

2016

Compiled Sustainability Information

This document compiles all the sustainability information presented in Swedbank's Annual Report and GRI Report for 2016. The document is developed to facilitate for our stakeholders to find information about the bank's sustainability efforts, increase transparency and give us an opportunity to report on how we work with and implement sustainability in our business.

The report conforms to the Global Reporting Initiative's (GRI) guidelines, version G4, and has been reviewed by Deloitte AB.

GRIR = GRI Report 2016

AR = Annual Report 2016

Contents

Annual Report	GRI Report
18 A sound and sustainable economy	GRI - Standard Disclosures
170 Sustainability report	3 Strategy and analysis
171 Pay	3 Organisational profile
172 Finance	5 Identified material aspects and boundaries
173 Save/Invest	7 Stakeholder engagement
174 Procure	8 Report profile
174 Employees	9 Governance
176 Environmental impacts	9 Ethics and integrity
177 Social engagement	10 Sustainability governance
178 GRI Standard Disclosures	GRI Specific Standard Disclosures
178 Reporting according to G4-DMA	14 Economic impacts
179 GRI Specific Standard Disclosures	14 Environmental impacts
	15 Social Impacts - Working conditions
	15 Social Impacts - Human rights
	16 Social Impacts - Organisation's role in society
	18 Social Impacts - Product responsibility

A sound and sustainable economy

As a bank, we are an important part of the financial system and have a responsibility to promote a sustainable economy. In 2016 we focused on further integrating sustainability in our business and strengthening our responsibility for climate change.

Swedbank plays a central role in the financial system, and by addressing environmental and social risks in our business we can contribute to more sustainable companies and communities.

Our sustainability strategy is based on integrating sustainability in our core processes, in lending and investment decisions, in procurements and in our payment flows. The strategy stresses the importance of monitoring and reporting sustainability work clearly and transparently and continues our efforts to be an inclusive bank. We want to contribute to a society where everyone has equal access to financial services, including many newly-arrived persons who have chosen Swedbank as their bank.

Responsible lending

Through responsible lending we take responsibility for reducing the indirect impacts on people and the environment that can arise through our customers' businesses. We do not believe that sustainability risks can be separated from financial risks, so we conduct a sustainability analysis in connection with all business loan applications over SEK 5m in Sweden and EUR 0.8m in the Baltic countries. In the analysis, we discuss general sustainability risks with the customer based on a risk assessment model containing questions on human rights, the environment and climate, taxes and corruption. Sustainability risks are evaluated by a credit committee in the same way as financial risks. If a company is considered to have significant sustainability risks, the case can be escalated to the Swedbank's Business Ethics Council for further recommendation and guidance.

Influence through dialogue

Swedbank's fund managers take the environment, human rights, business ethics and corruption into account in their investment processes and ownership work. The focus is on influencing companies in which funds are major owners as well as companies with deficiencies in sustainability and/or corporate governance. As an owner, we can have an influence by participating in nomination committees and through continuous dialogue with boards and executive management. Companies can be excluded from investment for sustainability reasons, although the main principle is to remain an owner and try to have an impact. The bank's sustainability funds invest in companies that manage environmental, social and business ethics risks in a responsible manner. They do not invest in fossil fuels such as oil, gas and coal, and we are working to reduce investments in coal in all our funds.

Sustainable procurement

Sustainability is an important aspect of Swedbank's procurement and is factored into contracts as well as risk assessments and supplier evaluations. Purchases exceeding EUR 50 000 per year that are managed by the bank's central procurement unit undergo a risk classification of the supplier based on country- and industry-specific sustainability risks. The bank's code of conduct is part of a binding contract and shall be signed by all suppliers. Compliance is then monitored.

Minimise operational risks in the business

In payments, we constantly address key risks related to money laundering and terrorist financing. Through system support to monitor transactions, customer screening against sanction lists and the bank's Know Your Customer (KYC) process, we work continuously to minimise these risks in our business.

An important tool to make our all core processes even more sustainable is our sector guidelines. During the year we developed guidelines for eleven sectors to clarify the bank's expectations and recommendations on key sustainability aspects in each industry as well as international standards and norms. We also clearly set out what we expect of companies in terms of human rights, the environment, anti-corruption and transparency.

“We clearly set out what we expect of companies in terms of human rights and the environment.”

Anti-corruption work is ingrained in the bank's business processes and integrated in loan assessments, the supply chain, payment flows and investments. Employee training in anti-corruption is an important part of this. We have new guidelines on gifts and events based on Swedbank's code of conduct and anti-corruption policy and a register where gifts are reported using a traffic light model. In addition, we have updated our policy on conflicts of interest and developed new employee guidelines on external assignments. The approval process for sideline work has also been tightened with more detailed information required in the application, which is later registered and followed up. Level 2–3 managers always require approval from Compliance as well. Employees' sideline work is annually evaluated in internal development plans, where goals and expectations are discussed with each individual. To be approved, sideline work cannot interfere with the employee's performance, be with a competitor, cause reputational harm, pose a conflict of interest or be inappropriate. To identify and evaluate possible conflicts of interest at the management level, interviews have been conducted with members of the Group Executive Committee. Members of the Group Executive Committee are also subject to special rules on personal investments, where in normal cases the following do not give rise to significant conflicts of interest: UCITS funds and similar financial instruments, real estate intended for private use by members or their family, shares in Swedbank and other shares provided that they are discretionary investments and that the agreement has been approved by Compliance.

For Swedbank it is important that risks and irregularities are detected and addressed in time. During the year we therefore improved the internal whistleblowing routine where employees can anonymously report violations of internal or external rules and regulations.

Successful environmental work

Climate change is one of the biggest challenges of our times. Businesses play an important role in fighting global warming. Swedbank works actively to reduce consumption of the Earth's finite resources and to promote a stable climate and energy transformation. Our goal is to reduce greenhouse gas emissions by 60 per cent between 2010 and 2018.

The bank's environment management system is ISO 14001 compliant and provides a structured way to reduce environmental impact. The environmental policy, goals and strategies guide and help us to focus on where the bank can make the biggest difference. The work is guided by our environment management system and reviewed annually through an external audit. We are convinced that successful environmental work not only reduces impact, but also risks, while at the same time strengthening our brand.

During the year we took important measures to address climate change in our work. We have reduced our exposure to coal in terms of both investing and financing. We will not invest in companies that generate over 30 per cent of their revenue from coal production. The reduction in the exposure to coal has been gradual, and divested companies are not eligible for new financing. We have also decided not to directly finance coal-fired power plants. In addition, we have continued to encourage the companies we invest in and our corporate customers to integrate sustainability in their businesses and address climate change.

By signing the Montreal Carbon Pledge, we have committed to disclose our funds' carbon footprint. Reporting the climate impact of our funds makes it easier for customers to make sustainable choices.

To further contribute to a sustainable economy, Swedbank has made it a priority to continue to finance investments in renewable energy and encourage reductions in coal extraction and greenhouse gas emissions. We also want to offer our customers a wider range of sustainable financial products.

Commitment to social issues

Swedbank is strongly committed to social issues and is especially invested in educational, entrepreneurial and innovation initiatives. During the year we promoted and were involved in several constructive projects in our home markets. We granted state-guaranteed mortgages to more than 900 families in Latvia to help them buy a home.

“Together with the savings banks we continue to support the organisation Junior Achievement, whose aim is to provide young people with knowledge on how to run a business.”

In Estonia we participated in the creation of a fund where young entrepreneurs can apply for financial assistance to bring to market innovative products they have developed. Together with other social partners, Swedbank's employees also arranged lectures in schools.

Sustainability goals 2016	Results 2016
Increase financial awareness and knowledge among children and young adults by offering various educational activities in schools in our home markets.	In the Baltic countries, Swedbank's employees, working together with other social partners, arranged over 1 300 lectures on finances during the year. In Sweden, we have helped to teach children and young adults about managing money through the magazine Lyckoslanten, which is published four times a year and has a circulation of 340 000, and through the Young Economy initiative, where Swedbank and the savings banks lectured to around 48 000 upper secondary students.
Reduce Swedbank's direct greenhouse gas emissions by 60% by 2018 using 2010 as a base year.	Swedbank cut its direct greenhouse gas emissions by 48% between 2010 and 2016.
Develop clear and transparent reporting on how sustainability is addressed by our funds.	In 2016 Swedbank Robur expanded and clarified the information on responsible investments and sustainability funds on the website. Further information on each fund's sustainability work will be published in the first quarter of 2017.
Introduce of Swedbank Robur's policy for responsible investments.	Methods were instituted in 2016 to integrate sustainability in investment processes, a model was developed to influence companies, and coal companies were excluded from investment. By 1 April 2017 all of Swedbank Robur's funds will apply the policy on responsible investments.
Be appointed lead manager of at least 5 green bonds.	Swedbank was the lead manager for 8 green bonds with a value of SEK 13.6bn during 2016.
Offer at least 3 equity-linked bonds (SPAX) with a sustainability profile.	Swedbank launched 16 equity-linked bonds with a sustainability profile and an aggregate value of SEK 311m in 2016.

Sustainability report

We integrate economic, social and environmental sustainability in our operations and business decisions. We therefore present our sustainability results as an integral part of the annual report. Our report conforms to the Global Reporting Initiative's (GRI) G4 Core level and has been reviewed by the auditing firm Deloitte in accordance with the assurance report on page 186. The report consists of the Annual Report 2016 and the GRI Report 2016.

For Swedbank, sustainable business is distinguished by responsible business decisions, value creation and transparency. We have committed to follow several international initiatives and have built an integrated sustainability framework for taking responsibility and minimising risks. The UN Global Compact's ten principles and the UN Principles for Responsible Investments (UNPRI) are among the critical commitments that guide our work and are the basis of our position statements and the way we act. During the year we formulated eleven sector guidelines that further clarify what we expect of companies e.g. in terms of human rights, the environment, business ethics and anti-corruption.

Our sustainability integration is illustrated in the model below. The majority of our commitments, governing documents and work processes are shown

here, providing an overview of our corporate sustainability governance and how sustainability is implemented and monitored at Swedbank.

It is essential to our sustainability work to continuously dialogue with our stakeholders. Together we have identified and prioritised which areas are the most material and strategically important for us in order to reach our goal of sustainable banking.

In the following notes, we report the results of our sustainability work from the standpoint of our core processes: pay, finance, save/invest and procure. We also present our results based on our work with gender equality and diversity, the environment and social engagement. The sustainability information is found on pages 16–19 and 169–180 and in the document GRI-Report 2016 available at www.swedbank.se.

COMMITMENTS

- UN Global Compact
- UN Environmental Programme for the Financial Sector
- UN Framework on Business and Human Rights
- Financial Coalition against Commercial Sexual Exploitation of Children
- UN Principles for Responsible Investments
- Montreal Carbon Pledge
- Global Investment Performance Standards

FRAMEWORKS AND GUIDELINES

- Policies
- Position statements
- Code of Conduct
- Sector guidelines

GOVERNANCE

- ISO 14001 compliant environmental management system
- Strategy
- Goals

APPLICATION

- Sustainability analysis in business processes
- Active ownership and advocacy
- Exclusion of companies
- Product development

SUPPORT

- Internal sustainability expertise
- Swedbank's Business Ethics Council
- Sustainability training

MONITORING AND REPORTING

- Annual Report
- GRI Report
- Climate review report and calculation of climate impact of funds
- Reporting on responsible investments
- Investor queries
- External and internal audits

S1 Pay

Various types of risks arise in the Pay area tied to money laundering and terrorist financing, among other things. It is important therefore that we know our customers, understand where their money comes from and why they want a relationship with the bank, since it better enables us to detect unusual behaviour. The Anti-Money Laundering Act requires that we know our customers and that we continuously update and document it. We constantly try to improve our systems and processes to combat money laundering, terrorism financing and corruption. Through the bank's "Know Your Customer" process, our system support for monitoring transactions and reconciliations of customer databases against sanction lists, we minimise these risks in our operations. An inspection conducted during the year by the Financial Supervisory Authority in Latvia identified deficiencies in Swedbank's internal control systems for preventing money laundering. Swedbank Latvia has therefore entered into an agreement and committed to implementing a series of changes to internal control systems, processes and documentation to combat money laundering. The agreement includes a fine of EUR 1.36m.

Digitisation in society is accelerating and customers are demanding new and simpler products and availability wherever they happen to be, increasing the need for competence and transparency. Digitisation is a priority for Swedbank. Greater digitisation also paves the way for efficient resource utilisation. In the bank, resources are freed up for individual financial advice as customers increasingly turn to and rely on digital channels. This means that availability, i.e. the options available to customers to contact us and do their banking, increases as the digital channels develop.

