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# Press release 27 January 2012**Major differences in listed companies’ sustainability efforts** *– the leaders, the pack and the stragglers*

 **Sustainability issues are high up on the agendas of an increasing number of companies. The companies that have achieved the most are those that integrate sustainability issues across all levels of their business. However, the pace of change at a third of the companies is far too slow, and the gap has widened between them and the companies at the forefront, according to a new report from the investor initiative Sustainable Value Creation.**

“The fact that more companies are making real headway and that these issues are being prioritised is good, but the slow pace of change among those companies that are at the bottom is of concern to us,” says Nadine Viel Lamare, spokeswoman for the Sustainable Value Creation investor initiative.

Sustainable Value Creation is a collaborative project in which 14 of Sweden’s largest institutional investors have joined forces to highlight the importance of working in a structured manner with sustainability issues. The initiative together manages a total of SEK 5,000 billion in capital, SEK 650 billion of which is invested on the Swedish stock market as of 30/6/2011. This corresponds to 16 percent of the capital on the NASDAQ OMX Stockholm Exchange.

**The leaders, the pack and the stragglers**
The survey identifies three groups of companies: the leaders, the pack and the stragglers. The 14 percent of the companies classified as leaders largely have their guidelines in place, transparent communication and a board of directors that takes considerable responsibility for sustainability issues. At the other end of the scale, the stragglers, which account for 32 percent of the companies, only have a few guidelines in place, a low level of transparency and boards that take limited responsibility. The gap between the stragglers and other companies has widened.

“We’re seeing that a lot of companies are placing a great deal of importance on sustainability issues, but the results vary. Those businesses who were the leaders back in 2009 remain at the forefront and are continuing to advance. We hope that these companies will inspire others that haven’t come as far in their sustainability work. The environment remains the highest priority for companies,” adds Nadine Viel Lamare.

This is the second time that the report has been presented and participation among companies is high. Eighty-two of NASDAQ OMX Stockholm Exchange’s 100 largest companies responded to questions on the environment, human rights, labour rights, business ethics/anti-corruption, working environment, and health and safety.

Transparency has increased among the companies. Just over 60 percent of the companies that responded are now opting to publish their guidelines, compared with just over 50 percent in 2009. An increasing number are also producing external reports on their sustainability work.

The use of management systems to monitor guidelines has also increased significantly, from 67 to 90 percent. Suppliers are also being checked to a greater extent, with an increase from 60 to 80 percent.

“It is also encouraging to see that a quarter of the companies are training new and existing board members in sustainability issues – an indication that sustainability issues are being increasingly prioritised in the work of company boards. We know that a lot of companies struggle with these issues and that it presents a challenge, but it’s pleasing to see things moving in the right direction.  It’s the only way we can create genuine and essential change,” concludes Nadine Viel Lamare.

The report and the conclusions from the survey in Swedish as well as an executive summary in English can be downloaded at **www.hallbartvardeskapande.se**

**About the Sustainable Value Creation initiative**Sustainable Value Creation is a collaborative project initiated in 2009 by fourteen of Sweden’s largest institutional investors. The group aims to highlight the importance of a structured approach to sustainability issues, a prerequisite for long-term value creation in companies and long-term financial returns for investors and shareholders.

The investors in the group jointly addressed the chairpersons of the 100 largest companies by value on the NASDAQ OMX Stockholm Exchange with questions relating to how they work with financial, environmental and social sustainability.

Sustainable Value Creation is value creation that takes into consideration the balance between financial, environmental and social values. Values created in companies should be sustainable over time. In order to achieve this, companies need to have conducted a review of, and continually monitor sustainability aspects in their operations to identify relevant risks and business opportunities. Each company is unique – there is no standard solution. But all companies need to carry out this analysis.

**Investors behind the Sustainable Value Creation initiative**
Andra AP-fonden (AP2), Church of Sweden, DNB, Fjärde AP-fonden (AP4), Folksam, Första AP-fonden (AP1), Handelsbanken Asset Management, meta asset management, Nordea, SEB, Skandia Liv, SPP, Swedbank Robur and Tredje AP-fonden (AP3).

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