

Sustainability is part of our business

34 As Sweden's largest bank, and with a growing business outside the country, Swedbank has a responsibility to a number of different stakeholders.

The bank's mission is to be a positive force in society and promote sustainable development by showing respect for customers, shareholders, employees, society and the environment.

Sustainability is part of our business

This means that the bank, based on the concept of sustainability, will try to reduce its environmental impact, build long-term customer relations and protect employees, as well as prevent crimes against human rights and promote positive working environments and good business ethics. Sustainability is now being integrated in a clearer way in day-to-day operations.

The bank has ambitious guidelines for ethics, working environments, gender equality and diversity covering all its employees.

Swedbank supports the Global Compact, a U.N. initiative to promote human rights around the world. The Global Compact contains ten principles on human rights, labor standards, the environment and anticorruption. The bank also supports the United Nations' environmental program, UNEP, the central forum for the world's environmental ministers to discuss current environmental trends.

The bank and its customers

The bank is dependent on the confidence of the market, particularly its customers. Maintaining this confidence requires respect for customers' personal integrity, confidentiality and security. Information on customers' relationships with Swedbank and their transactions are off-limits to unauthorized personnel.

The bank's employees play a decisive role in contacts with customers and face high demands in terms of ethics and business morals. Swedbank has its own ethical rules that extend beyond laws and regulations.

The bank and the environment

Since December 2000 Swedbank has an environmental policy for

operations in Sweden, where its environmental work creates a sustainable society, contributes to consistent profitability and, in the process, strengthens the brand. The aim is to develop a harmonized environmental policy for the entire group.

The bank is aware of global environmental issues and its opportunity to have a direct and indirect impact. Swedbank will therefore:

- Conduct its operations in a way that takes opportunities and risks into account from an environmental perspective
- Work closely with customers and other stakeholders on environmental issues
- Comply with current laws and regulations in all its operations and promote positive development in this area
- Strive to reduce and prevent pollutants in all operations
- Conduct internal environmental work that leads to continuous improvements
- Take advantage of its employees' commitment and awareness
- Introduce and develop an environmental management system for the entire group.

Swedbank's Swedish operations have been environmentally certified since April 2003 according to the international environmental management standard SS-EN ISO 14 001:1996. By utilizing a structured approach, the aim is to reduce the bank's environmental impact.

As an element in the efforts to ensure continuous improvements and maintain employees' environmental competence, a new form of interactive training was introduced for employees of the Swedish operations in 2006.

Reduce direct and indirect environmental impact

Environmental issues have been part of the bank's operations for several years. Swedbank's environmental impact is both direct and indirect. The direct environmental impact is relatively limited and mainly arises from business travel by employees, heating for offices and the consumption of paper and electricity. The rules for

Swedbank joins Carbon Disclosure Project

Swedbank participated in 2006 in the Carbon Disclosure Project 4 (CDP 4), whose results were presented in September. CDP 4 is an initiative in which Swedbank and 224 other institutional investors around the world have come together to sign a global request that over 2,000 public companies take a position on and reply to a number of questions regarding greenhouse gas emissions. The questions concern the companies' energy consumption and carbon dioxide and other greenhouse gas emissions, how their market is affected by climate change and the strategies they have to reduce their emissions. The replies from these companies are posted on the website, www.cdproject.net. Swedbank has also elected to participate in CDP 5.

Honorary mention as Improver of the Year

Swedbank (then named FöreningsSparbanken) earned an honorary mention in Improver of the Year, a competition held for the first time in 2006. Arranged by the Swedish daily Svenska Dagbladet and Banco Funds, the prize was presented to the company that during the year "clearly improved its social and environmental work." Swedbank was cited as "the only Swedish bank-developed system that weighs environmental and social aspects in its lending."

company cars will be reviewed in order to increase the use of environmentally safer cars, as has already been done in Göteborg.

The indirect environmental impact is more extensive and arises when customers use the bank's products and services. To minimize its direct impact, Swedbank has systems that consider environmental factors in its lending. Social factors are weighed as well.

