

# Annual Report 2001

# Sustainability



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# Swedbank and sustainability

Swedbank contributes positively to developing the society it serves. This Annual Report on Sustainability gives an account of the bank's role in such developments over the past year. The bank's activities are reported on from economic, environmental and societal standpoints. It is these three areas that form the framework within which the bank operates.



## Economics, environment and society

Economics, environment and society – three of the components forming the world within which all enterprises operate. Sustainability rests on these three areas being developed in harmony with each other. Without long-term environmental and societal development, there can be no economic development.

## SUSTAINABILITY

Sustainability demands that enterprises make commitments regarding the environmental and social impacts of their operations. Preventing infringements of human rights, promoting good work environments and observing good business ethics are examples of such commitments. At the same time, sustainability is also very much about brand image and competitiveness. Customers and potential employees are attracted by organizations whose values reflect their own. Sustainability initiatives are therefore an important element in any company's long-term relations.

As both a financial institution and a financial advisor to companies, private individuals, organizations, municipalities and county councils, Swedbank plays an important community role. The smooth functioning of business and society requires

banks that can provide, for example, investment capital. For the private individual, locally available banking services greatly facilitate financial planning and money management. Meeting these needs in a socially responsible manner is one of the bank's prime aims.

This report details, and gives solid shape to, Swedbank's sustainability work in 2001. This is the second successive year in which Swedbank is presenting a Sustainability Report that complies with the international guidelines for such reports (GRI – the Global Reporting Initiative). The report is not third-party certified and, unless otherwise stated, the details relate primarily to the bank's Swedish operations and its wholly owned subsidiaries.



# Social responsibility – a fundamental part of the bank's business



*“Banks have an important role in society. By helping to create a well developed financial infrastructure, and offering a full range of services, Swedbank facilitates economic and societal development.”*

Swedbank's deep commitment to social responsibility has local presence as one of its cornerstones. In playing an active role in the development of society, the bank is spurred on by values that have their roots in the savings bank movement and the farming cooperative credit societies.

Values are central to the bank's operations. They serve as an inner compass for employees, pointing the way in customer relations and business decisions. When everyone pulls in the same direction and has a uniform view of the bank's role in society, the bank stands strong – even in the worldwide turbulence that has been such a feature of 2001.

In a time when enterprises are increasingly beginning to talk of social responsibility, it is reassuring to know that Swedbank has always been concerned with social issues. Not surprisingly, the vocabulary used to describe what the bank does

in this area has changed over the years. However, the commitment remains constant. We are now starting to develop ways in which we can give concrete evidence of our social responsibility. One example of the bank's success here is that we are seen as the most socially responsible bank in Sweden according to a survey conducted by Finansmonitorn. It is also gratifying that the bank is among the few Swedish companies included in the Dow Jones Sustainability Index.

Banks have an important role in society. By helping to create a well developed financial infrastructure, and offering a full range of services, Swedbank facilitates economic and societal development. Investing in, or granting credit to, an enterprise is a major contribution to development. On top of this, Swedbank shows its social responsibility by being highly accessible. The bank not only has Sweden's most comprehensive network of branches, it also actively

promotes increased understanding of economic issues through education and partnerships.

Globalization, deregulation and rapid technological development are all changing the world in which we work. Nonetheless, local communities remain the bases from which individuals operate. It is therefore increasingly important for the bank to strengthen the long-term positive impact its operations have on the environment and community life. This contributes to sustainable development and closer relationships with stakeholders. Swedbank is a bank for everyone and is deeply committed to long-term development. I am absolutely convinced that social responsibility is a fundamental part of the bank's business.

A handwritten signature in black ink, reading "Birgitta Johansson-Hedberg". The signature is fluid and cursive.

Birgitta Johansson-Hedberg  
President and CEO

# Sustainability initiatives in brief

*Superior accessibility, knowledge sharing, national and international partnerships, environment projects, business ethics, research and development, the protection of human rights and the promotion of good working conditions are all aspects of Swedbank's work for sustainability. To maintain long-term sustainability, the bank's core operations are developed in harmony with the environment and the needs of society.*



## ECONOMICS

Swedbank's operations should guarantee shareholders a good return on their investments. It is fundamental to the bank's revenue generating activities that they are managed in a way that promotes socio-economic development. Society is strengthened by the bank offering credit and investment facilities, and by the bank having a full range of services and a strong local presence. Swedbank's positive contributions to society provide an excellent basis for the continued and long-term success of the bank's business activities.

## ENVIRONMENT

The impact Swedbank's operations have on the environment are both direct and indirect. Resource consumption (paper, business trips, energy, etc.) has a direct effect. The bank has an indirect impact when carrying out environmental analyses in considering loan applications and investing in funds. Such analyses have an impact on how other companies and organizations approach environmental issues. Swedbank's commitment to the environment is further demonstrated by the corporation's decision to implement an ISO 14001 compliant environmental management system.

## SOCIETY

Swedbank's commitment to societal development is primarily manifested in its high accessibility, knowledge sharing initiatives and partnerships with a variety of stakeholder groups. Superior accessibility is ensured by the bank's extensive network of branches and its electronic channels. To this can be added innovative contact points such as in-store banking, and banking via post offices and mobile terminals. Sponsorships of a wide range of community activities, as well as research support, are other examples of the bank's commitment to the society.

## THE SUSTAINABILITY ORGANIZATION

### Key people

Birgitta Johansson-Hedberg, President and CEO

Göran Theodorsson, Executive VP, Director of Human Resources

Lars Eklund, Executive VP with responsibility for legal matters, security, environment, ethics, quality, international affairs and sustainability in general

Staffan Salén, Executive VP, CIO and Head of Investor Relations

Britt-Marie Lundh, SVP, Environmental Affairs, Coordinator Sustainability

### Functional areas

Economics:

Group controller, Financial secretariat

Environment::

Support, Environmental management system, Credit, Environment-related products and services, IT

Society:

Personnel, Competence development, Equality, Work environments, Regional projects, Integration, International issues, Research and development, Ethical products

The bank's sustainability initiatives are organized by business area.

It is Swedbank's ambition that sustainability should be an integral aspect of all contacts with its stakeholders. At present, the bank does not have a formal structure for its sustainability initiatives. That is why key people and functional areas are presented here.

# Swedbank yesterday



On the 28th of October 1820, three-year-old Carolina Bernhardina Hammardahl was first in the queue outside Västra Hamngatan 15, Gothenburg. This was the house of Eduard Ludendorff, the merchant who took the initiative of forming the first savings bank in Sweden. As the bank's first customer, Carolina was given account number 1. She deposited 12 shillings cash. On the first day, 219 deposits, totaling 646 "riksdaler" cash, were made.



## WITH ROOTS IN THE NINETEENTH CENTURY

Swedbank has its roots in the movements that set up the first savings and cooperative banks. Sweden's first savings bank was formed in 1820 and the first farming cooperative credit society in 1915. These were based on models from Scotland and Germany respectively.

Sweden's savings banks were introduced in a Sweden where poverty was rife. They sought to facilitate the type of saving that would overcome poverty and eventually generate reinvestment in the local community. The savings banks operated locally and existed primarily for those with limited resources. Run in the form of institutions, there were no special ownership interests – all profits were ploughed back into the movement.

The farming cooperative credit societies (the initial members of what became known as Föreningsbanken)

were founded on the principle of "one member, one vote". The movement was managed along cooperative lines and was designed to answer the credit requirements of farmers. As with the savings banks, the societies were rooted in local, popular movements that were keen to promote social development.

Föreningsbanken was floated on the stock exchange in 1994. The following year saw the flotation of Sparbanken Sverige. In 1997, these banks merged to form Swedbank.

Rooted in local communities and their development, Swedbank's history explain its continuing commitment to constant social development.

## HIGHLIGHTS OF 2001

- In February, Swedbank's Nässjö branch became the first bank in the Nordic countries to achieve ISO 14001 environmental certification.
- Swedbank's first Sustainability Report was published.
- A new multicultural branch was opened in Rosengård, Malmö.
- On the sustainability front, Swedbank was ranked the best Swedish bank, and the world's 14th best, in the Dow Jones Sustainability Index.
- Swedbank was awarded the municipality of Malmö's Diversity and Integration prize.
- A new employee strategy was developed.

# Swedbank today



## AN INTERNATIONAL BANK WITH DEEP ROOTS IN THE LOCAL COMMUNITY

Swedbank can be viewed in two ways: a Swedish bank founded in the early nineteenth century with a structure that ensures proximity to its customers, or one of the Nordic countries' largest, internationally active banking groups. Both pictures are equally correct. Swedbank's history and head office are rooted in Sweden. The same is true of its 93 local banks and total network of 553 branches. To this must be added a further 333 offices provided through collaborations with independent savings banks or jointly owned banks. In all, Swedbank has more than twice as many bank outlets as its nearest competitor.

Swedbank's goal is to be the natural choice not only for financially active customers, but also for all individuals, enterprises, organizations and county councils. The present client base comprises 4.1 million private individuals, around 228,000 small and medium-size enterprises,

a number of large companies and the great majority of the country's municipalities and county councils.

The developments of recent years have enabled the bank to offer its customers new banking possibilities. The Internet and the telephone are now frequently used for transactions and the administration of bank accounts. Although technology is a useful complement, the hubs of the bank's operations are its branches. Here, through face-to-face meetings, customers have access to the corporation's collective expertise – regardless of where contact is made.

By widening the distribution network for products and services, partnerships inside and outside Sweden have strengthened Swedbank's position on several markets. When the markets of corporate customers extend outside Sweden, Swedbank must be able to offer the companies expert banking services in their new areas of operation. Today, Swedbank

is a joint owner of the SpareBank 1 Group in Norway, FIH in Denmark, Hansabank in the Baltic States and Aktia in Finland.

In Sweden, collaborations with savings banks provide Swedbank with a number of important partners. Each savings bank operates in a defined geographic region. This ensures superior knowledge of the local area and its industry. For customers, partnerships with local savings banks guarantee excellent accessibility and local presence throughout the country.

Swedbank is now a full service bank with strong local roots and a well developed international network. As such, it is also a builder of bridges between local communities and the global society. Its ambition is to be a leading force in finance, with a base in Sweden and operations in the Nordic countries and the Baltic States.

# Structure and strategic key indicators

## STRATEGIC KEY INDICATORS

Swedbank has defined a number of strategic key performance indicators for its sustainability initiatives. For goals and results, refer to the summary on pages 28 and 29.

Percentage of satisfied customers and accessibility index.

To be considered the most socially responsible bank.

CUSTOMERS

SOCIETY

EMPLOYEES

Human capital index.

Central to all Swedbank's sustainability initiatives are its stakeholders and a number of key sustainability issues. These stakeholder groups and issues provide the headings under which this report is presented.

Financial systems play a vital role in every community. Without a strong socio-economic infrastructure, there can be no long-term economic development. Furthermore, local saving stimulates local growth.

Long-term planning and operation demand that the bank maintains good relations with all those with an interest in its activities. To this end, Swedbank has defined a number of stakeholder groups and sustainability issues that are central to its operations. These groups are customers, employees, community and owners. The issues highlighted in this report are the environment, business ethics and security. The report has a section devoted to each of these groups and issues.

## CUSTOMERS

Swedbank is a bank for everyone. Its operations are characterized by a humanistic approach that emphasizes integrity and universal equality. Customers select products and services in the combinations and ways which best suit their wishes and needs.

## EMPLOYEES

Swedbank seeks to attract, recruit, develop and retain talented employees. This is achieved through competence development, good work environments, participation in management, equality and attractive employee benefits.



To be considered the bank that does the most for the environment.

#### ENVIRONMENT

Key indicators are used internally only.

#### SAFETY AND SECURITY

#### OWNERS

Inclusion in the Dow Jones Sustainability Index.

#### BUSINESS ETHICS

No strategic key indicators for 2001.

#### SOCIETY

Both within and outside Sweden, Swedbank's commitment to social responsibility expresses itself through high accessibility, knowledge sharing and partnerships. The bank's operations have an undeniable impact on socio-economic development and it is this that guides all initiatives in this area.

#### OWNERS

Swedbank should generate long-term and high returns for its shareholders. Besides nurturing good business and social relations, the bank's work with sustainability also creates a strong brand image. These elements are crucial to long-term profitability. Sustainability initiatives therefore contribute to the favorable development of shareholder value.

#### ENVIRONMENT

Swedbank is actively committed to reducing any negative impact its operations may have on the environment. Environmental issues are therefore an integral part of the bank's business operations. One example of this is that the bank carries out environmental analyses when considering corporate loans and certain investments. The bank's environmental management system is to be ISO 14001 certified.

#### BUSINESS ETHICS

Customers' relationships with Swedbank are based on mutual trust. Business ethics and professional confidentiality are therefore of central importance to the bank's operations. To guarantee top quality, all the bank's financial advisors should have diplomas in their particular areas of expertise.

#### SAFETY AND SECURITY

The bank should be a safe place to work and should manage all items and information with which it is entrusted in a totally dependable manner. All business and IT systems should be of the highest standard. Swedbank therefore pays particular attention to constantly raising physical safety and IT security standards.

# Customers

Through entrepreneurship, good business ethics, expertise and professionalism, Swedbank creates added-value for its customers.

## Customers 2001

### PRIVATE INDIVIDUALS

- FSPA<sup>1)</sup> 4.1 million
- Independent<sup>2)</sup> 1.3 million
- Jointly owned<sup>3)</sup> 0.4 million

### COMPANIES<sup>4)</sup>

- FSPA 228,000
- Independent 91,000
- Jointly owned 25,000

### MUNICIPALITIES (289)

- FSPA 215
- Independent 93
- Jointly owned 20

### COUNTY COUNCILS (21)

- FSPA 21

### ORGANIZATIONS<sup>5)</sup>

- Trade union, cooperative and ecclesiastical organizations, etc.

<sup>1)</sup> FSPA = Swedbank. <sup>2)</sup> Independent = Independent savings banks. <sup>3)</sup> Jointly owned = Jointly owned banks. <sup>4)</sup> Small and medium-sized enterprises. Figures for large companies are not reported here. <sup>5)</sup> No statistics for this category.

## The bank's contact points

	2000	2001
<b>Branch offices</b>	591 own and 328 independent/jointly owned	553 own and 333 independent/jointly owned
<b>In-store banks</b>	226 sites	305 sites
<b>ATMs</b>	1,060 own ATMs	875 own ATMs
<b>Internet banking</b>	816,000 customers	1,079,000 customers
<b>Telephone banking</b>	1,925,000 customers	2,050,000 customers
<b>WAP</b>	5,000 customers	10,000 customers
<b>Cards</b>	3.8 million issued cards	3.8 million issued cards
<b>Giro customers</b>	Collaboration with the postal authorities not started	2.6 million
<b>Post office</b>	Collaboration with the postal authorities not started	2,700 outlets
<b>Rural postmen</b>	Collaboration with the postal authorities not started	1,310

BIRGITTA JOHANSSON-HEDBERG,  
PRESIDENT AND CEO

## Customers – overall strategies and considerations



*“All customer groups will be offered products and services that meet their particular needs and expectations.”*

“Swedbank is now the most accessible bank in Sweden. We have a strong local presence with 553 branches, close collaborations with independent and jointly owned savings banks, a collaboration with Posten (Sweden’s postal agency), outlets in more than 300 stores, and banking services via Internet, and telephone. It has never been easier to get in touch with the bank.

That we are, and will remain, a bank for everyone means, among

many other things, that we must be able to satisfy a wide range of customer expectations. Swedbank’s goal is that all customer groups will be offered products and services that meet their particular needs and expectations.

We have customers in sparsely populated areas and large cities. We also have companies and private individuals as our customers. We are therefore obliged to be always at the forefront in every area of banking.

This, in addition to first-rate service at our branches and quality in our customer relations, truly earns us the reputation as a bank for everyone.”

**From a profitability perspective** Specially devised customer activities, and superior accessibility, enhance customer benefit. This, in turn, increases customer loyalty and creates new business opportunities.

## A bank for everyone

Swedbank is a bank where, based on the individual's needs and expectations, every customer receives the services and level of attention he or she chooses. Our strong local presence is a cornerstone in this

strategy. Swedbank works tirelessly to increase accessibility. An important element in this is reaching out to private individuals who would not otherwise have easy access to banking services. Being a bank

for everyone is not only a way of improving socio-economic infrastructure, it is also an economically vibrant part of the bank's business.

### Activities to reach private individuals:

#### Being a bank for...

cities and areas that are sparsely populated	people from all ethnic backgrounds	all ages	people with different expectations and wishes	people with different physical abilities	the Nordic countries, the Baltic States and the world
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#### involves, among other things...

high accessibility through branch offices, Internet banking, telephone banking, in-store banks, postal services, WAP and the mobile bank service.	multicultural branches, presentations and information aimed at different language groups.	information in schools, training for unemployed young people and, in collaboration with the national organization for retired people, IT courses for pensioners.	a wide range of products and services.	special services (e.g. Internet and telephone banking) for those with seeing and hearing disabilities. Swedbank's guide to managing personal finances is also available as a talking book.	partnerships and holdings outside Sweden. Additionally, in developing countries, projects stimulating local saving and opening up the possibility of microfinancing.
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## Customer dialogue

Swedbank has a number of communication channels that support and intensify the dialogue between the bank and its customers. Below are details of two of the dialogue tools used by the bank. The bank's website has several other examples of communication channels.

### MARKET CAPITAL SURVEYS

To obtain deeper insights into customer's views and their relations with the bank, Swedbank runs an ongoing program of market capital surveys. Survey results are used to assess whether the bank's operations and strategy are successfully meeting customer needs and expectations. The results are quoted in several sections of this report.

### CUSTOMERS' SUGGESTIONS

Inaugurated in 1996, a customer e-box on Swedbank's website is designed to encourage electronic dialogue and communication with customers. Around 600 views and suggestions were submitted by customers in 2001, a decrease on the previous year. Most of the submissions focused primarily on Internet banking and gave requests, information and suggestions for improvement of the service. In 2002, the Customer e-box is to be replaced by a tool that can handle customer and employee views as well as non-conformities in the environmental management system (ISO 14001).

### Diversity and Integration prize

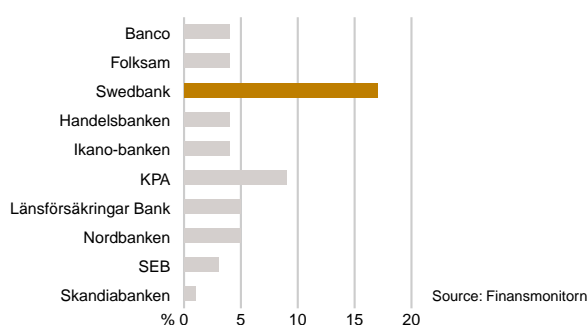
Swedbank has been awarded the municipality of Malmö's Diversity and Integration prize. The award was partly motivated by the success of Swedbank's multicultural branch in Rosengård, where the employees master a total of 14 languages. The jury's verdict read as follows: "A good example of ethnic and cultural diversity paying for itself. To provide a good service to its customer base, the organization has consciously invested in an ethnically diverse workforce. This has enabled the branch to expand its operations."

# Products and services

Swedbank is a full service bank with an extremely comprehensive offering of products and services. For many years now, the bank has been able to satisfy customers seeking competitive and attractive products and services with an environmental and ethical focus.



Swedbank – best at offering customers products and services with an environmental profile



## Ethical funds and environmental funds

In both number and volume, ethical funds and environmental funds now belong to one of the world's fastest growing fund sectors. Swedbank's funds are managed by Robur. Of Robur's total fund volume, 1.6 per cent is made up of funds with an environmental and ethical focus. With a total managed capital of SEK 4.4 billion, Robur's environmental and ethical funds are amongst the largest in Sweden. They include the Environment fund (Miljöfonden) which, with a managed capital of SEK 854 million, is the country's largest environmental fund.

Robur manages five share funds with an environmental/ethical focus: Miljöfonden, Svenska Kyrkans Miljöfond Talenten, Svenska Kyrkans Värdepappersfond, Svenska Kyrkans Aktiefond MEGA and Gåvofonden. The company also manages a mixed fund and two interest funds:

Svenska Kyrkans Mixfond MEGA, Svenska Kyrkans Räntefond and Svenska Kyrkans Räntefond MEGA. Fund composition is determined by the application of environmental/ethical analysis models. The ethics analysis excludes enterprises involved in commercial gambling and companies manufacturing or selling armaments, defense equipment, tobacco or alcohol. In selecting the environmental leaders from all industrial sectors in the Nordic countries, the environmental analysis model applies a list of 21 environmental criteria maintained by an external environment and ethics committee.

### EXTENDED ETHICAL ANALYSES

In 2001, Robur developed a model for extended ethical analyses. This was used in the fall of 2001 when

analyzing the social responsibility initiatives of Swedish, stock exchange listed companies. The results of this analysis are primarily intended to serve as a basis for investment decisions on behalf of customers who have highlighted ethical issues in their investment policies. Companies are assessed on how they handle issues related to discrimination, working conditions, trade union rights, health, safety, child labor and forced labor.

Robur's extended ethical analysis is based on the values implicit in the UN's Declaration of Human Rights, and the six UN conventions which relate to it, the Global Compact and the ILO's eight core conventions. Some regard has also been paid to the OECD's guidelines for multinational companies and Amnesty's human rights guidelines for companies.

**CUSTOMER VIEWS OF ENVIRONMENTAL PRODUCTS**

Percentage of customers answering yes:	Corporate customers			Private individuals		
	1999	2000	2001	1999	2000	2001
Does Swedbank offer products and service with an environmental profile?	30	26	30	33	25	31
Do environmental and ethical considerations play a large or very large part in evaluating banks?	45	35	42	53	47	48

Source: Swedbank's market capital surveys



## The WWF card

The WWF card was relaunched in 2001. This resulted in a volume increase of around 40 per cent on the previous year and the WWF card generated contribution of SEK 614,000 for 2001. The money goes to the World Wildlife Fund's operations to protect animals and natural habitats. As of 31 December 2001, Swedbank had 7,141 WWF cards in circulation.



## Environmental loan – individuals

Swedbank offers private customers loans for investments that help improve the environment. Examples include solving damp and radon problems in buildings, using more environmentally-friendly materials when rebuilding or repairing properties, and changing to environmentally-friendly heating systems. To assist in the latter, the bank has both a Heat Pump Loan and a Solar Heating Loan. When granting a Solar Heating Loan, Swedbank donates SEK100 to Vi Forest, a project to establish a green belt around Lake Victoria in Africa, helping to combat the greenhouse effect.

**From a profitability perspective** Swedbank's environmental/ethical profile products and services strengthen the bank's brand and generate new business. Furthermore, new customers with special wishes are attracted to the bank.

## Environmental loan – companies

For several years now, Swedbank has been collaborating with the European Investment Fund (EIF) to offer companies advantageous loans for investments that contribute to reducing the pressure on the environment. In 2001, more than SEK 25 million was granted in the form of EIF environmental loans.

**Further details:**

[www.foreningssparbanken.se/hallbarhet](http://www.foreningssparbanken.se/hallbarhet)

- Communication channels for customers
- Multicultural banks
- Yields and volumes for environmental/ethical funds
- Criteria for ethical funds
- Criteria for environmental funds

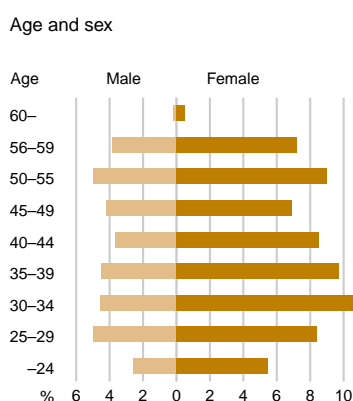
Information available in Swedish

# Employees

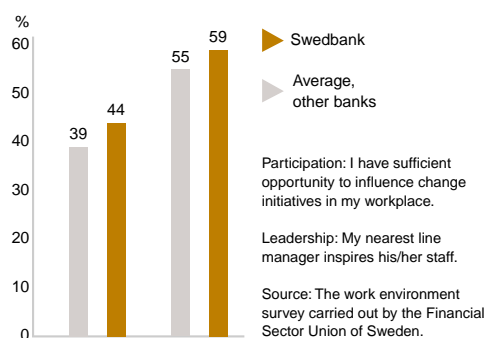
The bank's primary success factor is its employees' knowledge and experience. The knowledge they have of the bank's customers, and their ability to translate this knowledge into added-value products and services, is invaluable. The bank's operations are dependent on the expertise of its employees. Maintaining this level of expertise is therefore of great strategic importance to Swedbank.

## EMPLOYEE DATA 2001

Average no. of employees	10,266
Sex	58 % female 42 % male
Management	31 % female 69 % male
Staff turnover	5 %
Internal transfers	17 %



## Participation Leadership



GÖRAN THEODORSSON,  
VICE PRESIDENT, DIRECTOR OF HUMAN RESOURCES

## Employees – overall strategies and considerations



*“Our employees should be attractive to other employers, but choose to stay with Swedbank because we offer the best arena for professional and personal development.”*

“In every customer meeting, our employees should be able to provide added-value. With bank customers becoming ever more knowledgeable, the competence development of employees assumes a central role. We are, after all, selling our knowledge. As an element in the exact tailoring of training courses, and the quality assurance of our services, we have a skills certification program for our employees in their various professional roles. The move is away

from being generalists to being customer specialists. A new employee strategy was drawn up in 2001. This clearly underlines the importance of diversity and also details how the bank attracts, recruits, develops and retains talented employees. The bank recruits positions both internally and externally.

Our employees should be attractive to other employers, but choose to stay with Swedbank because we offer the best arena for professional

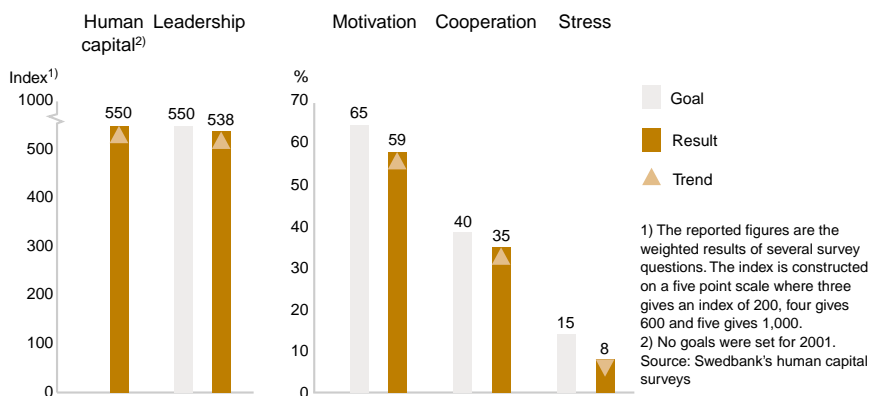
and personal development. Our strong system of values permeates everything we do and supports our employees in their work. We want our social commitment to be something of which employees and customers can both be proud.”

**From a profitability perspective**  
Sustainability initiatives strengthen relationships with employees and facilitate the recruitment, retention and motivation of bank staff.

### HUMAN CAPITAL SURVEY

To monitor employee views and opinions throughout the group, Swedbank runs an ongoing program of human capital surveys. The surveys help to facilitate staff development and foster good employee relations. They also serve as a strategic tool. Local survey results are used as an element in evaluations and development work by local bank

managers. All the constituent parts of the human capital index demonstrated continued positive development in 2001. Positive development was also shown by the weighted employee index, which measures commitment, job satisfaction, competencies, authority, responsibility and support.



### THE MERGER

A merger between Swedbank and SEB was planned for 2001. The merger was abandoned when both banks judged that the concessions required by the EU Commission were too far-reaching and of such a nature that they would nullify all benefits of the fusion. A large part of the branch network (employees and customers alike) would have had to be shed – this was unacceptable. On the 19th of September, both boards withdrew the joint application before the Commission and cancelled the planned merger.

The merger would have had many consequences for employees. For this reason, the bank ran a comprehensive information program to ensure a safe and positive transition. With trade union assistance, there was also a great deal of integration-oriented work throughout the entire process. During the merger preparations, a survey was carried out, revealing that nearly all Swedbank's employees were positive, both about their own banks and the planned merger.

### DIVERSITY AND EQUALITY

For Swedbank, equality is very much a question of long-term increases in profitability through maximum efficiency in making the best use of the expertise of every single employee in the group. The work involved in this is managed at the local level and every manager is responsible for taking the initiative in implementing changes and disseminating information. Local equality plans and

goals are drawn up annually and are the main vehicle for systemizing and implementing the work. Nonetheless, there are still salary differences between men and women. Swedbank is also constantly working to achieve a more even gender distribution at management level.

To ensure that diversity is an inherent part of the bank, the corporate culture encourages openness towards

human individuality. Swedbank is keen to have talented employees from all backgrounds.



### CODETERMINATION

IDA is the Swedish acronym for the codetermination agreement between Swedbank and the Financial Sector Union of Sweden. Regardless of which union they belong to, all employees are covered by IDA. In Swedish, the individual letters of IDA stand for insight, involvement and responsibility. Going well beyond what is required by law, the agreement is perhaps best seen as a “working attitude” based on openness, honesty and respect. In the fall of 2001, a collection of materials

designed to support the use and monitoring of the IDA program at all workplaces was launched.

The personal development reviews between management and staff are an important tool in the IDA process. The reviews lead to individual action plans that promote personal development. In 2001, 63 per cent of employees took part in drawing up an IDA plan and 89 per cent had personal development reviews.

### SALARY DISCUSSIONS

Individual salary discussions played an even greater role in determining wage levels in 2001. These discussions replace the traditional negotiations with unions regarding how the local “wage space” is to be apportioned. In 2001, 81 per cent of employees had individual salary discussions.

# Competence development

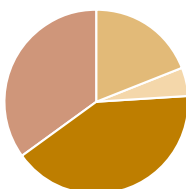
Continuous competence development programs are vital to attract, recruit, develop and retain talented employees. Training and the clear definition of roles are important elements in such programs.

## TRAINING DATA

Time devoted to training: 2.2 % of working time.  
Monetary investment in training: SEK 13,600 per employee (the corresponding figure for the previous year was SEK 9,900). Total investment in training (including time, accommodation expenses, etc): SEK 300 million.

Employee academic level, 2001

- ▶ University degrees, 19 %
- ▶ University education, 5 %
- ▶ 3-year upper secondary school, 41 %
- ▶ Other, 35 %



*"In the past, bank employees were expected to have in-depth knowledge of all aspects of banking. This is no longer a rational way of working – customers must be given access to specialists. Here, clear definition of roles is an important step, even internally. Not only do customers then know that they are being offered exactly the right competencies, but employees know exactly what can be expected of them. The bank's areas of expertise also become immediately apparent."*

Göran Theodorsson  
Director of Human Resources

## Competence and learning

The bank invests heavily in continuous competence development and increased efficiency in the provision and acquisition of knowledge. In Swedbank, competence covers knowledge, ambition and ability.

A large number of training courses were provided under Swedbank's auspices in 2001. A total of 2,200 employees attended complete courses and around 8,000 days of training were provided. Also in 2001, the general range of courses was complemented by, among other innovations, courses leading to special licenses and university level courses in business administration and economics.

Development plans for all employees are drawn up in individual personal development reviews. Identified needs are responded to through courses and "informal learning", in the daily work. Each employee can shape his or her

development. The corporation has an overall IT-based competence system covering all the processes related to competence procurement, competence development, testing and certification.

## PROFESSIONAL ROLES

In 2001, to guarantee the provision of top-quality service in customer meetings, Swedbank put great effort into identifying professional roles from the perspective of customer needs. Competence descriptions have been drawn up for each role. This initiative paves the way for still greater customer satisfaction as well as increased business and profitability. Role clarification has also helped employees and created excellent conditions for ensuring that future competence development responds exactly to customer needs for professional services.

Duties, responsibilities and key competencies have all been defined

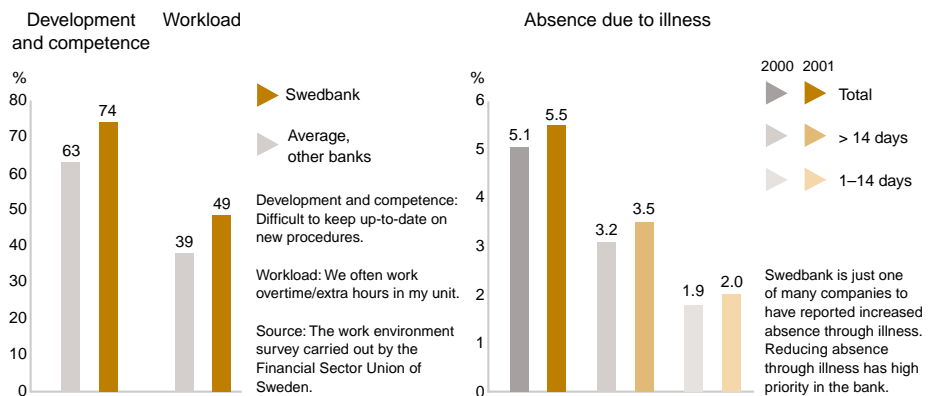
in the process of setting up these customer-centered professional roles. Furthermore, the roles make it clear what is required to better serve customers in given situations. The new system was preceded by a number of customer surveys. In certain cases, employees will receive certification within their areas of competence. It is judged that certification work will be completed in the first half of 2002.

In the surveys carried out by the bank, 82 per cent of private customers and 79 per cent of corporate customers expressed their satisfaction with the professional competence and capabilities of Swedbank employees.



# Health

Swedbank's company healthcare package addresses both physical and mental health.



## Health

The bank is actively engaged in facilitating healthcare and reducing days lost through sickness. Company healthcare is arranged locally, but the overall “Good Health Program” is run through central resources controlled by “Bankhälsan” (Bank Health – a joint body promoting the health of bank workers) and around 350 “health representatives”.

Overtime, which has been a problem in the bank, fell during the year. This is a result of the bank's increased focus on observing overtime guidelines. In 2001, overtime represented, on average, 2.2 per cent of bank employees' hours. This is an almost 40 per cent reduction on the previous year. Countering this, 8 per cent of employees feel under pressure in their work. Managers' Own Time, a new program introduced in 2001, enables the bank's managers to take five annual days for reflection. From January to December 2001, an average of 1.2 such days were taken.

### WORK ENVIRONMENT

In 2001, a workshop was held to establish which work environment areas required continuous monitoring of developments. Days lost through sickness, overtime, compensatory leave, rehabilitation and the Good Health Program were among these areas. In addition, local work environment initiatives are to be followed up once a year.

### REPORTED INDUSTRIAL INJURIES

As an employer, the bank is under an obligation to minimize health risks in the work environment and take care of any industrial injuries or absences through illness. In a decrease on the previous year, there were 26 reported cases of industrial injury in 2001. The majority of these cases were related to repetitive strain injuries, primarily backs, hips, wrists and shoulders. In the course of the year, no reported cases

were recognized as valid by AMS (the Swedish Employment Service).

### SUPPORT GROUP

Swedbank has a support group whose members, in addition to their ordinary jobs, provide support whenever a robbery or other similarly stressful incident has occurred. The members have been trained in crisis management and have access to a professional coach. To read more about the support group, visit the bank's website.

#### Further details:

[www.foreningssparbanken.se/hallbarhet](http://www.foreningssparbanken.se/hallbarhet)

- Employee communication
- Attractive employer
- Recruitment policy
- Policy document on work environments
- Manager procurement
- Manager development
- Fringe benefits
- Support group

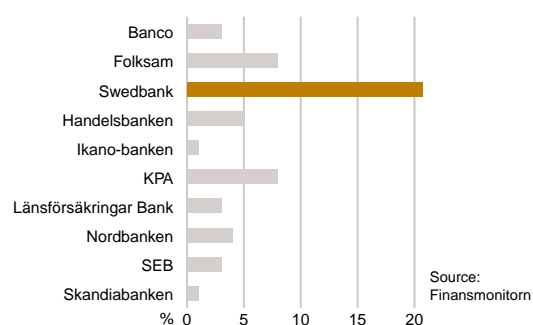
Information available in Swedish

# Society

Social responsibility is one of the bank's core values and a fundamental part of its business. The prime expression of this responsibility is our work to be a bank for everyone. There are, in turn, three main elements in this: accessibility, knowledge sharing and partnership. Our initiatives promoting good business ethics, human rights and good working conditions for the bank's employees can be added to these.



Swedbank – the bank that takes most social responsibility



## A responsible bank

### ACCESSIBILITY

With the country's widest network of branches, and channels such as Internet and telephone banking, Swedbank is Sweden's most accessible bank. In addition, there is in-store banking, a bank van that tours sparsely populated areas and a collaboration with Sweden's postal agency including rural services. Accessibility also involves everyone being made welcome at the bank and being able to choose the services and level of attention they require.

### KNOWLEDGE SHARING

Swedbank has a tradition of knowledge sharing with several stakeholder groups. Primarily in economics and economics-related subjects, it is engaged in a host of activities and projects designed to pass knowledge on to a wide range of groups.

### PARTNERSHIP

Swedbank has several extensive partnerships with, among others, nationwide organizations, educational institutions and bodies active in trade and industry. To these partnerships must be added the bank's sponsorship of a wide range of community activities, as well as research and development support and different forms of international cooperation.

### From a profitability perspective

Sustainability initiatives contribute to a strong brand image, close relationships with important community groups and improved community development. In turn, all of these create favorable conditions for the bank's operations.

## Initiatives in Sweden

A selection of the projects carried out in Sweden in 2001, exemplifying how the bank works, are recorded below.

### INTERNET TRAINING

Swedbank has an IT school to increase IT literacy and Internet familiarity amongst LO (the Swedish Trade Union Confederation) members. Members of PRO (the Swedish Pensioners' National Organization) can also receive Internet training through an organized collaboration. The same applies to people living in a number of the country's sparsely populated areas.

### COLLABORATION TCO

In collaboration with TCO (the Swedish Confederation of Professional Employees), the bank is helping to implement the "Knowledge for a new working life" project. This is designed to highlight future growth possibilities in Sweden's regions, and trends in the ways people are working. The project is to run for five years and will involve yearly surveys by SIFO (the Swedish Institute of Public Opinion Research) and reports and seminars, based on high school distribution.

### ECONOMIC COURSES

In 2001, Swedbank began a collaboration with National Organization for Turkish Immigrants and a Workers' Educational Association group. The bank's guide to managing personal finances is to be used as the coursebook in study circles run by these bodies. The goal is to arouse an interest and desire to find out more information. Circle members will discuss and recount their experience of bank relations and how everyday money management works in practice.

The bank also holds courses for specific groups, forestry and agricultural workers being just one example. In 2001, the bank's Women in Enterprise business unit gave a number of courses centering on private finances, pensions and shares.

### IMMIGRATION PROJECT

In Östergötland, Swedbank implemented a program for integrating highly qualified immigrants into the labor market and making them even more attractive to potential employers. The project was run in collaboration with the municipality of Linköping, the European Social Fund, Sweden's Objective 3 EU program and the public employment office in Östergötland.

### THE REGIONAL GROWTH PROJECT

Swedbank, the Swedish Association of Local Authorities, the Swedish Federation of County Councils and the Confederation of Swedish Enterprise are all involved in "Arena för tillväxt", a joint project designed to stimulate municipal and regional growth. Through a number of growth projects in various parts of the country, Arena provides a pool of knowledge, competencies and best practices.

### THE TORNEDAL PROJECT

The Tornedal project seeks to capitalize on the knowledge acquired during preparation for EMU, particularly in the Haparanda region. This region is the only part of Sweden bordering on euroland.

## Examples of other projects

- Services without Borders
- The Alliance for Growth in the Umeå region
- Future Dialogue

## International initiatives

Swedbank has an ongoing involvement in projects all over the world. The bank currently has around 60 people whose expertise is highly sought after in the projects where Swedbank is actively assisting. Further details of international initiatives can be found on the bank's website. In 2001, the three projects described below were brought to a successful conclusion.

### SAVINGS GROUPS IN MALAWI

In Malawi, a study was conducted into how informal savings groups of around 20 – 30 people could be formed. The idea, primarily intended for activation in small towns, was to assist the mobilization of

local capital, which could then be used to start up viable business operations. This required a great deal of coordination. The prime need was for the savings groups to function internally but, in the long run, it also had to be possible to connect them with other savings groups and into the national banking system.

### BANK SYSTEM IN AZERBAIJAN

Swedbank is helping with a study to modernize the country's banking system.

### HOUSING FINANCE IN CENTRAL AMERICA

Many people lost their homes in the natural disasters that hit this part of the

world. In Nicaragua, a study has been conducted into setting up a system helping those with limited means to finance new homes.



#### Further details:

[www.foreningssparbanken.se/hallbarhet](http://www.foreningssparbanken.se/hallbarhet)

- Research support
- Regional development projects
- International projects
- Sponsorships
- Stakeholder dialogues

Information available in Swedish

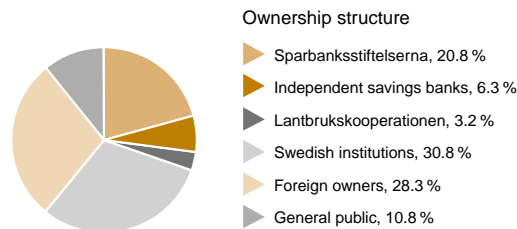
# Owners

On shareholder investments, Swedbank should generate long-term total returns at least equal to those of comparable financial organizations in Europe. High share values create flexibility for new, future-oriented, strategic initiatives.



## OWNER DATA

Number of shareholders: 407,692. Stock exchange value: approx. SEK 69 billion as per 31 December 2001. Second most popular share in the stock exchange



NILS-FREDRIK NYBLÆUS,  
DEPUTY PRESIDENT AND FINANCE DIRECTOR

## Owners – overall strategies and considerations



*“Involvement in sustainability issues is more than just an expression of our social responsibility – it is a way of reaching more customers and increasing customer loyalty.”*

“With a falling stock market, a business slowdown, the introduction of the euro and a generally turbulent climate, the past year has been particularly eventful. Nonetheless, the bank’s long-term strategies have ensured that any negative repercussions for the bank have been minor.

Good resource management is a key issue for the society that is set to acquire even greater significance.

It is now clear that companies’ responses to this issue will have a greater impact on their share prices in the future. The companies whose operations demonstrate good resource management practice have superior possibilities for long-term competitiveness. They are therefore a better investment than companies with short-term strategies only. Furthermore, customers are becoming increasingly intolerant of

any lapses in social responsibility and ethics. Involvement in sustainability issues is more than just an expression of our social responsibility – it is a way of reaching more customers and increasing customer loyalty. Swedbank promotes lasting, high shareholder value by being a sustainability forerunner. We are convinced that sustainability issues are a long-term, profitable affair for all of us.”

## SWEDBANK IN SUSTAINABILITY RANKINGS

For the second consecutive year, Swedbank's shares have been selected for inclusion in the Dow Jones Sustainability Index (DJSI). Using sustainability criteria, the index evaluates the world's 2,000

largest enterprises. Of those judged to be best from a sustainability perspective, only 300 of the enterprises have their shares chosen for inclusion in the index. With regard to sustainability, the DJSI ranks

Swedbank as the world's fourteenth best bank and the best bank in Sweden. This DJSI placing puts the bank up with the leaders in the financial sector.



### R a n k i n g s

Best Swedish bank and 14th best bank in the world in the Dow Jones Sustainability Index, DJSI.

### I n d e x e s

In addition to selection for the DJSI, Swedbank is also included in the London Stock Exchange's FTSE4Good.

### I n v e s t m e n t a p p r o v a l s

Swedbank shares are approved for:

- Robur's Environment Fund and Talenten  
Total volume, SEK 996 million
- Banco's Environment Fund  
Total volume, SEK 95 million
- SalusAnsvar Öhman's Resource Fund  
Total volume, SEK 115 million
- Inclusion in the DJSI; estimated volume of investment resulting from inclusion, EUR 4.6 billion
- Inclusion in the FTSE4Good; estimated value, EUR 100 – 150 billion

## Profitability – from a wider perspective

Sustainability initiatives contribute to long-term profitability in a number of ways:

### R E D U C E D R I S K S

When considering loan applications and making investments, environmental analyses reduce inherent risks. Among many other advantages, this, in turn, reduces the bank's costs.

### S T R O N G E R B R A N D S

The bank's sustainability initiatives strengthen the Swedbank brand image. This helps increase customer loyalty and attract new customers.

### A T T R A C T I V E E M P L O Y E R

For both present and potential employees, actively addressing sustainability issues in a systematic manner makes the bank an even more attractive employer.

### N E W B U S I N E S S P O S S I B I L I T I E S

High accessibility allows the bank to reach customer groups that would otherwise find it difficult to have access to banking services. Knowledge sharing with the community at large helps increase financial awareness and adoption of the bank's more specialized services. In this can be included the bank's ability to supply particularly attractive products and services with an environmental/ethical focus.

### A T T R A C T I V E I N V E S T M E N T

Swedbank's sustainability initiatives make its shares especially attractive to funds and investors with strict environmental/ethical requirements. This increases the long-term value and attractiveness of the shares.

For key economic indicators  
– see Swedbank's annual report.

# Swedbank's environmental impact

## Indirect environmental impact

By supplying products and services with a special focus on ethics/the environment<sup>(1)</sup> and, in addition, carrying out an environmental analysis when considering loan applications or making investments, the bank can influence other companies' active involvement in environmental issues. Furthermore, offering banking services via the Internet is one example of how customer trips to and from branch offices can be minimized. These combine to comprise Swedbank's indirect environmental impact.

Products and services <sup>(1)</sup>	Environmental impact	2001
<b>Environmental analysis model when evaluating loan applications</b>	When evaluating loans, the applicant's environmental impact and risks are mapped out. The model serves as an incentive for corporate customers to review their operations from an environmental perspective.	• 228,000 corporate customers
<b>Environmental loans</b> The Solar Heating Loan The Heat Pump Loan EIF loans to companies	Financing of environment-friendly heating. For every Solar Heating Loan it grants, Swedbank donates SEK 100 for the planting of trees to reduce the greenhouse effect. The environmental effects are reductions in over-fertilization, acidification and climatic disturbances.	• 333 trees • SEK 25 million in EIF loans
<b>Environmental and ethical funds</b>	Money is invested in companies that actively seek to improve the environment.	• 1.6 % of Robur's capital is comprised of environmental and ethical funds
<b>WWF card</b>	SEK 50 of the annual fee, and SEK 1 per payment, goes to the World Wildlife Fund (WWF). This organization is actively involved in reducing CO <sub>2</sub> emissions and preserving biological diversity.	• SEK 614,000 to the WWF • 7,141 issued WWF cards
<b>Internet, telephone and WAP banking</b>	Among other advantages, these services help minimize the need for travel and reduce paperwork. The environmental effects are reductions in over-fertilization, acidification and climatic disturbances. Improved resource management is a further effect.	• 1,079,000 Internet banking customers • 2,050,000 telephone banking customers • 10,000 WAP customers
<b>Branch network In-store banking</b>	Having a bank outlet nearby reduces travel. The environmental effects are reductions in over-fertilization, acidification and climatic disturbances.	• 553 branch offices • 305 in-store banking

(1) For more information on Swedbank's products and services, see page 12.

## Direct environmental impact

In the work being put into Swedbank achieving ISO 14001 certification, the most important areas of the bank's direct impact have been identified. These are business trips and the consumption of energy and paper. By showing that it practises as it preaches, the bank's environmental initiatives engender credibility amongst customers and employees. Each unit's work for the environment also brings to light opportunities for cost savings.

	1999	CO <sub>2</sub>	2000	CO <sub>2</sub>	2001	CO <sub>2</sub>
<b>Electricity</b>	65 GWh 5.4 MWh/emp <sup>1)</sup> 143 kWh/m <sup>2</sup>	46 kg/emp	62.2 GWh 5.9 MWh/emp 149 kWh/m <sup>2</sup>	63 kg/emp	53.6 GWh 5.2 MWh/emp 126 kWh/m <sup>2</sup>	0.35 kg/emp <sup>(2)</sup>
<b>Office supplies</b>						
– paper <sup>(3)</sup>	105 kg/emp		100 kg/emp		171 kg/emp	
– envelopes	39 kg/emp		58 kg/emp		63 kg/emp	
– forms	33 kg/emp		26 kg/emp		28 kg/emp	
Consumables	SEK 1,048/emp		SEK 2,210/emp		SEK 1,745/emp	
<b>Business trips</b>						
– car	877 km/emp	174 kg/emp	796 km/emp <sup>(4)</sup>	158 kg/emp	818 km/emp	162 kg/emp
– hire car	102 km/emp	21 kg/emp	153 km/emp	23 kg/emp	77 km/emp	15 kg/emp
– plane	1,036 km/emp	164 kg/emp	1,336 km/emp	151 kg/emp	1,057 km/emp	119 kg/emp
– train	536 km/emp	0.003 kg/emp	418 km/emp	0.002 kg/emp	490 km/emp	0.003 kg/emp
<b>Secure transport</b>	1,130,000 km total	262 ton total	1,350,000 km total	311 ton total	1,500,000 km total	345 ton total

(1) Emp = employee

(2) All centrally purchased electricity has "good environmental choice" certification, hence the large drop in carbon dioxide emissions. The branches where electricity is included in the rent (46 out of 556 units) are not in these figures.

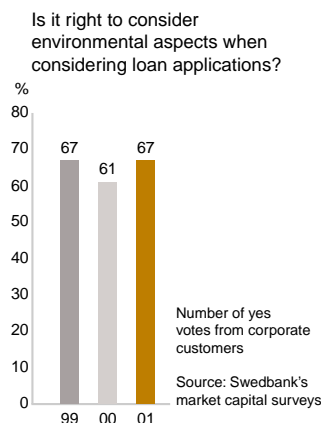
(3) Paper volumes are calculated on purchased rather than used quantities.

(4) As not all units were included in the previous year's figures, the totals have been adjusted upwards.

Swedbank's environmental initiatives are based on an deep understanding of how the bank's products, services and operations affect the environment. Through their customers, and through their own consumption of resources, banks have considerable indirect impact on the environment. Throughout the group, Swedbank therefore has a long-term approach to handling environmental issues.

#### ENVIRONMENTAL ANALYSIS MODEL

When considering loan applications from companies, an IT-based environmental analysis model is used. This has two sections: environmental management and environmental risks. The first of these is the more important as it shows whether the company's management and board recognize the business importance of environmental issues. Indirectly, it also gives an indication of the company's long-term viability. For Swedbank, the environmental analysis model is both a business tool and an element in risk management.



