

AP7

# AP7 Theme Report

# Universal ownership



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**Front cover:**

**Universal owners are large institutional investors whose diversified and long-term investment portfolios span multiple industries and geographies.**

Universal owners, due to their highly diversified and longterm portfolios, are uniquely positioned to drive systemic change by addressing risks that cannot be mitigated through diversification alone, such as climate change, biodiversity loss, and global inequality.

# Preface: Portfolio-wide stewardship

**Systemic risks are among the most significant challenges facing long-term investors today. As a universal owner, AP7 is exposed to developments that affect the entire economy – from climate change and biodiversity loss to widening inequality and vulnerabilities in digital infrastructure. These risks cannot be diversified away. When the system is strained, value may be at risk across the portfolio.**

While AP7 regarded itself as a universal owner long before the three-year theme was deployed, we have used the thematic work as an opportunity to deep-dive into the topic. The overarching goal of the Universal ownership theme has been to further develop and refine AP7's activities for ownership governance in system-critical sustainability issues, with a focus on maximizing effects in the real economy. The theme builds on a core insight: that investors' responsibilities extend beyond individual companies to the broader societal conditions that shape long-term market performance.

## Wide brush strokes

Systemic risks have wide-ranging and interconnected impacts across ecosystems, economies, and societies. A portfolio-wide approach allows universal owners to address such risks on a sector and market level.

Against this backdrop, AP7 has engaged in international investor alliances to push for improvements that extend far beyond any single company. Our work within the TNFD taskforce,

for example, has contributed to the development of global norms for assessing and disclosing nature-related risks and opportunities. Our policy engagement, including our long-standing work on responsible climate lobbying, has helped push companies and industry organisations to reassess and report on their lobbying practices. Additional examples are included in this report, with the aim to inspire others.

## Sharing knowledge

As part of the thematic work we exchanged knowledge with key stakeholders, including our asset owner peers, asset managers, proxy advisors, and academics. To share knowledge more widely, we produced a report where we explain the core idea of universal ownership and highlight tools that we think merit more attention from universal owners. To conclude the theme, we hosted a filmed conversation among representatives for asset owners, asset managers and academic research, summarized on page 15 in this report.

## The road ahead

The work on universal ownership is long-term by nature. As we conclude this theme, we carry forward these insights into AP7's next focus area, Sustainable construction (2025–2027) – a sector with significant climate impact as well as strong potential for real-world change.

AP7 will continue to act as a long term, portfolio wide owner by pursuing two complementary avenues. Through direct dialogue with systemically significant companies, we aim to drive real economy change aligned with long term value creation. In parallel, we will remain active in the public arena, engaging policymakers on issues of systemic importance to the portfolio.

In this way, AP7 will continue strengthening our ability to support the transition to a sustainable society while securing robust long-term returns for current and future savers.

*Stockholm, 2025*



Universal owners are particularly vulnerable to system-wide disruptions that affect multiple sectors and markets.



# AP7's thematic work

**At AP7, we have for the past decade complemented our active ownership by exploring specific themes in overlapping three-year blocks. This has been a way to engage ourselves in particularly important areas.**

By focusing on a few themes in parallel, we have examined at depth complex areas that are relevant to our sustainability priorities. Our ambition with the thematic work is to spread knowledge through reports and in-depth studies, to contribute to a constructive dialogue on sustainability issues between policymakers, corporations and investors, and to bridge the gap between research and practice in the field of sustainable investments.

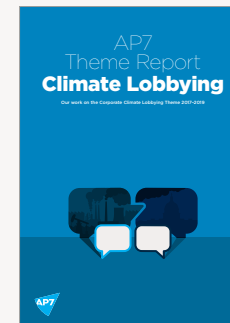
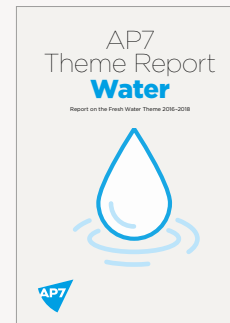
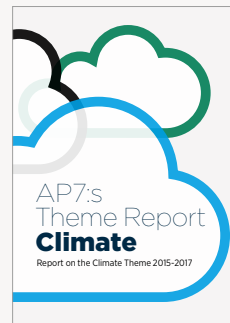
The Universal ownership theme aimed to further develop and refine AP7's activities for ownership governance in system-critical sustainability issues, with a focus on maximizing effects in the real economy.

## Next theme: Sustainable construction

The theme for the period 2025-2027 is Sustainable construction. The construction and real estate sector has a significant climate impact and offers an opportunity to generate concrete and positive changes in the real economy. In addition, we see attractive investment opportunities in the area, with the potential to achieve good risk-adjusted returns. The launch of this theme thus reflects the connection between investments, risk management, and sustainability.

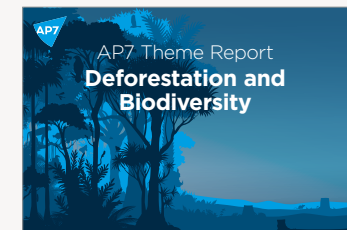
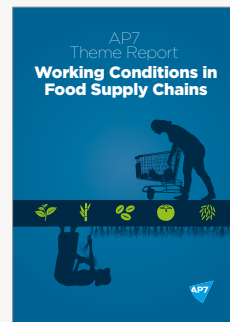
Sustainable construction concludes our thematic programme launched in 2014, and marks the transition to a more fully integrated approach, where sustainability and active ownership are embedded throughout our asset management.

## THEMATIC REPORTS



Insights from previous themes:

Read more at [ap7.se](http://ap7.se)



Through our thematic programme, we share knowledge, foster constructive dialogue among key stakeholders, and help bridge the gap between research and practice.

# Universal ownership: What is it and why does it matter?

**Universal owners are large institutional investors whose diversified and long-term investment portfolios span multiple industries and geographies. These investors are considered "universal" because they own a highly representative sample of the economy.**

As a universal owner, AP7 is affected by risks that impact the entire economy, as these risks may reduce the overall value of our portfolio. For example, climate change may negatively affect multiple industries, from agriculture to energy, reducing their profitability and, in turn, the portfolio returns.

## Systemic risk

Systemic risk refers to the potential for disruptions within an entire system, such as the global financial system or the economy, caused by a single or series of interconnected events. It often arises from factors that propagate across multiple sectors or entities due to interconnectedness. Systemic risks cannot be avoided through diversification, nor by engaging with individual companies. Rather, they require a system-wide approach.

For example, biodiversity loss has broad, interconnected impacts across economies, ecosystems, and society, all of which can ultimately affect portfolio value. Biodiversity underpins ecosystem services such as pollination, clean water, carbon sequestration, soil fertility, and climate regulation. These services are essential for industries like agriculture, forestry, fisheries, and even semi-conductor production or pharmaceuticals. Biodiversity loss is a global phenomenon driven by interconnected factors such as deforestation, pollution, climate change, and unsustainable land use.

The approach is aligned with asset owners' fiduciary duty, i.e. to protect portfolio value in the best interest of beneficiaries.

## EXAMPLES OF SYSTEMIC RISKS RELEVANT TO UNIVERSAL OWNERS

Systemic risk	Why it matters
Climate change	Affects entire economies through physical damage, regulatory shifts, and technological disruption. The impacts are economy-wide and cannot be diversified away.
Biodiversity loss	Undermines ecosystem services such as pollination, clean water, and soil health, threatening multiple industries and global supply chains.
Antimicrobial resistance (AMR)	Rising resistance increases mortality, healthcare costs, and productivity losses, affecting healthcare, agriculture, and labour markets globally.
Economic inequality	Weakens institutions, dampens demand, and increases social instability, with broad negative effects on economic growth and financial returns.
Water scarcity	Limits industrial output, raises operational costs, and can trigger social tensions, affecting multiple sectors simultaneously.
Cybersecurity & digital infrastructure failure	Attacks or system failures can disable critical functions across sectors, causing rapid and widespread economic disruption.



**Active ownership – a cornerstone for universal owners**

Active ownership is the primary mechanism through which AP7 as a universal owner can address the systemic risks that threaten our broadly diversified portfolio. Unlike stock-picking or divestment, stewardship tackles the root causes of systemic risks that affect all our holdings.

A “broad strokes” approach distinguishes portfolio-wide strategies from more traditional shareholder engagements focused on individual companies. By addressing systemic risks at policy and sector or industry levels, AP7 and other universal owners can create meaningful, large-scale change that benefits their entire portfolio.

A comprehensive stewardship strategy for universal owners would incorporate three interconnected components: Policy advocacy, standard setting, and sector-wide or value-chain engagement. Together, they form an ecosystem of influence that maximizes the universal owner’s ability to support sustainable financial markets and long-term value creation.

**IDENTIFY AND ADDRESS ROOT CAUSES**

Addressing root causes – rather than symptoms – ensures that stewardship activities target the foundational drivers of risks, leading to more durable solutions.

To illustrate, a symptom-level approach to inequality could be to monitor diversity statistics in a company, while a focus on root causes could motivate to engage companies to adopt fair wage practices, lobbying for progressive taxation policies, or addressing lack of gender diversity in the workforce.

Similarly, rather than focusing on a specific company in order to address supply chain risks, systemic issues could be addressed at the core by collaborating to build industry-wide solutions, like traceability standards or regenerative agriculture practices (depending on the nature of the risk).



The Universal ownership report was developed as part of our thematic work. It provides an accessible introduction and highlights tools for universal owners that are still under-utilized. It also includes illustrative case studies.

[→ Read more](#)

**1 POLICY ENGAGEMENT**

By engaging with policymakers and public institutions, universal owners can advocate for broad regulatory changes that affect entire sectors or regions. Through policy change, systemic issues can be tackled at the source.

**2 STANDARD SETTING**

Universal owners can shape market expectations and best practices at an industry or global level. Standard setting involves influencing or contributing to the development of industry-wide disclosure and performance standards.

**3 SECTOR-WIDE & VALUE-CHAIN ENGAGEMENT**

Sector-wide engagement focuses on coordinating dialogue and actions to address shared sustainability challenges across particular economic domains, such as the energy, transportation, or agricultural sectors. Value chain engagement plays a crucial role in scaling impact by addressing sustainability issues at every stage of production and consumption.



These are all holistic approaches that cultivate systemic improvements rather than isolated successes.

# Climate change: **A risk to the entire system**

**Climate change is a systemic risk because its effects extend across entire economies, markets, and societies, rather than being confined to individual companies or sectors. Rising temperatures, more frequent extreme weather events, sea-level rise and resource scarcity disrupt supply chains, damage infrastructure, reduce productivity, and threaten human health.**

The impacts of climate change have macroeconomic consequences that affect growth, inflation, and financial stability. The risk is systemic: it undermines the foundations of overall market performance and long-term returns.

Addressing climate change is thus not only an environmental necessity but a financial imperative. For AP7, this means integrating climate considerations across investment strategies, using active ownership to influence corporate and policy action, and supporting the transition to a net-zero and climate-resilient economy. By acting collectively with other investors, universal owners can help mitigate systemic climate risks and protect the long-term interests of beneficiaries and society at large.

## Voting with a portfolio lens

Voting is a key mechanism for investors to drive real-economy decarbonisation, complementing climate-focused engagement and fulfilling fiduciary responsibilities.

AP7 generally votes in favour of proposals aimed at improving climate strategy or climate reporting. The policy has been gradually developed and strengthened over time. Since 2022, we have voted against boards of companies that have underperformed in their transition efforts. In 2023, the requirements were further tightened, and since then we have voted against agenda items in companies with significant climate impact that have not taken the necessary steps in their climate transition. This includes companies that, despite repeated reminders, have inadequate governance for climate transition, have not adopted credible emission reduction targets, fail to manage and disclose

their climate lobbying activities, or do not address high deforestation risk in their supply chains.

In 2024, the Institutional Investors Group on Climate Change (IIGCC) published its Net Zero Voting Guidance to help asset owners and managers develop robust voting policies aligned with net zero goals. The guidance purports that voting should reflect the investor’s own climate targets and commitments; votes should signal to companies what is required to meet net zero goals; and voting should reinforce broader strategies for engagement and investment that advance the transition to a low-carbon economy.

## Climate action plan

AP7’s Climate Action Plan outlines how we aim to encourage and support the companies and entities in our portfolio to transition toward a low-carbon economy and progressively reduce their emissions, in line with achieving global net zero no later than 2050. It is updated yearly.

AP7’s climate goals are aimed at measuring the level of transition in the companies to achieve real emission reductions. Over time, the climate footprint of the portfolio is expected to decrease if the underlying companies reduce their emissions, as an indicator that development is going in the right direction.

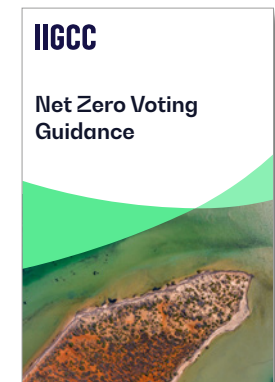
The transition portfolio, initiated in 2023, is an integral part of AP7’s plan to contribute to attaining net zero emissions globally by 2050. Combining active management with active ownership, we invest in large and mid-sized global companies that have the potential to transition their operations and reduce their

emissions, so-called high-emission transition companies. The portfolio also includes companies that, through their products, services, and business models, enable others to reduce their emissions, so-called solution companies. If the highest-emitting companies succeed in their climate transition, the entire portfolio benefits in the long term.