Swedbank also has a number of environmentally and ethically oriented products. Swedbank Robur offers ten socially responsible funds in which investments are selected on the basis of ethical considerations as well as traditional financial analysis. Managers actively seek out responsible companies that demonstrate in trustworthy fashion that they can manage social, ethical and environmental risks while at the same time capitalizing on the business opportunities this presents. Companies that generate a significant share of their sales from the manufacture and/or sale of armaments, alcohol, tobacco, commercial gambling and pornography are excluded.

Among its card offerings, the bank has a WWF affinity card. The telephone and Internet banks offer electronic products and services, which help to reduce resource consumption and emissions.

The bank and the community

Swedbank is an important player in the communities in which it operates. It caters to most of the population, providing access to a variety of products and services. Swedbank is often the only bank in immigrant-dense areas and today has five multicultural branches in Stockholm, Göteborg, Malmö and Jönköping. In addition, Swedbank's website has been designed to make it accessible for the visually impaired.

Since Swedbank is a bank for so many people, it uses sponsorships to reach a wide audience and show its commitment to athletics, cul-

ture and the community. Swedbank sponsors, among other things, the Crown Princess Victoria's Fund, the Swedish Ski Association, the organization Friends, the Swedish Football Association, the Vasalopp ski race and the Entrepreneur of the Year award.

In the environmental area Swedbank is one of four companies taking part in a project called Stockholm Mobility, which is analyzing travel by drivers going to and from work in the Swedish capital. The goal is to reduce emissions of greenhouse gases by the city's businesses by 15 percent, and it has presented a number of proposals to reach that target.

Among Swedbank's largest shareholders are the savings bank foundations, which have two purposes: to serve as owners and, through contributions within their areas of operation, to promote commerce, research, education, athletics and culture.

Environmental objectives for Swedish operations 2006

Objective	Outcome
85% of employees will feel it is important that the bank takes environmental aspects into consideration when doing business with customers or suppliers.	77
Every business unit will have at least one business-related environmental objective.	Achieved
Swedbank will reduce its emissions of carbon dioxide.	Participation in Stockholm Mobility, CDP4, CDP5
Swedbank will reduce its electricity consumption.	Small increase during 2006
Swedbank will increase the number of environmental analyses conducted in connection with lending.	Currently not measurable

Indirect environmental impact			
Products and services	Environmental impact	2006	2005
Environmental analysis in commercial lending	With help of an analysis model, the environmental impact of prospective borrowers is analyzed from a risk perspective. The model is used for all companies where the Bank's commitment exceeds SEK 1m.	262,000 commercial customers	245,000 commercial customers
Robur manages ten environmental & socially responsible funds	Money is invested in companies that meet environmental and socially responsible criteria according to Robur's analysis model.	13.5 billion	12.1 billion
WWF card	The customers' and bank's contribution to the World Wildlife Fund, WWF.	3.3m to WWF 41,516 active cards	3.9m to WWF 34,266 active cards
Transactions			
• Teller	Security transports; see below	21.3 %	24.6 %
• Card	Totally electronic	56.6 %	51.6 %
• Giro	Forms, envelopes; see below	9.4 %	11.2 %
• Internet	Totally electronic	12.7 %	12.6 %
Total number of transactions		496.4	458.8

Direct environmental impact in Sweden				
	2006	CO2	2005	CO2
Average number of employees	9,390		9,503	
Office space	376,748 sq.m.		387,831 sq.m.	
Paper, envelopes forms (purchased volume)	128 kg/empl		126 kg/empl	
Green electricity	50.3 GWh		49.3 GWh	
Business travel				
- cars	825 km/empl	155 kg/empl	901 km/empl	180 kg/empl
- air	2,004 km/empl	274 kg/empl	1,459 km/empl	239 kg/empl
- rail	542 km/empl	0.003 kg/empl	531 km/empl	0.003 kg/empl
Total travel		3,978 tons		3,954 tons
Security transports	1,921,000 km	461 tons	2,133,000 km	512 tons
Total transports		4,439 tons		4,466 tons