

Communication on Progress (COP) 2008/04 -2009/04

Since the first savings bank founded in 1820, it has been natural for Swedbank to engage in community long-term development. Today, it 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.

The sustainability concept is closely related to the bank's external relations, long-term profitability and survival. We would therefore be clearer to present the work we are pursuing a sustainable business. 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

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About Swedbank

Swedbank's vision is to be the leading financial institution in the markets where we are present. Our aim is to be the service leaders of our industry, and to make our customers' everyday lives easier through a full range of easy-to-use and competitively priced financial services for private and corporate customers. By being at the frontier of product and service development, being easily accessible to all customers and providing excellent service, we aim to have the most satisfied customers in our industry.

Swedbank has 9,4 million retail customers and 540,000 corporate customers, with 419 branches in Sweden, 272 branches in the Baltic countries and 216 branches in

Ukraine. The Group is also present in Copenhagen, Helsinki, Kaliningrad, Luxembourg, Marbella, Moscow, New York, Oslo, Shanghai, St. Petersburg and Tokyo. As of March 2009 the Group had total assets of SEK 1,831 billion and approximately 21,000 employees.

Swedbank was founded in 1820, as Sweden's first savings bank was established. Today, our heritage is visible in that we truly are a bank for each and every one and in that we still strive to contribute to a sustainable development of society and our environment. We are strongly committed to society as a whole and keen to help bring about a sustainable form of societal development. Our Swedish operations hold an ISO 14001 environmental certification, and environmental work is an integral part of our business activities.

Background

Swedbank has during the last years developed from a local very Swedish bank to an international actor with representation in nine countries. This implies that many parts of the bank are affected, especially areas about policies and values. A lot of work has been done and will be done in making Swedbank a consistent value-based driven company. Here follows short descriptions of practical actions that Swedbank has taken since the last COP.

One Group Change Program

The One Group Change programme was established in 2008 to strengthen coordination, enhance efficiency and increase the exchange of competence throughout the Group. This also affects the CSR work and has strengthened the relations between countries as well as functions.

Policies and guidelines

Equality and diversity policy

Diversity and gender equality are fundamental to Swedbank, and a new policy adopted in 2008 has taken us a step closer to the more open-minded attitude we want throughout the organization and in our day-to-day interactions with customers, communities and other players.

Policy on health and work environment

In 2008, Swedbank established a policy on health and work environments which includes action plans for workplace discrimination, zero tolerance of harassment and a programme of diversity initiatives within the bank. Swedbank is working actively to ensure that no one, whether employee, customer or anyone who comes into contact with the bank, feels discriminated. This work is monitored by the diversity and gender equality committee appointed in 2008.

Sponsoring instruction

During the year, Swedbank also began working on a sponsorship policy that limits and defines the projects the bank will support. This will lead to a more clear picture of what Swedbank supports and why, as well as an increased efficiency.

Environmental policy

Swedbank published the Swedbank Group environment policy that was established in June 2008. The policy describes the basic and common view within Swedbank Group on the Environmental impact, Swedbank Group's responsibility for the impact of its decisions and activities on the environment and the Swedbank Group's management of such issues.

Principles for Responsible Investment

Swedbank Robur signed United Nation's Principles for Responsible Investment (PRI) in March 2009.

Climate change and Swedbank

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

Goals

Equality goals

During the year, Swedbank exceeded its earlier gender equality goal of 43 percent women in executive management in Sweden. As a result, Folksam named Swedbank the most gender-equal bank on the OMXS30 for the fifth time in its annual equality index.

Environmental goals

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

2009 will be the first year that environmental goals are in place for Baltic and International Banking. In Swedish Banking, the process of establishing and monitoring goals has existed for many years. Environmental goals and results in 2008 for Swedish Banking, including subsidiaries in Sweden are as follows:

- 60% of our customers shall feel that Swedbank is Sweden's most socially responsible bank.
 - Result 2008: Private customers 56% and corporate customers 61%.

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

Sponsoring projects and initiatives

Swedbank supports many projects within different areas; culture, sports, education etc. Here are a few examples of the projects supported:

- **Philanthropy:** As a Christmas gift 2008 Swedbank donated one million SEK to Save the Children in Sweden. It is the eleventh year in a row that Swedbank donates money to non-profit organisations.
- **Philanthropy:** Swedbank continued to support the anti-bullying organisation Friends in Sweden and Save the Children in the Baltics countries.
- **Business encouragement:** It was the second year the Swedbank Baltic Sea Award is handed out. The award 2008 is assigned to an individual or organization that has made an extraordinary contribution to the development of the Baltic Sea Region. This year Tarja Halonen, was honoured with the award.
- **Financial Literacy:** Swedbank has now launched an interactive website called Ekonomikompassen [The Financial Compass]. The aim of this website is to educate and help people understand their private financial matters. The Swedish Government gave the Financial Supervisory Authority a mission during 2008 to strengthen the consumers' situation through information and initiate education in Private Finances. Ekonomikompassen includes interactive sheets for calculation, guides, a glossary and a game where you can test your knowledge in private finances.
- **Financial Literacy:** Swedbank won a tender for consultancy support for the United Nations Human Settlements Programme (UN-HABITAT). Swedbank's main task within this assignment is to enhance UN-HABITAT's knowledge within the financial field, with the emphasis on housing and infrastructure finance.

Awards

Offering employees continuous training and development opportunities is crucial to Swedbank as well as the employees themselves. It contributes to the bank's long-term survival and employees' job satisfaction. We believe this approach is one reason why in 2008 Swedbank was named the most popular company to work for in the Swedish financial industry for the second consecutive year, according to the Corporate Barometer survey, as well as Lithuania's most popular employer, according to Gallup.

Dow Jones Sustainability Indexes (DJSI) ranked Swedbank as the only Nordic company among the sector leaders. This is published in The Sustainability Yearbook 2009. In the DJSI research for 2008 Swedbank received 69 points out of 100, an increase with eight percent since 2007.

The Nordic Brand Academy awarded Swedbank as the best company in the financial sector in the yearly reputation barometer of 2008.

In a research from A.T. Kearney in June 2008, Swedbank was pointed out as the most environment-conscious bank in Sweden.

The result of Responsible Business TOP 2009, organised by the daily business newspaper Äripäev, was published on 27 April 2009. The announcement manifests that Swedbank has acted in strategic and well-considered manner within the CSR area in Estonia. The responsible activity of Swedbank was certified the strongest in Estonia, and the company was joint first (92.7% out of 100%) with Tallinna Vesi AS.

During the National Responsible Business Awards organised in Lithuania for the second time Swedbank received the main award – the organisation was recognised as Socially Responsible Company of 2008 in all spheres of social responsibility.

More clear CSR communications

Corporate responsibility is closely associated with the bank's community relations, long-term profitability and survival. We therefore want to be clearer in how we present the work we are doing to create a sustainable business. A group manager for CSR communications was appointed in March 2009, in order to reach this goal.

Measures were also reintroduced in 2008 to report using the UN's Global Reporting Initiative (GRI), which will be presented on the bank's website beginning in the first half of 2009.