



REMUNERATION REPORT 2021

REMUNERATION REPORT



The fundamentals of our business continue to be strong, and we're looking forward to the next stage of our strategic journey.

Richard Burrows
Chair of the Remuneration Committee

The Carlsberg Group's Remuneration Policy balances our short-term and long-term performance, taking into consideration our business strategy, our purpose of brewing for a better today and tomorrow, and our aim to deliver value for shareholders.

2021 was a strong year for the Carlsberg Group despite the continued challenges posed by COVID-19. As was the case in 2020, our main focus remained the health

and wellbeing of our people and at the same time ensuring the health of our business.

Performance against our key financial metrics was strong, and ongoing cost mitigation efforts continue to enable us to reinvest in marketing spend and other growth-focused activities.

In 2021, the Supervisory Board increased the weighting of Environmental, Social and Governance (ESG) performance in

the annual bonus plan to 20%, with the focus being to deliver against our Together Towards ZERO targets and build a more diverse and inclusive workplace.

Accordingly, annual incentive payments to the Executive Board recognise this performance and the strong delivery of our annual business plan against the tough external trading environment.

Longer term, in the three-year period ending in 2021, the business fundamentals and results continued to be very strong. Total shareholder return was above the upper quartile against the peer group. ROIC and earnings per share developed strongly, even with significant headwinds in 2020.

The variable remuneration of the Executive Board for 2021 reflects the strong performance of the key business metrics, including the share price, which were above or around pre-COVID levels despite the continued very difficult operating environment.

The remuneration outlined in this report complies in full with the Carlsberg Group's approved Remuneration Policy.

LOOKING AHEAD

As of 2022, our focus will shift beyond SAIL'22 onto the next phase of our strategic journey: SAIL'27. The Supervisory Board will continue to review incentive arrangements to ensure that our plans support the short- and long-term strategic vision of the Carlsberg Group.

In particular, the Board will continue to focus on the ever-increasing ambition of the Company in regard to ESG. Accordingly, the Remuneration Committee has agreed to make ESG a standing item on the Committee's agenda and will review whether it would be appropriate to also include ESG in the long-term incentive from 2023, which will be the first effective year of SAIL'27.

Group performance

Performance indicator	2021	2020	2019	2018	2017
Volume, organic growth	+7.4%	-3.8%	+0.1%	+4.8%	-2%
Revenue, organic growth	+10.0%	-8.4%	+3.2%	+6.5%	+1%
Operating profit, organic growth	+12.5%	-3.1%	+10.5%	+11.0%	+8.4%
Operating margin, reported	16.3%	16.6%	15.9%	14.9%	14.6%
Free cash flow, DKKm	8,876	5,057	9,962	6,156	8,680
Return on invested capital (ROIC)	10.3%	8.9%	8.8%	8.1%	6.9%

REMUNERATION COMMITTEE

The Carlsberg Group’s remuneration approach is set out in the Remuneration Policy. It is designed to enable recruitment and retention of individuals with the expertise and ability required to run a growing international company, and to do so in a way that drives our business success and rewards executives when shareholders are rewarded. Levels of fixed remuneration are set based on individuals’ experience and contribution, and in the context of the external market.

While we do not seek to adhere rigidly to market benchmarks, we monitor and take into account pay

levels and incentive opportunities in the principal markets from which we recruit: our European brewing and spirits peers, the consumer goods sector, as well as companies across industry sectors in the Nordic region.

Many of our investors – including our majority shareholder – are long-term holders of our shares. We want our executives to share our shareholders’ perspective and believe remuneration should align their interests accordingly. The balance between the short-term remuneration package and long-term share-based pay and shareholding requirements strengthens this alignment.

The Remuneration Committee did not propose any changes to the pay

structure in 2021 and confirms that there were no deviations from the Remuneration Policy in 2021.

The Company’s full Remuneration Policy for the Supervisory Board and Executive Board as well as guidelines for incentive programmes as approved at the Annual General Meeting on 16 March 2020 are available on the Company’s website.

MAIN ACTIVITIES IN 2021

In 2021, the main activities of the Remuneration Committee were:

- Preparing the 2020 Remuneration Report in line with new reporting standards under the EU Shareholder Rights Directive.
- Increasing the weighting of ESG in the short-term incentive plan from 2021 onwards as well as considering inclusion in the long-term incentive.
- Amending the peer group for total shareholder return to better align with our most direct industry peers (see page 7 for full peer group).
- Reviewing the approach to target setting for, and ongoing performance against, STI and LTI plans in light of the uncertain business environment.
- Considering the incentive arrangements in light of the developing future business strategy.

