



Public policy dialogue and climate lobbying

Applying the Global Standard on Responsible Climate Lobbying



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Limitations and definitions

In this report, the term climate lobbying has been limited to comply with the definitions drawn up by researchers at the London School of Economics for AP7's work on the Global Standard of Responsible Climate Lobbying.^{1,2}

Climate lobbying

The term 'climate lobbying' refers to activities that are performed to directly or indirectly influence political stakeholders' or administrative stakeholders' climate-impacting political decision making. Climate-impacting policy refers to all environmental or non-environmental public policy with (positive or negative) consequences for the realisation of the goals of the Paris Agreement.

Responsible climate lobbying

'Responsible lobbying for climate change' is defined as lobbying with the intention of influencing others to act in line with the Paris Agreement's goal of limiting the global temperature increase to 1.5 degrees Celsius above pre-industrial levels and with the ambition for greenhouse gas emissions to peak and reduce as quickly as possible.

Lobbying topics

Climate lobbying is not limited to political measures that directly influence climate change. It also includes lobbying that has an indirect effect on greenhouse gas emissions and/or global temperature increases, such as political measures within energy, infrastructure, land use and taxation.

Lobbying actors

Lobbying actors include industry organisations, industry bodies, think tanks, coalitions and industry alliances. They can also include grassroots organisations or other organisations that are financed by investors.

Comments

The word lobbying has negative connotations in Swedish, but it should be pointed out that it is legitimate to represent and promote the viewpoints of different interest groups. Other, less charged terms are often used in Sweden, such as public policy dialogue or advocacy. AP7 is not involved in direct influencing activities in Sweden but refers to such activities internationally as public policy dialogue.

It is worth noting that definitions that are relevant in this context are not entirely applicable to the work performed by AP7 as a government agency. At the same time, the experts who devised the standard recommend that the definitions should be interpreted broadly. This approach has also been applied here.

Summary

This report inventories and summarises AP7's own work on public policy dialogue and climate lobbying on the basis of the Global Standard on Responsible Corporate Climate Lobbying. AP7 is a shareholder in companies through the equity portfolio. In this role as an owner, AP7 uses active ownership tools to encourage portfolio companies to perform responsible climate lobbying.

AP7 also acts as a social stakeholder that can influence decision makers in climate issues, among other things through the organisations that AP7 is part of. In this report, the latter role has been investigated.

AP7 has established a framework for responsible investment based on the value norms enshrined in the international conventions that Sweden has signed with regard to human rights, labour law, environment, and corruption.³ The objectives for AP7's work with the sustainability of the companies owned also apply to the organisations of which AP7 is a member.

AP7's work within the area of sustainability, and specifically its efforts to identify and inventory climate lobbying, has a strong position internationally. In the latest report from the independent organisation Influence Map, AP7's work for positive climate influence is described as leading and a "clear example of best practice in strongly climate-adapted trusteeship or corporate commitment".⁴

The report is based on the 14 criteria put forward in the work on the Global Standard on Responsible Climate Lobbying so as to evaluate AP7's work on policy influence. The 14 criteria are presented in a matrix from which AP7's present activities and undertakings are evaluated. The analysis is made in two stages, an introductory materiality analysis followed by a more in-depth review of relevant memberships and activities.

Based on the 14 criteria given in the Global Standard on Responsible Climate Lobbying (GSRCCCL), it can be confirmed that AP7 engages in responsible climate lobbying in line with relevant climate goals. No deviating attitudes or actions can be identified in the organisations of which AP7 is a member. However, there is a need going forward to increase transparency and evaluation of the area, since this has not been done systematically thus far.

This report and the statements from Influence Map make clear that there is a need for clarification so that AP7 shall be at the forefront of positive climate lobbying. Against the background of the investigation and in connection with the work of the report, AP7 has been recommended to clarify and develop materials on the following points:

- Make known externally the responsibility roles at AP7 for public policy dialogue
- Develop an internal framework for how AP7 is to follow the 14 criteria – a draft for this can be found in this report (see page.8)
- Implement, on an ongoing basis, a simple framework for how the 14 criteria are to be followed; for example, in connection with sustainability reporting. This too can be based on the framework used in this report.
- Produce data to report fulfilment of the goals set by Influence Map, and which clearly corresponds to the standard from the GSRCCCL. This includes clearer stand-points and reporting forms regarding climate topics.

During the course of the work, AP7 has carried out measures to make responsibility roles more evident. As part of this report, AP7 has devised a method for analysing its own policy influence in climate issues. There has also been clarification of what data AP7 is to produce, in order to make its own policy influence more evident.

It is hoped that the framework that has been applied, and the way in which it is applied, can make it easier for more investors to make corresponding reviews.

The application of the framework

The framework that has been applied in the report has been obtained from the GSRCCCL. In its original form, the framework is used as shared best practice for what investors expect of the companies they invest in. It includes requirements for companies' climate lobbying through associations, alliances and coalitions of which it is a member.

To lead by good example and analyse its own policy influencing work, AP7 has applied the framework to its own activities in this report. Because AP7 is a government agency and national pension fund, it is not possible to apply the framework to the same extent as for a private company.