As our customers gain access to more options, we as a bank face higher demands to meet their expectations. We therefore work continuously to introduce new digital functions to make everyday banking easier. Swedbank further improved the Internet bank in 2016 and launched a test version for corporate customers. We also made it possible to prequalify for a mortgage digitally and to sign contracts electronically. To further increase availability for our customers, we also launched round-the-clock personal service through the customer centre during the year.

The transition to a digital society poses great risks. Providing safe and reliable IT systems is essential to maintaining the trust of our customers. We work continuously to ensure that our IT systems are available, stable and secure and have placed great focus on quality improvements, reduced systems complexity and more efficient routines.

Sweden	2016	2015	2014
Population (million)	10.0	9.6	9.6
Private customers (million)	4.0	4.0	4.1
Corporate customers (thousand)	266	265	270
Cards (million)	4.2	4.1	3.9
Branches	248	275	314
Internet Bank customers (million) ¹	4.1	3.9	3.7
Internet Bank logins (million) ¹	240	240	254
Internet Bank payments (million) ¹	158	162	174
Mobile Bank customers (million) ¹	2.8	2.5	2.0
Mobile Bank logins (million)	478	396	416
Swish payments (million)	156	80	20
Donations to WWF from WWF cards (SEKm) ²	1.1	2.1	3.6
Customers with WWF cards ²	36 494	80 121	136 983

¹ Including savings banks.

² Swedbank and the savings banks no longer collaborate with WWF on card products. Donations continue to be paid to WWF from outstanding cards.

Estonia	2016	2015	2014
Population (million)	1.3	1.3	1.3
Private customers (million)	0.9	0.8	1.0
Corporate customers (thousand)	141	135	130
Cards (million)	1.1	1.1	1.1
Branches	35	36	50
Accessible branches	33	28	28
ATMs	419	423	457
Internet Bank customers (million)	0.9	0.9	0.9
Internet Bank logins (million)	60.6	61.4	61.6
Internet Bank payments (million)	70.9	67.0	64.3
Mobile Bank customers (million) ¹	0.2	0.1	
Mobile Bank logins (million)	9.7	6.2	4.4

¹ New definition of mobile bank customer in 2016, revised number for 2015.

Latvia	2016	2015	2014
Population (million)	2.0	2.0	2.0
Private customers (million)	0.9	0.9	1.0
Corporate customers (thousand)	91	90	87
Cards (million)	1.0	1.0	1.0
Branches	41	41	54
Accessible branches	30	31	32
ATMs	396	413	409
Internet Bank customers (million)	0.9	0.9	0.9
Internet Bank logins (million)	55.3	56.3	55.8
Internet Bank payments (million)	67.3	55.1	52.2
Mobile Bank customers (million) ¹	0.2	0.1	
Mobile Bank logins (million)	5.7	4	3

¹ New definition of mobile bank customer in 2016, revised number for 2015.

Lithuania	2016	2015	2014
Population (million)	2.9	3.0	3.0
Private customers (million)	1.5	1.5	2
Corporate customers (thousand)	86	84	89
Cards (million)	1.7	1.6	1.7
Branches	65	67	77
Accessible branches	62	63	64
ATMs	423	454	520
Internet Bank customers (million)	1.4	1.3	1.3
Internet Bank logins (million)	58.0	57.8	57.7
Internet Bank payments (million)	58.9	43.8	42.9
Mobile Bank customers (million) ¹	0.2	0.1	
Mobile Bank logins (million)	7.6	4.4	2.6

¹ New definition of mobile bank customer in 2016, revised number for 2015.

S2 Finance

We feel it is essential as a well-functioning bank to promote a sound financial situation and reduce the impacts on people and the environment arising through our customers' businesses. In our lending to private and corporate customers, we do so by clarifying risks and reviewing each customer's long-term financial situation.

Swedbank's vision is that the foundation of a sound and sustainable economy will be built on manageable amortisation and debt levels. On 1 June 2016 the Swedish Financial Supervisory Authority (SFSA) introduced new mortgage amortisation requirements to slow the debt build-up in recent years among Swedish households. To encourage customers to be financially prudent, we had already introduced mortgage amortisation requirements similar to SFSA's. At the same time more customers are willing to amortise their mortgages as they realise that amortisation is an important complement to savings. This is a view the bank shares. That is why Swedbank has made it easier for customers to pay off their loans and in 2013 gave them the option to amortise up to an additional 20 per cent each year without prepayment fees. In 2016 prepayments were received on over 3 000 mortgages without fees.

Sustainability risks are taken into consideration in all credit decisions and are an integral part of the bank's risk analysis. A special sustainability risk assessment is conducted in connection with all corporate loan applications over SEK 5m in Sweden and EURO.8m in the Baltic countries. When corporate loans fall below the limit, sustainability related factors are assessed as part of the customer analysis. In cases where additional guidance is needed to minimise sustainability risks, credit decisions can be escalated to Swedbank's Business Ethics Council, which handles cases involving the environment, human rights, social responsibility, business ethics and/or corruption.

To support the sustainability risk analysis, Swedbank developed new sector guidelines in 2016 that also serve as a basis for a sustainability dialogue with customers. The guidelines cover important sustainability risks in each sector as well as the international standards and norms we comply with. During the year we also adopted a new position statement on climate change by prohibiting the direct financing of coal-fired power plants and excluding from new investment any companies that generate over 30 per cent of their revenue from coal production. In addition, the Group has an exclusion list of all the companies excluded from investment and financing.

Corporate lending	2016	2015	2014
Corporate lending (SEKm)	521 638	501 693	495 181
Renewable energy lending (SEKm) ¹	10 131	10 318	8 373
Number of customers with renewable energy loans ¹	135	135	182
Number of green bonds ²	8	5	2
Green bonds, total compiled from the start (SEKbn) ²	20.4	6.8	3.6
Sustainability risk analysis in lending			
– Sweden (no. of business loan applications approved) ³	39 590	48 404	
– Estonia (no. of business loans approved)	656	662	649
– Latvia (no. of business loans approved)	507	539	456
– Lithuania (no. of business loans approved)	350	624	530
No. of credit cases escalated to Swedbank's Business Ethics Council ⁴	4	8	8

1) Total renewable energy lending refers to wind power, biomass district heating, pellet production, biogas and hydropower.

2) Financing of e.g. solar, wind and hydroelectric power (where Swedbank acted as lead manager).

3) The number of analyses decreased after the limit was revised in 2015 from SEK 1m to SEK 5m.

4) The total number of cases escalated to the Council, including non-credit-related, was 20 in 2016.

Private lending (Sweden)	2016	2015	2014
Energy loans (SEKm) ¹	57	73	92
Households with loan-to-value ratios above 70% of property value (%)	11	14	22
Share of households with loan-to-value ratios above 70% that amortise (new lending) ²	98	95	87
Share of households with loan-to-value ratios above 70% that amortise (total portfolio)	93	89	71

1) Energy loans are available to customers in Sweden and used to finance residential energy savings.

2) New lending refers to all mortgages paid out in the fourth quarter of each year.

Share of corporate lending by country, %	2016	2015	2014
Sweden	76	77	77
Estonia	6	5	5
Latvia	3	3	3
Lithuania	4	4	4
Norway	8	8	7
Finland	2	2	2
Other	1	1	2

Share of corporate lending by sector, %	2016	2015	2014
Property management	43	42	41
Agriculture, forestry and fishing	13	15	15
Manufacturing	9	8	9
Retail	6	6	6
Shipping	5	6	6
Public sector and utilities	5	5	4
Construction	4	4	3
Corporate services	4	4	3
Transportation	3	2	2
Finance and insurance	2	2	2
Hotel and restaurant	1	1	1
Information and communications	1	1	1
Other corporate lending	4	4	5

S3 Save/Invest

We offer our customers sustainable savings through responsible investments. An important part of savings is asset management. The main strategy employed by our fund management company, Swedbank Robur, as a responsible asset manager is to encourage companies through dialogue and active ownership to address sustainability issues and responsible corporate governance. We engage with these companies and maintain continuous contact with the boards and managements of those where the funds are major owners. The fund management company participates in nomination committees, votes at annual meetings and collaborates with other investors. An important goal of Swedbank Robur's ownership work is to create well-balanced boards in terms of competence, experience and diversity, including gender, as well as to balance independent and non-independent directors.

Integrating sustainability in Swedbank Robur's investing processes was a priority during the year. Workshops have increased understanding of critical sustainability issues, and projects have been started to develop new analysis methods. By being a long-term, active owner, we are able to encourage companies to focus on corporate governance, business ethics, human rights, occupational health and safety, and the environment. During the year we conducted dialogue with gambling operators, companies in extractive industries and in the palm oil sector, among others.

Swedbank Robur does not invest in companies that manufacture cluster munition, antipersonnel mines, chemical and biological weapons, and nuclear weapons. During the year it also decided to exclude companies that generate at least 30 per cent of their revenue from coal production. Our sustainability funds are managed with special criteria on the environment, human rights, occupational health and safety, and business ethics. These funds also exclude companies that produce fossil fuels: coal, oil and gas. One of the funds, Humanfond, donates to charity and gives savers the option to donate two per cent of their investment value per year to an affiliated charity of their choice.

Swedbank Robur has reported the carbon footprint of all its equity and balanced funds twice a year since December 2014. Carbon footprint shows how much CO₂ the companies in a fund emit in relation to income i.e. how climate efficient they are.

In addition to funds, Swedbank offers savings in the form of equity-linked bonds with or without capital protection, where the return is tied to various asset classes and markets, so-called SPAX equity-linked bonds. Some have special ethical requirements that exclude companies associated e.g. with a lack of respect for human rights or unfair labour conditions. Certain indexes are chosen specifically because they exclude coal and oil production. Their investments can focus on companies that benefit from future investments to resolve major global challenges.

Asset management ¹	2016	2015	2014
Total assets under management (SEKbn)	1 170	1 090	1 052
– of which in funds (SEKbn)	789	738	715
Assets under management with specific sustainability criteria (%) ²	40	39	40

1) Asset management as of 31 December 2016.

2) Includes sustainability funds and discretionary management with specific sustainability criteria.

Advocacy funds (no.)	2016	2015	2014
Companies contacted on sustainability issues (no.) ¹	382	263	332
– of which companies listed in Sweden	65	71	132
– of which companies listed outside Sweden	317	192	200
Participation in nominating committees in Sweden (no.)	69	59	61
Participation in annual general meetings (no.)	295	269	243
– of which in companies listed in Sweden	171	140	135
– of which in companies listed outside Sweden	124	129	108

1) Of which 222 companies contacted through collaborations and 160 through own contacts during 2016.

Analysis of sustainability funds	2016	2015	2014
Sustainability analyses of listed Swedish companies (no.)	69	97	130
Sustainability analyses of listed foreign companies (approx. no.)	1 800	1 800	1 800
Share of investable companies listed in Sweden (%) ¹	34	33	35
Share of investable companies listed outside Sweden (%) ²	43	43	46

1) Share of companies in SIX Portfolio Return Index (SIXPRX) approved for investment by our Ethica sustainability funds. 60 per cent of SIXPRX was analysed as of 31 December 2016 and 57 per cent of the companies were approved for investment. During the year Ethica Sverige switched its comparative index to OMX Stockholm Benchmark Cap GI.

2) Share of companies in MSCI World Index approved for investment by our Ethica sustainability funds. 100 per cent of the index was analysed as of 31 December 2016.

Products with sustainability profile, SEKm	2016	2015	2014
Assets under management in sustainability funds			
– Ethica Sverige	4 945	4 717	6 035
– Ethica Sverige MEGA	2 473	1 687	2 377
– Ethica Global	2 039	1 978	2 806
– Ethica Global MEGA	4 824	3 407	2 363
– EthicaObligation ¹	8 433	1 312	1 042
– Ethica Obligation Utd	10 219		
– Humanfond	2 090	2 149	2 154
– Talenten Aktiefond MEGA	1 689	1 320	1 436
– Talenten Räntefond MEGA	1 134	1 671	1 317
Charitable donations from Swedbank Robur Humanfond ²	42	43	43
SPAX Sverige ³	71	652	375
SPAX Europe Etik		143	
SPAX Hållbar Horisont ⁴	28		
SPAX Horisont Sverige ⁴	68		
SPAX Sverige Horisont ⁴	45		
SPAX Klimatsmart ⁵	65		
SPAX Vatten We Effect Refugee		10	
SPAX Vatten ⁴	24		
SPAX We Effect Refugee	10		
Bevis Sverige Etik	24		
Bevis Sverige Etik Balans		18	
Bevis Sverige Etik Östersjöaxen		35	
Bevis Global Skydd 80	10		
Bevis WinWin Sverige Etik			81

1) The former fund Ethica Ranta was merged during the year with Räntefond Pension and changed its name to Ethica Obligation.

