



# AP7 voting policy

2026



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## About AP7

AP7 is the default alternative within the Swedish premium pension system. More than six million Swedes have their premium pension savings in the AP7 Såfa fund portfolio. AP7 Såfa is a portfolio of funds, consisting of a global diversified equity fund and a fixed income fund.

AP7 is a universal and long-term owner and invests broadly on the global equity markets. With more than SEK 1,500 billion invested in companies around the world, AP7 can act on a broad front and with a long-term perspective, considering the interests of our savers.

The capital in the funds managed by AP7 must also be managed in an exemplary way through responsible investments and responsible ownership. AP7 must pay particular attention to promoting a sustainable development without renouncing the goal of achieving long-term high returns at the chosen risk level.

# Using our vote to drive corporate accountability

**AP7 is a universal and long-term owner, and the exercise of voting rights constitutes our most comprehensive and systematic means of influencing companies across the global portfolio.**

The general meeting is the highest decision-making body of a listed company. Through voting at the meeting, we articulate our expectations regarding corporate governance, transparency, and the management of material sustainability risks.

Voting, engagement, and exclusions jointly constitute a coherent and principled stewardship framework through which AP7 advances sustainable value creation, credible climate transition, and high standards of governance across global markets.

Our goal is to vote at all general meetings for which we have voting rights. An exception to this rule applies to holdings in Swedish companies where, according to the AP Funds Act, we are not permitted to vote.

In some countries, we can file our own shareholder resolutions at general meetings. To increase impact on particularly pressing issues, AP7 collaborates with other investors to influence a joint portfolio company.

For enhanced transparency, we publish on [ap7.se](https://ap7.se) how we voted on each agenda item.



**Voting, engagement, and exclusions jointly constitute a coherent and principled stewardship framework.**



# Foundational principles

**The overall goal of our voting policy is to ensure that companies are managed sustainably, responsibly and as efficiently as possible.**

We base our voting principles on the norms regarding human rights, labour rights, environment and anti-corruption enshrined in the international conventions that Sweden has signed. We refer to UN Global Compact and OECD guidelines. The policy is reviewed annually.

## Transparency

Companies should communicate with shareholders and other stakeholders on corporate governance, environmental and social issues in a way that enables an informed assessment of the company's approach and status. For example, we vote in favour of shareholder proposals that ask companies to report on human rights due diligence, management of systemic environmental risks, equality, remuneration and remuneration principles and public policy advocacy.

## Corporate Governance

The role of the board is to exercise objective judgement and to make decisions independently of management. Board members should act independently and without conflicts of interest. They should devote sufficient time to fulfil their responsibilities effectively and be accountable for their decisions. The total remuneration to senior executives should be characterized by moderation and good judgement and should contribute to a healthy organizational culture.



**The role of the board is to exercise objective judgement and to make decisions independently of management. Board members should act independently and without conflicts of interest.**



## Foundational principles, *cont.*

### Systemic risk

As a universal and long-term asset owner, AP7 seeks to address the systemic risks which pose a threat to the global markets on the whole. These risks include climate change, biodiversity loss and human rights. AP7's stewardship actions, such as voting, are in line with our expectation that the company manage these risks even if the company does not identify the risk as material to its own business.

### Diversity and equality

Diversity contributes to robust decision-making, effectiveness and resilience. Companies should strive for diversity of competences and backgrounds on the Board and throughout the company. Companies should have robust policies and practices to prevent discrimination and harassment.

### Human rights and workers' rights

Companies should support and respect human rights, workers' rights and fair working conditions throughout their own operations and through their entire supply chain. Relevant measures for companies include adopting a human rights policy, conducting a human rights due diligence, report on operations in countries with a heightened risk of human rights violations, and establishing a code of conduct for suppliers.

### The environment

Companies should strive to reduce their negative environmental impacts such as those relating to climate change, nature and water. Companies should strive for high product safety and the phasing out of dangerous chemicals from consumer products.

### Policy advocacy

Companies should have a high level of transparency towards their shareholders about their political lobbying and avoid political engagements that conflict with accepted science.



**Diversity  
contributes to robust  
decision-making,  
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and resilience.**



# Application of the principles in voting

AP7 voting policy is applied through a series of rules. As a foundation, the voting policy is currently based on ISS Sustainability Policy. Expectations and requirements are enhanced relative to the ISS policy to reflect AP7 convictions and market best practice, to deliver a voting policy which sets out heightened expectations on key governance, environmental and social topics.

## Financial Results, Director and Auditor Reports

AP7 will vote for approval of financial statements and director and auditor reports, unless:

- There are concerns about the accounts presented or audit procedures used. The report was issued prior to auditor approval or the auditor has qualified the accounts or noted a restriction on the scope of the audit.
- Climate-related reporting and performance do not meet AP7 expectations and the meeting does not contain agenda items on relevant director reappointment, which are the preferred way to mark dissatisfaction.