Work description

Nordic Public Affairs has been tasked by AP7 to investigate all the organisations of which AP7 is a member, based on the framework from the GSRCCCL. Nordic Public Affairs has also interviewed AP7 about participation in these organisations. Based on the framework and interviews, AP7 has made an assessment as to how well AP7 follows its own requirements.

Climate lobbying – a brief description

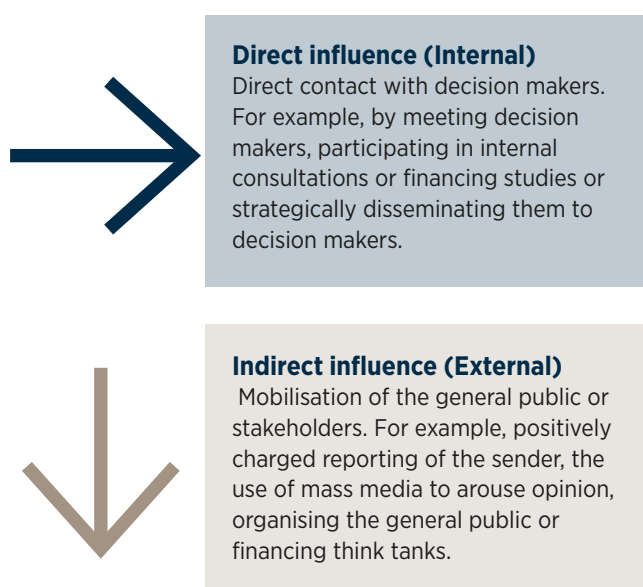
Investors play a key role in the work of living up to the Paris Agreement. Partly through making climate-positive investments and influencing business. Partly by taking the lead in the implementation of new rules and getting decision makers to make climate-smart decisions. This has made more pressing the question as to how companies, investors and organisations work with influence, policy dialogue and climate lobbying.

As early as 2013, the UN commented on the opportunity for investors and companies to use lobbying to “be a responsible voice in climate policy debates”.⁵ Both investors and companies are seen as driving forces in the transition towards a more sustainable economy. Today the discussion has grown and been problematised and includes how alliances and interest and business organisations influence decision makers through lobbying and policy dialogues.

Input from stakeholders in commerce and industry is demanded in many cases by decision makers, primarily to ensure that the climate policy that is implemented is evidence based, feasible and democratically endorsed.^{6,7} Thus, influencing climate policy is not in itself negative or restrictive of regulation. Rather, it is important to investigate what means are used, what objectives are being pursued and the relationship between means and purpose.⁸

Indirect and direct influence

Decisions on regulations are ultimately made politically. But the production of policy often occurs among companies, alliances and grassroots organisations. According to a policy brief made by the London School of Economics on climate lobbying, the influencing of policy can be done directly or indirectly.⁹



Tools for AP7 to influence climate policy

The purpose of AP7's climate work is to drive forward a transition in the economy. This is done by investing in activities that reduce climate risks, as well as by being an active owner. As a Swedish government authority, AP7 follows the conventions that Sweden has adopted and the international agreements that have been entered into.

AP7 is governed by parliamentary decisions and represents a very broad group of savers. The bases for AP7's own work are the international conventions that Sweden has signed. AP7 must act in an exemplary manner and in line with these. This sets stringent requirements for AP7's actions while at the same time, to some extent, it also limits the scope to go beyond these boundaries. The Swedish parliament is very clearly behind the 1.5 degree goal and AP7 has a clear mandate to influence shareholdings and financial markets in line with this.

It is AP7's goal to be an active owner and to act as a role model in line with international conventions. Briefly, AP7 has a number of tools or approaches that could influence climate policy:

1. Influence through the organisations of which AP7 is a member. Through these, AP7 can influence decision makers and climate policy development. This potentially more direct influence has not previously been illustrated and analysed here.
2. AP7 writes referral responses and communicates with elected decision makers who are connected with its own activities. This dialogue concerns direct governance of and information about AP7's activities. This is not considered to be climate-impacting even if a broad definition is used.
3. AP7 performs opinion forming and communication work in line with its undertakings in the field of sustainability. This can be described as a form of indirect influence and it is done in an open and transparent manner. For example, by participating in round tables and seminars, writing opinion columns, etc. Broader communication in the form of blogs and annual and sustainability reports, for example, could also be described as indirect influence. This work is done in a transparent manner and communicated externally. The work is deemed to be indirect and responsible climate lobbying.
4. AP7 undertakes the internal development of frameworks, rules and initiatives that could influence global policy. The work illustrates and drives transition as a kind of voluntary regulation, which in turn can work in tandem with and influence policy development and changes in legislation. The work is deemed to be responsible climate lobbying that is indirect but with little influence.
5. Influence on company shareholdings and thereby indirect influence on trade and industry organisations. Influence on company shareholdings mainly occurs through the tools that AP7 has available, such as voting at AGMs, dialogue and legal processes. Changes in company policy have an indirect influence on trade and industry organisations. This is an indirect form of influence that cannot be deemed to be climate lobbying.

Fourteen criteria for climate lobbying – an initiative from AP7

Between the years 2017 and 2019, AP7 undertook thematic work on climate lobbying. The report was based on lessons learned from the earlier subject report on climate, which was compiled between the years of 2015 and 2017. It emerged from the subject report on climate that companies have an effect on the climate partly through their climate emissions and partly by exercising influence on decision makers who work on climate and energy policy. The conclusion was that the influence of companies on decision makers can be considerable, sometimes greater than the companies' own climate impact.

