

Communication on Progress (COP) 2007

Background

Swedbank has during the last years developed from a local very Swedish bank to an international actor with representation in nine countries. In August 2007 Swedbank acquired TAS-Kommerzbank in Ukraine with 5500 employees. The Baltic area is already considered as a home market for Swedbank. Of total 23000 FTEs only 9000 are working in Sweden. All units will during 2008 operate under the name of Swedbank.

The above mentioned information affects many conditions in the bank especially areas about policies and values. A lot of work has been done and will be done in making Swedbank to a consistent value-based driven company.

Here follows short descriptions of practical actions that Swedbank has taken since the last COP.

Policy on Corporate Social Responsibility (CSR)

In January 2008 the Board of Directors enacted a policy on CSR. The policy is based on the ten principles of Global Compact and interpreted in order to clarify internally what we mean by being a responsible actor in society. Swedbank's activities with all aspects of CSR will contribute to a long term sustainable economy.

New websites

A new external website was launched early in 2008 (www.swedbank.com) where the most important policies including the CSR-policy are presented.

In order to improve the internal communication a new intranet website has been implemented to support the work with the implementation of the policies.

Human Rights and Labour standards

The EU-directive concerning European Works Council has been enlarged to cover also Ukraine and Russia.

The policy about Equality and Diversity is being adopted to Swedbank's new markets during 2008.

Environment

In June 2008 the Board of Directors will be presented a group-wide Environment policy. This gives the opportunity to set goals for the whole group.

On the initiative of the Board of Directors, Swedbank has formed a Climate Group. Its mission is to identify Swedbank's impact on the climate and to improve the awareness of climate issues within the company and propose actions.

Being a multi-national company there are greater needs for business travel than before, when we were present in Sweden only. However, our target is to reduce the the carbon dioxide pollution in Sweden caused by business travels with 10 %. For some routes, flights have been forbidden completely and employees are forced to go by train.

Another target concerns paper, where the goal is to reduce consumption by 10% during 2008. We believe this is possible as more and more customers use the Internet bank or the Telephone bank which implies less paper usage. For example, in the last 3½ years we have seen a doubled amount of internet bank customers in the Baltics and one and a half as many internet bank customers in Sweden. This implies, for example, that the number of payments over the internet has almost doubled.

In the annual report for 2007 you will find some other “sustainable” information.

Many different activities are being performed to reduce the amount of cash handling in society. The use of cash has a negative effect on the environment due to long transports of cash between the supermarkets, Central bank and the ATMs.

Anticorruption

In Sweden a compulsory computer-based education is implemented covering bribes and money laundry etc has been fulfilled by 8000 people ie around 90% of total staff.

Swedbank recognize and underline the importance of frank discussion of problems and ethical issues incl. corruption and encourage employees to communicate legitimate concerns regards non-compliance and questionable practices. Swedbank also maintain a process for reporting submission of suspected wrongdoing by any employee of Swedbank. In accordance with the procedures established in the Policy on Ethics the reporting could be done anonymously to the Group Compliance Officer. Furthermore the Compliance functions monitor compliance with both external regulation and internal policies, such as the Policy on Ethics.¹

¹ Within the banking industry there are regulations from FSA (Finansinspektionen) as regards internal control, FFFS 2005:1, http://www.fi.se/upload/90_English/30_Regulations/2005/FFFS0501_eng.pdf