→ Read more in the AP7 Climate Action Plan



→ Read more in the IIGCC Net Zero Voting Guidance



# A system-level approach: **Lobbying policy**

**By engaging with policymakers and public institutions, universal owners can advocate for broad regulatory changes that affect entire sectors or regions. Through policy change, systemic issues can be tackled at the source. An example of this is corporate policy for climate lobbying.**

Already in 2011, policy influence from companies and their lobbying organizations was identified as a significant obstacle in COP climate negotiations. Many international business organizations engage in more negative climate lobbying than the companies that support them. These organizations have significant influence over climate policy despite companies' official support for the Paris Agreement. It has repeatedly been shown in the USA, Australia, Asia, and even Europe that companies that have clearly taken a stand for the Paris Agreement have simultaneously been members of organizations that oppose it.

Over the years AP7 has therefore spent considerable effort to advocate for the establishment of corporate lobbying policies. Companies should ensure that all climate policy engagement carried out by the company itself or by a member organization supports the Paris Agreement.

## Driving change

Together with the Church of England and BNP Paribas, AP7 has persuaded international corporations with significant climate impact to review their climate lobbying and increase their transparency. Some companies have, as a last resort, even broken ties with industry organizations that continue to oppose the Paris Agreement. Global mining companies such as Rio Tinto, Anglo American, and BHP, as well as energy companies like BP, Shell, Repsol, and Equinor, have reviewed and reported on their lobbying activities. At the same time, some companies, despite pressure, have not changed their lobbying practices or become clearer in their reporting.

### GLOBAL STANDARD FOR RESPONSIBLE CLIMATE LOBBYING

The goal of the Global Standard is that companies, investors, and other stakeholders can ensure that all lobbying efforts – whether delivered first-hand or through an intermediary such as a trade association – are directed towards activities that positively support the attainment of the Paris Goals.

The Global Standard's 14 indicators are intended to be applied consistently across all regions and sectors.

It includes assigning board-level responsibility for climate lobbying; publicly commit to align lobbying with the 1.5°C goal; review and assess alignment of all lobbying activities; address misalignments; escalate where needed; and disclose annually, including trade association contributions.

[→ Read more](#)

### CASE STUDY: VW'S FIRST CLIMATE LOBBYING REVIEW PUBLISHED AFTER ESCALATION PROCESS

A milestone was achieved when Volkswagen published its first trade association review in 2023. The report is one of the key engagement points pursued by Climate Action 100+'s lead investors for several years.

Volkswagen's persistent unwillingness to publish such a report led to the filing of a legal case against the company, together with other investors. The purpose was to clarify the right of shareholders to bring key issues to the agenda at German AGMs.

While the case was dismissed by the German court, AP7 is pleased that VW, after the case was brought, published its first trade association review. The report is also a step forward for Volkswagen, which announced that it contributes to the company's efforts to achieve its climate goals.