Companies' influence on decision makers occurs mainly through interest and industry organisations. The organisations do not necessarily need to be in line with the global climate goals. In some cases, they may even be active opponents of climate work.

The conclusions about the climate influence of companies pinpointed the need to be able to account for how companies perform climate lobbying through membership of organisations. Therefore, during the second year of the subject work (2018), AP7, together with three other investors, launched a framework for the reporting of climate lobbying. Such reporting is most appropriate for listed companies. But as this report shows, it is meaningful for investors to set a good example and to be transparent in questions of climate lobbying.

In 2018, together with BNP Paribas Asset Management, the Church of England Pensions Board and Chronos Sustainability, AP7 launched its initiative Global Standard on Responsible Climate Lobbying.¹⁰

The document contains 14 criteria that are intended to help companies conduct a more sustainable and responsible influence in the climate field. The initiative is supported by investors and companies. The aim is to give investors and companies a common framework for reporting their climate lobbying in a transparent way. The framework facilitates reporting and an overview of climate work, as well as enabling accountability.

AP7's work on the basis of the 14 criteria

Below is a description of how well AP7 fulfils the 14 criteria that are listed according to the global standard. As mentioned, the standard is intended for companies and investors. Because AP7 is a government agency, some of the criteria are difficult to apply. This is partly because AP7 is not part of trade and industry organisations in the same way as listed companies tend to be.

Applying the 14 criteria to AP7 should therefore be seen as a way of increasing transparency on its own account and identifying areas for improvement and more in-depth work.



Global Standard on Responsible Climate Lobbying – 14 criteria

Goal	Present situation	Proposal
There is a public commitment that AP7 must take the necessary steps to ensure that its membership organisations perform climate lobbying within the framework for the 1.5 degree goal.	There is a statement on the 1.5 degree goal from Richard Gröttheim. There is no specific statement on the 1.5 degree goal, AP7 and membership organisations.	Devise and publish standpoints so as to also work actively on the 1.5 degree goal in membership contexts.
A person at board level has an overview of AP7's position on climate lobbying and activities.	The board is given regular reviews of the climate work by the Head of ESG and communication.	Clarify publicly.
A person at board level has responsibility for AP7's implementation of climate lobbying for policy and practice.	Johan Florén, Head of ESG and Communications, is responsible for policy dialogue and influence.	Clarify on the website.
Initiate an annual overview to ensure that all direct and indirect climate lobbying activities are consistent with the goal of 1.5 degrees.	There was no such overview previously, but it has been done in this report.	Follow up on the inventory work done in this report.
There is a clear framework for how to act if the organisations that AP7 is a member of do not live up to the 1.5 degree goal.	There was none previously, but it is proposed in this report.	Use the model that is proposed in this report.
An annual summary is published of AP7's assessments and activities with regard to the 1.5 degree goal. (a) AP7's own climate lobbying activities (b) the membership organisations' climate lobbying activities.	Does not exist. The closest thing to this is the Annual and Sustainability Report. But no direct activities are reported in this.	Report on some selected cases where AP7 has performed climate lobbying activities. Follow up on the review done in this report.
AP7 publishes its overall assessment of the influence that its climate lobbying has had on: (a) supporting an ambitious public climate change policy; (b) its own ability to deliver its own transition strategy	This report can be seen as the first step towards this goal.	Repeated evaluation of these parameters is proposed to be included in future sustainability reporting.

Table 1 - Global Standard on Responsible Climate Lobbying

The 14 criteria of the Global Standard on Responsible Climate Lobbying

Policy commitment

1. Make a public commitment to align all of its climate change lobbying with the goal of restricting global temperature rise to 1.5C above pre-industrial levels
2. Apply the scope of this commitment to all of its subsidiaries and business areas, and all operational jurisdictions
3. Publicly commit to taking steps to ensure that the associations, alliances and coalitions of which it is a member conduct their climate change lobbying in line with the goal of restricting global temperature rise to 1.5C above pre-industrial levels

Governance

4. Assign responsibility at board level for oversight of its climate change lobbying approach and activities
5. Assign responsibility at senior management level for day-to-day implementation of its climate change lobbying policies and practices
6. Establish an annual monitoring and review process to ensure that all of its direct and indirect climate change lobbying activities across all geographies are consistent with the goal of restricting global temperature rise to 1.5C above pre-industrial levels
7. Establish a process for engaging with stakeholders related to setting and reviewing its climate change lobbying policies, positions and activities
8. Establish a clear framework for addressing misalignments between the climate change lobbying positions adopted by the associations, alliances and coalitions of which it is a member and the goal of restricting global temperature rise to 1.5C above pre-industrial levels

Action

9. Publish a detailed annual review covering the company's assessment and actions related to the 1.5C- alignment of: (a) its own climate change lobbying activities; (b) the climate change lobbying activities of the associations, alliances, coalitions or think tanks of which it is a member or to which it provides support
10. Recognise the existence of and report on action to address any misalignments between its climate change lobbying and/or the climate change lobbying activities of its trade associations, coalitions, alliances or funded think tanks and the goal of limiting global temperature rise to 1.5C above pre-industrial levels
11. Create or participate in coalitions that have the specific purpose of lobbying in support of the goal of restricting global temperature rise to 1.5C above pre-industrial levels

