

Recommendation	ATP follows	ATP partly follows	ATP does not follow	Explanation why ATP partly follows/does not follow the recommendation	Documentation/reference
<p>Recommendation 1: Policy of Active Ownership</p> <p><i>The Committee recommends that institutional investors publish a policy of active ownership in connection with equity investments in Danish listed companies.</i></p>	Follows				ATP's Supervisory Board's Policy of Active Ownership (covering both Danish and foreign shares)
<p>Recommendation 2: Monitoring and dialogue</p> <p><i>The Committee recommends that institutional investors monitor and engage in a dialogue with the companies in which they invest with due regard for the investment strategy and the principle of proportionality.</i></p>	Follows				<p>There are two fundamental ways in which ATP conducts a dialogue with the companies:</p> <p>1) Through a continuous dialogue, which involves an ongoing dialogue with the companies and ATP exercising its voting right at the companies' general meetings;</p> <p>2) Through a dialogue at general meetings where ATP exercises its voting right at the companies' general meetings. The choice of method depends on a number of factors, for example related to ATP's ownership interest and possibility of effectively engaging in an active dialogue. This is, for example, reflected in ATP's active ownership in Denmark, where ATP typically has a higher exposure, and therefore takes a more active approach, than on other markets.</p> <p>The dialogue with companies may, for instance, concern strategy, results, risk, capital structure, corporate governance, supervisory board composition, corporate culture, remuneration of management and social responsibility.</p>
<p>Recommendation 3: Escalation</p> <p><i>The Committee recommends that institutional investors, as part of the policy of active ownership, establish a policy for how they can escalate their active ownership over and above the regular monitoring and dialogue.</i></p>	Follows				<p>ATP may use a wide range of tools for escalating its active ownership in cases in which this is regarded as necessary.</p> <p>These tools include statement of ATP's views at the companies' general meetings and in other public contexts, collaboration with other investors, a dialogue with representatives from the various company management levels, voting against a specific proposal from the Supervisory Board, by partial or full divestment of ATP's shareholding in the company etc.</p> <p>The choice of tools and the order in which different tools are used will depend on a specific assessment of the individual situation.</p>
<p>Recommendation 4: Collaboration with other investors</p> <p><i>The Committee recommends that institutional investors, as part of the policy of active ownership, establish a policy for their collaboration with other investors with a view to maximising effectiveness and impact.</i></p>	Follows				<p>ATP often exchanges views with other investors on the companies in which ATP invests.</p> <p>Where ATP finds that it is necessary to have greater clout in order to make ATP's active ownership felt on a specific point, ATP will seek collaboration with other investors.</p>
<p>Recommendation 5: Voting policy</p> <p><i>The Committee recommends that institutional investors, as part of the policy of active ownership, adopt a voting policy and that they be willing to disclose if and how they have voted.</i></p>	Follows				<p>ATP's Supervisory Board's Policy of Active Ownership containing 16 principles relating to the Supervisory Board, value creation, remuneration of the Executive Board and the Supervisory Board as well as information. ATP's exercise of its voting rights is based on these principles.</p> <p>ATP votes at all general meetings in the companies in which it holds listed equities (in both Denmark and abroad) and, following a specific request, ATP is willing to disclose how it has voted at a specific general meeting.</p>
<p>Recommendation 6: Conflicts of interest</p> <p><i>The Committee recommends that the policy of active ownership describe how conflicts of interest in terms of active ownership are identified and handled.</i></p>	Follows				<p>ATP's Supervisory Board consists of representatives of the social partners, who are thereby indirectly linked to both managements and employees in the listed Danish companies in which ATP invests.</p> <p>ATP's Supervisory Board has therefore decided in its Policy of Active Ownership that the final responsibility for ATP's active ownership rests with ATP's CEO.</p>
<p>Recommendation 7: Reporting</p> <p><i>The Committee recommends that institutional investors report on their active ownership activities at least once a year, including on voting activity.</i></p>	Follows				<p>ATP reports annually on its active ownership activities in connection with its Social Responsibility Report.</p> <p>In 2016, ATP supported the Supervisory Board's motions at all Danish general meetings.</p>