Remuneration Committee meetings

Committee member	Committee meetings attended
Richard Burrows (Chair)	🍷🍷🍷🍷🍷
Magdi Batato ¹	🍷🍷🍷🍷🍷
Domitille Doat-Le Bigot ¹	🍷🍷🍷🍷🍷
Søren-Peter Fuchs Olesen	🍷🍷🍷🍷🍷
Henrik Poulsen ¹	🍷🍷🍷🍷🍷
Flemming Besenbacher ²	🍷🍷🍷🍷🍷

¹ Independent. ² Not a member of the Committee; attends meetings in his capacity as Chair of the Supervisory Board.

🍷 Attended meeting. 🍷 Not a Committee member at the time.

THE COMMITTEE’S RESPONSIBILITIES

The Carlsberg Group’s Remuneration Committee is responsible for the Remuneration Policy (including the general guidelines for incentive programmes) for all members of the Supervisory Board and the Executive Board, for making proposals on changes to the Remuneration Policy, and for obtaining the approval of the Supervisory Board prior to seeking shareholders’ approval at the Annual General Meeting.

The Committee is responsible for making proposals to the Supervisory Board on the actual structure and content of the remuneration packages of members of the Supervisory Board and the Executive Board, in accordance with the policy approved by the shareholders.

The Committee advises the Supervisory Board on any major changes to the policy on senior employee remuneration structures for the Group, including for the Executive Committee. The Committee’s Terms of Reference, which govern how it operates, are approved by the Supervisory Board and are available on the Company’s website.

REMUNERATION OF THE SUPERVISORY BOARD

The members of the Supervisory Board of Carlsberg A/S are remunerated for duties performed in the Company.

The remuneration of the Supervisory Board consists of a fixed annual base fee. The Chair receives a single fee of four-and-a-half times the base fee and no additional fees for any committee work.

The fees are reviewed, but not necessarily increased, each year, taking into account market practice with reference to an international peer group, as well as the need to

attract and retain high-calibre individuals.

Members of the Supervisory Board are not included in share incentive programmes, retirement benefit plans or other benefit plans.

REMUNERATION IN 2021

The remuneration of the Supervisory Board for 2021 was approved by the Annual General Meeting on 15 March 2021.

The fees for members of the Supervisory Board for the financial year 2021 and additional fees are shown in the table on page 5.

BOARD SHAREHOLDINGS

The number of shares in Carlsberg A/S held by Supervisory Board members, including holdings of related parties, is shown in the table below.

No member of the Supervisory Board owns shares or bonds in any of the subsidiaries or associates of Carlsberg A/S.

Supervisory Board remuneration

	Base fee (DKK thousand)	Additional fee (as % of base fee)
All Supervisory Board members	412	
Chair of the Supervisory Board		350%
Deputy Chair of the Supervisory Board		50%
Chair of the Audit Committee		113%
Chair of the Remuneration Committee and of the Nomination Committee		50%
Member of board committee (per committee)		38%

Supervisory Board committee membership

	Audit	Nomination	Remuneration
Flemming Besenbacher (Chair)		Chair	
Henrik Poulsen (Deputy Chair)	Member	Member	Member
Carl Bache		Member	
Magdi Batato	Member		Member
Lilian Fossum Biner		Chair	
Richard Burrows	Member	Member	Chair
Lars Fruergaard Jørgensen		Member	
Søren-Peter Fuchs Olesen			Member

Supervisory Board members' holdings of shares in Carlsberg A/S

		Number			DKK million	
		1 Jan. 2021	Additions	Sold	31 Dec. 2021	Market value
Flemming Besenbacher	B shares	1,850	200	-	2,050	2.32
Henrik Poulsen ¹	B shares	-	3,056	-	3,056	3.45
Hans Andersen	B shares	1	-	-	1	-
Carl Bache	B shares	-	-	-	-	-
Magdi Batato	B shares	101	100	-	201	0.23
Lilian Fossum Biner	B shares	250	-	-	250	0.28
Richard Burrows	B shares	2,040	-	-	2,040	2.30
Eva Vilstrup Decker	B shares	68	-	-	68	0.08
Lars Fruergaard Jørgensen	B shares	152	-	-	152	0.17
Finn Lok	B shares	-	-	-	-	-
Erik Lund	B shares	54	-	-	54	0.06
Søren-Peter Fuchs Olesen	B shares	652	-	-	652	0.74
Peter Petersen	B shares	-	-	-	-	-
Majken Schultz	B shares	-	-	-	-	-
Lars Stemmerik	B shares	-	-	-	-	-
Total		5,168	3,356	-	8,524	9.63

¹ Shareholding acquired prior to joining the Supervisory Board

CHANGES IN SUPERVISORY BOARD REMUNERATION

In 2021, the remuneration of Lars Fruergaard Jørgensen decreased by DKK 0.25m as he stepped down as Deputy Chair and from the Audit Committee during 2021.

