

Document P-MI -09.06 – 7 March 2022

14 February 2022

Document P-MIH 01.5-7 March 2022

MS/EUC/MFM

Policy concerning the diversity of the Board of Directors and other management levels

Goals for the coming four years

This policy will support the Board of Directors' decision in March 2022 in Fondsmæglerselskabet Maj Invest A/S and Maj Invest Holding A/S, respectively, concerning new target figures for, respectively, (i) the ratio of the under-represented gender in the Board of Directors; and (ii) the ratio of the under-represented gender at other management levels for the period from **1 March 2022 to 30 March 2026**:

- Target figure of **40 per cent** for the ratio of the under-represented gender in the Board of Directors in the period from 1 March 2022 to 30 March 2026 and
- Target figure of **40 per cent** for the ratio of the under-represented gender at other management levels in the period from 1 March 2022 to 30 March 2026.

The target figures are fixed for the coming four-year period in accordance with the recommendations of the Danish Business Authority. It is expected that it will take a period of at least four years for both target figures to be achieved.

The target figure of 40 per cent was selected as this is the starting point for when a gender is under-represented in practice. When a gender distribution in which neither of the two genders is represented by less than 40 per cent is achieved, there is no obligation to set target figures or draw up a policy to increase the ratio of the under-represented gender.

Other management levels comprise the Executive Board, registered and non-registered executive directors, and department managers with either personnel responsibility or professional responsibility.

About this policy in general

This policy applies to Fondsmæglerselskabet Maj Invest A/S (“Fondsmæglerselskabet Maj Invest”), Maj Invest Holding A/S (“Maj Invest Holding”) and their employees, collectively termed (“Maj Invest”). The policy will ensure Maj Invest’s compliance with

- (i) Section 70(1) para (4) of FIL (the Danish Financial Business Act) and Section 67(1) of the Danish Act on Investment Firms, etc. whereby the Board of Directors must adopt a policy for diversity in the Board of Directors to “promote sufficient diversity in the qualifications and expertise of the members of the Board of Directors”; and
- (ii) Section 79a of FIL and Section 71(1) of the Act on Investment Firms, etc.; and contribute to Maj Invest’s promotion of diversity, including increasing the “ratio of the under-represented gender at the company’s other management levels”, cf. Section 79a(2) of FIL and Section 71(1) of the Act on Investment Firms, etc.

Maj Invest has drawn up an overall policy to ensure Maj Invest’s compliance with the provisions.

Overall objective

The long-term objective is that, as far as possible in view of its relatively small organisation, Maj Invest should reflect the surrounding society and client segment, in particular with regard to gender and gender identity, but also e.g. nationality and ethnicity, where possible. Reflection of the surrounding world and clients – i.e. greater diversity – is expected to contribute positively to making Maj Invest an attractive choice for clients and for present and future employees. The aim is thus for increased diversity to have a positive effect on the company in general.

Internally, the objective is a culture that makes employees feel welcome and included, irrespective of age, ethnicity, gender, gender identity, sexuality, etc., and that offers equal opportunities without any discrimination based on age, ethnicity, gender, gender identity or sexuality.

At Board of Directors level – within the framework of the ownership of the company, rules concerning fit & proper, the size of the Board and the need for Board continuity – there is a wish to promote diversity, in particular with regard to *educational, business and personal experience, and, to a certain extent, gender and age*. Diversity may not be at the expense of the need for representation of relevant professional/financial experience and continuity, and the shareholder’s need for representation on the Board of Directors.

As a consequence of the Maj Invest organisation's limited size and relatively few vacant/new positions to be filled, there are only limited decision-making processes in the course of a year that provide an opportunity for active promotion of diversity. The policy is therefore targeted at *soft measures* such as transparency and awareness, and to a limited extent on *hard measures* (quotas and fixed prioritisation), apart from the overall objectives.

Strategy to achieve goals (soft measures)

Recruitment to the Board of Directors and promotion of diversity at other management levels must both take place on a transparent and informed basis. To the relevant extent, recruitment and organisational development must include diversity based on *soft measures*:

- Awareness of Maj Invest's current diversity in the organisation, target figures, etc. – compared with sector figures, if possible.
- Attention must be paid to the requirements made concerning e.g. recruitment and evaluation, including any unconscious *bias*.
- Managerial responsibility for ensuring good conduct, a good working environment and no unjustified unequal treatment – and decision-making processes to promote this. Employees must receive equal pay for the same work, or work of the same value, irrespective of gender, gender identity, age, ethnicity and sexuality, etc., and employees may not suffer discrimination on these grounds concerning their opportunities at the workplace, including promotion, work tasks and education and training.

Operational targets

Recruitment to the Board of Directors includes “best practice”. As far as possible, the process must include (i) current Board members' experience from other Board work and networks; (ii) mapping of existing *educational, business and personal experience, as well as gender and age*, in the Board of Directors, and – to the relevant extent; (iii) inclusion of the aforementioned *soft measures*.

In the work on *diversity in the organisation*, the ten key points of Finanssektorens Arbejdsgiversforening (Danish Employers' Association for the Financial Sector) for working with diversity are only partly relevant for a small organisation, but the following may be applied, if relevant:

- Identify inappropriate requirements, routines, procedures and stereotypes that are based on unconscious bias
- Review recruitment procedures

- Set realistic goals, with ongoing evaluation

Prior to the annual employee performance reviews, the Executive Board and management may consider:

- How do we ensure employee involvement and support for diversity?
- Which activities and conditions are required to promote diversity?

The Executive Board and management may include the following in employee development and appointment:

- Focus on working conditions that are favourable for employees irrespective of gender, gender identity and ethnicity, etc.
- Framework for the individual's career development and spotlighting of talent
- Focus on diversity when new appointments are made, including job advertisements that attract a broad field of candidates

The methods chosen depend on the current diversity at management level and within the organisation.

Reporting and follow-up

Discrimination may be reported to Maj Invest's Executive Board, department managers or compliance officer. The recipient of a report is responsible for escalation to the next governance level, i.e. to the Chairman of the Board of Directors or the Executive Board.

Prior to the annual employee performance reviews, the Executive Board may consider whether there is a need to follow up on:

- Methods to promote diversity
- Events during the year and/or reporting of discrimination

Infringement and revision

In the event of non-compliance with the Policy, the Executive Board must notify the Board of Directors. In collaboration with the Board of Directors, the Executive Board will take the measures necessary to ensure that the Policy is complied with once again.

The Policy will be revised annually by Maj Invest's Executive Board, or as required, including on any significant changes in the underlying conditions, and will be approved by Maj Invest's Board of Directors.

Entry into force

This policy enters into force on its signing by the Board of Directors.

Fondsmæglerselskabet Maj Invest:

Chairman of the Board of Directors Tommy Pedersen	Board member Maria Helene Hjorth	Board member Nils Bernstein
Board member Jørgen Tang-Jensen	Board member Kirsten Slot	Board member Søren Krag Jacobsen

Maj Invest Holding:

Chairman of the Board of Directors Tommy Pedersen	Board member Maria Helene Hjorth	Board member Nils Bernstein
Board member Jørgen Tang-Jensen	Board member Anders Møller Olesen	Board member Kirsten Slot
Board member Søren Krag Jacobsen		

Adopted by the Executive Board:
