

Sustainable development

Without a sustainable society, no sustainable economy

An important part of Swedbank's heritage is its contributions to a sustainable society. In our view, without long-term environmental and social development, long-term economic development would not be possible.

For Swedbank, the environment is important for both ideological and commercial reasons. We see a clear connection between concern for the environment and profitability, so it is natural that environmental considerations are an integral part of our operations.

As a bank, we can impact the environment by our own internal activities and indirectly through our customers and suppliers. Maintaining a dialogue with suppliers and conducting periodic analyses from environmental and quality perspectives are an important part of the purchasing process and environmental work.

Working with sustainability is, in many respects, a question of managing risks and costs. In connection with lending, we have to make sure any environmental risks can be turned into environmental improvements, so that we benefit the customer, our business, the environment and, ultimately, society as a whole. We want to turn risks into business opportunities. There is clear evidence that companies that are leaders in sustainability are also in a better position to be leaders financially.

Developing green products and services

Our customers want products and services that benefit society and the environment. By offering them green savings alternatives, investment opportunities and loans, we can work together to reduce environmental impacts and build a sustainable business. Our Swedish operations have developed and offered environmentally related products and services for many years, and several similar initiatives are now being taken in Baltic Banking operations. Among the products currently offered in both markets are socially responsible and environmentally related investments as well as loans with favourable terms to buy green cars or for green housing.

One area where the bank has a large indirect impact is through environmental analyses, which are an integral part of corporate loan applications. An analysis can also show whether it is commercially and environmentally warranted to grant a loan for investments to reduce a company's environmental impact, even if the initial assessment shows there could be a negative impact.

Swedbank is also cooperating with the World Wildlife Fund through the WWF card. In 2008, WWF card usage generated SEK

6.4m for the organization. By focusing on electronic channels and on reducing cash handling, we can bring about a reduction in cash transports.

Measuring success

Environmental goals have been established for the entire Group for 2009. At the same time, efforts are under way to create uniform models to measure the environmental impact in Swedish, Baltic and International Banking. The goal in Sweden – that our employees feel it is important to consider the environmental aspect – was reached in 2008. Similar surveys have been taken in Estonia and in Lithuania. In Lithuania, for example, 94 percent of employees felt that environmental aspects are important and 20 percent responded that they consider the environment in their daily work.

2009 will be the first year that environmental goals are in place for Baltic and International Banking. In Swedish Banking, the process of establishing and monitoring goals has existed for many years.

Environmental goals and results in 2008 for Swedish Banking, including subsidiaries in Sweden are as follows:

- 60% of our customers feel that Swedbank is Sweden's most socially responsible bank.
– **Result 2008:**
Private customers 56% and corporate customers 61%.
- 60% of our customers feel that Swedbank is Sweden's most environmentally responsible bank.
– **Result 2008:**
Private customers 52% and corporate customers 67%.
- 85% percent of the bank's employees feel it is important to consider the environment in their interactions with customers and suppliers.
– **Result 2008:** 85% (2007: 84%, 2006: 77%)
- We will reduce the amount of paper we buy by 10%.
– **Result:** 1%
- We will reduce our carbon footprint (from corporate travel) by 10%.
– **Result:** –19%

Working with internal activities

Banking has little direct impact on the environment. Still, it is important to work conscientiously and actively in areas where we can make an impact. One area is travel. By reducing business trips and encouraging employees to use alternative meeting solutions such as telephone and video conferences, we reduce our direct environmental impact. Paper consumption, use of electricity from renewable sources, electronic customer statements and responsible waste management were also important priorities in 2008 in the Swedish operations as well as in Estonia, Latvia and Lithuania.

In the spring of 2008, a climate group was formed on the initiative of Swedbank's Board of Directors. The group meets periodically to discuss the impact of climate change on the bank's business and markets and to formulate the bank's strategies on this issue. The climate group reports directly to the Board.

Swedbank in the society

Today Swedbank is a major player in sponsorships and events in all our home markets. This has always been an important part of the bank's strategy to be a strong local player, to stay close to our customers and to be committed to our local communities.

Among the examples is our work with the Swedish organization Friends, which helps to prevent bullying and visits 12–15 schools every day. Our donation of approximately SEK 3m per year enables Friends to do this. In Sweden, we also have a project called Expeditionsverige.se with photographer Mattias Klum that is inspiring us all to discover the environment and nature. Our contribution is SEK 2m per year, and here we co-operate with both the savings banks and the savings bank foundations. In the Baltic countries, we are working with several projects, including with Save the Children on anti-bullying and the Swedbank Art Award, which is drawing attention to modern art.

Transparent reporting

Corporate responsibility is closely associated with the bank's community relations, long-term profitability and survival. We therefore want to be clearer in how we present the work we are doing to create a sustainable business. Measures were reintroduced in 2008 to report using the UN's Global Reporting Initiative (GRI), which will be presented on the bank's website beginning in the first half of 2009.

Environmental impact through products and services				
	Product description	2008	2007	2006
Environmental analysis in connection with credit issuance	The bank conducts an environmental analysis of every credit loan over SEK 1m	287 400 corporate customers*	275 000 corporate customers*	262 000 corporate customers*
Environmental and socially responsible funds	Socially responsible and environmental evaluations impact the choice of investments	SEK 50bn	SEK 60bn**	SEK 13.5bn
Energy loans	Energy loans offer beneficial terms for investments in energy-saving heating systems, e.g., bedrock, soil or solar energy	818 loans volume SEK 60.7m	729 loans volume SEK 57.7m	474 loans volume SEK 39.5m

* Refers to total number of corporate customers in Swedish operations.

** SEK 15bn of which is managed according to Robur's stricter sustainability criteria.

Environmental impact through internal activities in Swedish operations*			
	2008	2007	2006
Average number of employees	9 408	9 551	9 465
Purchases of paper, envelopes and forms	1 157 tonnes	1 146 tonnes	1 202 tonnes
Green electricity	46.6 GWh	47.8 GWh	50.3 GWh
Business travel			
Car	5 420 000 km 954 tonnes CO ₂	5 911 155 km 1 040 tonnes CO ₂	7 746 750 km 1 455 tonnes CO ₂
Air	15 057 458 km 2 314 tonnes CO ₂	13 557 470 km 2 080 tonnes CO ₂	18 817 560 km 2 573 tonnes CO ₂
Rail	4 976 640 km 0.029 tonnes CO ₂	4 711 320 km 0.027 tonnes CO ₂	5 089 380 km 0.028 tonnes CO ₂
Total travel	3 268 tonnes CO₂	3 120 tonnes CO₂	4 028 tonnes CO₂
Security transports	1 300 000 km 302 tonnes CO ₂	1 879 660 km 402 tonnes CO ₂	1 921 000 km 461 tonnes CO ₂
Total transports	3 570 tonnes CO₂	3 522 tonnes CO₂	4 489 tonnes CO₂

* After reviewing previously reported data, adjustments have been made in the bank's environmental statistics, due to which the information in the above table may differ from previous years' reports.