2) Humanfond had a total of 29 988 investors and 79 affiliated charities.

3) SPAX Sverige was issued three times in 2016.

4) SPAX Hållbar Horisont, SPAX Horisont Sverige, SPAX Sverige Horisont och SPAX Vatten were all issued two times in 2016.

5) SPAX Klimatsmart was issued four times in 2016.

Climate footprint of selected funds compared with their respective indexes ¹	tonnes CO ₂ e/ SEKm, fund	tonnes CO ₂ e/ SEKm, index
Three largest funds (assets under management, SEKm)		
– Allemansfond Komplettt (52 131)	12	30
– Aktiefond Pension (36 241)	13	30
– Kapitalinvest (24 246)	8	30

Regional equity funds (assets under management, SEKm)	2016	2015	2014
– Sverigefond (15 371)	22	16	
– Europafond (4 647)	33	35	
– Globalfond (3 391)	9	37	
– Amerikafond (5 212)	7	36	
– Asienfond (2 708)	17	59	

1) The calculations are based on fund holdings as of 30 June 2016. Footprint of the fund in relation to footprint of the fund's comparative index.

Climate footprint, Ethica sustainability funds, tonnes of CO ₂ e/SEKm ¹	2016	2015	2014
Ethica Global			
– fund	7	9	34
– MSCI World Index	37	44	46
Ethica Sweden			
– fund	11	13	21
– OMX Stockholm Benchmark Cap GI	16	18	21

1) Tonnes CO₂e/SEKm. Calculations based on fund holdings 2016-06-30, 2015-06-30, and 2014-06-30.

S4 Procure

Swedbank has around 14 000 suppliers and annual procurement costs of SEK 8 bn. The central procurement process governs all reported purchases over EUR 50 000, aggregated on an annual basis, which are managed with support from the bank's central procurement unit. During the year it established a new procedure for procuring products and services which facilitates more uniform, clearer oversight of sustainability assessments and the sustainability requirements that Swedbank places on its suppliers.

In tenders managed by the bank's central procurement unit, suppliers shall sign Swedbank's code of conduct as part of a binding contract. The code governs important areas such as human rights, labour rights, business ethics and the environment. In addition, certain sustainability issues are included directly in the specific tender, such as relevant certifications and process descriptions.

New suppliers are also classified based on industry- and country-specific sustainability risks with the support of Swedbank's sector guidelines. Suppliers whose sustainability risks are classified as high are required to conduct a self-assessment of how well they meet the supplier requirements in Swedbank's code of conduct. In special cases, suppliers are visited, so-called look-arounds, and if necessary proposed changes are drawn up together with the supplier and then followed up. If there is any ambiguity, the case can be escalated to Swedbank's Business Ethics Council for recommendation and guidance. Existing suppliers are monitored as well, mainly through continuous dialogue and audits. Our suppliers are personally visited to ensure that they are following through on agreed commitments. In 2016 the procurement unit made 30 supplier visits.

Since Swedbank's business areas own all supplier agreements and demand specifications locally, agreements can be signed in certain cases without the central procurement unit being involved. If a supplier has been selected without the support of the procurement unit, it cannot be evaluated according to our sustainability criteria. In such cases, it is important to ensure that the supplier meets them e.g. by signing our code of conduct.

Supplier audits	2016	2015	2014
No. of reported purchases over EUR 50 000 ¹	515	266	172
Number that have undergone sustainability assessment	470	229	151
Share of reported purchases that have undergone sustainability assessment (%)	91	86	86
Supplier visits conducted (no.) ²	30	30	19

1) Based on data from the internal procurement system.

2) In 2016 two supplier visits were conducted via virtual meetings.

S5 Employees

We are convinced that employees who feel that they develop and gain knowledge and experience from different parts of the bank become more motivated and gain a better understanding of our customers and their needs. This enables us to be a competitive and sustainable bank. We take a structured approach to skills development. Together with their manager, each employee formulates a development plan for the short and long term. We believe that the biggest potential for developing skills is in daily work, through internal mobility and by learning from other employees. We therefore encourage this, but also offer our employees a range of training options that include e-learning and classroom training.

Gender equality and diversity are important to Swedbank. The Group Executive Committee decided in 2014 to focus on and develop these issues in the bank. This has meant a stronger emphasis on three areas: equal wages, equal representation at the highest management level and increased diversity in general. The work concluded on 31 December 2016, when new goals were set.

To create a more diverse bank where employees have different backgrounds, we are taking action in the areas of fair wages, working conditions, parental rights, recruitment, equal treatment and diversity, while discouraging discrimination and harassment. Wage surveys are conducted annually in all our home markets. The unweighted wage differences we have today are largely due to the fact that men and women have different jobs with different pay scales, with women more often working at lower scales. If a difference cannot be explained, it is considered unwarranted. We try to identify and mitigate unwarranted wage differences, including by actively comparing the wages of employees with the same positions or degree of difficulty and tracking managers according to various gender equality goals. More data and information can be found in Note G13.

We are working actively to achieve gender equality at the highest management level. Surveys are conducted regularly and several measures are being taken to improve oversight and awareness. Managers and others in key staff functions receive training in the importance of gender equality, diversity and norms. The share of women has increased from 29 to 41 per cent since the target was set in 2014.

Diversity is an important issue for us. We are an inclusive bank and obviously our employees should reflect the communities where we live and work. Several training programmes are therefore under way in the bank to increase diversity. In Sweden, the number of employees with a foreign background has increased from 12 to 15 per cent between 2014 and 2016. The increase is highest in urban areas and in the business areas that have had the most trainees through the "A Job At Last" initiative. In the Baltic countries, the concept of diversity is not as firmly established, either in society or in the bank. The issue is included in the bank's agenda, however, and in 2015, as a first step, training was provided for Swedbank's management in the Baltic countries.

Total number and share of new employees by gender, age group and country, %	2016	2015	2014
Number of new employees	1 680	909	1 346
Women	61	66	62
Men	39	34	38
0–29 years	65	72	61
30–44 years	29	24	30
45–59 years	6	4	8
60+ years	0	0	1
Sweden	31	11	37
Estonia	21	32	25
Latvia	13	26	14
Lithuania	35	31	24

Internal training ¹	2016	2015	2014
Total number of training hours	362 349	379 887	462 876
Training hours per full-time employee (average FTE)	24	25	32
– training hours men	11	13	18
– training hours women	17	20	24
– training hours managers	19	21	25
– training hours specialists	8	8	15
Training programs in environment, sustainability, code of conduct and money laundering (number) ²	9 299	27 258	9 352
Training programs in sustainable banking as well as money laundering and terrorist financing (number)	5 266	5 778	24 324

1) The number of training hours measures only how large a percentage of skills-building activities is through traditional training (e-training and classroom training). The table also includes the savings banks.

2) A new course on ethics and complying with the Code of Conduct was launched in 2015.

Rate of employee turnover by gender, age group and country, %	2016	2015	2014
Women	9.2	8.9	10.2
Men	9.1	9.6	9.6
0–29 years	10.0	10.2	15.3
30–44 years	8.2	8.0	8.6
45–59 years	5.3	5.1	4.6
60– years	36.8	36.4	30.0
Sweden	8.7	8.2	7.6
Estonia	9.7	9.1	13.4
Latvia	10.1	11.4	16.2
Lithuania	14.5	13.0	11.2
Total	9.9	9.4	10.0

Wage difference women vs. men, management positions ¹ by country, % ²	2016	2015	2014
Sweden	-22	-28	-28
Estonia	-38	-39	-39
Latvia	-46	-51	-46
Lithuania	-30	-32	-32
Group total	-35	-39	-40

1) Includes management positions at every level. HR responsibility is the common denominator for this category.
2) The table does not take into consideration either profession or management level. One reason for the differences may be that men still hold more management positions at a higher level with higher salaries.

Wage difference women vs. men, management positions ¹ by business area, % ²	2016	2015	2014
Swedish Banking	-18	-16	-20
Large Corporates & Institutions	-43	-50	-46
Baltic Banking	-40	-45	-38
Group Functions	-24	-31	-34

1) Includes management positions at every level. HR responsibility is the common denominator for this category.
2) The table does not take into consideration either profession or management level. One reason for the differences may be that men still hold more management positions at a higher level with higher salaries.

Wage difference women vs. men, specialists by country, %	2016	2015	2014
Sweden	-22	-23	-23
Estonia	-35	-37	-38
Latvia	-29	-31	-34
Lithuania	-35	-39	-41
Group total	-38	-40	-39

Wage difference female vs. male, specialists by business area, %	2016	2015	2014
Swedish Banking	-15	-17	-16
Large Corporates & Institutions	-40	-42	-39
Baltic Banking	-30	-33	-36
Group Functions	-24	-25	-25

Employee survey, index	2016	2015	2014
Engagement index, Results/Comparison	82	83	
Recommendation index, Results/Comparison ¹	15	-3	18
Leadership index, Results/Comparison	85	84	

1) Likelihood of recommending Swedbank as an employer externally. Calculated on a scale of 0–10, where the share of negative responses (0–6) is subtracted from the share of positive responses (9–10).

Level of education, %	2016	2015	2014
Sweden			
University degree	40	40	45
Other university education	14	15	6
Upper secondary school	45	41	41
Other education	1	3	8
Estonia			
University degree	60	66	65
Other university education	14	17	19
Upper secondary school	19	9	8
Other education	7	8	8
Latvia			
University degree	68	71	71
Other university education	23	23	22
Upper secondary school	9	6	7
Other education	0	0	0
Lithuania			
University degree	85	83	80
Other university education	7	13	14
Upper secondary school	4	4	6
Other education	4	0	0

Age distribution, %	2016	2015	2014
Sweden			
0–29 years	18	16	12
30–44 years	36	37	39
45–59 years	39	39	41
60– years	7	8	8
Estonia			
0–29 years	23	23	24
30–44 years	55	57	57
45–59 years	20	18	17
60– years	2	2	2
Latvia			
0–29 years	27	26	29
30–44 years	61	53	60
45–59 years	11	20	10
60– years	1	1	1
Lithuania			
0–29 years	30	26	27
30–44 years	50	53	52
45–59 years	18	20	20
60– years	2	1	1

S6 Environmental impacts

Swedbank's environmental work builds on our environmental management system, which is certified according to ISO 14001. We take a structured approach to reducing environmental impacts: those generated directly through our operations and those generated indirectly through our financing, investments, payments and procurement. It is our responsibility, to the best of our ability, to minimise and report our carbon footprint. One way to raise awareness internally and among our customers is our annual Sustainability Week, where we in 2016 highlighted Swedbank's products and services with a focus on sustainable savings.

Since the base year 2010 we have nearly cut our greenhouse gas emissions in half. We have revised the previous goal for 2018, and the new goal is to cut emissions by 60 per cent based on total emissions in 2010. The largest share of our emissions is generated through energy consumption in our offices and through business travel. It is important therefore to continuously reduce our consumption and increase the share of renewable energy, especially in our properties in the Baltic countries, where consumption is usually more CO₂ intensive than in Sweden. In 2016 we reduced our total energy consumption by around 14 000 MWh. To further improve efficiencies and reduce our consumption, we will conduct an energy analysis in 2017 to identify potential savings.

The emissions from our business travel has increased during the year. It depends mostly on the fact that number of flights has increased, primarily in Sweden and the Baltic countries. To reverse this trend, we need to work more on replacing air travel with train routes in Sweden where it is possible and strive to change the way we meet internally and with our customers by holding more meetings on digital platforms. In this way, we free up more time and resources for our employees, while reducing travel times and the impact of our business travel. A changeover to new digital channels and new ways of interacting with customers is resulting in fewer branches and lower energy consumption.

We also work actively to reduce internal resource consumption through increased use of electronic archiving and distribution. We offer customers the option of receiving contract information from Swedbank and the savings banks through the Internet Bank, another step toward digital banking. Since 2015 the bank has electronically archived and distributed contracts and terms, which are available to customers in the Internet Bank.