Specific Disclosures

12. Publicly disclose, for all geographies, its membership of, support for and involvement in all associations, alliances and coalitions engaged in climate change-related lobbying
13. Publicly disclose, for each of these organisations: (a) how much it pays to them on an annual basis; (b) those organisations where it sits on the board or plays an active role in committees or other activities related to climate change
14. Publicly disclose its overall assessment of the influence that its climate lobbying has had on (a) supporting ambitious public climate change policy; (b) the company's ability to deliver its own corporate transition strategy

Materiality analysis of AP7's membership of organisations from a climate lobbying perspective

Based on the organisations of which AP7 is a member, a selection has been made on the basis of the London School of Economics description of scope in the Global Standard on Responsible Climate Lobbying. The organisations selected fulfil the following criteria:

Social stakeholder – The membership organisations define themselves, for example, as an industry organisation, industry bodies, think tanks, coalitions and industry alliances. The organisations have an influence on society in some way.

Climate-related subjects – The membership organisations work on subjects that influence decision makers on climate issues. The definitions used are wide ranging and include, for example, energy, infrastructure, land use and taxation.

Work on direct policy influence – The membership organisations have a direct influence on decision makers, through referral responses or political gatherings, for example.

Work on indirect policy influence – The membership organisations influence decision makers by mobilising stakeholders or disseminating information, for example.

In addition to the four criteria named in the Global Standard on Responsible Climate Lobbying, AP7 has also decided to base the selection on:

Organisations that are considered to have influence in climate-related policy – The membership organisations have an expressed goal or tool for influencing policy and are deemed to do this to a not-inconsiderable extent.

A matrix has been produced based on the above criteria. For each organisation, a materiality analysis has been performed to investigate whether the criteria are fulfilled or not. Each organisation has been assigned an answer of yes or no, based on whether it fulfils the criteria. Those organisations which fulfil 60 per cent or more of the criteria have been selected for further investigation.



Organisation	Social stakeholder	Climate focus	Direct policy influence	Indirect policy influence	Has influence on climate policy	Goal fulfilment in per cent
CDP	Yes	Yes	No	Yes	Yes	80 %
Ceres	Yes	Yes	No	Yes	Yes	80 %
Climate Action 100+	Yes	Yes	No	Yes	Yes	80 %
Farm Animal Investment Risk & Return (FAIRR)	Yes	No	Yes	Yes	Yes	80 %
Global Investors for Sustainable Development (GISD)	Yes	No	No	Yes	Yes	60 %
ICGN, International Corporate Governance Network	No	Yes	No	Yes	No	40 %
Institutional Investors Group on Climate Change (IIGCC)	Yes	Yes	No	Yes	Yes	80 %
Institutional Limited Partners Association	No	Yes	No	Yes	No	40 %
International Corporate Governance Network	No	Yes	No	Yes	No	40 %
SBai, Standards Board for Alternative Investments Ltd	No	Yes	No	Yes	No	40 %
SNS	No	No	Yes	Yes	No	40 %
Sveriges Forum för hållbara investeringar (Swesif)	No	No	Yes	Yes	No	40 %
Swedish Investors for Sustainable Development (SISD)	No	No	Yes	Yes	No	40 %
Taskforce on Nature-related Financial Disclosures (TNFD)	No	No	No	Yes	No	10 %
The Paris Aligned Investment Initiative (PAII)	Yes	Yes	No	Yes	Yes	80 %
Transition Pathway Initiative (TPI)	No	Yes	No	Yes	No	40 %
UN Principles for Responsible Investments (UNPRI)	Yes	No	Yes	Yes	Yes	80 %

* The organisations, alliances or coalitions which have a percentage score of more than 60% are included

** Organisations, alliances or coalitions marked in bold are investigated in more detail in the report

Analysis of relevant memberships

Of the 14 GSRCCCL criteria, goals 12, 13 and 14 apply to the reporting of membership in other organisations. The framework for each goal is that the respective stakeholder shall:

12. Publicly disclose its membership of, support for and involvement in all associations, alliances and coalitions engaged in climate change-related lobbying,
13. Publicly disclose, for each of these organisations:
 - (a) how much it pays to them on an annual basis;
 - (b) those organisations where it sits on the board or plays an active role in committees or other activities related to climate change
14. Publicly disclose its overall assessment of the influence that its climate lobbying has had on:
 - (a) supporting ambitious public climate change policy;
 - (b) the company's ability to deliver its own corporate transition strategy

A description is given below for the organisations, alliances and coalitions of which AP7 is a member and which are considered to have relevance for climate work and climate lobbying. For each organisation, a description is given of history, standpoints and influencing work, as well as an assessment of membership, engagement and ability to influence the organisation. Descriptions and assessments are based on desktop research, media monitoring of the organisations and interviews with employees of AP7. AP7 has also been asked about the fees that are paid to the organisations.

AP7's sustainability approach is based on the Climate Action Plan 2021. In the action plan, AP7 works from the basis that the Paris Agreement defines the limits for acceptable action in climate issues. The basic assumption there is that organisations shall work to limit temperature increase to 1.5 degrees.

