

The ATP Group

# Stewardship 2025

- Part of ATP's responsibility



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## Introduction

# The many facets of stewardship

Stewardship is a widely used term among investors, but at times, it can be difficult to fully grasp what stewardship actually involves. According to the media, stewardship is at times activist and about putting one's foot down on companies to get them to change their approach to specific issues. However, sometimes stewardship can be perceived as a shelving exercise with no clear payoff.

In this report, we explain how we exercise stewardship, our methods and the different ways in which it is realised. As an active owner, you need to have several strings to your bow in order to be a good partner and opponent for the companies.

At ATP, stewardship is primarily motivated by financial materiality and therefore our aim is for the companies to ultimately improve to make them a better investment case for ATP. We therefore engage in a dialogue with companies about the specific matters that we would like to see changed so that companies can improve their performance in the long term.

We also focus on the broader trends in the stock market to be able to ensure sound long-term development. Over the past few years, we have warned against companies giving extraordinary bonuses to senior executives.

We fear that it will become a slippery slope and an additional remuneration element in remuneration packages that ought to be generous enough to retain employees. In 2025, we chose,

for the first time, to vote against a remuneration report to show our discontent with the use of extraordinary bonuses.

When we have special knowledge and insight, we also want to help and advise companies. Although the companies are experts in their fields, as investors we have the ability to look across companies and share insights. One of the areas we have focused on is CSRD, under which the largest listed companies reported for the first time this year.

Here, we have looked at the companies' double materiality analyses and compared the companies' approaches, which we can see have been very different. We have shared this insight with the companies, which in turn have gained insight into the practices in the Danish stock market.

For a new area such as CSRD, practices will differ, and ATP, as an institutional investor, can help consolidate practices. It is our experience that companies have received our feedback in this area well.

With new CSRD standards on the way, ATP, as a leading investor, will help make ESG reporting for companies less burdensome and more value-creating.

We hope that this report will provide insight into how we work with concrete examples of and address the difficult dilemmas that exist when it comes to stewardship.

## Six ESG principles set the direction

ATP believes that integrating ESG into our investment work can reduce risks and contribute to long-term value creation. Therefore, we are continually seeking to:

- 1 Distinguish between financial materiality and societal materiality and also continually attempt to understand the interaction between financial materiality and societal materiality.
- 2 Improve our ESG data basis with a focus on developing the companies' own reporting of data.
- 3 Developing ATP's general guidelines and specific expectations for companies' ESG practices.
- 4 Mapping the ESG characteristics of ATP's investment portfolios with a view to prioritising ESG initiatives.
- 5 Contributing to real improvements being made in individual companies, both for the benefit of ATP's investments and for society at large, based on a preference for active capital stewardship.
- 6 Building strong processes for both ESG due diligence and ESG asset management across asset classes tailored to the specific investment processes.

## Danish equities

# Support and push back in the Danish stock exchange market

ATP is one of the leading investors in the Danish market. This is partly because we are an active investor that provides both support and push back to the companies.

Our dialogue with the companies in the Danish market manifests in two ways. Most directly and clearly through our participation in the annual general meetings, where we vote for or against the proposals submitted by the boards of the companies. In this report, we briefly describe the key votes in which we have either voted for or against.

We often speak at the annual general meetings to present our evaluation of the year that has passed and highlight the areas where we believe that the company should focus its efforts in the coming years.

However, it is equally important for ATP to focus on the periods between annual general meetings where we can engage with the companies and impact their decisions. This is largely undramatic, as most Danish companies are well-run, and our input is mostly well received.

One area where ATP went further than usual in 2025 was extraordinary remunerations. At annual general meetings in 2024, we raised a flag about the increasing use of extraordinary remuneration that several Danish companies had given their executive board members, and this year, we have put action behind our words.

Several companies say that they use extraordinary bonuses for retention purposes. ATP believes that the traditional elements of a remuneration package – fixed remuneration as well as short- and long-term bonus – should be sufficient to retain key employees.

When Pandora gave an extraordinary bonus of DKK 12 million to its CEO in 2024, we chose to vote against the remuneration report at the 2025 annual general meeting to show our dissatisfaction. This should not be seen as dissatisfaction with the CEO or the company, but rather as a signal that ATP is not satisfied the use of just that type of bonus.



” The right decisions as an active owner are not black and white. We know the companies, which is why we look at the individual company when we make a decision. However, sometimes, as an investor, we also have to draw a line in the sand and vote against, as we have done when it comes to extraordinary bonuses.

