

Press release: October 21st 2014

Second AP Fund publishes 2013/2014 Sustainability & Corporate Governance Report

Since its inauguration in 2001, the Second AP Fund has conducted a whole range of activities in the field of sustainability, having many times been a pioneer. For example, the Fund was among the first investors in the world to become a signatory to the UN's Principles for Responsible Investment (PRI), as well as being one of the first to invest in 'green bonds'. As early as 2009, the Fund had started to analyse the carbon footprint of its stock portfolio and, from the very start, has championed the issue of increased diversity on the boards and in the executive managements of publicly quoted companies.

Today, the Second AP Fund publishes its Sustainability & Corporate Governance Report for the period 2013/2014. Features include the Fund's report on the implementation of the PRI, a report on the Farmland Principles and a description of the Fund's progress in implementing sustainability into the investment process.

"During the year, we have continued our in-house focus on integrating sustainability into the asset management process. Our long-term goal is to integrate sustainability into all of the Fund's analytical and investment processes," states Eva Halvarsson, CEO of the Second AP Fund.

Over the period, the Fund has also been engaged in developing a broader sustainability strategy, mainly with a view to further prioritizing and focusing on its work.

Considerable attention is being devoted to the climate issue. One consequence is that the Fund has conducted a comprehensive risk analysis of all the fossil-fuel based energy companies in its stock portfolio, to determine their potential impact on the climate. Yesterday, as a consequence of this analysis, the Second AP Fund announced that it would divest from 20 fossil-fuel based energy companies.

"As early as 2009 we conducted an extensive project to analyse the carbon footprint of the total portfolio. We are now once again in the process of analysing the portfolio's carbon footprint, and the results will be published in the Fund's 2014 Annual Report," says Eva Halvarsson.

In the coming year, to improve transparency, audits of the Fund's holdings in agricultural real estate in Brazil will be conducted by an independent agency. These will review how efficiently the "Principles for Responsible Investment in Farmland" have been implemented, Principles that the Fund has endorsed and that are now integrated into the broader framework of the PRI.

See the Second AP Fund Sustainability & Corporate Governance Report, www.ap2.se.

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