In addition to describing the selected organisations on the basis of the above criteria, the following aspects have also been assessed:

- Is AP7 considered to have influence in the organisation
- Are the organisation's standpoints in line with AP7's sustainability approach and climate action plan, which incorporates the Paris Agreement's objectives

Influence in the organisation derives from opportunities for AP7 to be an active member. For example, this could include writing open letters or participating in discussions with decision makers. Only using data from the organisation is not classed as influencing, even though it could drive policy change indirectly.

The assessments are (in line with the recommendations given for this standard) inclusive – borderline cases have thus been assessed as being potentially policy-influencing. It has been assessed that AP7 has influence if any example of influence could be found. This approach has been chosen on the basis of the aim of identifying potentially influential cases.

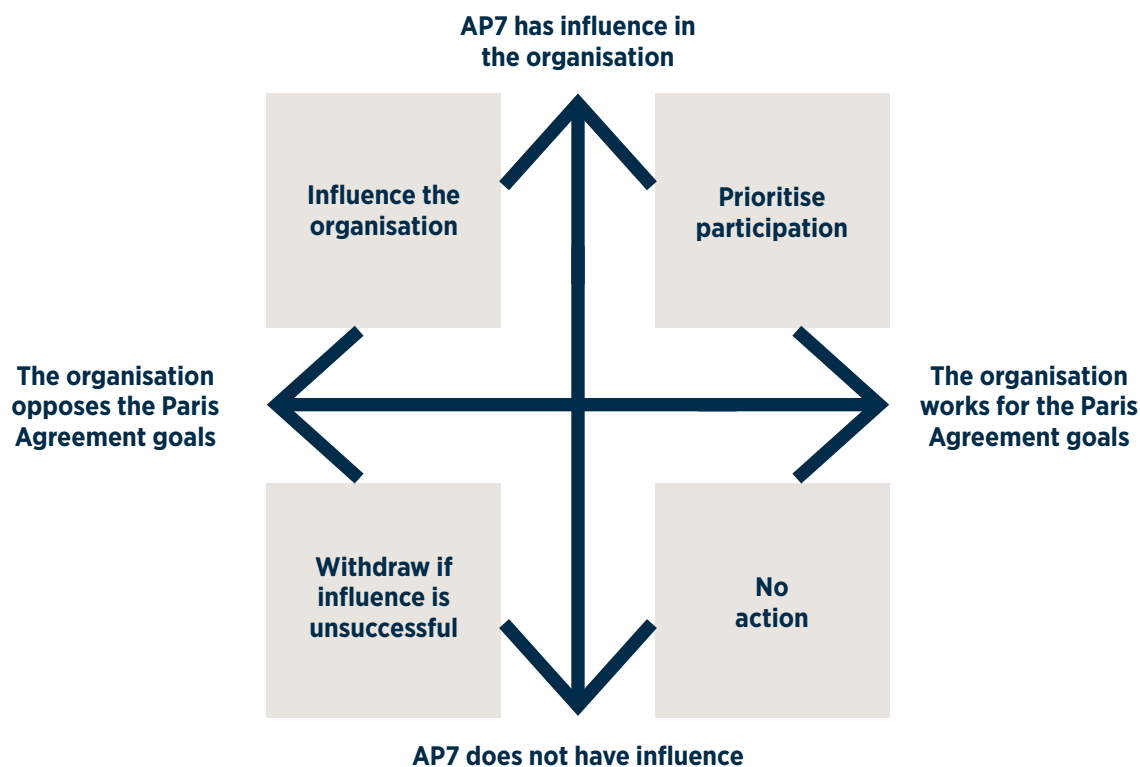
In cases where the organisations are involved in climate lobbying that is not responsible, a similar approach from AP7 is proposed as with influence via shareholdings, according to the framework below. Indicators that clearly demonstrate influence could be sitting on the board or playing an active role in committees or other activities related to climate change. AP7 can be a member of organisations where there is no clear influence but that are involved in responsible climate lobbying. This need not be a problem – membership can have purposes other than exercising one's own influence in the organisation.

In further analyses of relevant memberships, it is proposed that AP7 uses a similar approach as in its shareholdings, with active membership and influence if it should be found that an organisation opposes the goals of the Paris Agreement.

It is proposed that AP7 assesses whether AP7 has influence or an active role in the organisation and whether the organisation has climate policy that is in line with the Paris Agreement. It is recommended that AP7 uses its influence to raise the question internally in the organisation and create change, as well as evaluating whether this influence is working. If it should turn out that AP7 does not have effective influence, it is recommended that membership be terminated.

If the organisation has a climate policy, AP7 has influence and the organisation in turn is assessed to have influence, AP7 should probably prioritise participation in the organisation.

Proposal for the handling and assessment of organisations



Assessment of relevant organisations

Organisation	Does AP7 have influence or an active role?	Climate policy in accordance with AP7 and the Paris Agreement?	Action plan	Membership fee
Ceres	Yes	Yes	Prioritise	Yes
Climate Action 100+	Yes	Yes	Prioritise	No
CDP	No	Yes	-	Yes
FAIRR	No	Yes	-	No
GISD	Yes	Yes	Prioritise	No
IIGCC	Yes	Yes	Prioritise	Yes
PAII	Yes	Yes	Prioritise	No
UNPRI	Yes	Yes	Prioritise	Yes

Description and analysis of relevant organisations, alliances and coalitions

Ceres – Coalition for Environmentally Responsible Economies

Ceres was founded in 1989 and since then, it has been one of the leading network organisations for helping companies and investors to take policy-influencing initiatives. Ceres is a network of investors, companies and non-profit organisations. It engages in dialogue with members through the network in order to influence investments.