Greenhouse gas emissions ¹ , tonnes CO ₂ e	2016	2015	2014
Total emissions	37 357	35 444	41 715
Reduction target 2018, 60% ²	28 912	28 912	

Emissions by scope according to GHG protocol	2016	2015	2014
Emissions scope 1 ³	881	989	2 495
Emissions scope 2 ⁴	16 583	19 195	21 985
Emissions scope 3 ⁵	19 893	15 260	17 235

Emissions by country	2016	2015	2014
Emissions, Sweden	15 841	15 873	19 906
Emissions, Estonia	12 291	12 336	14 216
Emissions, Latvia	3 242	2 600	2 680
Emissions, Lithuania	4 626	3 519	3 343
Emissions, other ⁶	1 357	1 116	1 570

1) Carbon dioxide, methane and nitrous oxide.

2) The base year is 2010, when we reported 72 279 tonnes of CO₂e emissions.

3) Our direct emissions. Based on fuel consumption in company cars and refrigerant gas loss.

4) Our indirect emissions generated through electricity consumption and heating/cooling.

5) Our other indirect emissions from business travel, security transports, paper consumption, water consumption and waste (business-related meals and consumption of coffee and fruit are included in 2014).

6) Norway, Finland, Denmark, USA, Luxembourg and China.

Emissions by category, tonnes CO ₂ e	2016	2015	2014
Sweden			
Office premises	3 550	5 029	7 364
Business travel	12 145	10 659	11 978
Other emissions ¹	146	185	564
Estonia			
Office premises	10 484	11 093	12 953
Business travel	1 753	1 168	1 159
Other emissions ¹	54	75	104
Latvia			
Office premises	2 258	1 561	1 697
Business travel	892	780	795
Other emissions ¹	92	259	188
Lithuania			
Office premises	2 228	1 337	1 546
Business travel	2 258	1 508	1 435
Other emissions ¹	140	674	362
Other countries			
Office premises	429	413	357
Business travel	925	699	1 206
Other emissions ¹	3	4	7

1) Security transports, paper consumption and waste (business-related meals and consumption of coffee and fruit are included in 2014).

Other environmental data	2016	2015	2014
Energy consumption in our offices (MWh)	116 335	130 368	151 207
Electricity consumption in our offices (MWh)	66 158	68 313	80 785
Renewable electricity as a share of total electricity consumption (%) ¹	69	72	67
Paper consumption (tonnes)	929	1 035	979
Water consumption (m ³ /FTE)	8	9	11
Recycled waste (tonnes)	473	634	636
Incinerated waste (tonnes)	312	383	586
Landfill waste (tonnes)	363	344	299

1) Renewable energy refers to wind power and hydroelectric power.

Internal energy consumption ¹	2016	2015	2014
Total emissions from energy consumption (tonnes CO ₂ e/MWh)	0.18	0.15	0.14
Energy consumption per employee (MWh/FTE)	7.6	8.5	9.5

1) Our indirect energy consumption consists of consumption of energy, heating, cooling and gas.

Comparative figures, tonnes CO ₂ e	2016	2015	2014
Total emissions per employee	2.44	2.32	2.63
Scope 1 and 2 emissions per employee	1.14	1.32	1.54
Total emissions per m ² office space	0.081	0.074	0.080
Scope 1 and 2 emissions per m ² office space	0.038	0.042	0.047

S7 Social engagement

Social engagement has played a key role throughout Swedbank's history. The first Swedish savings bank was founded in 1820 to help the public to save and achieve long-term financial security. The same holds true today.

Swedbank has a tradition of educating the public. In Sweden, we publish the magazine *Lyckoslanten*, which is distributed free of charge to all students ages 10–12. The magazine celebrated its 90th anniversary in 2016, but has continuously changed with the times. We want to teach kids about managing money and savings and strengthen the cooperation between schools and their communities. Swedbank's employees in the Baltic countries, working together with other social partners, arranged over 1 300 lectures in economics during the year for upper secondary students. In Lithuania, Swedbank is involved in a network that brings together companies and schools to increase financial awareness. Employees from Swedbank and other companies have volunteered to lecture and arranged activities in schools, reaching out to 71 per cent of the country's schools, or a total of 160 000 students and nearly 3 000 teachers.

We strive to be an inclusive bank. In Sweden, Swedbank, the savings banks and the Public Employment Service have joined together to create the Young Economy initiative to help unemployed young people gain a foothold in the job market. Together with the bank's corporate network, over 11 000 traineeships have been created for those ages 18–24 who need work experience, references and training. Over 1 200 of them have completed a three-month traineeship at Swedbank and the savings banks, after which around a third have been offered some form of employment. The collaboration between Swedbank and the Public Employment Service has been expanded to an initiative called *A Job at Last*, which focuses on unemployed foreign-born academics, especially those with business degrees. To date we have offered nearly 230 people a six-month traineeship, where their skills are validated to help match them with the right jobs.

We also promote innovation and entrepreneurship. In Estonia, we have participated in the launch of a fund where young entrepreneurs can apply for a grant to launch innovative products they have developed. To date the fund has distributed EUR 380 000. The grants have gone to new products with a focus e.g. on global environmental issues such as air purification and water consumption.

Social investments, total SEKm	2016	2015	2014
Social investments, total	116	107	144
–of which Sweden	91	87	104
–of which Estonia	7	7	8
–of which Latvia	14	11	30
–of which Lithuania	4	2	2

Social investments per engagement, %	Sweden	Estonia	Latvia	Lithuania
Sponsorship of social activities	47	98	15	61
Staff volunteering in paid time	6	0	2	39
Management costs	0	2	3	0
Gifts from customers via the bank's products and services	47	0	80	0

Distribution of financial value creation in relation to total income, %	2016	
	SEKm	%
Total income	41 635	42
Interest paid to the public (deposits)	1 100	1
Interest paid on other funding/financing	14 259	14
Deposit guarantee fees	466	0,5
Fee to government stabilisation fund	646	0,5
Tax for the year	4 036	4
Non-deductible VAT ¹	1 255	1
Social insurance costs and pensions	2 716	3
Salaries and fees incl shares in Swedbank	6 217	6
Payments to suppliers, home markets	8 052	8
Proposed shareholder dividend	14 695	15
Profit for the year reinvested in the bank	4 844	5

1) Refers to non-deductible VAT expensed by Swedbank.

GRI Standard Disclosures

GRIR = GRI Report 2016

AR = Annual Report 2016

		Page/reference	Global Compact (principle no.)
Strategy and analysis			
G4-1	Statement from the CEO	6-7	
Organisational profile			
G4-3	Name of the organisation	Front cover	
G4-4	Primary brands, products, and/or services	97 note G6	
G4-5	Location of the organisation's headquarters	63 note G1	
G4-6	Number of countries where the organisation operates	2, 98 note G7	
G4-7	Nature of ownership and legal form	38-48	
G4-8	Markets served	2, 98 note G7	
G4-9	Scale of the organisation	2-3	
G4-10	Employee data	102 note G13, 174-175	1-6
G4-11	Percentage of total employees covered by collective bargaining agreements	102 note G13	3
G4-12	The organisation's supply chain	174, GRIR 3	1-6
G4-13	Significant changes during the reporting period	63 note G2	1-10
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	63 note G2, GRIR 3	7-9
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	GRIR 4	
G4-16	Memberships of associations and national or international advocacy organisations	GRIR 4	
Identified Material Aspects and Boundaries			
G4-17	Organisational structure including list of entities included or excluded	38-55	
G4-18	Explanation of the process for defining the report content and the aspect boundaries and how the organisation has implemented the reporting principles for defining report content	GRIR 5	1-10
G4-19	Material aspects identified in the process for defining report content	GRIR 5	
G4-20	For each material aspect, report the aspect boundary within the organisation	GRIR 6	
G4-21	For each material aspect, report the aspect boundary outside the organisation	GRIR 6	
G4-22	The effect of and reasons for any restatements of information provided in previous reports, and the reason for such restatements	GRIR 6	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	GRIR 6	
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organisation	GRIR 7	
G4-25	The basis for identification and selection of stakeholders	GRIR 7	
G4-26	The organisation's approach to stakeholder engagement	GRIR 7	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics	GRIR 8	1-10
Report Profile			
G4-28	Reporting period	186, GRIR 2	
G4-29	Date of most recent previous report	GRIR 8	
G4-30	Reporting cycle	GRIR 8	
G4-31	Provide the contact point for questions regarding the report or its contents	Back cover, GRIR 19	
G4-32	Report the 'in accordance' option the organisation has chosen, the GRI Content Index for the chosen option and reference to external assurance	170, 179	
G4-33	Policy and current practice with regard to seeking external assurance for the report	170, 186	1-10
Governance			
G4-34	Governance structure of the organisation	38-55	
Ethics and Integrity			
G4-56	The organisation's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics	1, GRIR 9	1-10

Reporting according to G4-DMA

Description	Pages	
G4-DMA-a	Report why the identified aspects are material for Swedbank's sustainability work	GRIR 10-13
G4-DMA-b	Report how the organisation manages the material aspects	GRIR 10-13
G4-DMA-c	Report the evaluation of the management approach	GRIR 10-13

GRI Specific Standard Disclosures

The GRI indicators tied to the material aspects as defined by the bank's materiality analysis and how these material aspects align with GRI's indicators and specific standard disclosures are shown below. The same table shows how our work supports the Global Compact's ten principles.

One or more indicators are reported for each material aspect. We have used one or more of GRI's indicators where available and reported them in the table below using GRI's designations. For aspects that lack GRI disclo-

ures, we have used our own disclosures. For all our material aspects at least one disclosure/specific standard disclosure is reported in accordance with GRI G4.

GRIR = GRI Report 2016

AR = Annual Report 2016

Material Aspects	Indicator	Indicator name/disclosure	Page/reference	Global Compact (principle no.)
Economic impacts				
Economic performance				
Sound compensation culture		Compensation within Swedbank	102 note G13	6
Social engagement	G4-EC1	Direct economic value generated and distributed	177	
Sound lending culture		Households with loan-to-value ratio over 70% of property value	172	
		Share of households with loan-to-value ratio over 70% that amortise	172	
Financial stability		Results and ROE	3, 58-59	
		Capital adequacy ratio	90 note G4	
		Profit for the year	3	
		Dividend per share	3	
Low risk profile		Risk exposure amount	90 note G4	
Competitive prices		Market shares private market and corporate market	13	
Indirect economic impacts				
Sustainability integrated in internal processes	G4-EC8	Significant indirect economic impacts, including the extent of impacts	177, GRIR 14	
Environmental impacts				
Energy				
Responsible resource management	G4-EN5	Internal energy consumption	176	8
		Greenhouse gas		
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	176, GRIR 14	8
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	176, GRIR 15	7-8
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	176, GRIR 15	8
	G4-EN18	Greenhouse gas (GHG) emission intensity	176, GRIR 15	8
Supplier Environmental Assessment				
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	174, GRIR 3, 15	7-8
Social impacts - Working conditions				
Hiring				
Attractive employer	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.	174-175	
Diversity and gender equality				
Gender equality and diversity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	174-175, GRIR 15	6
Equal pay for men and women				
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	175	6
Skills development				
Competent personnel	G4-LA9	Average hours of training per year per employee by gender, and by employee category	174	

Material Aspects	Indicator	Indicator name/disclosure	Page/reference	Global Compact (principle no.)
Social impacts – Human rights				
Investments				
Sustainability integrated in internal processes	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	173	1–6
		Supplier assessments for human rights		
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	174, GRIR 3	1–6
Social impacts – Organisation's role in society				
Local communities				
Accessibility	G4-FS13	Access points in low-populated or economically disadvantaged areas by types	171	6
High quality products	G4-FS14	Initiatives to improve access to financial services for disadvantaged people	171	6
Anti-corruption				
Fight corruption and money laundering	G4-SO3	Number/percentage of operations assessed for risks related to corruption and the significant risks identified	18, 171, GRIR 17	10
		Share of suppliers undergoing business ethics risk assessments	174	1–10
		Share of holdings in fund portfolios undergoing business ethics risk assessments	173	1–10
		Number of corporate customers undergoing business ethics risk assessments	172	1–10
Transparent reporting		Reporting of taxes for the year	107 note G18, GRIR 18	10
		Reporting of profit for the year	3, 58	10
Social impacts – Product responsibility				
Product and service labelling				
Customised advice	G4-PR5	Results of surveys measuring customer satisfaction	11	
Secure IT systems		Reliability of IT systems	GRIR 18	1–2
High service level		Results of surveys measuring customer satisfaction	11	
Product portfolio				
Sustainable products and services	G4-FS6	Percentage of the portfolio for business line by specific region, size and by sector	172, GRIR 18	1–10
	G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	172	1–10
	G4-FS8	Monetary value of products and services designed to deliver environmental benefit for each business line broken down by purpose	172	1–10
Active ownership				
Responsible owner	G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	173, GRIR 18	1–10
Sustainable products and services	G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	173, GRIR 19	1–10