*Claus Wiinblad, Head of Domestic Equities*

## Key votes at Danish companies' annual general meetings

Company	Topic	Comment
DSV	Capital expansion without pre-emption rights	In autumn 2024, DSV exercised their authority to issue new shares without pre-emption rights amounting to around 20 per cent of the share capital in connection with the acquisition of German DB Schenker. At the annual general meeting in 2025, DSV wanted to renew this authority to allow issuing up to 20 per cent of the share capital without pre-emption rights again. As a matter of principle, ATP is against this, but due to DSV's success in previous acquisitions, we voted in favour of the proposal. The proposal was adopted.
Pandora	Over-boarding	The number of board seats held by the chairman (Six seats, including three as chairman) may raise concerns about whether he is too busy. This has not been an issue so far, but we expect to be discussing it with the chairman during 2025. ATP voted to re-elect the chairman and the proposal was adopted.
Carlsberg	Remuneration	Carlsberg's remuneration policy allows variable remuneration of up to 350 per cent of the fixed annual remuneration, exceeding ATP's expectation of no more than 300 per cent. However, in this year's remuneration report, it is clear that Carlsberg is staying within the limit and thus meets our guideline. ATP therefore voted in favour of the remuneration report but will vote against the remuneration policy if the maximum rate is above 350 per cent of the fixed remuneration. The proposal was adopted.
Napatech	Remuneration	Napatech contacted us well in advance of the annual general meeting to get input on how to structure the remuneration of its board members based on a wish to be able to attract new board members. After some adjustments, we exceptionally accepted the use of options for the board remuneration as Napatech does not currently generate a positive cash flow. The proposal was adopted.
FOM Technologies	Remuneration	FOM is a small company on First North and is not required to publish a remuneration policy. At the urging of ATP, among others, FOM did publish one this year for the first time. The policy contained a number of elements which went against ATP's principles, but we did not vote against it as this is the first ever remuneration policy for a relatively young company and we therefore expect it to improve in the future. The proposal was adopted.
Genmab	Remuneration	ATP voted against the remuneration report due to the limits set out in the incentive programme, which in total can provide up to 550 per cent of the fixed remuneration. The proposal was adopted.
Zeeland Pharma	Remuneration	ATP voted against the remuneration report due to the limits set out in the incentive programme, which in total can provide up to 700 per cent of the fixed remuneration. The proposal was adopted.
Pandora	Remuneration	ATP voted against the remuneration report because of a high extraordinary remuneration of its CEO of DKK 12 million, bringing him over DKK 50 million in total for the year. Although the CEO has performed well, we are not particularly in favour of using extraordinary remuneration in that way and, considering the overall remuneration package, we chose to vote against the remuneration report. The proposal was adopted.
Mærsk	Remuneration	ATP voted against the remuneration report due to the limits set out in the incentive programme, which in total can provide up to 350 per cent of the fixed remuneration.
Bavarian Nordic	Remuneration	The fixed remuneration for the CEO is rising significantly again this year, after also rising by 13 per cent the two previous consecutive years. That is why ATP voted against the remuneration report. The remuneration report did not receive a majority of the votes, but the report is indicative only for the company. We expect the board to take note of this, and change its practice in the future.
Napatech	Remuneration	ATP voted against the remuneration report as we have voted against the CEO's remuneration package in the past. The proposal was adopted.

# A new CSRD should be simpler but retain the positive elements

Almost before the ink was dry on the first CSRD reports from ATP's portfolio companies, the set of rules of CSRD was thrown into the air again. In February, the EU proposed Omnibus legislation to simplify the set of rules of the EU's sustainability regulations.

This naturally creates uncertainty for the companies, which now have to await clarification to find out what the upcoming reporting regime will look like, but on the other hand, the companies can hopefully look forward to a simpler sustainability reporting process. ATP shares the hope that the legislation can be simplified without compromising its original purpose.

ATP has analysed reports and provided feedback to the companies. We do so to make sure that the companies know our expectations for e.g. our guidelines for specific data points, but also so that companies can learn from each other and thus contribute to the consolidation of practices.

The double materiality analysis seems to survive in the Commission's omnibus proposal, which is why we have examined the companies' double materiality analyses to understand similarities and differences. ATP is generally positive towards the double materiality analysis in reporting and the increased standardisation it provides.

Our analysis shows that there is a considerable difference in how companies approach the double materiality analysis. Some companies set the bar for materiality very low, while others set the bar very high. Accordingly, we see big differences in the granularity of the companies' analyses.