Henrik Poulsen joined the Supervisory Board during 2021.

Remuneration of the Supervisory Board

DKK million	2021			Change	2020	Change	2019	Change	2018	Change	2017
	Base fee	Additional Fee	Total fee								
Flemming Besenbacher	0.41	1.44	1.85	-	1.85	-	1.85	-	1.85	-	1.85
Henrik Poulsen	0.33	0.53	0.86	-	-	-	-	-	-	-	-
Hans Andersen	0.41	-	0.41	-	0.41	-	0.41	-	0.41	-	0.41
Carl Bache	0.41	0.16	0.57	-	0.57	-	0.54	38%	0.41	-	0.41
Magdi Batato	0.41	0.32	0.73	-	0.73	-	0.69	28%	0.46	-	-
Lilian Fossum Biner ¹	0.41	0.47	0.88	-	0.82	54%	0.45	-	-	-	-
Richard Burrows	0.41	0.52	0.93	-	0.99	-25%	1.15	33%	0.90	20%	0.77
Eva Vilstrup Decker	0.41	-	0.41	-	0.41	-	0.41	-	0.41	-	0.41
Lars Fruergaard Jørgensen	0.41	0.23	0.64	-39%	0.89	20%	0.62	-	-	-	-
Finn Lok	0.41	-	0.41	-	0.41	-	0.41	-	0.41	-	0.41
Erik Lund	0.41	-	0.41	-	0.41	-	0.41	-	0.41	-	0.41
Søren-Peter Fuchs Olesen	0.41	0.16	0.57	-	0.57	-	0.54	38%	0.41	-	0.41
Peter Petersen	0.41	-	0.41	-	0.41	-	0.41	-	0.41	-	0.41
Majken Schultz	0.41	-	0.41	-	0.41	-	0.33	-	-	-	-
Lars Stemmerik	0.41	-	0.41	-	0.41	-	0.41	-	0.41	-	0.41
Total	6.07	3.83	9.90	-	9.29	-	8.63	-	6.49	-	5.90
Remuneration of former members	0.15	-	0.15	-	0.57	-	0.96	-31%	2.86	3%	3.68
Total incl. former members	6.22	3.83	10.05	2%	9.86	6%	9.59	-4%	9.35	7%	9.58

Figures shown in the table are the actual amounts paid to Supervisory Board members in each of the past five years. The percentage change indicated is based on annualised figures, meaning only increases attributable to an actual change in fees and/or appointments/departures from committees are represented in the "% change" column.

¹The company additionally pays mandated employer contributions to Swedish social security for Lilian Fossum Biner, which are not included in this table.

REMUNERATION OF THE EXECUTIVE BOARD

Our overall executive remuneration packages are set to align with our ambition, our strategic priorities and our purpose of brewing for a better today and tomorrow.

The Remuneration Policy sets out the principles for executive remuneration, which are outlined in the table below.

REMUNERATION OF THE EXECUTIVE BOARD IN 2021

The remuneration of the Executive Board in 2021 is detailed in the table on page 9.

30% of the CEO's total remuneration was fixed for the year, while 70% was variable. In the case of the CFO, 32% was fixed and 68% was variable.

FIXED SALARY

The Remuneration Committee reviews fixed salaries for the executive directors annually, taking into account a number of relevant factors, including the individual's performance, role and

responsibilities. The Committee also takes into account levels of remuneration for similar roles at comparable companies in both beverage and FMCG sectors, as well as companies based in the Nordic region across industry sectors.

Fixed salaries in 2021

Given the ongoing uncertainty, in 2021 the Supervisory Board decided not to make any changes to the fixed annual salary of the Executive Board.

The annual fixed salary paid to Cees 't Hart in 2021 was DKK

12.9m. The annual fixed salary for Heine Dalsgaard was DKK 7.8m.

Executives make their own provisions for retirement and no additional pension contributions are made on their behalf.

ANNUAL BONUS

The annual bonus is structured to incentivise the executive directors to deliver on the Group's annual strategic objectives.

Determination of the final bonus is subject to the approval of the Committee and the Supervisory

Board, taking into account overall business performance.

Awarded in 2021

In 2021, the annual bonus comprised two elements. The first element, accounting for 80% of the bonus, was based on four financial measures: organic revenue growth, organic operating profit, addressable cash flow and a Funding the Journey savings target.