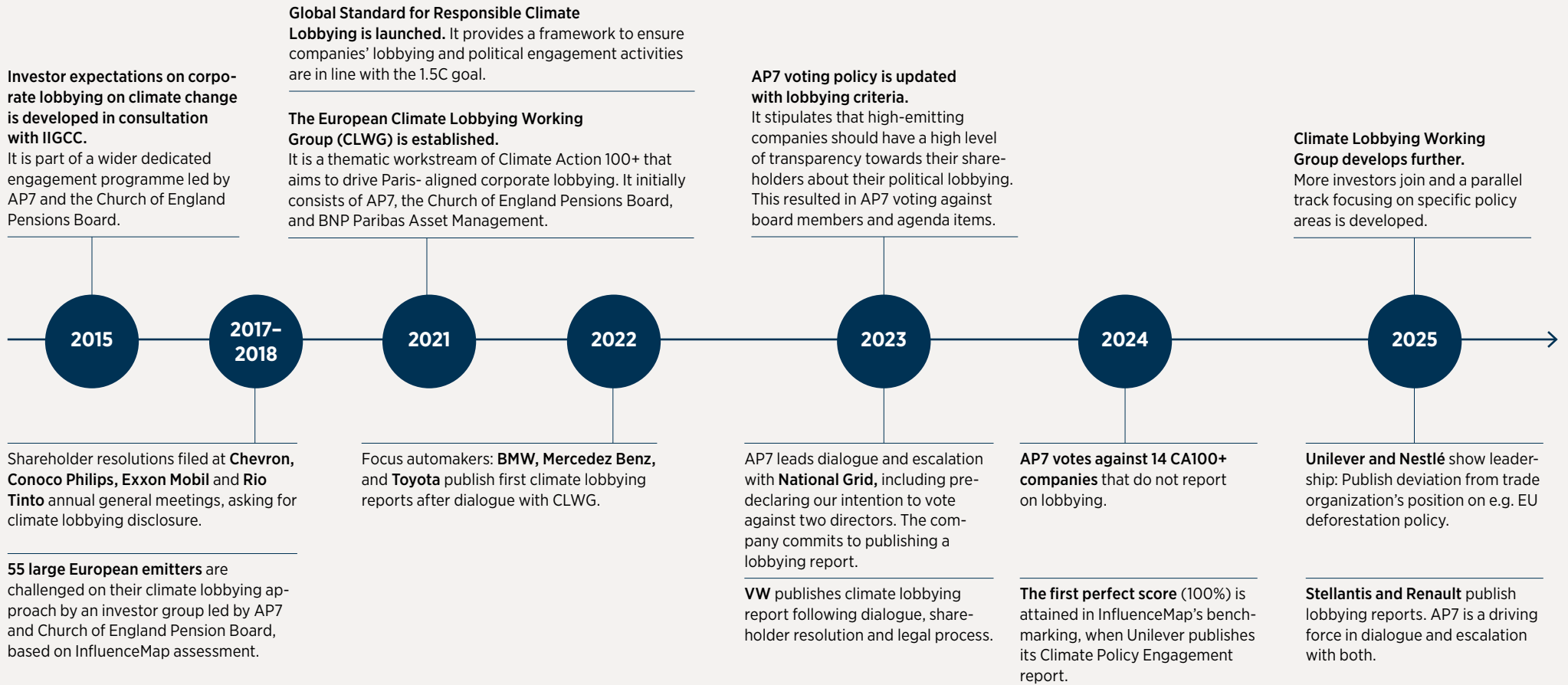
### CASE STUDY: NATIONAL GRID - THE STRENGTH OF DIALOGUE AND VOTING COMBINED

At the beginning of 2023, AP7 and the Church of England Pensions Board initiated a dialogue with National Grid. The ambition was to get the company to commit to reviewing and reporting on its climate lobbying. However, the company did not show any willingness to cooperate, and therefore AP7 announced our intention to vote against the company's chairman and CEO at the annual general meeting in July.

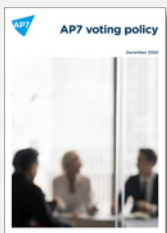
Ahead of the meeting, National Grid announced that it had made a decision to regularly review and report on its climate lobbying. Thus, AP7 was able to adjust our voting decision and approved the chairman and CEO.

This case demonstrates the strength of the combination of dialogue and other active ownership tools, such as voting.

NORMS DEVELOPMENT | STANDARD SETTING | POLICY



COMPANY TARGETS AND SUCCESSES



→ Read more in the AP7 voting policy

# Antimicrobial resistance: Portfolio risk and global health issue

**Antimicrobial resistance (AMR) poses a significant risk to both human and animal health and is one of the systemic risks that AP7 seeks to address through active ownership and collaboration. In 2023, we expanded our stewardship activities related to AMR, implementing a number of targeted measures.**

Antimicrobial resistance is among the top 10 global health threats, causing over 1.2 million deaths annually, according to the World Health Organization (WHO).<sup>1,2</sup> This figure could rise to 10 million by 2050, with an estimated economic cost of USD 1 trillion.<sup>3</sup> Overuse and misuse of antibiotics in livestock production are key drivers.<sup>4</sup>

## The silent pandemic

AMR is often called the “silent pandemic,” threatening decades of public health progress. Unlike other systemic risks, such as climate change, the practices that directly drive AMR are concentrated in a limited number of sectors – including agriculture, food retail, and pharmaceuticals. Importantly, risks can be reduced within a few years through targeted measures, as shown by Sweden’s successful strategy.<sup>5</sup>

## Solutions and best practices

A variety of solutions are required to tackle antimicrobial resistance, but perhaps the most critical step is phasing out the excessive use of antibiotics in livestock production, as two-thirds of the world’s antibiotics are used for this purpose<sup>6</sup>. While antibiotics should be used to treat sick animals, it is still common

in the food industry to use them routinely to promote growth and prevent disease in healthy animals. Investors can influence companies to adopt sustainable practices.

## AP7’s engagement on AMR: proposals and dialogue

AP7 began working on AMR in 2021 by moderating an investor event aimed at raising awareness of the risks, promoting collaboration among investors, and showcasing an example of best practice from a Swedish food retailer.

A positive development has been the emergence of shareholder proposals highlighting AMR-related issues. In 2023, investors filed shareholder proposals at Hormel Foods, Tyson Foods, and McDonalds, urging the companies to comply with WHO guidelines on the use of medically important antimicrobials in food-producing animals throughout their supply chains. AP7 supported these proposals and used them as a starting point for dialogue with some of our key collaborative partners.