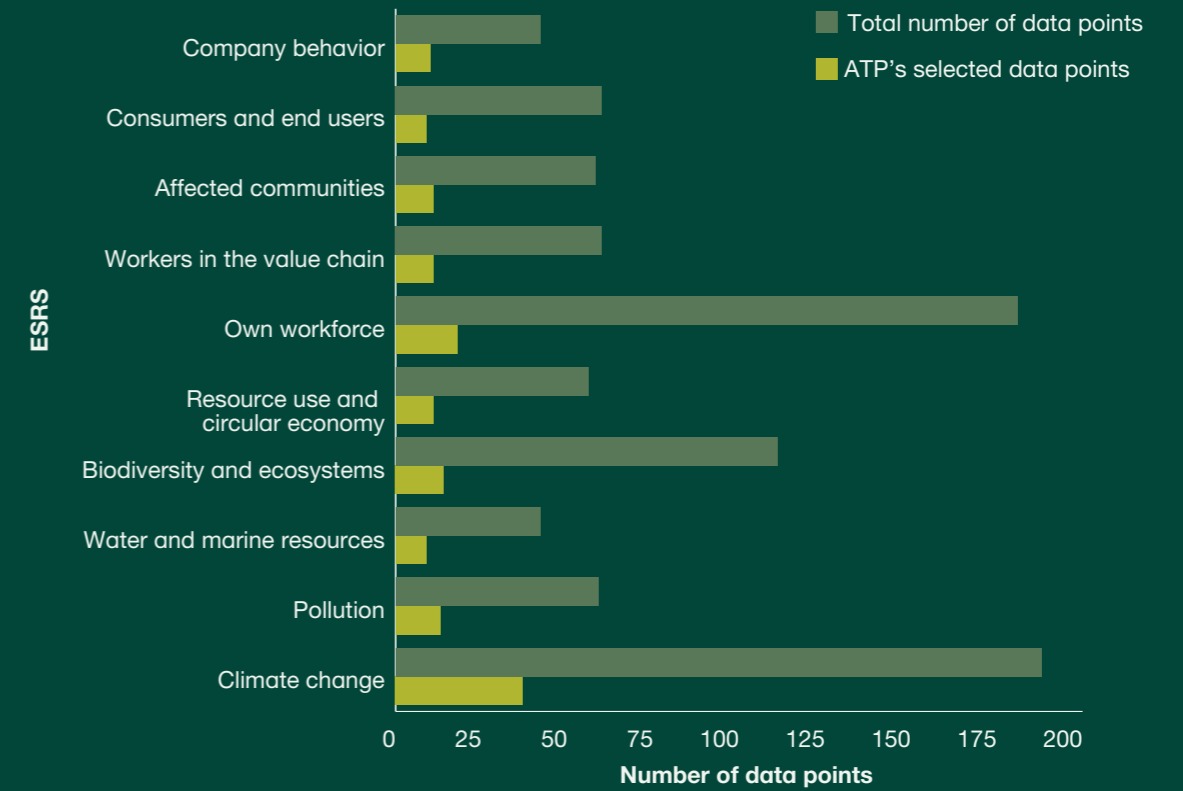
Both can make sense for the individual company, but as an investor you need to understand how the individual company has designed its process to be able to understand the outcome.

We fully recognise that companies are in the early stages of the learning curve. That is why ATP has shared its analysis with the companies and invited them to engage in a dialogue so that they can get ATP's feedback on their reports. Our impression from the companies' feedback is that they appreciate a professional and constructive dialogue that can improve their future reporting.

Our analysis shows, for example, that some companies acknowledge that they have many ESG risks, while others do not use the risk category at all in their reporting. The same applies to opportunities that describe financial opportunities for the company. Here, some companies describe many opportunities, while others do not take this category into account at all.

With the analysis of companies' 2025 reporting, ATP wants to contribute to consolidating practices when it comes to the double materiality analysis.

ATP has pointed to the subset of CSRD which, from an investor perspective, is the most significant.



In our letter to the Danish companies in 2024, we provided our proposal for the data points that we, as an investor, consider the most important within the themes of *climate change*, *own workforce* and *responsible business conduct*.

We consider those three themes as essential for all companies regardless of sector, as confirmed by the 2024 reports. All companies reported on *climate change* and *their own workforce* as material, while only one company found that *responsible business conduct* was not material.

In the companies' reports, we also see that the vast majority of companies report on the very data points that ATP has designated as guidelines.

In 2025, we have focused on the other seven thematic ESRS standards. Here, we adopt a different approach, as we do not expect all companies to find the themes material. Therefore, our guidelines are conditional on the company finding the theme material. We therefore do not expect a company to report on a guideline like biodiversity if the company does not consider biodiversity material to the company in general.

Furthermore, we are also not categorical about the guidelines on the seven themes. For example, there can be a big difference in how much a company deals with biodiversity and therefore there can also be differences in how it approaches reporting.

