

# **Targets and policies for the underrepresented gender and diversity in management**



## Contents

1	Purpose .....	3
2	Regulatory framework .....	3
3	Targets for gender distribution on the Board of Directors .....	3
4	Targets for gender distribution at other management levels .....	4
	4.1 Focus areas .....	4
	4.2 Objectives .....	4
5	Policy for diversity on the board .....	5
6	Reporting requirements .....	5
	6.1 Requirements as to form .....	5
	6.2 Content requirements .....	5
	6.3 Disclosure on website .....	6
7	Policy update .....	6

## 1 Purpose

The purpose of the policies and the targets set herein is:

- To fulfil the requirement to set targets for the proportion of the underrepresented gender on the Board of Directors and at other management levels.
- To define a policy for increasing the proportion of the underrepresented gender at other management levels.
- To define a policy for diversity on the Board of Directors.
- To establish the requirements for reporting.

Furthermore, it is noted that other levels of management in the applicable law<sup>1</sup> are defined as below:

- a) *"The first management level below the supreme governing body"*, which consists of the Executive Board and the persons who are organisationally at the same management level as the Executive Board; and
- b) *"The second management level below the supreme governing body"*, which includes persons with personnel responsibilities and who report directly to the first management level.

## 2 Regulatory framework

Danish Ship Finance (hereinafter "DSF") is subject to section 79a of the Danish Financial Business Act and is hereby obliged to:

- Set separate targets for the proportion of the underrepresented gender; one for the Board of Directors and one for other management levels.
- Define ambitious and realistic targets for the proportion of the underrepresented gender. For the company's supreme governing body, the time horizon should be set at a maximum of four years, whereas for other management levels, there are no time horizon requirements. However, the natural turnover of employees should be considered.
- Develop a policy to increase the proportion of the underrepresented gender at the company's other management levels.
- The Board of Directors of a financial undertaking is furthermore obliged, cf. section 70, to establish a diversity policy for the Board of Directors that promotes sufficient diversity in qualifications and competences among the members of the Board of Directors.

The reporting requirements are found in section 139c of the Danish Companies Act, section 99b of the Danish Financial Statements Act and section 135a of the Executive Order on Financial Reports for Credit Institutions.

The requirements are specified in the "Guidelines on targets and policies for the gender composition of management for reporting on this", hereinafter "the guidelines".

## 3 Targets for gender distribution on the Board of Directors

A target must be set for the proportion of the underrepresented gender on the Board of Directors. This target only concerns the members elected by the general meeting. Upon achievement of the previous target or at the end of the time horizon, new, higher targets must be set.

In the case of an equal distribution of men and women on the Board of Directors or at other management levels, DS is not obliged to set a target or prepare a policy. Gender balance is defined as a 40/60 distribution between women and men, or the number/percentage that is closest to 40%. The guidelines provide an overview of different gender compositions that, despite a different percentage distribution, are deemed to reflect gender balance. The Board of Directors consists of eight board members elected by the general

---

<sup>1</sup> Act no. 568 of 10 May 2022

meeting. Thus, a gender distribution of three persons of one gender and five of the other gender is considered equal.

The Board of Directors elected by the general meeting currently consists of eight men. The goal is to have one female member elected to the board in 2024, corresponding to 12.5%.

The shareholders elect board members at the general meeting. When new board members are elected, the objective of electing a female board member will be a significant criterion, but it will not take precedence over the requirements set by the board for competence and experience. For example, if a member's resignation results in a lack of special competences, the professional requirements will take precedence. Similarly, the selection process will include an increased focus on diversity in terms of competences and background. This is elaborated on further in section 5.

## **4 Targets for gender distribution at other management levels**

A single target must be set for the proportion of the underrepresented gender at other management levels. If the current target is reached, it must be increased until gender balance is achieved. The first management level under the supreme governing body is the Executive Board, which consists of two men. The second management level below the supreme governing body consists of ten department managers: six men and four women. The department managers have personnel responsibilities and report directly to a member of the Executive Board.

The gender distribution among all employees is approximately one-third women and two-thirds men.