## Engaging with external managers and our peers

AP7 initiated discussions with our external asset managers to better understand their perspectives on AMR risks. While a majority of our managers voted in favour of the above-mentioned

proposals, a few opposed them. In the discussions, we highlighted the importance of this systemic risk for universal owners like AP7 and also gained valuable insights into the rationale behind their voting decisions – insights that can inform our future stewardship activities.

AP7 also convened a dialogue between like-minded investors and a proxy voting advisor to better understand how AMR risks are reflected in ESG analyses and in proxy voting recommendations provided to clients.



Covid-19 clearly demonstrated how a global health crisis can have far-reaching economic consequences beyond human suffering. The impact of AMR – and of losing access to effective antibiotics – could potentially be far more severe.

Emma Henningsson, Manager Active Ownership at AP7

<sup>1</sup> [cdn.who.int/media/docs/default-source/antimicrobial-resistance/amr-factsheet.pdf](https://cdn.who.int/media/docs/default-source/antimicrobial-resistance/amr-factsheet.pdf)

<sup>2</sup> [who.int/news-room/fact-sheets/detail/antimicrobial-resistance](https://who.int/news-room/fact-sheets/detail/antimicrobial-resistance)

<sup>3</sup> [who.int/news/item/29-04-2019-new-report-calls-for-urgent-action-to-avert-antimicrobial-resistance-crisis](https://who.int/news/item/29-04-2019-new-report-calls-for-urgent-action-to-avert-antimicrobial-resistance-crisis)

<sup>4</sup> [who.int/news-room/fact-sheets/detail/antimicrobial-resistance#:~:text=Antimicrobial%20resistance%20\(AMR\)%20is%20one,4.95%20million%20deaths%20\(1\).](https://who.int/news-room/fact-sheets/detail/antimicrobial-resistance#:~:text=Antimicrobial%20resistance%20(AMR)%20is%20one,4.95%20million%20deaths%20(1).)

<sup>5</sup> <https://www.folkhalsomyndigheten.se/the-public-health-agency-of-sweden/communicable-disease-control/antibiotics-and-antimicrobial-resistance/>

<sup>6</sup> [saveourantibiotics.org/the-issue/antibiotic-overuse-in-livestock-farming/](https://saveourantibiotics.org/the-issue/antibiotic-overuse-in-livestock-farming/)

# A common framework for nature-related disclosures

**Nature-related issues are considered a systemic risk because the degradation of ecosystems and biodiversity can trigger widespread, interconnected, and long-term consequences for the global economy, financial systems, and societies. Investors need to be able to assess and compare companies' impact and dependencies on nature. The launch of the TNFD, where AP7 has been part of the taskforce, provides for the first time a global framework for these assessments.**



The Taskforce on Nature-related Financial Disclosures (TNFD) was established to address the need for financial and business systems to account for nature-related risks. Since 2021, AP7 has been a member of the taskforce together with some forty members worldwide, as one of only two asset owners.

After two years of development, in September 2023, TNFD launched the first version of the global framework. It aims to enable clearer management, reporting and action on nature-related risks and opportunities.

TNFD helps operationalise the Kunming–Montreal Global Biodiversity Framework, an international agreement aimed at halting and reversing the ongoing loss of biodiversity.

### **New report: financial effects of nature-related risks**

Through the TNFD working group, AP7 contributed to the report “Evidence review on the financial effects of nature-related risks” published in 2025. This report highlights growing evidence that nature-related risks – such as water scarcity, biodiversity loss, and policy changes – can have material financial impacts on companies and financial institutions. These risks affect cash flows, operational costs, firm value, and access to capital, yet they are still underassessed and underreported, particularly at the company level. The report provides recommendations for corporates, investors, regulators, academia, and data providers to strengthen risk assessment, improve disclosure practices, and integrate nature-related financial risks into strategic decision-making.



Through the TNFD working group, AP7 contributed to the report “Evidence review on the financial effects of nature-related risks” published in 2025.



# Asset management engagement

**Asset managers play a pivotal role in implementing investment strategies and shaping corporate behaviour on behalf of asset owners. For universal owners such as AP7, engaging with asset managers has become increasingly important to ensure that stewardship and voting practices are aligned with long-term, portfolio-wide goals.**

Through asset management engagement, universal owners can bridge the gap between systemic objectives and the day-to-day investment decisions made by their external managers. Asset managers often maintain direct relationships with portfolio companies and therefore act as a critical channel through which investor expectations are translated into corporate action.