## Guidelines

# New guideline for accidents at work

In 2024, ATP specified guidelines for our portfolio companies in relation to climate and diversity, so that we can continuously monitor whether they are on the right track or whether they need a push in the right direction. Specifically, we focused on companies' reduction of scope 1 and 2 emissions and gender diversity in management, where we want to see an improvement in performance year on year.

In 2025, we have expanded our range of guidelines so that ATP now also has a guideline for accidents at work that applies to ATP's listed and unlisted portfolio companies.

The guideline specifies that the companies must report a falling number of accidents. This allows us to follow the company's performance and see if it is moving in the right direction. It also allows comparison with other companies in the same sector or geography.

The objective of the guideline is that there should be no accidents at all, however, we are realistic in our approach and recognise that there are differences between countries and sectors with some necessarily being more exposed than others. Unfortunately, companies can have all the relevant policies, procedures and initiatives in place, and things can still go wrong anyway.

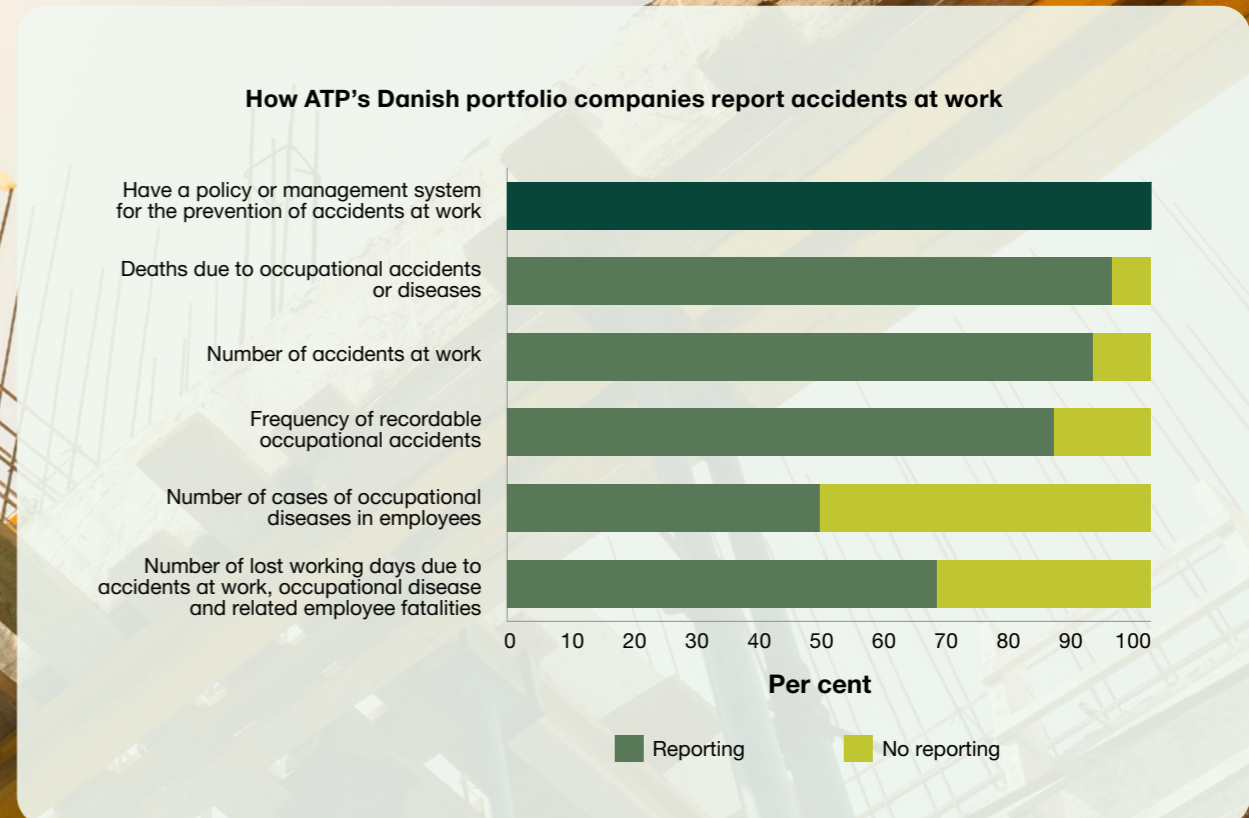
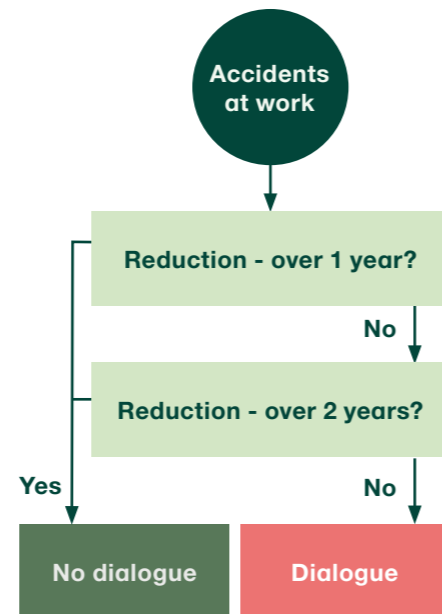
An accident at work is a sudden incident in connection with work which results in a person sustaining physical or mental injuries. In the most extreme cases, the consequence of an accident at work is the death of an employee, which unfortunately still happens in Denmark and abroad.