GRI – Standard Disclosures	Reference
Strategy and analysis	
G4-1 Statement from the CEO	AR 6–7
Organisational profile	
G4-3 Name of the organisation	AR front cover
G4-4 Primary brands, products, and/or services	AR 97 note G6
G4-5 Location of the organisation's head-quarters	AR 63 note G1
G4-6 Number of countries where the organisation operates	AR 2, 98 note G7
G4-7 Nature of ownership and legal form	AR 38–48
G4-8 Markets served	AR 2, 98 note G7
G4-9 Scale of the organisation	AR 2–3
G4-10 Employee data	AR 102 note G13, 174–175
G4-11 Percentage of total employees covered by collective bargaining agreements	AR 102 note G13
G4-12 The organisation's supply chain	AR 174
<p>Swedbank is a service company with a supplier base consisting of around 14 000 suppliers. The bank's annual procurement costs amount to SEK 8 bn, divided into five categories: Banking Services, IT and Telecom, Facility Management, Marketing and Communication, and Professional Services.</p> <p>Our procurement process is designed to apply to all types of purchases, whether for internal or external needs. The process has been created to be organisationally independent and flexible enough to be used for both products and services. The bank's various business areas own all supplier agreements and demand specifications locally. Each business area therefore has to inform the central procurement unit of its purchases as needed. The procurement unit works continuously with internal customers to involve them as early as possible in the process and ensure that the work is done in accordance with the procurement process.</p> <p>Swedbank's goal is to increase the number of sustainability audits that are conducted and in that way reduce sustainability risks in the procurement process and supplier relations and to encourage suppliers to constantly improve their sustainability work. In tenders handled by the bank's central procurement unit, suppliers are required to sign Swedbank's the code of conduct as part of a binding contract. The code governs important areas such as human rights, labour rights, business ethics and the environment. It also includes certain sustainability issues directly in the specific tender, such as relevant certifications and process descriptions.</p> <p>New suppliers are also classified based on industry- and country-specific sustainability risks with the support of Swedbank's sector guidelines. Suppliers whose sustainability risks are classified as high are required to conduct a self-assessment of how well they meet the supplier requirements in Swedbank's code of conduct. In special cases, suppliers are visited, so-called look-arounds, and if necessary proposed changes are drawn up together with the supplier and then followed up. If there is any ambiguity, the case can be escalated to Swedbank's Business Ethics Council for recommendation and guidance. Existing suppliers are monitored as well, mainly through continuous dialogue and audits, to ensure that they meet their obligations.</p>	
G4-13 Significant changes during the reporting period	AR 63 note G2
G4-14 Whether and how the precautionary approach or principle is addressed by the organisation	AR 63 note G2
<p>Swedbank follows the UN Global Compact's 10 principles, which include the precautionary principle. We have integrated sustainability risk analyses in our central processes and take, among others, the following precautionary measures:</p> <ul style="list-style-type: none"> • In dialogue with customers and suppliers, sector guidelines are applied with information on specific risks, opportunities and recommendations related to various industries' sustainability problems. • Sustainability risks are assessed as part of the financial analysis in connection with investments and lending. • The bank's employees receive mandatory internal training on sustainable banking, the code of conduct, money laundering and terrorist financing, and the environment. • Through the bank's ISO 14001-certified environmental management system, an annual analysis and assessment is made of the Group's environmental impacts and its compliance with laws and environmental requirements from authorities and stakeholders • In partnership with the Financial Coalition against Child Pornography, we work actively to put an end to commercial child pornography by preventing payments through the financial system. • Units throughout the Group can escalate sustainability issues related to business ethics, the environment or human rights to Swedbank's Business Ethics Council for recommendation and guidance. 	

GRI – Standard Disclosures	Reference
G4-15 and G4-16	<p data-bbox="225 268 1312 312">External charters, principles, or other initiatives to which the organisation subscribes or which it endorses and memberships in associations and organisations</p> <p data-bbox="225 336 1312 423">It is important for us to integrate sustainability in the bank's business operations. Respect for human rights, the environment and anti-corruption are everyday concerns that affect our business strategies, credit processes, investments, procurement and financial advice. The work is governed by internal regulations and international guidelines. We formulate qualitative and quantitative targets, which are tracked on an annual basis.</p> <p data-bbox="225 447 808 467">UN Global Compact – Swedbank signed the UN Global Compact in 2002.</p> <p data-bbox="225 491 1321 535">UN Environmental Programme for the Financial Sector (UNEPFI) – Swedbank is a member of the UN's environmental programme for the financial sector.</p> <p data-bbox="225 559 1065 578">UN Principles for Responsible Investments (UNPRI) – Swedbank Robur signed the principles in 2009.</p> <p data-bbox="225 602 1292 646">Montreal Carbon Pledge – Swedbank Robur signed the international initiative in 2015, where signatories committed to disclose the carbon footprint of their investment portfolios.</p> <p data-bbox="225 670 987 690">ISO 14001 – Swedbank's Swedish operations have been environmentally certified since 2003.</p> <p data-bbox="225 714 1117 733">Global Investment Performance Standard (GIPS) – Swedbank Robur's funds have been certified since 2001.</p> <p data-bbox="225 757 1305 801">ICC's Business Charter for Sustainable Development – Swedbank supports the International Chamber of Commerce's guidelines on sustainable development.</p> <p data-bbox="225 825 1300 845">European Savings Banks Group and World Savings Banks Institute – Swedbank is a member of these international organisations.</p> <p data-bbox="225 869 1269 912">UN Framework on Business and Human Rights – Swedbank takes the UN Guiding Principles on Business and Human Rights into account in the work with human rights issues.</p> <p data-bbox="225 936 1308 980">Financial Coalition against Commercial Sexual Exploitation of Children – Swedbank cooperates with the Swedish police and other Swedish financial companies to stop the online sale of child pornography through the coalition.</p> <p data-bbox="225 1004 1252 1024">ECPAT – Swedbank contributes to the global network by helping to raise the issue of commercial sexual exploitation of children.</p> <p data-bbox="225 1048 1304 1092">NMC Swedish Association of Sustainable Business – Swedbank is a member of this cross-industry network and shares experiences from working with the environment and sustainable development.</p> <p data-bbox="225 1116 1274 1159">SVN Sweden – Swedbank is a member of Social Venture Network Sweden to share ideas and experience with other companies and organisations regarding ethics, the environment and social responsibility.</p>

GRI – Standard Disclosures

Reference

Identified material aspects and boundaries

G4-17 Organisational structure including list of entities included or excluded

AR 38–55

G4-18 and G4-19 Explain the process for defining the report content and the aspect boundaries as well as how the organisation has implemented the reporting principles and all material aspects identified

We dialogue extensively with our stakeholders. This is done in every part of the business with the customers we meet on a daily basis in the bank's branches, in the conversations through our customer centre, in the visits to our websites and through the interactions we have through social media. We also dialogue with government authorities and civil society. The feedback process is often direct, like in our large corporate business, where we work closely and continuously with customers at investor meetings, or in the performance reviews between managers and employees. In addition, we conduct extensive annual surveys and participate in industry forums on challenges and trends. Taken together, these dialogues give us an indication of whether we are headed in the right direction and focusing on the right things. If not, how can we improve?

We conduct annual surveys to gauge what stakeholders think of the bank. This includes strategic customer surveys, brand surveys and opinion leader surveys in all our home markets. The customer complaint process is also an important forum, where feedback can be incorporated into the bank's development and improvement work. Important issues raised in the dialogue with our stakeholders in 2016 are presented in G4-27.

Materiality analysis

To determine whether we are prioritising the right areas, a materiality analysis was conducted 2015 with all stakeholder groups to identify and prioritise which sustainability aspects are most relevant and material to our business. The analysis, which covered the Swedish banking market, comprised the bank's core business as well as social issues, the environment and economic aspects.

In the preparations for the analysis, material was gathered from our business areas and staff functions, which know best which issues are important to their stakeholder groups. The material covered the specific groups that the bank communicates with within each stakeholder group, how often, in what form or channel, and which issues were important during the year.

The issues cited by stakeholders as the most important in 2015 were used as the basis of an internal workshop attended by around 20 key persons from the bank's business areas and staff functions. Based on these issues, they identified the aspects most important to the long-term survival of our core business while taking into account social, environmental and economic aspects in our operations. Participants were free to use the aspects brought up by stakeholders or add new ones. The group agreed on the 20 most material aspects for the bank as a whole, which were ranked on a scale of 1–10.

External validation

The results of the workshops were used as the basis of an external validation survey of the bank's stakeholders comprising around 600 private customers, 750 corporate customers, 700 employees, 6 of the bank's largest owners and 7 representatives of the social sector (e.g. key suppliers, authorities, interest groups and NGOs). The stakeholders were asked whether they feel the bank is addressing these defined areas and whether they find them important. They ranked their responses on a scale of 1–10. In an open question, stakeholders were also asked whether they feel the bank should focus on any issues besides those in the survey. Due to time constraints, the validation was limited to Sweden. The aim going forward is to broaden the survey to include all our home markets.

Results

The results of the survey showed that there is general agreement among stakeholders and the bank on the most important issues. Most groups see the bank's financial stability, secure IT systems, competent employees and efforts to fight corruption and money laundering as the most important areas to focus on. The customers (both private and corporate) and the bank also agreed on the importance of a high service level, accessibility, personalised advice, competitive prices, and high product and service quality. The survey did show, however, that the bank has to do more to live up to this, which is consistent with other strategic customer surveys in Sweden. Employees and the bank also agree on the importance of being an attractive employer. This is confirmed by the bank's employee surveys, and here as well there is room for improvement. According to the comments, the bank had not failed to include any material aspects in the analysis. All our material aspects are shown below in relation to how they are prioritised by each stakeholder group.

What our stakeholders think is most important for Swedbank to live up to

GRI – Standard Disclosures

Reference

G4-20 Whether the impacts are occurring within and outside the organisation for each identified aspect**and**

G4-21 In the table below, we report our main impacts for each material aspect and stakeholder group as well as the strategic policies available to support each aspect. The table is included as part of our materiality analysis and together with the rest of the report provides a comprehensive overview of what has been identified and reported as material. Our aim is to be transparent about our sustainability work. Most policy documents referred to in the table below can be accessed through our external websites: swedbank.com/sustainability and swedbank.se/om-swedbank.

Aspects	Material impact				Strategic documents supporting the aspects
	Employees	Customers	Society & the world around us	Owners and investors	
Economic impacts					
Sound compensation culture	x			x	
Social engagement	x	x	x	x	Code of Conduct
Responsible lending		x	x	x	Supplier Code of Conduct
Financial stability	x	x	x	x	Sustainability policy
Low risk profile				x	Credit policy
Competitive prices		x		x	Gender equality and diversity policy
Environmental impacts					
Responsible resource management	x	x	x	x	Code of Conduct Environmental policy Sector guidelines Position on climate change
Social impacts – Labour practices and decent work					
Attractive employer	x		x	x	Code of Conduct
Gender equality and diversity	x		x		Occupational health and safety policy Gender equality and diversity policy
Competent employees	x	x	x	x	Salary principles at Swedbank
Social impacts – Human rights					
Sustainability integrated in internal processes	x	x	x	x	Code of Conduct Gender equality and diversity policy Sector guidelines
Social impacts – Society					
Accessibility		x			Anti-corruption policy
High quality products		x		x	Code of Conduct
Fight corruption and money laundering	x	x	x	x	Conflict of interest policy Sustainability policy Sustainability risk analysis in lending
Transparent reporting	x	x	x	x	Human rights policy Sector guidelines
Social impacts – Product responsibility					
Customised advice		x	x	x	Anti-corruption policy
Secure IT systems		x			Code of Conduct
High service level	x	x		x	Supplier Code of Conduct Sustainability analysis in lending
Sustainable products and services		x	x	x	Sustainability policy Environmental policy
Responsible owner		x	x	x	Policy on responsible investments Human rights policy Position on climate change Position on defence industry Sector guidelines

G4-22 The effect of and reasons for any restatements of information provided in previous reports**G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries**

GRI – Standard Disclosures

Reference

Stakeholder engagement

G4-24 List of stakeholder groups engaged by the organisation

Swedbank's stakeholders are divided into four main categories: Customers, Employees, Owners and investors, and Society & the world around us. In addition to these categories, Swedbank interacts with a large number of other stakeholder groups with varying regularity. They include the following:

- Authorities
- Municipalities and county councils
- Regulators
- Pension managers
- Asset managers
- Analysts
- Journalists
- Unions
- Students
- Foundations
- Not-for-profit organisations
- Stakeholder organisations
- Trade organisations
- Associations
- Primary schools
- Secondary schools
- Colleges
- Universities
- Suppliers
- Subsidiaries
- Group companies
- Competitors
- Ratings agencies
- Sustainability indexes
- Auditors

G4-25 The basis for identification and selection of stakeholders

Our stakeholders are those who are materially impacted by and impact our operations. This is the basis for selecting our overarching stakeholder groups. Based on Swedbank's Group-wide framework, market analysis, internal discussions and an active, structured process to create and participate in various forums for dialogue and advocacy, we have developed a process to identify and select relevant stakeholders within each group.