## The growing importance of alignment

This alignment has gained new significance in recent years as sustainability and responsible investment practices have come under heightened political and market scrutiny in some regions. In this environment, universal owners have a responsibility to reaffirm the financial relevance of sustainability and to ensure that systemic risks are managed consistently across their portfolios. Constructive engagement with asset managers is key to maintaining this consistency, promoting transparency around voting and engagement outcomes, and upholding a long-term fiduciary perspective even when public debate becomes polarized.

## A multi-level engagement approach

AP7 engages with asset managers at several levels. At the core, AP7 communicates clear expectations to its asset managers, including written letters and guidance to ensure alignment with the fund's long-term objectives. Beyond this, AP7 collaborates with like-minded asset owners that share the same managers, for example through joint dialogues and the development of evaluation criteria for asset manager performance. At the broadest level, AP7 engages with asset owners globally on systemic issues, participating in events, workshops and other dialogue in order to develop understanding and awareness and to promote action across the investment system.



# Investor coalitions: **Tailor-to-target**

## New research suggests recipes for effective investor collaboration



**Dr. Rieneke Slager,**  
Professor of International  
Sustainability Management,  
University of Groningen

### Many pension funds participate in coalitions such as Climate Action 100+. How can we make these collaborations more effective according to your research?

Our research shows that building investor coalitions for collaborative engagement projects, as done through the PRI Collaborative Platform for example, is not simply a matter of 'the bigger the better'. While recruiting a larger number of pension funds can help to ensure successful engagement, careful consideration also needs to be given to other aspects, such as the fund's experience with engagement or its familiarity with the local context of a target company. Coalitions that include pension funds with experience or knowledge of the local context may be more effective in engagement because they can raise more relevant questions and contextualise their demands with respect to local regulations.

### Your study highlights the importance of understanding a target company's receptivity to change. How do we know if a company is receptive or not?

Of course, a target company's receptivity to change is hard to measure, so our approach in this study is to look at the presence of financial capacity as well as a strong environmental track record. When both aspects are present, it is more likely that the target company has the people and practices in place that can accommodate change.

### You identify four successful "recipes" for investor coalitions. Could you give an example of what a successful configuration looks like?

Our study – based on 15 collaborative engagement projects on various environmental topics coordinated by the PRI – shows that coalitions can be successful if they tailor their approach to the target company. In other words, in successful configurations coalitions use their joint attributes – including coalition size, local knowledge and experience – to convince target companies to consider their concerns. For instance, we found that a large coalition with experienced investors can be successful in reaching engagement objectives when the target company has a strong environmental track record and financial capacity, since their experience gives the coalition the confidence to 'skip the basic questions' and push leading companies to consider more strenuous demands.

### You also found that engagements often fail when investors "overfocus" on a single lever. What does that mean, and what should investors avoid doing?

Success in engagement is often subscribed to having a large ownership stake, as this makes the investor coalition more powerful. In this study, we actually find that relying solely on building a coalition with a substantial stake in the target company is not enough to achieve success, especially when the receptivity of the target company to change is low. Similarly, a coalition made up solely of local investors is likely to fail in these circumstances. Investors should therefore carefully consider a target company's receptivity to change, and build collaborations with diverse groups of investors, that can accommodate such receptivity.

### If you could give one key takeaway from your research for asset owners, what would it be?

Just like a recipe with many ingredients may turn out differently every time, a myriad of factors are at play during engagement projects, and these factors may combine in unique ways. Not all of these factors are under the control of asset owners, but they can pay close attention to coalition building. The simple message for asset owners is 'one size does not fit all'. When assembling a coalition, asset owners should not simply rely on building strength in numbers but also consider how to use the experience and local knowledge of collaborators to effectively engage.

[→ Read more](#)

# Panel conversation: **Universal ownership today and in the future**

**To conclude the theme, we reflected on universal ownership together with a group of informed stakeholders. The conversation can be viewed on YouTube.**

## Universal ownership faces a more complex world

The panel agreed that universal ownership is becoming harder as ESG backlash and geopolitical fragmentation reshape the landscape. Political scrutiny, especially in the US, has made some investors less vocal, even when ambitions remain unchanged. At the same time, global challenges like climate change demand unprecedented cooperation, just as the world moves toward greater division. Universal owners have a significant task in navigating this tension.

## Collaboration is evolving

Earlier sustainability initiatives often relied on a “big tent” approach, bringing in as many actors as possible. The future will look different. Panelists predicted a shift toward smaller, more focused coalitions of committed investors. These groups will need to refine their goals, sharpen definitions of materiality, and set targets that are both ambitious and achievable. Speaking with critical mass remains essential, especially when engaging policymakers or systemically important companies.