We can see that the majority of our Danish listed companies report on accidents at work. Although the level of reporting may vary across countries, we expect it to be an area that many companies will report on, and we encourage companies to report on the guideline if they are not already doing it.

However, we expect that some countries will have unreported figures as not all accidents at work are reported. It is therefore important to be able to compare with other companies or countries to see if there are companies that report an artificially low figure compared to what one might expect.

In its essence, the new guideline resembles the other two. We want to see a real impact at the companies and we expect them to offer good explanations if the figures go in the wrong direction. During the next year, ATP will develop its positions on the most typical explanations from the companies, so that we can work in a structured way as part of our stewardship.

### Guidelines for accidents at work



## Behind the ballot

### Centene Corporation: American health and insurance group

#### PROPOSALS SUBMITTED BY THE BOARD OF DIRECTORS

**Election of board members:** The board does not live up to our expectations when it comes to diversity, which is why ATP is voting against the members of the nominating committee. Since we vote against the company's remuneration package, our practice is to vote against the members of the remuneration committee. The remaining board members were supported by ATP. In doing so, ATP voted to elect five members and against six members of the board of directors. All members were elected at the annual general meeting.

**Election of auditor:** ATP had no objection to the choice of auditor. The auditor was elected.

**Remuneration:** In this case, remuneration exceeds our limits for what constitutes reasonable remuneration. That is why ATP voted against the remuneration package. The remuneration package was adopted.

#### SHAREHOLDER PROPOSALS

**Reports on efforts to reduce greenhouse gases in line with the Paris Agreement:** The proposal aimed that making Centene specify how they intend to reduce their emissions in order to comply with the Paris Agreement. Centene does not have reduction targets, leaving them behind competitors in this area. The report should analyse the pros and cons of such reduction targets. ATP voted in favour of the proposal. We believe that it is meaningful for the company to ensure that they meet the market standard. The proposal did not get a majority of the votes.

**Report on climate risks in employee pension funds:** A review is requested of the climate risks to the employees' pension savings. The company's current employee savings options allow employees to choose their risk appetite and preferences themselves. There are several options on the way that in the future will let employees choose ESG funds. ATP did not support the proposal as, in our optics, it does not concern company operations. The proposal did not get a majority of the votes.

### The Home Depot, Inc. American DIY chain

#### PROPOSALS SUBMITTED BY THE BOARD OF DIRECTORS

**Electing Supervisory Board members** ATP voted against reelecting the chairman of the board, who is also the company's CEO, as we believe these roles should be separate. Since we vote against the remuneration package, our practice is to vote against the members of the remuneration committee. Accordingly, ATP voted against five members and for the remaining seven board members. Last year, ATP voted against the nominating committee at Home Depot, which we did not do this year. This is because the company has addressed gender diversity on the company's board, so that it now meets ATP's expectations. All members were elected.

**Election of auditor:** ATP voted against the proposed auditor because we prefer the auditor to be replaced at least every 20 years to ensure independence. Home Depot has had the same auditor since 1979. The auditor was elected.

**Remuneration:** When companies combine the roles of CEO and chairman of the board into one, it means that the remuneration package must meet our requirements for both directors and board members. The remuneration in this case exceeds our limits for boards of directors. Firstly, the amount is too high, and secondly, we do not accept board members receiving variable remuneration. That is why ATP voted against the remuneration package. The remuneration package was adopted.

#### SHAREHOLDER PROPOSALS

**Request for an independent chairman of the board:** The proposal to split the roles of chairman and CEO is in line with ATP's positions, which is why we voted in favour of the proposal. The proposal was not adopted.

**Publish a biodiversity impact and dependence assessment:** Home Depot is the world's largest DIY store chain, and there is a risk that the company is contributing to biodiversity losses through its business activities, for example, through deforestation, waste management or pollution. The proposal recommends that the company publish a biodiversity impact assessment in line with the recommendations of the Taskforce on Nature-Related Financial Disclosures (TNFD). ATP voted in favour of the proposal. The proposal was not adopted.