Over the years, Ceres has played an active role in creating new initiatives, alliances and standards. Among other things, Ceres is one of the founding parties of Climate Action 100+, the Investor Agenda, Paris Aligned Investment Initiative (PAII) and the Net Zero Asset Managers Initiative.

AP7 paid an annual fee of SEK 88,000 to Ceres in 2022.

Standpoints maintained by the organisation

Ceres runs four separate networks to work for policy change. These are primarily aimed at four subjects:

- Climate solutions
- Protection of global water resources
- A fair and inclusive economy
- Accelerating the sustainable capital market

Assessment

Ceres' tools for influence consist primarily of its legitimacy, as well as the number of members and the power of its members. As co-founder of organisations including Climate Action 100+, The Investor Agenda and PAII, Ceres is one of the foremost organisations for influencing investors' and companies' climate activities.

AP7 is part of the Ceres Investor Network, which aims to increase knowledge about sustainable investments among the membership. Via Ceres, AP7 has signed a joint statement for accelerating the transition to 100-percent zero-emission vehicles.¹¹

Given the size of Ceres, its opportunities for influencing policy are double-edged. On the one hand, Ceres has great influence on decision makers.^{12,13,14} This is partly thanks to its size measured in number of members, and partly thanks to its long-standing engagement and integrity as an organisation.

On the other hand, the size of the organisation limits AP7's opportunities to promote its own questions.

Ceres undertakes climate activities in line with the Paris Agreement. AP7 contributes to policy development through its membership.

Climate Action 100+

Climate Action 100+ is an investor-led initiative to ensure that the world's largest companies with greenhouse gas emissions take the necessary measures to counter climate change. The initiative was launched in December 2017. At present, Climate Action 100+ consists of 700 investors responsible for over 68,000 billion dollars in 166 selected companies. The purpose of the work is to engage companies so as to improve the control of climate change, reduce emissions and increase transparency around climate work in public financial communication.

Membership of Climate Action 100+ is free.

Standpoints maintained by the organisation

Climate Action 100+ involves investors, who in turn influence companies. The goal is to accelerate climate improvements in the direction of the global goal of net zero emissions by 2050.

An important component in the companies' undertaking on climate change is that the formulation of major business strategies completely conforms to the goals of the Paris Agreement and the aim of net zero emissions by 2050 or earlier.¹⁵

Companies in Climate Action 100+ are assessed according to the Net Zero Company Benchmark, which consists of 10 indicators for assessing companies, one of which concerns the companies' climate lobbying.^{16,17}

Assessment

Climate Action 100+ is an influential organisation that can be a driving force for climate policy change. This is done through a clear framework for how investors can influence the companies they invest in. Thus AP7, in the role of investor, can influence the lines that Climate Action 100+ will pursue.

Within Climate Action 100+, each investor is free to pursue its own engagement and to develop and implement its priorities and strategies. This includes, for example, announcing the companies they wish to engage with. AP7 has highlighted the importance of being an active investor in Climate Action 100+.¹⁸ In order to live up to its goals of being at the forefront among investors and owners, AP7 can make use of organisations such as Climate Action 100+, primarily to facilitate and benefit from the global collaboration the organisations offer.

The organisation is a potential and indirect influencer of policy and AP7 can, through its membership, contribute to international policy development in line with the Paris Agreement.

CDP – Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. The CDP provides a climate-focused measurement and reporting tool.

The CDP has existed since 2000 and is currently used by over 13,000 companies and more than 1,100 cities and regions. The CDP's standardisation makes it easier for investors and decision makers to make sustainable decisions.

AP7 has been a member of the CDP since 2007. During 2015 and 2016, AP7 and other Nordic investment funds carried out an initiative to get companies to report climate data to the CDP.

AP7 paid an annual fee of SEK 14,000 to the CDP in 2022..

Standpoints maintained by the organisation

- Develops and runs a reporting system for transparency and standpoints in environmental issues
- Provides guidance for companies and cities
- Annual publication of the companies and cities that performed best

Every year, CDP produces information in its annual reporting process and gives companies and cities scores based on their journey towards 'environmental leadership'.¹⁹ The method measures companies' and cities' progress and encourages action to counter climate change and contribute to better forest and water protection. The CDP has previously criticised Swedish companies for not reporting their sustainability goals, something that met with protests from companies like Boliden, among others.²⁰

CDP conducts an annual climate survey that is distributed to companies. The questionnaire encourages companies to provide information about direct and indirect activities to influence public policy on climate change.²¹ Companies are asked to provide details about engagement in industry organisations, each association's standpoints on climate and work to change legislation in the area.

Assessment

The CDP's impact derives from the large number of companies, cities and regions that use its tool. Thus, the CDP has influence on climate policy. In addition to this, the CDP's framework for investors, such as AP7, enables influence on the companies they invest in.

The organisation influences policy through its regular publication of policy briefings. The policy briefings comment on current proposals for legislation and give detailed comments about how the proposals should be formulated according to the CDP.²² Through its membership, AP7 can contribute to international policy development in line with the Paris Agreement, although the most important tool for influence is demanding accountability from companies.

