

Communication on Progress (COP) 2009/04 - 2010/04

Swedbank has been part of the local community and worked closely with customers for almost two centuries. Swedbank's operations are still based on the same goal: to help the many people and businesses achieve a solid financial sustainability. Today, our engagement in the community turns into concrete action plans to achieve ambitious targets in environmental, ethical and social areas. Since 2008, Swedbank has a CSR policy enacted by the Board of Directors, based on the UN's 10 principles concerning human rights, working conditions, environment and corruption. These principles are an important part of Swedbank's long-term work for a good environment and a sustainable society. Supporting the Communication on Progress (COP) initiative is therefore a natural thing for us to support and we will continue to do so.

Staffan Dahlbeck, Head of Corporate Social Responsibility

Sustainable business conduct

The bank's environmental analysis model used in connection with lending was improved and re-launched in early 2010. The model, which is used for corporate lending, has complemented its current financial and environmental criteria to include issues of human rights and labour conditions. Climate-related risks are also being further emphasized. The analysis model is used in discussions with customers to identify risks and turn them into business opportunities. The model is currently in use in Sweden but will be implemented on all of Swedbanks' home markets, beginning in 2010.

During 2009, Swedbank conducted a Risk analysis on human rights issues within the organization. The analysis focused on Swedbank's preparedness to manage human rights related risk on all of the bank's home markets.

A mandatory environmental education for employees will be implemented in Sweden during 2010.

Sustainable products

During the autumn of 2009, Swedbank was the lead manager for "Climate Awareness Bonds" issued by the bank's partner, the European Investment Bank (EIB). Around ten Nordic institutional investors participated in the issue. The capital, which amounted to SEK 2.25bn, will be used for future projects in the fields of renewable energy and energy efficiency.

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

Sustainability projects

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

Sustainability goals

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

Reporting

In June 2009 Swedbank presented its first sustainability report according to the UN's GRI G3 accounting standard. The primary aim is to highlight areas and indicators of greatest importance to Swedbank and where it has the best opportunity to influence its customers and partners. Swedbank reports according to GRI Level C. Swedbank previously reported according to GRI criteria in the annual reports for 2000-2002. The GRI index is presented in its entirety at www.swedbank.com/csr.

Collaborations

In May 2009 Swedbank initiated a collaboration with ECPAT, an initiative against child pornography and trafficking. As part of the project, Swedbank is working with the three other major banks in Sweden and the police authorities to prevent payment transactions by such businesses through the Swedish banking system.

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

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

Swedbank Robur participated in the Sustainable Value Creation Initiative. The initiative comprise the largest institutional investors in Sweden and the aim is to influence companies listed on the stock exchange to develop sustainably while at the same time create long-term value for their owners. The investor collaboration conducted a survey regarding companies' policies regarding sustainable value creation, including human rights, labour rights, environment and corruption. The survey was sent out to the 100 largest corporations on the Swedish stock exchange and the results will be followed up during 2010.

Gender equality and diversity

In the areas of gender equality and diversity, Swedbank tries to set an example. Everyone, including customers and employees, will be treated professionally regardless of age, gender, functional disability, sexual orientation, religion or ethnic background. By considering the diversity of our employees as a potential success factor, we create an environment where everyone can reach their full potential. This gives us a competitive advantage and supports Swedbank's goal to be a good corporate citizen and an attractive employer. It is important to the bank's long-term profitability and is therefore strategically critical.

Swedbank's occupational health and safety, gender equality and diversity policies were adopted during 2009 throughout the Swedbank Group. In the Swedish operations, the goal is that at least 40 per cent of managerial and specialist positions are held by the underrepresented gender, which was met during 2009. Swedbank has zero tolerance for discrimination and harassment. No cases were reported in 2009. In the Baltic operations, nearly 60 per cent of managerial positions are filled by women.

According to the insurance company Folksam's gender equality index, Swedbank ranked highest among Swedish listed companies for the second consecutive year. The ranking was based on the gender breakdown of the Board of Directors, management team and all employees.

Awards

During 2009 the bank received recognition with several awards for its sustainability work. One of the most notable was as Estonia's most responsible company, presented by the magazine Äeripäev. The bank also received the Socially Responsible Award in Lithuania from the National Responsible Business Awards.

During the spring of 2009 Swedbank was named Financial Educator of the Year in Sweden by the National Association for Young Investors for educating and inspiring young people about personal finances and savings, in order to help them make better-informed decisions. The award is the result of efforts to promote financially sustainable habits among both individuals and businesses. During the autumn of 2009 Swedbank expanded this work to include Estonia, Latvia and Lithuania, where the bank has established an Institute for Private Finances to provide information on how financial instruments work and the importance of savings.