#### ENVIRONMENTAL EDUCATION

In 2001, "Miljövinsten" delivered a training course in the form of a competition. This highlighted how environmental issues, the bank's business operations and profitability are all inextricably linked. Around 1,200 employees took part. "Miljövinsten furthered the cause by presenting environmental initiatives in a readily accessible manner. If it also increased employee involvement in environmental issues, there will be a knock-on effect for our work in this area," Britt-Marie Lundh, Senior Vice President Environmental Affairs.

BRITT-MARIE LUNDH,  
SENIOR VICE PRESIDENT ENVIRONMENTAL AFFAIRS

## The environment – overall strategies and considerations



*"Environmental initiatives are an element in the creation of a sustainable society and are therefore a basis for lasting profitability and a strong brand."*

"Environmental issues are a part of Swedbank's business operations and business development. The bank's indirect environmental impact is particularly important. The bank now markets products with a sharp environmental profile, for example, funds, cards and special loans. Great effort is being invested in integrating ethics and the environment into all product and service development.

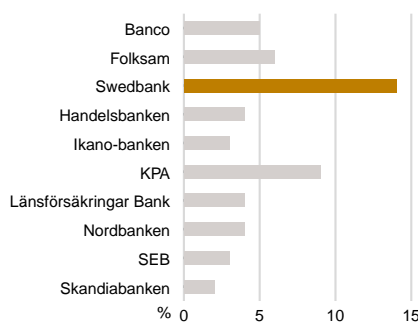
By 2003, the bank is to have implemented, and be operating in accordance with, an ISO 14001 certified environmental management system. As regards both direct and indirect impact, this system will be a tool helping the bank to implement systematic improvements in the area of the environment. It is important for the bank that active involvement in environmental issues should

enhance long-term profitability through increased customer loyalty, new business possibilities and reduced risks and costs. Furthermore, by strengthening the Swedbank brand, environmental initiatives profile the bank's shares as an attractive investment possibility. Similarly, the initiatives also increase the bank's attractiveness as an employer."

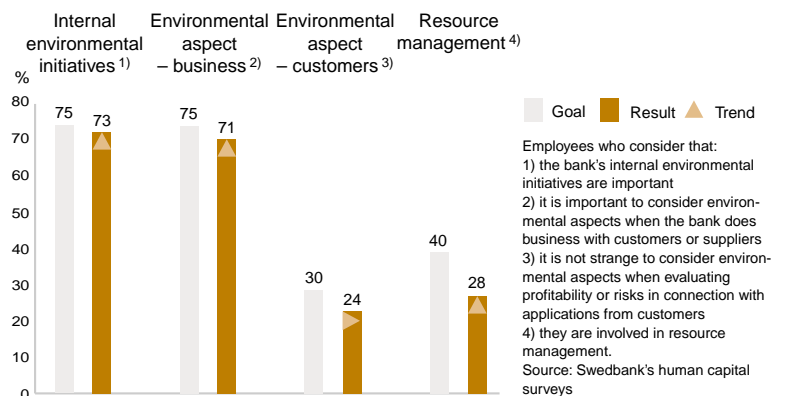
# Swedbank's environmental initiatives

Swedbank's environmental initiatives are founded on a number of goals. The work of achieving these goals is supported by the bank's environment policy and long-term strategies. The prime purpose of the environmental initiatives is that they should enhance long-term profitability by incorporating environmental considerations into all business operations and business development. The initiatives should also strengthen relations with the bank's stakeholders: employees, customers, owners and society.

Swedbank  
– the bank that does most for the environment



Source:  
Finansmonitorn



## Long-term environmental goals

Swedbank is actively pursuing a number of long-term environmental goals:

- Continuously increase bank profitability by fully integrating environmental aspects into all business operations and business development.
- Enhance shareholder value and brand image by capitalizing, in a business-like manner, on the ever increasing importance of environmental issues in society.
- Integrate environmental aspects into the development of new working methods and the relationships between the bank and its stakeholders.
- Continuously seek to reduce any negative impact the bank's operations may have, directly or indirectly, on the environment.
- Be the first choice supplier of financial services, especially for customers who attach particular weight to environmental issues.
- Be the leading financial organization, both nationally and internationally, with regard to environmental issues.

## The bank's strategies for environmental issues

The bank's long-term environmental goals will be achieved via a number of strategies, as follows:

- By working conscientiously, and in a structured manner, with the support of a certified environmental management system, the bank will bring increased efficiency to the continuous implementation of improvements in the area of the environment.
- Environmental analyses should be carried out when evaluating loan applications from companies.
- Greater use should be made of environmental analyses in making investments.
- The bank will supply and market products and services with a sharp environmental profile.
- Environmental issues should be brought into focus through active dialogue with the bank's stakeholders.
- The bank should join and form networks with community, national and international bodies that are engaged in environmental issues.
- The bank should integrate environmental issues into the competence development programs it runs for its employees.
- Environmental issues should be integrated into, and permeate, the bank's communications with its various stakeholders.
- By highlighting the significance of environmental issues as an important element in the bank's values, Swedbank will be an attractive employer.
- The bank should support environmental projects and research through sponsorship.



## CUSTOMER VIEWS OF SWEDBANK'S ENVIRONMENTAL INITIATIVES

Percentage of customers answering yes	Corporate customers			Private customers		
	1999	2000	2001	1999	2000	2001
Does Swedbank encourage its customers to alter their attitudes to environmental issues?	28	23	27	30	22	26
Does Swedbank undertake more environmental initiatives than other banks you know?	17	13	14	19	12	17
Do you feel that Swedbank's employees consider environmental aspects in their daily work?	15	13	12	15	13	16
Do you feel that, in recent times, Swedbank employees have altered their attitudes to environmental issues?	10	8	7	11	8	13

Source: Swedbank's market capital surveys



## The bank and ISO 14001 certification

### THE ISO PROJECT IN BRIEF

In May 2000, Swedbank's corporate management decided to implement an environmental management system as part of the bank's strategic environmental initiatives. The aim is to integrate environmental initiatives into the bank's business operations.

The environmental management system is a tool to bring business principles into the organization of environmental initiatives. This is done by apportioning responsibilities, and monitoring and controlling initiatives, so that environmental benefit leads to business benefit. The system is to be introduced in 2002. Certification in accordance with the international ISO 14001 standard is scheduled for the beginning of 2003.

### WHAT HAPPENED IN 2001?

In 2001, environmental investigations were carried out and environmental aspects identified in the bank's various units. In addition, training needs were listed and documentation drawn up for cost and revenue analyses. The purpose of the analysis models is to show the economic and other benefits of improving the various environmental aspects of the bank's operations.

At the start of 2001, Nässjö became the first Swedbank branch to achieve ISO 14001 environmental certification. It also became the first bank in the Nordic countries to have such certification.

### From a profitability perspective

The bank's strategic environmental initiatives contribute to reducing operational risks, attracting new customers, opening up new business possibilities and strengthening the Swedbank brand.

### What is ISO 14001?

ISO 14001 is an international standard and a voluntary tool that makes it easier for companies and organizations to run efficient and structured environmental initiatives. The standard provides a working model directed at continuous improvements in environmental work. An audit is the prelude to certification.

### Further details:

[www.foreningssparbanken.se/hallbarhet](http://www.foreningssparbanken.se/hallbarhet)

- Environment policy
- Networks
- Nässjö – the first bank in the Nordic countries with environmental certification
- Employee views of environmental issues

Information available in Swedish

# Business ethics, safety and security

The safety of its customers and employees, as well as security in respect of all funds and information entrusted to it, are Swedbank's top priorities. Swedbank also seeks to be a model for business ethics, ensuring that customers receive the best possible service in all contacts.



LARS EKLUND, EXECUTIVE VICE PRESIDENT

## Business ethics, safety and security – overall strategies and considerations



### From a profitability perspective

Customer benefit is boosted by having the highest business ethics, and the best possible safety and security. By raising the bank's social responsibility profile in this way, the brand is strengthened and stakeholder relations enhanced.

“From a safety point of view, the past year was extremely turbulent. Our own safety planning was put to the test by the acts of terrorism in New York. Within an hour of the attack, the entirety of the bank's operations in New York had been redirected to London. The smoothness and rapidity of the transfer was a result of regular practice.

Safety and security are central to all our operations. Wherever Swedbank is concerned, employees

and customers should feel confident that the utmost attention has been paid to safety and security. Work conducted in connection with the physical safety of branches has been complemented by the allocation of more resources for IT security. This is becoming even more important with the increasing use of Internet banking and other IT-related systems.

In every situation where we give advice or handle customers' money, the quality of our services

should be of the highest class. The clear definition of professional roles, and the certification of employees in those roles, ensure quality levels. We aim to be the most ethical bank – customers must be able to rely on our professionalism in all business contacts. Our long-term ambition to be world leaders in business ethics, safety and security guarantees that we remain a credible company with the well-being of customers and employees in clear focus.”