Farm Animal Investment Risk & Return (FAIRR)

Farm Animal Investment Risk & Return (FAIRR) is a collaborative network for investors that seeks to increase awareness about the Environmental, Social and Governmental (ESG) risks and opportunities that intensive farming involves. A focus area of theirs is thus food production, and protein in particular, and this distinguishes it from other sustainability organisations. Its aim is, through investments, to be a leader in the transition towards more sustainable global food production.²³

Membership of FAIRR is free.

Standpoints maintained by the organisation

- Aimed at analysis of companies that produce protein
- Provides data about risks in environmental, social and governmental issues
- Works for a transition towards sustainable global food production

FAIRR provides tools for analysing climate risks, produces reports, a protein producer index and case studies, and it provides investors with access to information and data about risks and opportunities in the ESG area, thus enabling more sustainable investments.

FAIRR's method is based on ten measurement points that have been devised in collaboration with investors and companies.²⁴ The method provides investors with the necessary tools to analyse producers of protein, thereby minimising risk and increasing returns.

FAIRR has good communication and reaches out through both industry periodicals and the wider media.^{25,26,27}

Assessment

The organisation facilitates investment in more sustainable food production. It is influential because of its limited niche. FAIRR's publications are regularly reported on and quoted in the media. This gives an indication of the organisation's climate lobbying and influence. FAIRR also provides a framework that is used by members. If the framework becomes generally accepted in the industry, it can in turn influence decision makers and climate policy.

AP7 has contributed to FAIRR's work by signing an open letter to Brazil's president Jair Bolsonaro to cease deforestation in the Amazon, which is largely driven by increasing levels of livestock rearing.²⁸

The organisation is a direct influencer of policy and, through its membership, AP7 is able to contribute to international policy development in line with the Paris Agreement. Among other things and together with FAIRR and other investors, AP7 has signed an exhortation to the FAO to "provide the leadership that the market needs so that the food sector can adapt to the goals of the Paris Agreement".

Global Investors for Sustainable Development Alliance (GISD)

The primary aim of the Global Investors for Sustainable Development Alliance (GISD) is to build further on a number of initiatives and networks that have previously been launched to promote the UN's global goals for sustainable development and to change investments in line with Agenda 2030. GISD has drawn inspiration from the Swedish Investors for Sustainable Development (SISD) network.

The SISD is a collaborative network created by Sida. Its purpose is to investigate the roles of investors and what risks and opportunities there are related to Agenda 2030. AP7 is a member of GISD as a representative of the SISD.

GISD has a four-year schedule – from October 2019 to December 2023 inclusive.

Membership of GISD is free.

Standpoints maintained by the organisation

- Its purpose is to scale up and accelerate adaptation to sustainability goals
- Increase the available selection of long-term investments for sustainable development
- Realise investment opportunities for the sustainability goals in Agenda 2030 in developing countries
- Increase the influence of private investors on sustainable development

Assessment

The assessment is that GISD is working on the long-term aim of changing companies and financing for the purpose of meeting the goals of Agenda 2030. The work recognises that: “companies need to develop local solutions and projects, investors need to increase their support with financing and decision makers must set up an enabling framework”.

GISD is comprised of a renowned group of investors. This gives considerable weight to the issues it promotes. GISD also makes available a collective website for investments in developing countries.²⁹ This facilitates establishment of the frameworks that exist for making sustainable investments in developing countries.

The organisation is assessed to directly influence policy in that it is convened by the UN Secretary General.^{30,31}

AP7 has historically been an important member of GISD. As one of the early participants in the initiative, AP7 took part as a representative of the Swedish model SISD in the first year. AP7 remains a member of the alliance, and most recently it participated in the New York Climate Week's discussion on what GISD has achieved and how the initiative can assume a larger scale.³² AP7's influence on GISD is assessed to be good.

Institutional Investors Group on Climate Change (IIGCC)

The Institutional Investors Group on Climate Change (IIGCC) is an organisation that is aimed at European investors for collaboration on the goal of suppressing climate change. The IIGCC works to support and help to define public guidelines, investment practices and company behaviours that address the long-term risks and opportunities of climate change.³³ AP7 paid an annual fee of SEK 100,000 to the IIGCC in 2022.

Standpoints maintained by the organisation

- Works for a healthy future with low greenhouse gas emissions
- Focus on European investors
- Works to support and help define
 - Public guidelines
 - Investment practices
 - Company behaviours

The IIGCC has produced separate programmes for decision makers (policy programme), companies (corporate framework) and investors (investor practices framework).³⁴ In the last of these, the IIGCC offers an opportunity to participate in a collaborative forum for investors, tools and resources, and also support for a sustainable approach to investment.

