Position Statement Climate Change

Adopted by The CEO
Date of adoption 26 January 2021

1. Purpose

Swedbank Group acknowledges that climate change is amongst society's greatest challenges. Research shows that an increased concentration of greenhouse gases warms the planet and creates substantial risks for both prosperity and growth. An unwillingness to acknowledge and act in accordance with these findings would drastically increase the probability of global warming. Thereby it is of great importance to limit the maximum global temperature increase aiming at 1.5 degrees Celsius above pre-industrial levels.

Given our history, purpose and mission, we are committed to support both the Paris Agreement on climate change and the Sustainable Development Goals (SDGs). This twofold commitment will guide our work and impact towards 2030 and beyond. In 2019 Swedbank also became one of the 130 Founding Signatories to the UN's Principles for Responsible Banking: a shared commitment to align our business strategy to the Paris Agreement and contribute to the fulfillment of the SDGs. We take into consideration relevant international conventions, such as United Nations Framework Convention on Climate Change (UNFCCC) and the views of our stakeholders. Our business operations have global impact through our investments, credits, payments, and supply chain.

This position statement sets out the terms of the Group's climate change agenda. The Group promotes sustainable development and aims to help people and companies make sustainable choices. The Group shall take an active role in the ongoing climate change transition and help our customers to accelerate their journey towards an ecologically sustainable future. We enable sustainable growth by advising, challenging and supporting companies that truly are in the process of changing their business model and run a long-term sustainable business.

2. Scope

This position statement applies to all jurisdictions where Swedbank Group operates or conducts business, and applies to Swedbank's financial services, such as Swedbank's investments, financing, payments and advisory services.

3. Principles and restrictions

- We will continue to develop new financial products in order to fulfil an increasing demand in the market for green investments.
- We will assure climate risks as a core component in our sustainability risk assessment.
- We will support the renewable sector through financing renewable energy projects and provide advisory to guide our customers towards best practice financing decisions, including energy efficiency and mitigation of climate-related risks.
- We will not provide financial services to companies mining and producing coal to more than 5% of its revenue.[1]
- We will avoid companies that actively lobby against the Paris Agreement.
- We will not directly finance coal-fired power production or the establishment of new coal-fired power plants.
- We will not directly finance unconventional fossil fuel production such as shale oil/gas, arctic oil/gas or oil sand.
- We will not directly finance exploration of new oil or gas fields, although we can finance clients with such activities if the business strategy is aligned with the Paris Agreement.
- We will continue to encourage portfolio companies and corporate customers to improve their climate management.
- We will have carbon reduction as a key priority in our environmental management which includes reduction of energy, water, waste and paper.
- We will measure and disclose climate-related impacts in line with the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). We will also advocate for portfolio companies' and corporate customers' adaptation of the TCFD requirements to ensure their alignment with the Paris Agreement as well as phasing out coal and unconventional fossil fuel production.
- We will set environmental targets, both direct and indirect, in alignment with the Science Based Targets initiative (SBTi).
- We will fulfil our climate obligations of the UN Principles for Responsible Banking, this includes aligning our business strategy to the SDGs and the Paris Agreement.

[1] Regarding investments, it refers to Swedbank Group's investment decisions relating to the bank's own products such as funds, excluding however when such funds invest in external funds. When providing investment advice or portfolio management to customers the bank will consider sustainability risk in accordance with the bank's sustainability risk policy.