



DEEP DIVE: ACTIVE OWNERSHIP FOR RESPONSIBLE CLIMATE LOBBYING

AP7 (SJUNDE AP-FONDEN)

Corporate lobbying that negatively influences political decisions on climate change continues to be a widespread challenge for legislators, despite many companies officially declaring their support for the Paris Agreement. AP7 (Sjunde AP-fonden) expects corporations to demonstrate good governance and to assess whether, and to what extent, their corporate lobbying is aligned with the Paris goals. Where there is misalignment, AP7 expects corrective actions to be taken.

AP7 has taken a multifaceted, long-term approach to addressing this challenge through collaborative active ownership.

Long-term dialogue

In multi-year dialogues with corporations, investors have made the case for responsible climate lobbying and pushed for transparency. AP7 is thematic co-lead on lobbying within IIGCC and has worked closely with CA100+ lead investors to progress dialogue on the topic with key European companies.

Development of a standard

Together with Church of England Pensions Board and BNP Paribas Asset Management, AP7 instigated the development of the [Global Standard on Responsible Climate Lobbying](#). After extensive consultation, the Standard was launched in 2022 providing a framework for companies to report on responsible climate lobbying in practice. Climate policy engagement is evaluated in criteria 7 of the CA100+ Net Zero Company Benchmark and one of the alignment criteria for corporates in the Net Zero Investment Framework.

Acting at AGMs

Shareholder resolutions play an important role to drive corporate reporting on climate lobbying. AP7 began filing resolutions at general meetings in the United States in 2016 and has subsequently filed at European and Australian companies, in some cases over multiple years. In total, AP7 has brought 21 shareholder resolutions on climate lobbying to vote and withdrawn several more after reaching agreement with companies prior to meetings.

Legal case in Europe

When progress in engagement with Volkswagen stalled in 2022, investors tabled an amendment to the company's Articles of Association intended to ensure that future reporting incorporates climate lobbying. The company refused to table the amendment. As a result, investors are taking the matter to court in a case which tests whether VW has the right to refuse this AGM agenda item. Led by AP7, 6 asset owners (AkademikerPension, AP2, AP3, AP4, AP7, the Church of England Pensions Board) are represented by German law firm Hausfeld Rechtsanwälte LLP and supported by legal charity ClientEarth. A ruling in the investors' favour would reinforce the position of minority shareholders in Germany and incentivise German companies to engage in constructive dialogue with them. The case could also have implications for other civil law systems in Europe.

Results

Since AP7 started working actively on climate lobbying in 2015, 57 major corporations globally have published industry association reviews. Over 50% of the European companies in scope for the Climate Action 100+ initiative have published at least one climate lobbying review, and the majority of these have committed to repeat this disclosure annually. The efforts, persistence and collaborative spirit of many investors and other stakeholders have contributed to these results. For assessments of the quality of climate lobbying disclosures, see [InfluenceMap](#), as data partner of CA100+.

A universal active owner

AP7 is the default alternative within the Swedish premium pension system. With a diversified equity portfolio of more than 3,000 companies, AP7's ESG strategy focuses on active universal ownership, complemented with impact investments. AP7 believes that, in collaboration with like-minded responsible actors, the greatest impact can be achieved through active ownership.