## Appointment of Auditors and Auditor Fees

AP7 will vote for the re-election of auditors, statutory auditor, or audit committee member and proposals authorizing the board to fix auditor fees, unless:

- The name of the auditor, and/or audit fees have not been disclosed, or there are serious concerns about the statutory reports presented or the audit procedures used.
- The auditor has previously served the company in an executive capacity and/or can otherwise be considered affiliated with the company.
- The fees paid to the auditor for non-audit services exceed 50 percent of the total fees paid.
- The auditor firm has been in place for more than 25 years, (UK: more than 20 years and no stated plan to tender in the next 2 years).



## Application of the principles in voting, *cont.*

### Constitutional Amendments

AP7 will vote for the amendment of constitution to allow shareholders to submit advisory shareholder resolutions in Australia.

### Director Elections

AP7 will vote for management nominees unless:

- A company has experienced material failures of governance, risk oversight or disclosure, or a breach of fiduciary responsibilities.
- We consider there to be material failures in the oversight, management or disclosure of climate risks, social risks or other sustainability risks (see 'Climate change and deforestation risk').

### Separation of chairperson and CEO roles

AP7 believes that the roles of chairperson and CEO should not be held by the same individual, and will:

- Vote against the election of a chairperson where the roles of chair and CEO are held by the same person.
- Vote for a proposal to separate the roles of chairperson and CEO.

### Director tenure

AP7 will vote against the reappointment of any non-executive director who:

- Has been on the board for 20 or more years.
- Has been on the board for 15 or more years and at least 25% if the board is not independent non-executive directors with tenure of 5 years or less.
- Chairs the audit, remuneration or nomination committee and has been on the board for 12 or more years.

### Overboarding

AP7 will vote against the reappointment of any candidate who:

- Holds more than five mandates at listed companies or otherwise has too many board or management roles to effectively fulfil their responsibilities at the company.



**AP7 believes that the roles of chairperson and CEO should not be held by the same individual**



## Application of the principles in voting, *cont.*

### Board Diversity

As a minimum we expect board compositions to be 20 percent directors of an underrepresented gender.

Our expectations are greater on markets where relevant board diversity standards apply.

AP7 will vote against the chair of the nominating committee:

- Where board diversity does not meet our expectations on gender diversity.

### Material Sustainability and Governance Failures

AP7 votes against or withhold from directors individually, on a committee, or potentially the entire board due to:

- Material failures of governance, stewardship, risk oversight<sup>1)</sup>, or fiduciary responsibilities at the company, including failure to adequately manage or mitigate sustainability and governance risks.
- A lack of sustainability reporting in the company's public documents and/or website in conjunction with a failure to adequately manage or mitigate sustainability and governance risks.

### Climate change and deforestation risk

We expect companies in sectors with high climate-related risk and climate impacts to demonstrate strong governance, actions and disclosure regarding the climate transition. We base our analysis on publicly available data.

We vote against the re-election of the incumbent chair of the responsible committee (or other directors, or otherwise operational items) where:

- The company Transition Pathway Initiative (TPI) Management Quality score is below 3;
- A company in the Energy sector has a TPI Management Quality score below 4;
- A company headquartered in a developed market scores 'No' on Climate Policy Engagement (Indicator 7) of the Climate Action 100+ Net Zero Company Benchmark.
- A company with high exposure to deforestation risk in its supply chain has neither made a public commitment to stop deforestation nor published a relevant risk assessment.

### Shareholder proposals

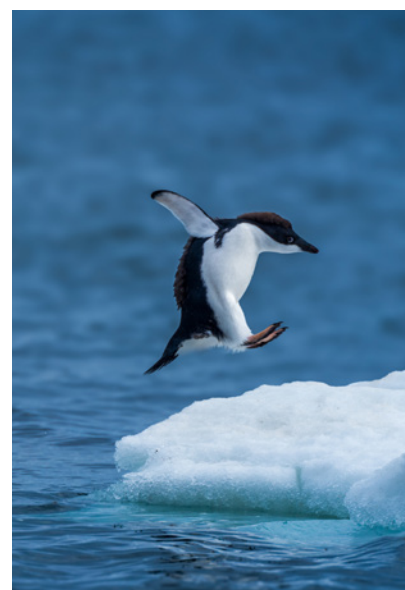
Shareholder proposals regarding governance, reports, auditors and directors are voted in line with the principles described above.

In general we vote for social and environmental proposals that seek to promote good corporate practice. The following factors are considered:

- Whether the proposal is well framed and reasonable;
- Whether the adoption of the proposal has the potential to foster better management of systemic risks at the company and/or more broadly across the market;
- Whether the company has already responded in some appropriate manner to the request embodied in a proposal;
- Whether there are significant controversies, fines, penalties, or litigation associated with the company's environmental or social practices;
- Whether implementation of the proposal would achieve the objectives sought in the proposal.



**We expect companies in sectors with high climate-related risk and climate impacts to demonstrate strong governance, actions and disclosure regarding the climate transition.**



<sup>1)</sup> Examples of failure of risk oversight include bribery, demonstrably poor risk oversight of environmental and social issues, significant environmental incidents, large scale or repeat workplace fatalities or injuries and significant adverse legal judgments or settlements.



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