### **4.1 Focus areas**

To promote gender balance at other management levels, a number of focus areas have been established:

- Equal opportunities for women and men must always be considered when hiring new employees and appointing existing employees. This applies to both the recruitment and appointment of members of the Executive Board, executive management, and heads of department. Potential candidates are assessed based on education, experience, and personal qualities. Applicants are not prioritised based on gender alone.
- All employees are offered the opportunity for further education or training. This opportunity can, for example, be given after consultation with their immediate manager during an employee development interview or be used to acquire a management qualification.

In addition to sparring with management colleagues, existing managers have the opportunity for external coaching in managerial tasks and challenges. These focus areas help to ensure that members of an underrepresented gender also have the opportunity to take on managerial tasks.

In the most recent election of employee representatives to the board, one woman and three men were elected. Employees choose which candidates run and which are elected.

### **4.2 Objectives**

The turnover rate in internal management positions is low and the number of positions is limited. DSF has a target that the underrepresented gender should represent 12.5% of the members elected by the general meeting on the Board of Directors and at least 40% of the two other management levels by 2025. The target for other management levels includes the Executive Board and managers who report directly to a member of the Executive Board and have personnel responsibilities.

## 5 Policy for diversity on the board

DSF sees diversity as a strength that can contribute positively to the company's development and should be promoted at all levels of the organisation, including the highest governing body (the Board of Directors). As part of this, it is the board's ambition that the Board of Directors and other management layers are composed based on diversity in competences and background, including education, professionalism, professional experience, gender, and age.

When recruiting candidates for the Board of Directors, the aim is to attract candidates with different competences, backgrounds, knowledge, and resources that match the company's business model, risk profile and action plans.

## 6 Reporting requirements

### 6.1 Requirements as to form

DSF must report annually on the fulfilment of the targets and when these are expected to be fulfilled, as well as the policies for the underrepresented gender and diversity, in conjunction with the Management Report. The reporting must be done in a supplementary report to the Management Report, and this must be included in the Sustainability Report, which is now an integrated part of the Annual Report. The report on gender distribution and information on how DSF fulfils the requirements for establishing a diversity policy for the Board of Directors can be provided together.

There is a requirement for disclosure of:

- The main content of the policy.
- The most important actions taken during the financial year to achieve the target and to translate the policy into action.
- The status of the achievement of the target, i.e. what has been achieved and (if applicable) the reason why the target has not been met.

In addition, an overview must be prepared as of the accounting date, showing the number of people on the Board of Directors and at other management levels, as well as the percentage of the underrepresented gender. The overview must include the relevant figures for the current financial year and the four previous financial years. The report must cover the same period as the accounting period of the Annual Report.

The statement shall be available to shareholders from the time the Annual Report is available prior to the general meeting at which the Annual Report is to be approved.

The report must be available on the website for at least five years and must be digitally labelled so that it is available in a digitally readable format that can be accessed on [virk.dk](http://virk.dk).<sup>2</sup>

### 6.2 Content requirements

The report on the achievement of targets must:

- State the target set and the time horizon for the expected fulfilment of the target; however, this should be no more than four years for the company's supreme governing body (the Board of Directors).
- Disclose the current proportion of women and men on the Board of Directors.
- Disclose the current proportion of women and men at other management levels.
- Disclose whether the set target has been met or not met.
- If the target has not been met, state the reasons why.

The statement should be disseminated to other relevant internal documents, and it should be considered how to communicate both internally and externally about the new targets and policies.

---

<sup>2</sup> ERST is planning a website where the reported information on the company's gender diversity will be made available.

This reporting should be done annually and should specifically address what has been done to fulfil the target.

The policy statement must include a description of:

- The specifics of the company's policy to increase the proportion of the underrepresented gender,
- How the company translates its policies into action, including any systems or procedures for doing so.
- The company's assessment of what has been achieved as a result of the company's work on gender composition during the financial year, as well as any expectations for the company's future work.

### **6.3 Disclosure on website**

The report on the gender composition of management, including both the Board of Directors and other management levels, must be included in the Management Report, but may be included as a separate section (the report will appear in the Sustainability Report, which is now an integral part of the Annual Report), which is published on the website.

It must be stated in the management commentary that the report has been published on the website, and the direct internet address (URL) for the report must be provided.

## **7 Policy update**

The policy shall be updated in the event of significant changes or renewed no later than March 2025. The policy is approved by the Board of Directors.