Among other things, activities include:*

- Engaging in finance and climate policy at the global, EU and national levels throughout Europe
- Providing information and analyses relating to the latest policy developments of relevance to members
- Developing policy positions to ensure a unified investor response in relevant issues
- Helping to inform the policy dialogue and perspective of key stakeholders, so as to ensure that investment policy positions are properly communicated, understood and reflected in final decisions and legislation
- Supporting members in their own engagement with decision makers
- Peer-to-peer collaboration and learning through workshops, round table discussions and guideline documents
- Collaborates with like-minded groups and works closely with global and European bodies, such as the UNFCCC, the European Commission, the OECD, Mission 2020 and other members of the Global Investor Coalition on Climate Change, among others

Assessment

The IIGCC's work on defining public guidelines and investment practice is work on public policy dialogue and its purpose is to influence climate policy. Through its European focus, the IIGCC has an important role in the EU's climate activities. Among other things, it has criticised the classification of natural gas as “green” in the EU taxonomy for sustainable investment.^{35,36} Through its collaboration in the IIGCC, AP7 has an opportunity to comment on investment issues that affect decision making at EU level.

Via the IIGCC, AP7 has signed the Investors Agenda ahead of both COP26 and this year's COP27.^{37,38}

The organisation influences policy both directly and indirectly. Their direct influence is partly through engagement in policy development at the national, EU and global levels. Their indirect policy influence occurs, among other things, through open letters to members of the European Parliament.³⁹ Through its membership, AP7 is able to contribute to international policy development in line with the Paris Agreement.

*The IIGCC, 2022. The IIGCC's Policy Programme helps sustainable finance and climate policy, and regulation for key sectors of the economy, <https://www.iigcc.org/our-work/policy-programme/>

The Paris Aligned Investment Initiative (PAII)

The Paris Aligned Investment Initiative (PAII) is a global sustainability network for investors which was initiated in May 2019 by the IIGCC (see above). The purpose of the network is to investigate how investors can harmonise their investment portfolios with the goals of the Paris Agreement. Membership of the PAII is free.

Standpoints maintained by the organisation

The forum has four focus areas:

- Pursuing net zero investment commitments – from asset managers through the initiative Net Zero Asset Managers and from asset owners through the PAII Net Zero Asset Owner Commitment
- Providing supervision of Paris Aligned Asset Owner's information and reporting
- Collaborating globally as the forum for AIGCC, Ceres, IGCC, IIGCC and other investment collaborations in order to update, identify or develop and further develop practical methods and approaches for making it possible for investments that are in line with the Paris Agreement to be included in the PAII's Net Zero Investment Framework, or complementary guidance documents
- Supporting investors in seeing through their commitments with the aid of the Net Zero Investment Framework

Investors who are linked to the PAII should use the Net Zero Investment Framework. This is a framework which provides a guide for developing a net zero investment strategy.

The PAII's steering group meets twice a year. Its purpose is to develop the organisation in line with the wishes of its members insofar as possible. This is done, among other things, by reviewing and making proposals for changes, additions and clarifications to its members' commitments and the net zero framework.

AP7 signed the PAII in 2021 and shall thus achieve zero emissions by 2050. The undertaking also aims to inspire other investors and increase support for the goal.

Assessment

The PAII works with direct influence to get investors to apply a more sustainable investment strategy. At the same time, the organisation expressly encourages the climate lobbying performed by their network members to be in line with the Paris Agreement.⁴⁰

Because of its influence on investors' shareholdings, the organisation is assessed to have indirect policy influence. The PAII has expressly stated that policy change is a key for achieving climate-neutral portfolios for investors.⁴¹ Through its membership, AP7 is able to contribute indirectly to policy development in line with the Paris Agreement.

UN Principles for Responsible Investments (UNPRI)

The UN Principles for Responsible Investments (UNPRI) are a global UN initiative established in 2006 for responsible investments for institutional investors who wish to integrate sustainability aspects in their investments.

AP7 paid an annual fee of SEK 108,000 to the UNPRI in 2022.

Standpoints maintained by the organisation

- Works to understand the investment consequences of environmental, social and governance (ESG) factors;
- Supports its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The idea is based on investors having an obligation to act in environmental, social and governance (ESG) issues and that this should be expressed in the investment portfolios. The UNPRI is based on six principles that have been devised by investors:

1. We will incorporate ESG questions into investment analyses and decision making processes
2. We will be active owners and incorporate ESG questions into our ownership policy and practice
3. We will require appropriate information about ESG issues from the companies in which we invest
4. We will promote acceptance and implementation of the principles in the investment sector
5. We will work together to improve our effectiveness when it comes to implementing the principles
6. We will all report on our activities and progress in implementing the principles

Since the implementation of the UNPRI's principles is voluntary, investors are given a number of suggested measures.⁴² Among other things, these include commenting on ESG issues in statements, supporting the development of ESG-related methods and tools, and integrating ESG measurements into research and analyses.

AP7 has been part of the UNPRI since 2008. Because the UNPRI is represented by both the UN and over 5,000 investors, it is assessed that the organisation has influence in the media.^{43,44}

Assessment

The UNPRI has great influence in policy matters. The UNPRI has the expressed aim of influencing climate policy and decision makers. Among other things, this is to be done by engaging investors and developing a joint reporting system.

As a part of the UN, the UNPRI has a seat at the negotiating table within the framework of its work and has the opportunity to influence decision makers. The UNPRI also has the long-term interest that investors, companies, society and the economy as a whole should be more sustainable.

The organisation influences policy through its work on policy development, among other things.⁴⁵ For example, it is an active participant in policy dialogue through reports and open letters.⁴⁶ Through its membership, AP7 contributes to international policy development in line with the Paris Agreement, primarily through open investor letters to decision makers and referral responses.⁴⁷

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