**Report on efforts to reduce plastic consumption:** The proposer claims that the company does not disclose its total plastic consumption and that competitors have set targets to make their plastic recyclable and compostable. The proposal seeks to make The Home Depot, Inc. report on its efforts to reduce its plastic consumption. ATP believes that companies with such a significant footprint as The Home Depot, Inc. should take the lead in this work and therefore supported the proposal. The proposal was not adopted.

## Annual general meetings

# Annual general meetings in 2025

ATP votes at all annual general meetings of the companies in our global equity portfolio. Here we take a position on a wide range of proposals within corporate governance, such as elections to the board of directors, remuneration packages, etc.

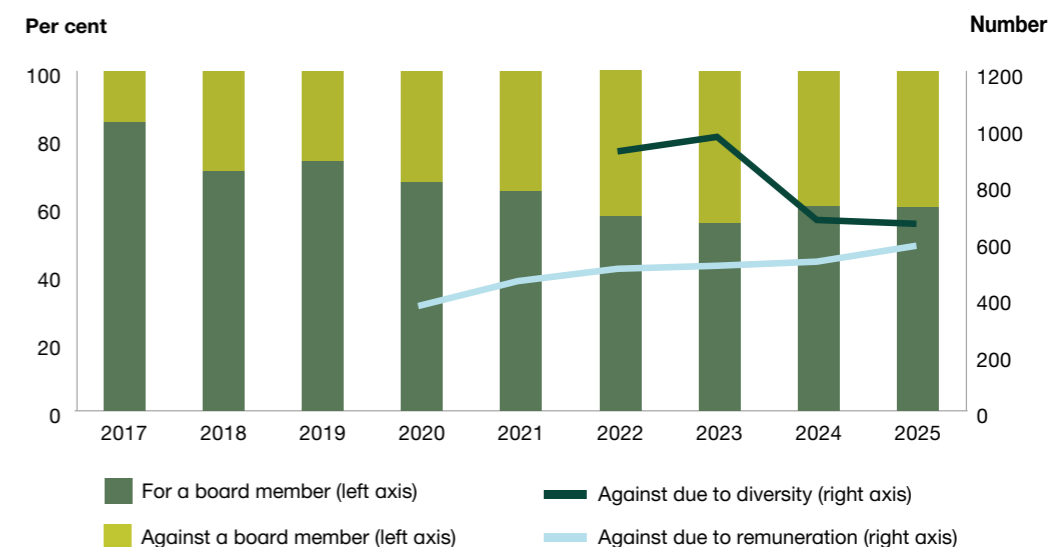
Our voting practices are constantly evolving as the world evolves. For instance, we can see that the number of shareholder proposals is stagnating and that their content is changing.

ATP is also constantly changing its practices, so that we, for example, vote against companies if the board does not meet our expectations in specific areas, such as remuneration and diversity.

All voting is available on an interactive portal at [ATP.dk](https://atp.dk)

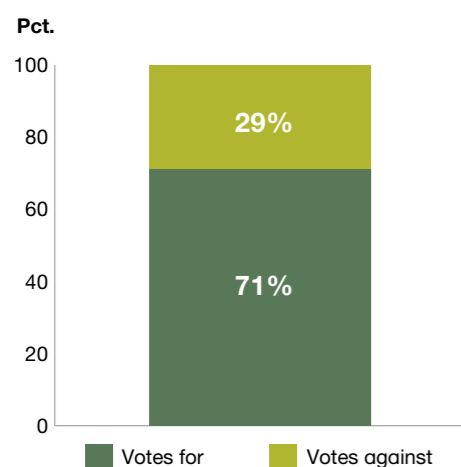
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ATP's votes for board members and reasons for voting against



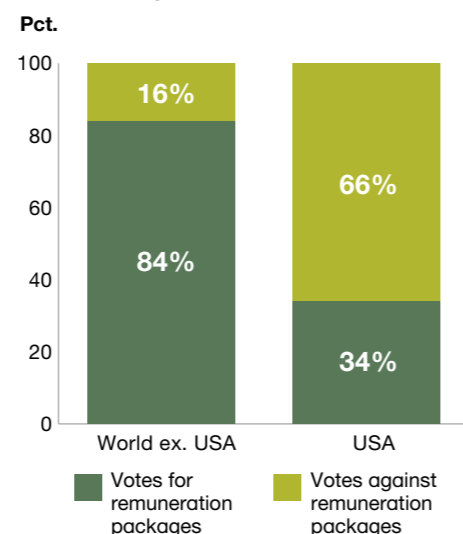
As we make more demands on companies in terms of remuneration and diversity, we vote against more board members where the board does not meet our expectations.

