

Swedbank's corporate responsibility

Swedbank works to promote a healthy and sustainable financial situation for its customers. With roots in the Swedish savings bank movement and agricultural credit societies, Swedbank has a strong tradition of corporate responsibility and high ethical standards

Focus on financial sustainability

Swedbank is a bank built on relationships and works conscientiously to help its customers achieve long-term financial stability. The bank focused during the year on strengthening its advisory services, where the emphasis is on understanding each customer's overall financial situation. On the corporate end, Swedbank works actively with analysis and dialogue to support companies develop into more responsible and sustainable enterprises. Swedbank Robur's socially responsible funds offer investments in companies that clearly demonstrate that they can manage their social, ethical and environmental risks. Swedbank Robur signed the UN's Principles for Responsible Investment (PRI) during the year. This means that as a company, it will strive for a greater level of transparency on environmental and social issues as well as in terms of corporate governance in the companies it invests in.

Strong commitment to society and environment

Swedbank has been part of the local community and worked closely with customers for over two centuries. To this day, it remains a bank for a diversity of people and businesses and works actively for the sustainable development of society and the environment.

During the year the bank received recognition with several awards for its sustainability work. One of the most notable was as Estonia's most responsible company, presented by the magazine *Äripäev*. The bank also received the Socially Responsible Award in Lithuania from the National Responsible Business Awards.

In May Swedbank initiated a collaboration with ECPAT, an initiative against child pornography and trafficking. As part of the project, Swedbank is working with the three other major banks in Sweden and the police authorities to prevent payment transactions by such businesses through the Swedish banking system.

In 2009 Swedbank signed the Swedish Society for Nature Conservation's climate appeal, which was a challenge to Swedish politicians ahead of the climate change conference in Copenhagen to encourage industrialised countries to work together to reduce greenhouse gas emissions and increase support for

climate measures in developing countries. Swedbank also participated in the United Nations Environment Programme Finance Initiative's (UNEP FI) roundtable discussion held prior to the climate change negotiations in Copenhagen and attended the negotiations themselves.

Extended portfolio of sustainable products

During autumn Swedbank was the lead manager for "Climate Awareness Bonds" issued by the bank's partner, the European Investment Bank (EIB). Around ten Nordic institutional investors participated in the issue. The capital, which amounted to SEK 2.25bn, will be used for future projects in the fields of renewable energy and energy efficiency.

Swedbank Robur is by far Sweden's leader in socially responsible investments. At year-end its assets under management with some form of ethical criteria amounted to SEK 248bn. Following the acquisition of Banco Fonder AB, SEK 24bn in assets were managed as of year-end based on extensive corporate responsibility requirements. One of the purposes of the acquisition was to benefit from and build on Banco Fonder's work to promote sustainable enterprises.

During the spring Swedbank was named Financial Educator of the Year in Sweden by the National Association for Young Investors for educating and inspiring young people about personal finances and savings, in order to help them make better-informed decisions. The award is the result of efforts to promote financially sustainable habits among both individuals and businesses. During autumn Swedbank expanded this work to include Estonia, Latvia and Lithuania, where it has established an Institute for Private Finances to provide information on how financial instruments work and the importance of savings.

The bank's environmental analysis model used in connection with lending was improved and will be re-launched in early 2010. The model, which is used for corporate lending, has complemented its current financial and environmental criteria to include issues of human rights, labour conditions and anti-corruption. Climate-related risks are also being further emphasised. The analysis model is used in discussions with customers to identify risks and turn them into business opportunities.

Through its extensive branch network and strong local presence, Swedbank is well placed to help young people enter the job market. In autumn 2009 Swedbank started a project in Sweden together with the savings banks to give young people between the ages of 18 and 24 trainee positions for several months to gain experience. In 2010 the bank will actively encourage its business customers, suppliers and municipalities to do the same. The goal is to work together to create more jobs for young people at the same time that it is positive for the bank to get to know young workers.

Swedbank reports according to Global Reporting Initiative (GRI)

In June 2009 Swedbank presented its first sustainability report according to the UN's GRI G3 accounting standard. The primary aim is to highlight areas and indicators of greatest importance to Swedbank and where it has the best opportunity to influence its customers and partners. Swedbank reports according to GRI

Level C. The report has been reviewed by a third party. Swedbank previously reported according to GRI criteria in the annual reports for 2000-2002. The GRI index is presented in its entirety at www.swedbank.com/csr.

Sustainability goals

Swedbank is the only listed bank in the Nordic region to receive ISO 14 001 environmental certification. Environmental work is governed by this system, which is based on the bank's key environmental aspects, policy, goals and strategies. In 2009 environmental goals were set for the first time in Baltic Banking and International Banking. The goal is to implement an environmental impact analysis in operations and begin reporting them according to the Group's routines. The audit will continue until 2013. The environmental information below therefore relates only to the Swedish operations.

For information on gender equality and diversity, see page 40, Swedbank – an attractive workplace.

Goal

	Result 2009	Result 2008
60% of Swedbank's customers feel that Swedbank is Sweden's most environmentally responsible bank	n.a*	Private customers 56% Corporate customers 61%
85% of the bank's employees feel that environmental considerations are important in interactions with customers and suppliers	86 %	85%
Swedbank will reduce the amount of paper it buys by 10%	-21%	1%
Swedbank will reduce its carbon footprint (from business travel) by 10%	+18%	-19%

*Due to extensive branding work in 2009, the annual branding survey was not conducted.

Environmental impact through internal activities

	2009	2008	2007	2006
Average number of employees	9 025	9 408	9 551	9 465
Purchases of paper, envelopes and forms (tons)	912	1 157	1 146	1 202
Green electricity (GWh)	45.6	46.6	47.8	50.3
Travel by car (CO2 tons)	886	954	1 040	1 455
Travel by air (CO2 tons)	2 952	2 314	2 080	2 573
Travel by train (CO2 tons)	0.011	0.029	0.027	0.028
Security transports (CO2, tons)	374	302	402	461

Environmental impact through products and services

Product	Product description	2009	2008	2007
Environmental analysis in connection with loan evaluations	The bank conducts environmental analyses of every loan over SEK 1m (refer to the number of corporate customers in the Swedish operation)	276 653 corporate customers*	287 400 corporate customers*	275 000 corporate customers*
Environmental and socially responsible funds	Evaluations of social, ethical and environmental aspects affect the choice of investments	SEK 248bn**	SEK 50bn	SEK 60bn
Energy loans	Energy loans offer beneficial terms for investments in energy-saving heating systems, e.g., geothermal or solar	916 loan volume SEK 69bn	818 loans volume SEK 60.7bn	729 loans volume SEK 57.7bn
WWF affinity card	Part of the annual fee and a contribution from the bank go to WWF	SEK 6.6m	SEK 5.8m	SEK 4.2m

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

** Volume increase mainly a result of the acquisition of Folksam's and KPA's funds.