

Statutory Report on 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 2018 and covers the period 1 January – 31 December 2018.

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

Our goal is 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. We will seek to nominate candidates whose profiles and skills are best suited for the Company taking into consideration AO's present and anticipated activities, development and challenges. 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 2018, the Board of Directors considered the composition of the Board, but found no reason to make any changes, as the Company's present and anticipated requirements regarding skills and qualifications are covered.

The gender composition of the Company's shareholder-elected Board members is thus unchanged in 2018: 0 women and 5 men (2017: 0 women and 5 men).

In 2018, the Board of Directors made a new assessment of the target figure set for the composition of the Board. It was decided to maintain a target figure of 20% for the underrepresented gender of the Board of Directors, so 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 2022.

This target figure reflects the overall composition of men and women in the Company's workforce. In the light of the above, the Board of Directors still finds the target figure both realistic and ambitious, also when compared with other players in this line of business.

OTHER MANAGEMENT LEVELS

In addition, the Board of Directors has prepared a policy to increase the proportion of the underrepresented gender at the Company's other management levels defined as the Executive Board, functional managers, store managers and functional mid-level managers.

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.

Our plan is that the gender composition at other management levels shall, in the long run, reflect the overall gender composition of the Company's workforce. At the end of 2018, the gender composition of the Company's workforce was 19% women and 81% men (2017: 19% women and 81% men).

The goal for 2018 was to achieve a proportion of women managers at other management levels of at least 11%.

In 2018, we made a new assessment as to whether the planned actions and activities are sufficient to reach our target for the proportion of women managers at other management levels of the Company. It is our assessment that the initiatives will have a positive long-term effect, and therefore we do not, at present, find any cause to change the initiatives to increase the proportion of women managers.

In 2018, we have once again focused on the initiatives mentioned below to increase the proportion of women managers:

- All management positions are posted internally. We focus 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 own management skills.
- The setting of target figures for the gender composition at other management levels.

In 2018, the proportion of women managers was 11% against 9% in 2017. Our target for the year has therefore been met.

In 2018, the average proportion of women participating in management courses was 10% (2017: 12%) which is marginally lower than in 2017.

We have decided to set a goal for the proportion of women managers at other management levels at a minimum of 11%.

REPORTING AND REVIEWING

The set 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 the assessment on an equal footing with professional and management skills, when the Company recruits or appoints managers.

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