ATP's voting on board proposals



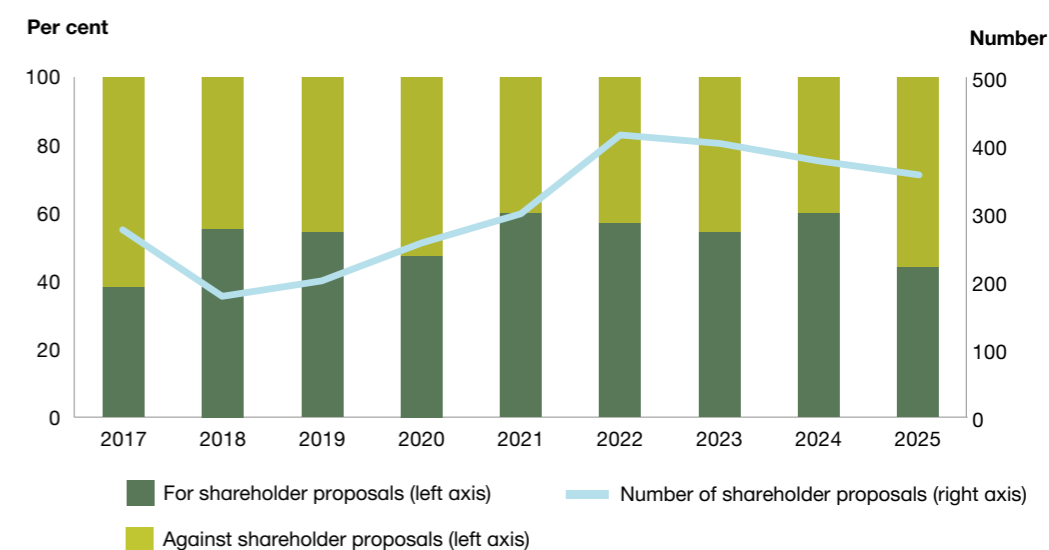
ATP supported the board in 71% of proposals in 2025.

ATP's voting on remuneration packages in and outside the US



ATP voted against significantly more remuneration packages in the US market than outside.

ATP's voting on shareholder proposals and number of shareholder proposals



The number of shareholder proposals has stagnated in recent years, and their content is also changing. In 2025, ATP has voted against more shareholder proposals than usual.

ATP publishes all its votes on an interactive portal at [ATP.dk](https://atp.dk/voting) [Atp.dk/voting](https://atp.dk/voting)

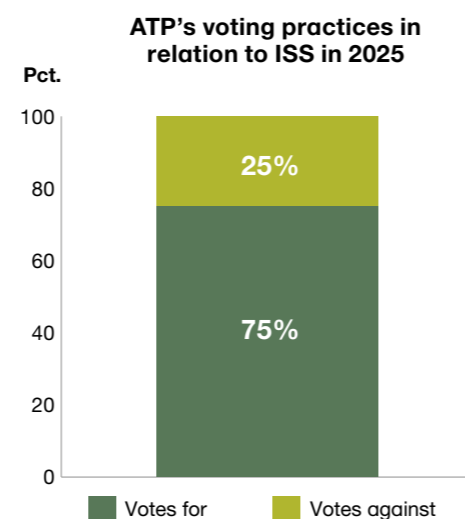
## Annual general meetings

# Key votes globally

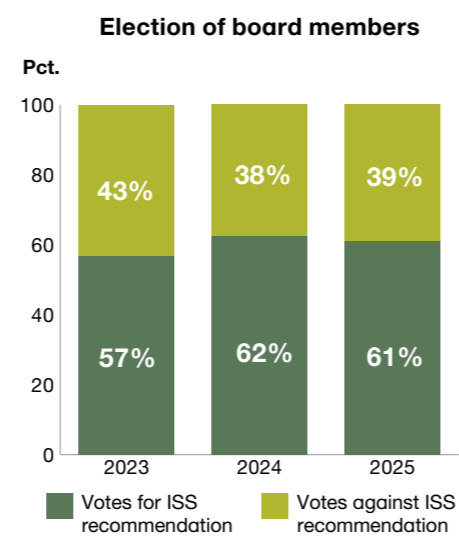
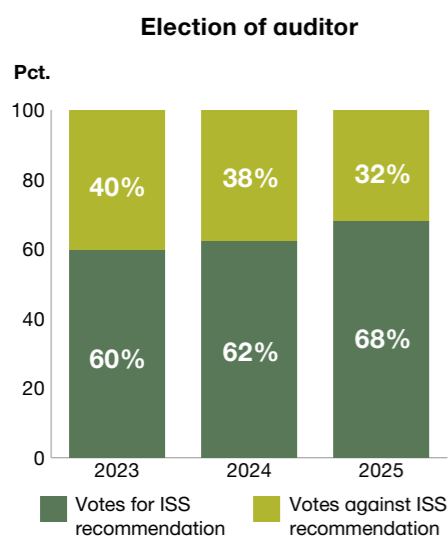
Being an active owner requires resources when deciding on proposals at annual general meetings in many different companies in different markets. This is particularly true in global markets where portfolios are typically widely diversified geographically and sectorally.