G4-26 The organisation's approach to stakeholder engagement

Swedbank's aim is to make decisions as close to the customer and local community as possible. This applies to business decisions and those related to the bank's other stakeholders. Swedbank's Group-wide Communications, Public Affairs and Sustainability units provide guidelines, support and coaching for stakeholder engagement and dialogue.

Since our home markets span four countries, the stakeholder dialogue has been adapted for local implementation. This makes it impossible to give a general description of the forms of interaction. Local adjustments are necessary and effective, to make it easier for the bank to maintain a wide range of relationships with different stakeholders.

GRI – Standard Disclosures

Reference

G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics

We feel it is important to understand how our stakeholders see the bank and their expectations. We conduct several different annual surveys to gauge what stakeholders think about the bank. This includes strategic customer surveys, brand surveys and opinion leader surveys in all our home markets. The customer complaint process is also an important forum where customer feedback can be incorporated in the bank's development and improvement work. Some of the most important issues Swedbank addressed in relations with stakeholders in 2016 are summarised below.

Customer satisfaction and digitisation

The annual customer satisfaction survey by Svenskt Kvalitetsindex (SKI) shows that trust in Swedbank and the industry is declining. The results of the survey underscore the importance of further strengthening our brand and building the trust of customers. As the survey shows, customers want strong personal relationships as well as greater transparency and simplicity. The bank also conducts its own surveys, which show how customers feel about the individual service they receive and products they are offered in the Telephone Bank, and there, on the other hand, the results were very positive during the year.

The main drivers of digitisation in the bank are demand for new and simpler products, increased availability and transparency. Digitisation increases availability for the customer but at the same time underscores the value of building personal relationships in the digital channels. The branches are where we today build physical relationships, and will continue to be going forward. It is important to also strengthen these relationships through our digital channels. By continuing to develop various digital solutions, we free up more time for personal interactions. In this way, more time can be devoted to helping customers with complex questions and create even stronger customer relations. More customers today want self-service options, and the number of users of Swedbank's digital channels continued to rise in 2016.

Savings

Long-term savings are one of Swedbank's focus areas. Together with TNS-Sifo, in spring 2016, Swedbank conducted a survey on savings and pensions with 2,000 respondents. The results showed that nearly ten per cent of Swedes cannot afford to save and that one of every four does not have enough of a savings buffer to be financially sustainable. In terms of pensions, the survey showed that women and low wage earners feel they know less than others and that people in general are worried about their retirements. To address this, Swedbank launched a campaign in Sweden to promote and facilitate long-term savings.

We are also raising awareness of the importance of saving for children and offered a bonus to those who start saving monthly in mutual funds for their children. This marked the start of a long-term effort focused on savings and pensions at Swedbank, where we feel we can make a difference for our many private and corporate customers.

Climate change and risk management

Climate change is one of the biggest challenges of our times and businesses play an important role in fighting global warming. In 2016 we took important steps in our sustainability work. We reduced the exposure to coal in our investments and financing and continued to encourage the companies we invest and our corporate customers to integrate sustainability in their businesses and address climate change. We abstain from investing in companies that generate over 30 per cent of their revenue from the coal production. Reducing our exposure to coal has been gradual, and divested companies are no longer eligible for new financing. We have also decided not to directly finance coal-fired power plants.

During the year we also revised our sector guidelines to improve support for risk assessments. The guidelines provide information and recommendations on sector-specific sustainability risks and are used as support when dialoguing with customers and in procurements.

Our position on climate change and the development of our sector guidelines were among the reasons why we improved our sustainability work more than any other bank in the last year, according to Fair Finance Guides (FFG). Swedbank was also the only bank not to receive any failing grades in the many case studies FFG conducted in 2016 to verify how banks are behaving in reality.

Moonlighting

We developed new guidelines on moonlighting during the year to prevent conflicts of interest. To improve how we manage conflicts of interest, our internal compliance function and other relevant units in the bank updated their guidelines on conflicts of interest and interviewed the members of the Group Executive Committee to ensure that all consequential conflicts of interest have been identified and evaluated. They also updated the approval process for second jobs. In the future we will monitor and evaluate employees' second jobs in yearly discussions on goals and expectations.

Report profile	
G4-28 Reporting period	AR 186, GRIR 2
G4-29 Date of most recent previous report	February 2016
G4-30 Reporting cycle	Calendar year
G4-31 Provide the contact point for questions regarding the report or its contents	AR back cover, GRIR 19
G4-32 Report the 'in accordance' option the organisation has chosen, the GRI Content Index for the chosen option and reference to external assurance	AR 170, 179
G4-33 Policy and current practice with regard to seeking external assurance for the report	AR 170, 186

GRI – Standard Disclosures **Reference**

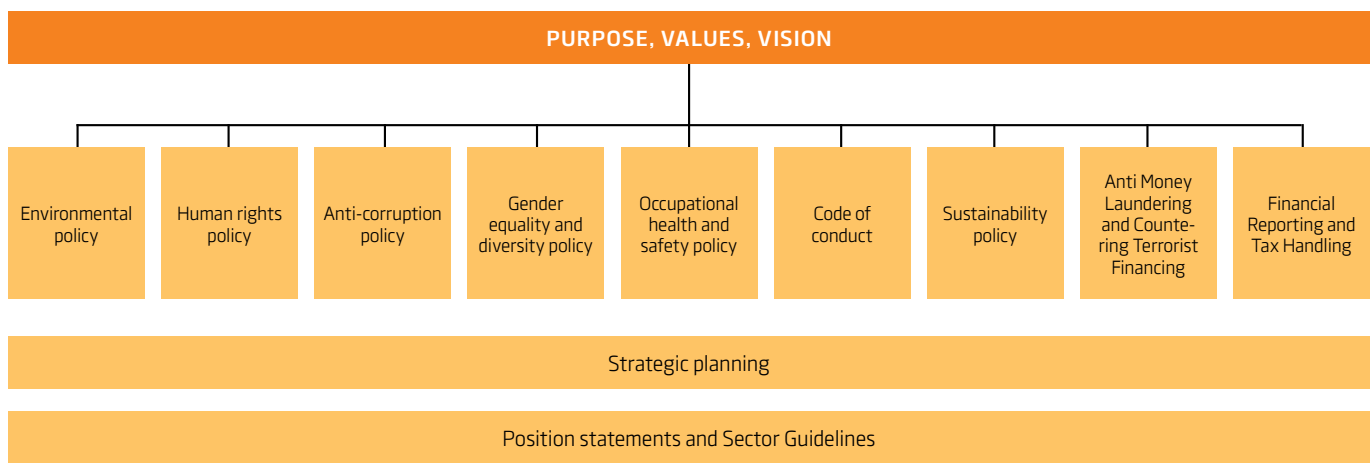
Governance

G4-34 Governance structure of the organisation AR 38–55

Ethics and integrity

G4-56 The organisation's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics AR 1

Our internal rules are derived from the bank's vision, purpose and values as well as the external rules imposed by legislators and regulators. Based on our vision, purpose and values, we have created a framework for sustainability issues. The framework describes our responsibility to the communities where we do business and play an important role. It defines sustainability for Swedbank and guides how we integrate it in our banking business. All policies are adopted by Swedbank's Board and apply to the entire Group. All employees are also required to follow a code of conduct that covers their individual responsibilities, the bank's values and business ethics, among other things. The code places great responsibility on each employee to follow the bank's values and rules.

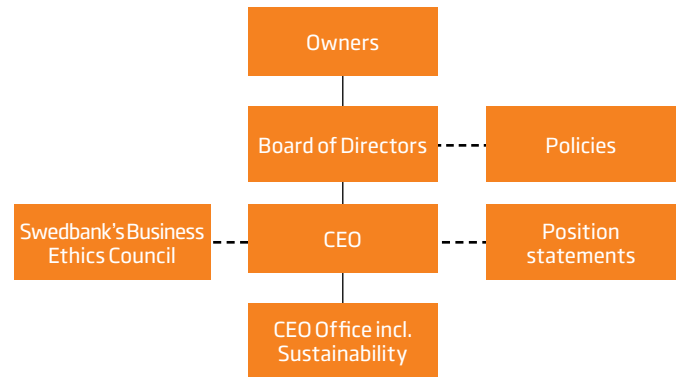


Sustainability governance

Swedbank's vision and values guide its sustainability work. Our governance model and operational structure are designed to support the bank's purpose – a sound and sustainable financial situation for the many households and businesses – and guide sustainability work in the bank. Sustainability governance is therefore largely integrated in the Group's operational controls and comprises the bank's sustainability policies, strategy, Group goals, implementation, monitoring and reporting.

The Board of Directors is ultimately responsible for governance of Swedbank's sustainability work and adopts its policies in the area. The Group's position on nuclear weapons and climate change is decided by the bank's CEO. The Sustainability unit is part of the CEO Office and the Group Head of Sustainability participates in Swedbank's Business Ethics Council. The Group Head reports directly to an employee in the Group Executive Committee and is responsible for developing the bank's sustainability and environmental policy and for the bank's reporting in the area, while responsibility for implementation and performance rests with the entire company.

Our sustainability work is largely focused on the material aspects identified in the 2015 materiality analysis and how we, based on our core processes, work with them. The analysis took into account the bank's core business as well as social, environmental and economic aspects. An important part of the analysis was to listen to our stakeholders' views on these



issues and reaffirm that we are working with aspects that are relevant to us and them.

Page 6 provides a process description of our materiality analysis and page 7 presents a detailed table where we report our material impacts within and outside the bank. The table also shows which strategic policies support each aspect and their integration in the bank's processes and business.

Economic aspects

Why are they material?

Being a profitable bank with low risk enables us to meet our customers' needs in both the short and long term. To stay competitive over time and ensure our survival, we have to build up reliable profitability and instil trust, so that investors see us as a secure investment with robust earning capacity.

As a major financial institution, we are an important part of the financial system, with a responsibility for reducing risks and promoting a sustainable financial situation for our customers. As a bank, we have our biggest impact on people and the environment indirectly through our lending, payments and investments. It is therefore critical that we integrate sustainability in our internal processes and rules.

Our commitment to financial stability and a stable and sound financial market includes contributing to a reliable and effective business climate. This requires the bank's businesses to integrate anti-corruption with a high level of transparency. All employees have a responsibility to live up to the bank's policies and guidelines to fight corruption and money laundering. Since payment flows are part of our core business, it is important that we prevent illegal activities such as terrorist financing, money laundering, distribution of child pornography etc.

Helping young people to better understand personal finance and lending responsibly are also important to our efforts to promote a financially sound and sustainable society.

How are they managed?

In 2016 we focused on improving customer value and on increasing digitisation and efficiency in the bank in order to accommodate customers' changing habits while maintaining stability and profitability. We have worked on better integrating sustainability in our processes as well as increased knowledge transfers through greater internal mobility. By continuing to invest in availability, transparency and quality, we help customers to more easily understand our products and make better informed decisions, creating more value for them.

Swedbank has been debating the importance of more responsible loan amortisation for several years to mitigate risks by reducing Swedish household debt. Our advisors in Sweden are therefore required to apply an amortisation guide when discussing mortgage loans. The guide serves as a support system to reach a loan-to-value ratio of 50 per cent or less. We feel that a lower loan-to-value ratio will make our customers more financially secure and encourage a sustainable financial situation for individuals and society as a whole.

We work at the Group level with anti-corruption. The bank's policy clarifies our commitments, role and routines internally and in relations with customers and partners. A mandatory e-learning programme has been developed in which money laundering, knowing your customer and other guidelines have been clarified for the above-mentioned material processes and payment services. This is to ensure that everyone who works at the bank understands their obligations and what is expected in various situations. To prevent money laundering, we are obligated to be familiar with all our customers. We do so by taking structured measures adapted to the risk of money laundering and terrorist financing.

