Swedish National Pension Fund Första AP-fonden (AP1) to Measure Sustainability Through Arabesque S-Ray®

Arabesque S-Ray® and AP1 are working closely together to develop a sustainability score assessing the compliance of companies with Human Rights

2 October 2018, **London**   Arabesque today announced an agreement to provide the Swedish national pension fund Första AP-fonden (AP1) with ESG data through its proprietary technology Arabesque S-Ray®. As part of the new partnership, AP1 and Arabesque will also collaborate on developing a unique score for S-Ray® that quantifies the performance of companies based on the UN Guiding Principles on Business and Human Rights (UNGP Score).

Arabesque S-Ray® is an algorithm-based tool that analyses the sustainability performance of approximately 7,000 of the world's largest listed corporations using self-learning quantitative models and data scores. The technology systematically combines over 200 ESG metrics with news signals from over 50,000 sources across 15 languages. It is the first tool of its kind to rate companies on the normative principles of the United Nations Global Compact (GC Score). Additionally, S-Ray® provides an industry-specific assessment of companies' performance on financially material sustainability criteria (ESG Score). Both scores are combined with a preferences filter that assesses a company's business involvements.

One of five AP-funds in the Swedish national income pension system, AP1 has assets under management of approximately SEK 338 billion in a global portfolio consisting of equities, fixed income securities and alternative investments. In its role as investor and asset owner, AP1 places high demands in the areas of environmental, social and corporate governance.

Through a collaborative effort with AP1, and with the expert advice of Shift, the leading center of expertise on the UNGPs, Arabesque S-Ray® will develop a new measurement of the human rights performance of thousands of companies based on the UN Guiding Principles on Business and Human Rights. Under the Guiding Principles, endorsed by the UN Human Rights Council in 2011, companies are expected to identify impacts on people, prioritize action on those that would be most severe, remedy actual impacts, and measure and communicate the effectiveness of their efforts. The UNGP Score will be the first transparent and objective means to assess corporate performance under the Guiding Principles.

Advising on the development of the UNGP Score is John Ruggie, Professor in Human Rights and International Affairs at the Harvard Kennedy School of Government, and author of the UN Guiding Principles on Business and Human Rights. Speaking on today's announcement, Professor Ruggie said: "This joint initiative with AP1 is a first of its kind in the investment universe. Virtually every element within the "S" in ESG is directly or indirectly related to Human Rights, yet few in the investment community have recognized that fact. This joint initiative combines the subject matter expertise of Shift, whose board I chair, and the superior technical capacity of Arabesque S-Ray® to provide specific information on human rights factors as well as a more robust 'S'".

Maria Mahl, Head of the Nordics at Arabesque, said: "We are delighted that AP1 will integrate Arabesque S-Ray®, our ESG data aggregator tool, to measure and analyse the impact of its portfolios. Sweden is at the forefront of the global sustainability movement and through partnerships such as this, we are excited to help move ESG integration to the next level across the region."

Nadine Viel Lamare, Head of Sustainable Value Creation at AP1 said: "Arabesque S-Ray® is a welcomed addition to the other ESG databases that we already use. To get daily rating updates is particularly valuable. S-Ray also provides us with a score on Global Compact preparedness which we have been looking for. We now look forward to develop another score together with Arabesque that will help us and other investors identify salient human rights in our portfolios."

Ends

Notes to editors

Arabesque S-Ray ®

Arabesque S-Ray® is a tool that aims to provide increased transparency into corporate behaviour and management, leveraging ESG big data and machine learning technology. The quantitative methodology of Arabesque S-Ray® is designed to minimize human biases, providing an ever-increasing database of sustainability metrics that empowers all stakeholders to make better informed decisions. For more information on Arabesque S-Ray®, please visit www.arabesque.com/s-ray

AP1

Första AP-fonden (AP1) is one of five AP-funds which ensures stability in the Swedish national income pension system. AP1's assets under management totals SEK 338 billion (30 June 2018) and the global portfolio consists of equities, fixed income securities and alternative investments. The mission is to generate the highest possible return, while maintaining a low level of risk, and thus contribute to a high and predictable income pension for current and future pensioners. Första AP-fonden is a long-term investor and an active owner. In its role as owner, the Fund places high demands in the areas of environmental, social and corporate governance. www.ap1.se

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