Many investors make use of a so-called voting consultant to help with the voting on global equities. ATP has opted for a solution in which we use data from a voting consultant, but make our own final decision on how we vote at a given annual general meeting.

In doing so, ATP dissociates itself from the voting proposals that ISS gives to their customers. This may be due, for example, to different approaches to when an auditor can be considered as independent, and that ATP places greater demands on board members where we will not support a proposal if the board does not meet our expectations in specific areas.



ATP makes its own decision on how to vote and votes against the recommendation of the voting consultant ISS in 25 per cent of cases.



In this report, ATP provides a number of examples of key votes in international companies to provide an indication of how ATP's ESG priorities translate into real votes on international equities. All ATP's votes can be seen at [atp.dk/voting](https://atp.dk/voting)

## Key votes at global companies' annual general meetings

Company	Topic	Comment
Starbucks Corporation	Diversity	Starbucks Corporation's 9-person board of directors consists of 7 men (78 per cent) and 2 women (22 per cent). ATP expects boards to have at least 30 per cent of the under-represented gender on the board. Accordingly, ATP voted against the election of the members of the nominating committee on the board of directors. The members were elected.
Mizuho Financial Group, Inc.	Diversity	Mizuho Financial Group's board of directors consists of 12 men (86 per cent) and 2 women (14 per cent). ATP expects at least 30 per cent of the underrepresented gender on boards. Accordingly, ATP voted against the members of the nominating committee. In this context, Mizuho Financial Group represents a relatively large share of ATP's Japanese companies, as only a few of them meet our diversity requirements. The Japanese market is going in the right direction, but there is still some way to go. The members were elected.
Canadian Imperial Bank of Commerce	Climate	A shareholder proposal was submitted to conduct annual indicative votes on the company's climate policy. The proposal intended to reduce the company's climate risks. ATP voted in favour of the proposal. 16 per cent voted in favour of the proposal.
Centene Corporation	Climate	At Centene's annual general meeting, a proposal was submitted that the company should report on efforts to reduce greenhouse gas emissions in line with the Paris Agreement. ATP voted in favour of the proposal. 23 per cent voted in favour of the proposal.
McDonald's Corporation	Climate	The proposal aimed at making McDonald's Corporation publish an assessment of whether they are capable of meeting their 2030 and 2050 climate targets or whether additional plans are needed. ATP believes it is meaningful to shareholders that McDonald's improves its reporting on the actions needed in the supply chain in order for the company to meet their climate targets. ATP voted in favour of the proposal. 10 per cent voted in favour of the proposal.
Meta Platforms, Inc.	Climate	The shareholder proposal requested a climate transition plan designed to increase renewable energy capacity. Meta's data center expansions mean that electricity consumption has increased by 200 per cent and the resulting greenhouse gases have doubled since 2019. ATP focuses on absolute emissions of greenhouse gases. Naturally, expansion can lead to an increase in emissions, but Meta is less ambitious in this area than its peers, who have focused more on renewable energy in data centres. ATP voted in favour of the proposal. 3 per cent voted in favour of the proposal.
Simon Property Group, Inc	Remuneration	The CEO was paid USD 62 million, which exceeds ATP's limits on remuneration. ATP therefore voted against the company's 'say-on-pay' as well as the members of the remuneration committee on the board of directors. 47 per cent voted in favour of the proposal, meaning that a majority opposed it – however, the 'say-on-pay' proposal is only indicative for the companies. It is therefore not certain that it will lead to a change.
Starbucks Corporation	Remuneration	The CEO was paid USD 87 million, which exceeds ATP's limits on remuneration. The remuneration of the CEO is equivalent to 6,666 times the median salary of an employee (CEO ratio) at Starbucks. The CEO ratio itself is not necessarily important, but at this level it can be an indication of a problematic divergence. ATP voted against the company's 'say-on-pay' as well as the members of the remuneration committee on the board of directors. 86 per cent voted in favour of the proposal.
Ross Stores, Inc.	Remuneration	The CEO was paid USD 49.7 million, which exceeds ATP's limits on remuneration. The remuneration of the CEO is equivalent to 1,770 times the median salary of an employee (CEO ratio) at Ross Stores. The CEO ratio itself is not necessarily important, but at this level it can be an indication of a problematic divergence. ATP voted against the company's 'say-on-pay' as well as the members of the remuneration committee on the board of directors. 98 per cent voted in favour of the proposal.