

# Statutory Report on the Gender Composition of Management, cf. Section 99b of the Danish Financial Statements Act

Pursuant to section 139a of the Danish Companies Act, Brødrene A & O Johansen A/S has set target figures for the gender composition of the supreme management body and prepared a policy to increase the proportion of the underrepresented gender at the Company's other management levels.

This statutory report on the gender composition of Brødrene A & O Johansen A/S' management is part of the Management's Review in the Annual Report for 2016 and covers the period 1 January – 31 December 2016.

Brødrene A & O Johansen A/S is the only Danish company in the Group covered by the rules. Therefore, this report only includes Brødrene A & O Johansen A/S (hereinafter called AO).

## **BOARD OF DIRECTORS**

It is the Company's goal that the Board of Directors is composed in such a way that it is effectively able to perform its tasks related to strategy development, management and control. The Company will seek to nominate candidates whose profiles and skills are best suited for the Company and assessed to be needed in connection with the Company's present and future activities, development and challenges, as it is considered best for the Company as a whole. When candidates for the Board of Directors are to be nominated, gender is considered with due regard to the Company's other recruitment criteria, including requirements for professional qualifications, industry experience, educational background, etc.

In 2013, the Board of Directors decided that the shareholder-elected Board members are to be composed of 1 woman and 4 men on or before the Annual General Meeting to be held in 2017.

In 2016, the gender distribution of the Company's shareholder-elected Board members is the following: 0 women and 5 men (2015: 0 women and 5 men).

In 2016, the Board of Directors has reviewed the composition of the Board, but has found no reason to make any changes, as the Company's requirements regarding skills and qualifications are covered.

Consequently, it is not possible to reach the target figure set for the gender composition of the Board of Directors at the 2017 Annual General Meeting.

On these grounds, the Board of Directors has decided to reassess the time frame, meaning that the shareholder-elected Board members are to be composed of 1 woman and 4 men on or before the 2019 Annual General Meeting.

This target figure reflects the overall composition of men and women in the Company's workforce (approx. 20% women and approx. 80% men). The Board of Directors still finds the target figure both realistic and ambitious when compared with other players in this line of business.

## **OTHER MANAGEMENT LEVELS**

In addition, the Company has prepared a policy to increase the proportion of the underrepresented gender at the Company's other management levels

The overall goal of the policy is to create a good and versatile workplace that promotes equal career opportunities for both women and men in AO.

It is AO's plan that the gender composition at other management levels shall, in the long term, reflect the overall gender composition of the Company's workforce. At the end of 2016, the gender composition of the Company's workforce is 18% women and 82% men.

In 2016 AO has focused on the following initiatives to increase the proportion of the underrepresented gender:

- All management positions are posted internally, and employees are encouraged to apply for the positions regardless of gender. AO focuses on encouraging qualified candidates of both genders to apply for any position.
- A good balance between work life and personal life is ensured through staff development interviews, and a clarification of the individual employee's own wishes for training needs and career development is established.
- Professional and personal skills development is offered, and there is particular focus on encouraging both genders to develop their management skills.
- The setting of target figures for the gender composition at other management levels.

The initiatives completed in 2016 have not had the desired effect. In 2016 the target for the gender composition at other management levels has therefore not been reached, as the gender composition is 9% women and 91% men at 31 December 2016. It is unchanged compared to 2015: 9% women and 91% men. However, the average proportion of women participating in management courses is 14%, and hopefully it will have an indirect influence on the proportion of women at other management levels in the coming years.

In 2017, AO will review the planned actions and activities in order to assess whether further initiatives have to be made to meet the goals.

The goal for 2017 is to achieve a proportion of women managers of at least 11%. This target figure is in line with the gender composition of the industries with which the Company compares itself, and from which it traditionally recruits employees.

## **REPORTING AND REVIEWING**

The target figures are not to be understood as fixed and unalterable quotas, as the most important thing is that the Company's managers have the necessary skills. Instead, target figures and policy for the gender composition serve to raise awareness of the gender composition in such a way that it becomes a fundamental part of assessments on an equal footing with professional and management skills, when the Company recruits or appoints managers.

The Company's Board of Directors checks the target figures, the policy, actions, and results once a year in order to review and adjust the set target figures and the prepared policy for the development of the Company.