We feel it is important to teach children and young people about personal finance. Since 1926 we have published "Lyckoslanten," a magazine distributed free of charge to 340 000 young teens to teach them how to manage money. To help students better understand the job market, we launched an initiative in Lithuania that brings them together with businesses to learn about possible career options and how to explore them the help of lectures, workshops and company visits.

How are they tracked?

- Results, return on equity and capital adequacy ratios are tracked.
- Customer satisfaction is tracked through our annual customer satisfaction survey.
- Targets tied to priority areas are tracked by all managers in the Group Executive Committee.
- Amortisation levels down to 50 per cent of a property's value are tracked.
- Our commitment to educating about personal finance and to our social initiatives are tracked by measuring the number of lectures held in schools and the number of copies of Lyckoslanten we distribute, among other variables.

Environmental aspects

Why are they material?

As a major player in the financial market, we impact communities, people and the environment – both directly and indirectly through our customers, suppliers and employees. We do so every day, since it is our way to contribute to a growing and sustainable society.

Using Earth's resources in a sustainable and responsible way is important to us. A willingness to be proactive and conserve resources is a natural part of our daily work.

Climate change is one of the most serious global challenges facing society today. Businesses have an important role to play in the transition to lower energy consumption and, consequently, lower greenhouse gas emissions. The financial sector has a big impact on the climate through investments and lending. It is important therefore to take an active role in reducing our indirect impacts and in that way contribute to a more stable climate. By reducing energy consumption, optimising business travel and lowering our direct emissions, as well as by financing and investing in companies that strive toward the same goals, we help to fight climate change and its risks.

How are they managed?

The policies, goals and strategies that address our most significant environmental impacts show the way and help us to focus on measures where the bank can make the biggest difference for the environment. The work is guided by our ISO 14001-certified environmental management system, based on which we act broadly to responsibly manage resources in several of our core processes.

In corporate lending, a sustainability risk analysis is conducted for all loans over SEK 5m in Sweden and EUR 0.8m in the Baltic countries. The analysis covers general sustainability risks based on a risk analysis model comprising the environment, human rights and corruption as well as sector-specific risks based on the bank's sector guidelines.

The fund management company works actively with sustainability issues and integrates sustainability assessments in its asset management through risk assessment, exclusion and advocacy. Among other things, we dialogue with the companies we invest in to encourage them to address sustainability issues and responsible corporate governance. Swedbank Robur has signed the Montreal Carbon Pledge, an international initiative whose signatories commit to disclose the carbon footprint of their investment portfolios. In addition, a decision was made not to invest in companies that produce coal, oil and gas through the Ethica Global and Sweden sustainability funds.

During the year we adopted a Group-wide position on climate change, whereby we refrain from directly financing coal-fired power plants as well as investing in and financing companies that generate over 30 per cent of their revenue from coal production. We also have a list of companies we completely exclude.

There is also a Group-wide effort to reduce our direct emissions from business travel, energy consumption at our offices and through procurement. The goal is to cut greenhouse gas emissions by 60 per cent by 2018 using 2010 as a base year.

How are they tracked?

- The number of sustainability risk assessments in the lending process is measured and tracked continuously.
- Sustainability analyses of Swedish and internationally listed companies and their results are reported and tracked continuously.
- CO₂ estimates are made for our equity and blend funds and reported on a semi-annual basis.
- In connection with purchases, we ensure that the Supplier Code of Conduct is signed.
- Suppliers are continuously tracked to ensure compliance with our Code of Conduct.
- Internal energy consumption, business travel, security transports, resource consumption and waste management are continuously tracked.
- Direct climate impacts are measured, calculated and tracked.
- List of excluded companies is continuously tracked.

Social aspects

Why are they material?

With the world's growing population and finite resources, businesses are under pressure to contribute to change and adapt to a new reality. Because of our size and central role in the financial system, it is important for us to be a responsible owner and investor that drives sustainable growth in society.

New technological possibilities in the form of digitisation create new ways to distribute products and services. They also empower consumers, who, thanks to greater transparency, can more easily compare offers. Banks are seeing growing demand for digital services, especially among younger customers, and demand for digital financial products and services is expected to rise. This makes it critical that Swedbank continue to offer products and services that are sustainable, easily available and competitive, while at the same time providing a high service level and customised advice. Digitisation is also causing an increasing shift from branches to mobile and internet banking, raising demand for stable IT environments and protection against external threats.

Competent employees help our customers to be successful. This makes it important for us to be an attractive and competitive employer. We feel that greater gender equality and diversity are critical to our business. They lead to better work environments, better service for our customers and better opportunities to attract and retain competence.

How are they managed?

To tap into and develop our employees' potential, it is important that we increase competence transfers within the Group. Employees who continuously develop and gain experience from different parts of the bank also pave the way for better customer offerings. We are working as well to eliminate unwarranted wage differences, increase diversity and achieve a balance between women and men in executive positions.

Sustainable and sound lending requires taking responsibility and maintaining a long-term perspective. A borrower's solvency, solidity and collateral are always the determining factors. Prior to approving any corporate loan of at least SEK 5m in Sweden and EUR 0.8m in the Baltic countries a sustainability risk analysis is conducted.

In addition to the risk analysis, Swedbank has a council to analyse and guide business decisions tied to sustainability risks. Credit decisions escalated to the Group's council for recommendation overwhelmingly involve questions of business ethics.

Sustainability risk assessments are a natural part of our investment decisions, where companies that do not live up to our sustainability criteria are excluded. As a responsible asset manager and active owner, we dialogue directly with companies and participate in their annual general meetings and nominating committees to encourage them to be more sustainable. We participate in the Financial Coalition against Commercial Sexual Exploitation of Children and focus on stopping sellers from getting paid through the financial system.

Our employees receive mandatory e-learning on sustainability issues. Taking on new duties or learning from colleagues on a daily basis also builds competence. To us, skills development is a question of enabling employees to fulfil their current duties while also preparing them for the future.

How are they tracked?

- Private and business advisors are tracked continuously through scorecards, where each manager can gauge employee performance against common goals.
- The annual employee survey measures employees' engagement, their likelihood of recommending the bank, leadership indexes etc.
- Each business area's gender distribution and diversity are tracked quarterly.
- Internal training and mandatory e-learning on e.g. sustainable banking, the code of conduct and money laundering guidelines are tracked by each manager.
- The number of sustainability analyses in the lending process is measured and tracked.
- The number of loan applications escalated to Swedbank's Business Ethics Council is tracked. Minutes from the council's meetings are distributed to the CEO and the Group Executive Committee.
- Sustainability analyses of Swedish and internationally listed companies and their results are reported and tracked continuously.

Material aspects	DMA and indicator	Reference/Information																									
	Economic impacts																										
	Economic performance																										
Sound compensation culture	Compensation within Swedbank	AR 102 note G13																									
Social engagement	G4-EC1 Direct economic value generated and distributed	AR 177																									
Sound lending culture	Households with loan-to-value ratio over 70% of property value	AR 172																									
	Share of households with loan-to-value ratio over 70% that amortise	AR 172																									
Financial stability	Results and ROE	AR 3, 58–59																									
	Capital adequacy ratio	AR 90 note G4																									
	Profit for the year	AR 3																									
	Dividend per share	AR 3																									
Low risk profile	Risk exposure amount	AR 90 note G4																									
Competitive prices	Market shares private market and corporate market	AR 13																									
	Indirect economic impacts																										
Sustainability integrated in internal processes	G4-ECB Significant indirect economic impacts, including the extent of impacts	AR 177																									
	The table below shows Swedbank's results in external investor surveys. The results provide an analysis of Swedbank's sustainability performance based on various stakeholder priorities.																										
	<table border="1"> <thead> <tr> <th>Investor surveys</th> <th>2016</th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Dow Jones Sustainability Index (score)¹</td> <td>77</td> <td>78</td> <td>76</td> </tr> <tr> <td>FTSE4Good ESG rating (score)²</td> <td>4.3</td> <td>4.0</td> <td>4.0</td> </tr> <tr> <td>CDP (score)³</td> <td>B</td> <td>97B</td> <td>77C</td> </tr> <tr> <td>Fair Finance Guide (score %)⁴</td> <td>55</td> <td>30</td> <td>26</td> </tr> <tr> <td>AllBright (ranking)⁵</td> <td>71</td> <td>57</td> <td>51</td> </tr> </tbody> </table>			Investor surveys	2016	2015	2014	Dow Jones Sustainability Index (score) ¹	77	78	76	FTSE4Good ESG rating (score) ²	4.3	4.0	4.0	CDP (score) ³	B	97B	77C	Fair Finance Guide (score %) ⁴	55	30	26	AllBright (ranking) ⁵	71	57	51
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	<p>1) Max score is 100. Companies with the highest scores in each industry qualify for membership. 2) Swedbank has qualified for FTSE4Good Index. The max score is 5. 3) Max score is 100A. In 2016 the grading was revised with max score A. 4) Fair Finance Guide is an international initiative to improve the transparency in investments. Max score is 100%. 5) Swedbank's ranking among 275 companies in 2016. The AllBright Report maps gender equality in the managements and boards of listed Swedish companies.</p>																										
	Environmental impacts																										
	Energy																										
Responsible resource management	G4-EN5 Internal energy consumption	AR 176																									
	Greenhouse gas																										
	G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	AR 176																									
	<p>In all our GHG calculations, we have used Ecometrica software through a system called Our Impact, administered by U&We. Our emissions are reported in accordance with the Greenhouse Gas Protocol, a standard for reporting climate data developed by the World Resources Institute. For more information, see www.ghgprotocol.org</p> <p>Our Scope 1 emissions are generated by cooling equipment and company-owned vehicles. Emissions from cooling equipment are estimated using operational controls (based on weight and type of cooling medium). Emissions from company-owned vehicles are estimated with the help of our financial controls. None of our Scope 1 emissions are biogenic.</p>																										
	G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	AR 176																									
	<p>Our Scope 2 emissions pertain to energy-related indirect emissions of greenhouse gases generated from the consumption of electricity, heating and cooling in our offices. They are estimated based on operational controls in our offices/buildings.</p>																										

Material aspects	DMA and indicator	Reference/Information
	<p>G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)</p> <p>Our Scope 3 emissions pertain to other indirect greenhouse gas emissions generated from business travel, security transports, paper and water consumption, and wastes. None of our Scope 3 emissions are biogenic.</p>	AR 176
	<p>G4-EN18 Greenhouse gas (GHG) emission intensity</p> <p>The emissions intensity of our direct and indirect greenhouse gas emissions (through energy consumption and other activities) is estimated in relation to the Group's total office space and number of employees to facilitate comparisons with other financial institutions. These comparative figures are reported on page 176 in our annual report.</p>	AR 176
	Supplier Environmental Assessment	
	<p>G4-EN32 Percentage of new suppliers that were screened using environmental criteria</p> <p>Procurement at Swedbank is tracked by sector and cumulative volume on an annual basis. This is done through requests submitted using internal tools. These requests are submitted to the procurement committee for approval. Deviation: The current practice limits opportunities to monitor the percentage of new suppliers that are screened for sustainability. The percentage reported in the annual report is based on the number of purchases where the central procurement unit was involved to any degree in 2014, 2015 and 2016.</p>	AR 174, GRIR 3
Social impacts – Working conditions		
	Hiring	
Attractive employer	<p>G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region.</p>	AR 174–175
	Diversity and gender equality	
Gender equality and diversity	<p>G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity</p> <p>We feel that gender equality and diversity are crucial to our business and contribute to healthy working environments, professional service for our customers and more opportunities to attract and retain talent. We began measuring the number of employees with a foreign background (born abroad or with two foreign-born parents) on an annual basis in 2014 following a strategic decision to prioritise gender equality and diversity over a three-year period. A survey is conducted anonymously by Statistics Sweden. The Board of Directors is not included, since there are too few members to guarantee anonymity.</p> <p>The results for 2016 showed that between 2014 and 2016 we increased the share of employees with a foreign background from 12 to 15 per cent. During the same period the percentage of the Swedish population with a foreign background rose from 20 to 23 per cent. The increase in employees with a foreign background is highest in urban areas and the business areas with the most trainees through the "A Job At Last" initiative. The Baltic countries have not worked with this issue as long, so the focus there has mainly been on raising awareness of diversity issues.</p>	AR 174–175
	Equal pay for men and women	
	<p>G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation</p>	AR 175
	Skills development	
Competent personnel	<p>G4-LA9 Average hours of training per year per employee by gender, and by employee category</p>	AR 174