## Swedbank and business ethics

Swedbank is tireless in its efforts to serve as a model of business ethics. This demands a stable system of values and thorough training programs. The bank works continuously in these areas.

### SWEDBANK'S VALUE BASE

Swedbank has a strong value base. In 2001, great effort was put into clarifying and establishing this system throughout the bank. The work resulted in a values document, which has been discussed in local committees all around Sweden. A well established values system helps employees in their daily work.

Similarly, a strong corporate culture and management system facilitates the execution of everyday tasks and the making of business decisions.

### ETHICAL GUIDELINES

Swedbank has a number of regulatory documents such as its Ethical Rules and Ethical Guidelines governing the bank's behavior in equity and currency markets. These serve as a guide and give advice in situations where employees may be unsure about what is ethically right. Further support is provided by Swedbank's Code of Conduct, which sets out in some detail the bank's vision, attitudes and values in a

number of areas including customer contacts, confidentiality, collegiality, market communications, bribes, etc. Violations of the Ethical Rules and Guidelines normally result in disciplinary action. Neither the Ethical Rules nor the Ethical Guidelines were revised in 2001.

## Swedbank, safety and security

In 2001, large parts of the globe were subject to an unease that necessitated heightened security readiness. This highlighted the importance of the bank's security-oriented work. The 11th of September, combined with a volatile stock market, exposed the potential for the disruption of economic systems at personal and other levels. Personal safety, system security and smoothly functioning procedures are central to Swedbank's operations. The latter two are vital in preventing money laundering and hacking, both of which can cause great damage.

### QUALITY INITIATIVES

Systematic quality improvement is integrated into the bank's operations. Nonetheless, there are operational risks (e.g. mistakes, system errors, disruptions and accidents) that can result in losses for the bank. Swedbank works constantly to

prevent and minimize such risks. Training programs and management systems are two ways of reducing the risks. A certification course for advisors working in the bank is one element of Swedbank's internal training program (refer to page 16 for further details of competence development in the bank).

ISO 9001 is an international standard for certifying company quality systems. In the Swedbank group, Spintab, Finansbolaget and the Custody unit already have certification. The Lending business area is due to be certified in 2002.

### INCREASED IT SECURITY

Swedbank has allocated increased resources to IT security. Secure systems are of paramount importance, both internally and for external customer systems. In 2001, extra employees were recruited to the IT security department.

### SAFETY AND SECURITY TRAINING

The bank holds safety and security training once a year at all branches and units. Among other things, the training covers the physical safety of customers and employees in emergency situations, information security and bank confidentiality. Via the internal communications network, employees receive continual updates on security information.

### LEGAL PROCEEDINGS

In 2001, Swedbank was not involved in any legal proceedings in the ordinary courts regarding disputes or claims in connection with environmental issues.

#### Further details:

[www.foreningssparbanken.se/hallbarhet](http://www.foreningssparbanken.se/hallbarhet)

- Policy documents regarding business ethics, safety and security

Information available in Swedish

# Goals and goal achievement

Swedbank seeks to systematically implement and continuously monitor strategic goals. In this Annual Report on Sustainability, the bank's work has been detailed from the perspectives of stakeholders and key sustainability issues. Throughout the year, the work has been driven by a number of key strategic indicators and goals.

## STRATEGIC KEY INDICATORS 2001    STRATEGIC GOALS 2002

C U S T O M E R S	<ul style="list-style-type: none"> <li>– Percentage satisfied customers: 68 % of private customers and 63 % of corporate customers.</li> <li>– Accessibility index<sup>1)</sup> was 536 for private customers and 497 for corporate customers.</li> </ul>	<ul style="list-style-type: none"> <li>– Percentage satisfied customers will increase.</li> <li>– Accessibility index will increase.</li> </ul>
E M P L O Y E E S	<ul style="list-style-type: none"> <li>– Human capital index<sup>1)</sup> was 550.</li> </ul>	<ul style="list-style-type: none"> <li>– Human capital index<sup>1)</sup> will be at least 600.</li> <li>– Leadership index<sup>1)</sup> will be at least 550.</li> <li>– Human capital motivation will be at least 65 %.</li> <li>– Human capital cooperation will be at least 40 %.</li> <li>– Human capital stress will not exceed 15 %.</li> </ul>
S O C I E T Y	<ul style="list-style-type: none"> <li>– According to Sifo's Finansmonitorn 2001, Swedbank is the bank that takes most social responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>– To be the bank that, according to Sifo's Finansmonitorn, takes most social responsibility.</li> </ul>
O W N E R S	<ul style="list-style-type: none"> <li>– Swedbank is included in the Dow Jones Sustainability Index (DJSI).</li> </ul>	<ul style="list-style-type: none"> <li>– To be in the top ten in the DJSI sector index.</li> </ul>
E N V I R O N M E N T	<ul style="list-style-type: none"> <li>– According to Sifo's Finansmonitorn 2001, Swedbank is the bank that does most for the environment.</li> </ul>	<ul style="list-style-type: none"> <li>– To be the bank that, according to Sifo's Finansmonitorn, does most for the environment.</li> </ul>
B U S I N E S S   E T H I C S A N D   S E C U R I T Y		

<sup>1)</sup> The indices are constructed on a five point scale. An average rating of 3 gives an index of 200, four gives 600 and 5 gives 1,000.

## STRATEGIC KEY INDICATORS 2001

The bank's sustainability initiatives are judged against a number of strategic key indicators. In each area, these indicators are considered to be the most important benchmarks.

## STRATEGIC GOALS 2002

For each key indicator, the bank has goals. Operation evaluation is based on the degree of goal achievement.

## SUSTAINABILITY GOALS 2001

- Increase the number of electronic bill payments (both Internet and autogiro) to at least 50 % of total bill payments. **Result:** 52 %.
- Open three new multicultural bank contact points on the outskirts of large towns. **Result:** Two new contact points opened during the year.
- Funds with environmental and/or an ethical focus will comprise 1.1 % of Robur's total fund volume. **Result:** 1.6 %.
- Funds with an environmental and/or an ethical focus will give a return at least equal to their comparative indices. **Result:** Two of four funds have outperformed their comparative indices.
- Leadership index<sup>1</sup>) will be at least 550. **Result:** 538.
- Motivation index<sup>1</sup>) will be at least 65 %. **Result:** 59 %.
- Cooperation index will be at least 40 %. **Result:** 35 %.
- Stress index will not exceed 15 %. **Result:** 8 %.
- Every employee will have a yearly personal development review. **Result:** 89 % have had a personal development review.
- Every employee will have a personal development plan. **Result:** 61 %.
- To be (as shown by Universum's survey) among the first 20 most attractive employers in Sweden. **Result:** Swedbank was placed 18th.
- 6 annual training days (internal and external) per employee. **Result:** Average 6.5 training days per employee.
- To have no more than 70 % of managers from one sex. **Result:** 69 % of the bank's managers are men.
- To draw up a new equality/diversity plan. **Result:** Started.
- To draw up action plans that will take care of any unjustified pay differences between the sexes. **Result:** Started.
- Average overtime (for those claiming overtime) will be reduced to 2.6 % (a drop of 20 % on 2000). **Result:** 2.2 %.
- No more than 40 employees will be doing more than 100 hours of overtime. **Result:** 351 employees.
- All employees who have been off ill with a doctor's certificate for more than 30 days will be considered for rehabilitation. **Result:** Despite intensified effort, the goal has not been 100 % achieved.
- To remain in the DJSI. **Result:** Achieved.
- Every employee will be offered the possibility of environmental training. **Result:** All employees were offered environmental training.
- All centrally purchased electricity will have "good environmental choice" certification. **Result:** Achieved.
- The environmental management system will be clearly structured and pre-audited by a third-party certification body prior to implementation and certification in 2002. **Result:** The date for certification has been rescheduled to the first half of 2003.
- To begin ISO 9001 certification for the Lending business area; completion scheduled for 2002. **Result:** The ISO 9001 certification process began in Lending during the year.

### Further details:

[www.foreningssparbanken.se/hallbarhet](http://www.foreningssparbanken.se/hallbarhet)

- All goals and goal achievement for 2001
- Sustainability goals 2002

Information available in Swedish

## ORDERING THE REPORT

Copies of the printed version of the Annual Report on Sustainability can be ordered online at [www.foreningssparbanken.se/sustainability](http://www.foreningssparbanken.se/sustainability), or by telephoning +46 (0)8 5859 00 00. Copies can also be ordered by contacting the nearest Swedbank branch.

## CONTACTING US WITH YOUR VIEWS

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