. Swedbank has been working actively for many years to take responsibility for the environment, which also is part of the bank's business.

Swedbank's private customers in Sweden are offered loans on beneficial terms for investments in energy savings. Corporate customers are offered loans for eco-friendly cars. During 2009 and 2010 private customers in Estonia were offered loans on beneficial terms to buy energy efficient homes. For Swedbank's corporate customers, all loans over SEK 1m must first undergo a systematic sustainability analysis. More than 250 000 analyses are conducted annually. The bank's Swedish operations present an annual sustainability award. In 2010 Inrego which recycles and resells personal computers received the award.

Through its WWF affinity card, Swedbank donates SEK 0.50 to the WWF every time a customer pays with the card, while the cardholder contributes SEK 25 of the annual fee. In total SEK 7.1m was donated to the WWF.

Since 2003, Swedbank has been the first and thus far the only listed bank in the Nordic region to receive ISO 14001 environmental certification. The bank has issued environmental or corporate responsibility reports since 1995. During the years 2000–2003 and 2009–2010 Swedbank utilised the internationally recognised Global Reporting Initiative (GRI) reporting framework. In 2009 an environmental audit of Swedbank's Baltic and international operations was begun using the Group's standard routines. The audit will continue until 2013. The environmental goals below therefore relate strictly to the Swedish operations. For more information see, www.swedbank.com/csr.

Environmental impact through internal activities, Sweden

	2010	2009	2008	2007
Number of employees in environmental-certified entities	8 203	9 025	9 408	9 551
Purchases of paper, envelopes and forms (tons)	557	912	1 157	1 146
Purchases of paper, envelopes and forms (tons CO ₂ e)**	279	456	578	573
Green electricity (GWh)	66,8	69,3	71,1	73,6
Electricity consumption as well as cooling and heating, tons CO ₂ e**	11 761	12 201	12 484	12 975
Travel by air (tons CO ₂ e)**	8 195	8 257	7 175	6 219
Travel by car (tons CO ₂ e)**	1 745	1 923	1 886	1 897
Travel by rental car (ton CO ₂ e)	259	301	324	341
Travel by taxi (ton CO ₂ e)	229	239	232	245
Travel by train (tons CO ₂ e)	2	2	2	3
Security transports (tons CO ₂ e)**	635	560	406	566
Total CO₂e	23 105	23 939	23 087	22 819

* In addition to electricity consumption charges, this includes an estimation of consumption when Swedbank does not have a contract with the energy provider. Around two thirds of the contracts Swedbank has signed use only renewable sources.

** Since 2010 the lifecycle emissions of all greenhouse gases are taken into account. Earlier figures have been revised.

*** CO₂e, or carbon dioxide equivalents, measure greenhouse gases expressed as the equivalent amount of carbon dioxide.

This is a standard measure that makes it possible to compare the climate impact of various greenhouse gases.

In Sweden, Swedbank has purchased carbon offsets for its business travel in 2009 through the Gold Standard and CDM certified wind power project Yangjiayao in China. In the table, gross emissions are presented without regard to the carbon offsets.

Environmental impact through products and services, Sweden

Product	Product description	2010	2009	2008
Environmental analysis in connection with loan evaluations	The bank conducts environmental analyses of every loan over SEK 1m	277 150 corporate customers	276 653 corporate customers	287 400 corporate customers
Environmental and socially responsible funds	Evaluations of social, ethical and environmental aspects affect the choice of investments	SEK 280bn***	SEK 248bn*	SEK 50bn
Energy loans	Energy loans offer beneficial terms for investments in energy-saving heating systems, e.g. geothermal or solar	1 075 loan volume SEK 80m	916 loan volume SEK 69m	818 loans volume SEK 60.7m
WWF affinity card	Part of the annual fee and a contribution from the bank go to WWF	SEK 7.1m	SEK 6.6m	SEK 5.8m

* Total number of corporate customers in Swedish operations.

** Volume increase mainly due to good returns, the acquisition of Banco Fonder AB and discretionary asset management assignments.

*** Assets under management in funds with extensive corporate responsibility and sustainability requirements slightly exceeded SEK 26bn.