Material aspects	DMA and indicator	Reference/Information
	Social impacts – Human rights	
	Investments	
Sustainability integrated in internal processes	G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	AR 173
	Supplier assessments for human rights	
	G4-HR10 Percentage of new suppliers that were screened using human rights criteria	AR 174, GRIR 3
	Deviation: The current practice limits opportunities to monitor the percentage of new suppliers that are screened for sustainability. The percentage reported in the annual report is based on the number of purchases where the central procurement unit was involved to any degree in 2014, 2015 and 2016.	
	Social impacts – Organisation's role in society	
	Local communities	
Accessibility	FS13 Access points in low-populated or economically disadvantaged areas by types	AR 171
	Accessibility, i.e. the options available to customers to contact us and do their banking, increases as the digital channels develop. All four home markets offer high internet maturity and broad mobile coverage to facilitate this. There are also customer centres that can be reached by phone, with both automated and personal service, as well as ATMs. The number, and usage, of cards is high in all four home markets, reducing the need for cash. All our home markets also offer a traditional, geographically diversified branch network.	
High quality products	FS14 Initiatives to improve access to financial services for disadvantaged people	AR 171
	Availability is important to us, by which we mean the ease with which customers can contact the bank and utilise our services. We work continuously on this and have taken several initiatives to increase the availability and awareness of our services. Over the years we have partnered with organisations that represent the disabled, including Funka.nu, to design our website to work as well as possible for as many customers as possible. We have also launched a security token with larger buttons and sound, folders/product sheets in Braille, "Get Started" videos for the Mobile Bank and Mobile Bank ID in eight languages besides Swedish, security information on the Internet and customer centres in 12 languages, and options that allow the hearing impaired to receive personal service. In addition to our local branches, we provide customer service on digital platforms such as the Internet Bank and Facebook to make it easier for customers who have difficulty getting to a branch. We work proactively to assist customers with or facing financial difficulties. By contacting them early on, we can prevent and address problems as quickly as possible. The bank has a strategic collaboration with Intrum Justitia to support the branches and customer centres in working with customers with payment difficulties. In 2016 Swedbank launched a "Parent's Guide", the first of several planned life guides, on the Swedish website to meet the need for advice and suggestions on parenting issues, ranging from parental leave, child care, children's clothing and gadgets, and buying a larger car and home to weekly allowances and savings. The guide also covers areas that are easy to forget when focusing on young children, such as pension savings, estate planning for unmarried partners and the importance of comprehensive insurance protection for parents themselves and their children. In addition to the guide, there are three films where an economic advisor meets parents and answers their questions on what to think about when becoming a parent as well as on saving for children and weekly allowances. Prepaid cards are a product/service currently offered to municipalities, county councils, authorities and state-owned enterprises. The service is used to pay out financial assistance and benefits to individuals who lack ID numbers or bank accounts, but also as a collective debit card for employees of schools, public housing, social services etc. The product/service enables municipalities to replace cash handling with electronic payments. Considering the large increase in the number of asylum seekers and new arrivals to Sweden, it feels especially important to offer this product and make it easier for municipalities to administer payments. The card can be used in all stores and ATMs. Prepaid card agreements have been signed with just over 52 per cent of the country's municipalities, as well as state-owned enterprises, municipal authorities and county councils. In addition to adapting our products, we work actively to educate the public about personal finance and savings. The magazine Lyckoslanten is designed for students ages 10-12 and sent free of charge to schools that order it. Older students are also taught about personal financial in Sweden and the Baltic counties. Through several of our social initiatives, upper secondary students have an opportunity to learn about personal finance as part of their overall education. In this way, children and young adults from every group in society, regardless of background, gain a better understanding of managing money and what it means for them and society.	

Material aspects	DMA and indicator	Reference/Information
Fight corruption and money laundering	<p>Anti-corruption</p> <p>G4-S03 Number/percentage of operations assessed for risks related to corruption and the significant risks identified</p> <p>In 2013 Swedbank's Board of Directors adopted a Group-wide anti-corruption policy that clarifies the bank's commitments, role and practices internally and in relations with customers and partners. In this way, corruption risks are managed in the same way as other business risks.</p> <p>Anti-corruption measures We are committed to the principles of openness and integrity. This includes contributing to a stable, reliable and efficient business climate in the countries where we operate. We do so by making sure that our businesses take steps to fight corruption. To help us, we have internal rules and training that provide guidance for the individual employee. We also have Group-wide anti-corruption routines and processes as well as new and updated support systems and guidelines.</p> <p>After being hired, Swedbank's employees receive instruction on how to address corruption, bribes, and conflicts of interest as part of mandatory training on the bank's code of conduct. Specific web-based ethics training on living up to the code has been developed for all employees and covers areas such as anti-corruption and whistleblowing. The training contains many practical examples taken from reality.</p> <p>In 2016 a new handbook was implemented in the Swedish business with concrete guidelines on the events we arrange for customers and others. Implementation has begun in the rest of the Group and is scheduled to be completed in 2017. For the sake of transparency, good control and monitoring, we have introduced a system to register events. We are also working on a similar system to register gifts and benefits from outsiders where gifts are reported using a traffic light model.</p> <p>An inspection conducted during the year by the Financial Supervisory Authority in Latvia identified deficiencies in Swedbank's internal control systems for preventing money laundering. Swedbank in Latvia has therefore entered into an agreement and committed to undertake a series of actions with respect to its internal control systems, processes and documentation to combat money laundering. The agreement includes a fine of EUR 1.36m.</p> <p>Know the customer and risk analysis Every corporate loan application is preceded by a customer history, risk analysis and analysis of the transaction. Understanding the company's ownership structure and the purpose and nature of the loan and continuously monitoring transaction flows are vital in order to prevent money laundering, financing terrorism and corruption. Sustainability aspects are a natural and integral part of the lending operations. Environmental considerations, social responsibility and business ethics are included in the risk assessment. As support, sector-specific guidelines provide information on sector-related sustainability risks.</p> <p>Prevent money laundering To prevent the bank's payment systems from being exploited for criminal activity, we have adopted clear internal rules based on Swedish and European laws and have established processes and support functions to ensure that we comply with applicable laws and regulations in the area. Through the bank's "Know Your Customer" process, our system support for monitoring transactions and reconciliations of customer databases against sanction lists, we minimise these risks in our operations. Employees receive mandatory training to recognise transaction patterns, behaviours and situations that could involve, or be associated with, money laundering. In this way, we can effectively fight money laundering and lay the foundation for a stable and sound financial market.</p> <p>Whistleblower system A Group-wide whistleblower process introduced in 2013 allows complaints to be filed anonymously. Nearly 30 complaints were filed in 2016 covering many different areas, from regulatory violations to reports of harassment. To inform more employees of the availability of this option, we released a film on whistleblowing during the year on the bank's intranet in Sweden and the Baltic countries and took up the topic in the employee magazine. Moreover a number of additional measures for implementation have been taken in the Baltic countries during the year.</p> <p>Swedbank's Business Ethics Council Swedbank's Business Ethics Council addresses issues where the environment, human rights, social responsibility, business ethics or corruption are a critical factor in business decisions. Its role is to provide guidance for the entire organisation in order to minimise sustainability risks and any negative impacts for the bank. The members represent the bank's various business areas and Group Functions, including representatives from the Group Executive Committee and Swedbank's Head of Sustainability. Minutes from the Council's meetings are distributed to the CEO and the Group Executive Management.</p>	AR 18, 171
	Share of suppliers undergoing business ethics risk assessments	AR 174
Share of holdings in fund portfolios undergoing business ethics risk assessments	AR 173	
Number of corporate customers undergoing business ethics risk assessments	AR 172	

Material aspects	DMA and indicator	Reference/Information
Transparent reporting	Reporting of taxes for the year	AR 107 note G18
	<p>It is important to us to be transparent in our reporting. In addition to sustainability-related information in the annual report, we annually publish a climate report, a report on compensation within Swedbank, a list of companies contacted about sustainability issues, and climate calculations for our funds, among other things.</p> <p>Taxes are an important sustainability issue as well as a business issue for Swedbank. Since 2008 the Group-wide tax policy adopted by the Board of Directors has been an integral part of our accounting policy. We have also integrated taxes as a key issue in our policy on human rights and transparency. Swedbank is one of the largest corporate income taxpayers in Sweden and together with the country's other banks accounts for about 10 per cent of total corporate income taxes. We provide tax-related information on a continuous basis and pay tax in all countries where we do business. We transparently report the taxes we pay in our various markets.</p>	
	Reporting of profit for the year	AR 3, 58
Social impacts – Product responsibility		
Product and service labelling		
Customised advice	G4-PR5 Results of surveys measuring customer satisfaction	AR 11
Secure IT systems	Reliability of IT systems	
	<p>It is critically important that our customers have confidence in the reliability and security of our IT systems. We work continuously to make our systems available, stable and secure. In 2016 the focus was on quality improvements such as skills training for employees, reduced systems complexity and greater efficiency in how we work.</p> <p>This work will continue in 2017. The degree of automation will steadily increase in our IT systems and we will take further steps to ensure that they are always available. Developments in IT security will continue at a rapid pace, and we plan to implement a number of activities in the area to, among other things, meet new threats as they arise at an accelerating rate.</p>	
High service level	Results of surveys measuring customer satisfaction	AR 11
Product portfolio		
Sustainable products and services	FS6 Percentage of the portfolio for business line by specific region, size and by sector	AR 172
	Deviation: According to GRI indicator FS6, Swedbank's credit portfolio should be divided by company size. We currently do not have the system support or a single definition within the Group to allow us to report in this manner.	
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	AR 172
	FS8 Monetary value of products and services designed to deliver environmental benefit for each business line broken down by purpose	AR 172

Material aspects	DMA and indicator	Reference/Information
	Active ownership	
Responsible owner	<p>FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues</p> <p>Swedbank Robur's main strategy as a responsible asset manager is to encourage companies through dialogue and active ownership to work diligently with sustainability and responsible corporate governance. Swedbank Robur offers nearly a hundred funds, which have holdings in around 2 600 companies (2 500 in 2015). We prioritise dialogue and collaboration with companies in which the funds are large shareholders and dialogue with those facing major sustainability challenges. Human rights is an area that has been given more emphasis in the dialogues. We also focused on impact on people and the environment in the raw material sector. Engagement with companies on sustainability issues is made through analysts, fund managers and partners, as well as through participation in annual general meetings and nomination committees. During the year we engaged with 420 companies (301) on sustainability issues.</p> <p>An important goal of Swedbank Robur's ownership work and participation in nomination committees is to encourage balanced boards of directors in terms of competence, experience and diversity as well as between independent and non-independent directors. We work actively to improve gender equality on these boards. For the third consecutive year, women and men were equally represented among the newly elected directors on the boards where Swedbank Robur participated in the nomination committee. The share of women on these boards increased from 33 per cent to 36 per cent and excluding the CEO (if elected by the shareholders' meeting) from 35 per cent to 38 per cent, which is higher than the average for listed companies.</p> <p>We participate in and vote at annual meetings and maintain continuous contact with the boards and managements of companies where the funds are major shareholders. In the area of sustainability, we voted during the year for shareholder proposals to expand reporting on climate change efforts at Glencore and to expand sustainability reporting at Facebook.</p>	AR 173
Sustainable products and services	<p>FS11 Percentage of assets subject to positive and negative environmental or social screening</p> <p>At year-end 2016 Swedbank Robur managed assets of SEK 468bn (421 in 2015) with special sustainability criteria through own sustainability funds in the fund-families Ethica, Talenten and Förbundsfonden as well as through discretionary asset management mainly for Folksam, KPA and Folksamgruppen's insurance portfolios.</p> <p>Of the assets under management with special sustainability criteria, SEK 421bn (394) were managed with mostly negative sustainability criteria according to KPA Pension's and Folksam's requirements. This represented 36 per cent (36) of Swedbank Robur's total assets under management. Companies that produce tobacco products are excluded from Folksam's portfolios. The KPA portfolios exclude companies that produce tobacco, alcohol, weapons and those associated with gambling. In addition, KPA Pension and Folksam both have environmental, human rights and corruption criteria that could lead to exclusion.</p> <p>The negative sustainability criteria for our own sustainability funds exclude companies associated with violations of international sustainability norms as well as those with more than marginal production and distribution of weapons, munitions, tobacco, alcohol, gambling, pornography and fossil fuels. Detailed criteria can be found at swedbankrobur.se/om-swedbank-robur/ansvarsfullainvesteringar.</p> <p>Our sustainability funds managed assets of SEK 47bn (27) with positive criteria at year-end, representing 4 per cent (2) of total assets under management during the year. Positive sustainability criteria mean that the fund will only invest in companies with an appropriate commitment to sustainability issues in their industry.</p>	AR 173