## The maturing of universal ownership

The panel purported that universal ownership is entering a phase of maturation. The next step is to move beyond broad commitments and demonstrate impact through evidence, robust action plans, and measurable outcomes. This evolution is not driven by backlash alone—it reflects growing sophistication in data, expectations, and accountability. The challenge ahead is to turn systemic ambitions into strategies that deliver real-world change.

### We were joined by:

**Caroline Escott**, Head of Investment Stewardship, Railpen

**Rogier Snijdewind**, Director Active Ownership, PGGM

**Sonja Laud**, CIO, L&G

**Dr. Emilio Marti**, Associate Professor, Rotterdam School of Management

The conversation was led by **Johan Florén**, Chief Communication Officer and Senior ESG advisor at AP7.

→ Watch the conversation on YouTube.



# Conclusions and reflections



**Emma Henningson,**  
 Manager Active ownership  
 and lead on the  
 Universal ownership theme

**AP7 has regarded itself as a universal owner for many years, so making it a dedicated thematic focus was a natural next step. By establishing universal ownership as a theme, we aimed to further develop and refine tools through practical cases – to evaluate and understand their relative effectiveness, identify what drives success, and strengthen AP7’s ability to address system-level risks in a structured and strategic way.**

## 1. What have been the most significant insights or learnings?

We have found that we achieve the best results from ownership tools to address systemic risks when investor efforts are applied on multiple levels and through multiple levers. In practice, this could mean to simultaneously seek to influence global norms and standards at the policy and sector level, while also engaging directly with systemically significant companies. Different investors might take on different roles depending on their strengths, mandates and characteristics.

Furthermore, building strong coalitions is essential – and, as Dr. Rieneke Slager highlights in the interview for this report, success depends on a range of factors, only some of which we can control. Through our collaborative projects, we have learned the value of carefully assessing new opportunities and have developed a simple framework to guide that evaluation. For example, we were reminded of the importance of taking the time to establish clear and comprehensive ground rules at the outset, to understand complementarities and differences in partners’ mandates and perspectives.

Within the investment ecosystem, asset owners such as pension funds play a distinct role in bringing attention to the long-term perspective on investments. It is in our interest to ensure that asset managers, service providers and research houses understand our perspective of long-term value creation, so that the goals of universal owners can be effectively supported.

“ Within the investment ecosystem, asset owners such as pension funds play a distinct role in bringing attention to the long-term perspective on investments.

## 2. What challenges did you encounter in applying universal ownership principles in practice?

One recurring challenge is the mismatch between the long-term nature of systemic risks and the much shorter time horizons that typically shape investment research and the incentives in service agreements.

Another challenge is that meaningful dialogue with companies or policymakers requires solid analysis and hands-on experience – work that is often resource-intensive. This can, however, be alleviated by pooling expertise and sharing responsibilities through investor coalitions.

## 3. What are the next steps for AP7?

AP7's investment management model is in a period of development, which presents new opportunities, such as the recently launched climate transition portfolio. It is designed to address systemic risks in the real economy and the portfolio through active ownership.

Going forward, we will continue to act as a voice for long-term capital, engaging on two complementary fronts. First, through direct dialogue with companies where we can drive meaningful change and align sustainability progress with long-term value creation. Second, in the public arena, where – grounded in established science and our own analysis – we engage with policymakers on issues of systemic importance to the portfolio.

By working in both arenas, we aim to secure strong long-term returns for our beneficiaries while contributing to a more sustainable world to retire in.



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## AP7 IN BRIEF

**Mission:** Good pension from generation to generation.

**Vision:** A global role model for responsible pension solutions.

AP7 is a public agency, whose mission is to manage the premium pension capital on behalf of the Swedish people. Nearly six million Swedes place their premium pension in the state pre-selection option, AP7 Såfa. The managed capital amounts to about 1,400 billion SEK, which entails a great responsibility. AP7's asset management is exclusively focused on the interests of the pension savers. AP7 is a universal owner. With investments in more than 2,000 companies around the world, we can exercise ownership broadly and with a long-term perspective, and in the best interest of the entire market. By being an active universal owner, AP7 is securing the financial interests of both current and future savers. AP7's active ownership aims primarily at a positive effect on the long-term return for the entire market, rather than for individual companies.

(per 30 June 2025)

**Managed assets:** SEK 1,400 billion

**Number of savers:** 5.9 million

**Investment portfolio:** More than 2,000 companies globally

# AP7 Theme Report

## **Universal ownership**



Active ownership is the primary mechanism through which AP7 as a universal owner can address the systemic risks that threaten our broadly diversified portfolio.