The second element, accounting for 20%, was linked to our ESG programme based on targets around carbon emissions and water

Elements of executive directors' remuneration

Element of pay	Objective	Award level	Performance criteria for 2021	Weighting	Performance period
Fixed salary	Attract and retain high-performing individuals by reflecting market value of role and executive's skills and experience. Reward day-to-day performance. Set at a level to prevent over-reliance on variable pay.	Takes into account the market rate for similar roles in comparable international companies as well as executive's skills and experience. See Remuneration Policy, section 3.A.	No performance criteria per se, but the performance of the individual is taken into account when fixed salary levels are reviewed.	N/A	Financial year.
Benefits	Operate a competitive benefits suite to aid recruitment and retention.	Perquisites and other benefits corresponding to market practices. See Remuneration Policy, section 3.B.	N/A	N/A	N/A
Pension	Executives make their own provision for retirement.	N/A. See Remuneration Policy, section 3.B.	N/A	N/A	N/A
Annual bonus plan	Drive and reward delivery of short-term business objectives.	Maximum bonus opportunity is 100% of fixed salary. Bonus opportunity at target is 60% of fixed salary. See Remuneration Policy, section 3.C.	<ul style="list-style-type: none"> Organic operating profit Addressable cash flow Organic revenue growth Funding the Journey ESG 	35% 25% 10% 10% 20%	Financial year.
Long-term incentive plan	Drive and reward delivery of longer-term business objectives. Maximise alignment with shareholder value.	The maximum level of long-term incentive award granted in 2021 is 255% of fixed salary for the CEO and 210% for the CFO, based on the face value of the award at the grant date. See Remuneration Policy, section 3.C.	<ul style="list-style-type: none"> Relative total shareholder return (TSR) Growth in adjusted EPS at constant currencies Organic revenue growth ROIC at constant currencies 	25% 25% 25% 25%	3 years with 3-year vesting.

usage, development of AFB volumes, and diversity and inclusion.

For the financial year 2021, 100% of the maximum bonus award was payable for performance in 2021 for the CEO and the CFO. This complies with the maximum awards as outlined in the Remuneration Policy.

The Group delivered a strong rebound on both volume and operating profit despite ongoing COVID restrictions. On an organic basis, operating profit and revenue were both ahead of pre-COVID levels. KPI achievement was 100% of maximum on both of these critical KPIs.

The Group maintains a strong focus on protecting its financial position and continues to focus on the Funding the Journey culture, allowing the Group to reinvest in top-line growth and protect cash and liquidity. Thanks to the continued strong financial position, the Group was able to return significant value to shareholders in 2021 in the form of 5% higher dividend per share and share buy-backs amounting to DKK 3.6bn.

The KPI achievement for both addressable cash flow and Funding the Journey amounted to 100% of maximum.

The strategic measures (20% of total STI) in 2021 focused entirely on ESG.

As detailed in the Group's Environment, Social & Governance Report, we continued to make good progress towards our ambitious goals for carbon emissions and water, and we are on track to reach our 2022 mid-term targets. The volumes of alcohol-free brews grew by double-digit, supporting consumers in making responsible drinking choices.

Diversity & inclusion was a significant focus in 2021. A Group-

wide diversity tracking tool was implemented and unconscious bias training rolled out to the top 350. The Board is satisfied that significant progress was made in this area and that further initiatives will be taken in the coming years to promote diverse and inclusive leadership.

The achievement for the ESG measures amounted to 100% of maximum.

LONG-TERM INCENTIVE ARRANGEMENTS

The long-term incentives are designed to incentivise the executive

directors to deliver the long-term business objectives and to maximise alignment with shareholder value and financial sustainability.

We use a performance share scheme based on four metrics to measure the success of our strategic priorities, including our ability to drive revenue and earnings growth through premiumisation, pricing and volume growth, and continued execution of efficiency improvements and cost reductions.

Performance shares vest three years after the grant date, subject to

performance conditions. The vesting of any performance shares is subject to achievement of performance conditions determined by the Remuneration Committee prior to the grant date.

The performance share award is subject to four performance conditions measured over three years: relative total shareholder return, adjusted earnings per share, organic revenue growth and return on invested capital (see table below).

The performance conditions drive alignment of the executive directors'

Long-term incentive plan – targets for 2021-2023

Measure	Description	Performance condition measured over the three financial years 2021-2023
Relative total shareholder return (TSR)	TSR measures the total return to investors. The Group's TSR performance will be measured relative to a comparator group of 14 companies ¹ .	<ul style="list-style-type: none"> 25% of the TSR element vests if the Group's TSR performance is at median of the peer group's¹. 100% vests for upper-quartile performance. Straight-line vesting between median and upper quartile.
Adjusted EPS growth	Adjusted EPS growth targets measure the Group's underlying financial success.	<ul style="list-style-type: none"> 25% of the adjusted EPS at constant currencies element vests for 3% p.a. growth. 100% vests for 7% p.a. growth. Straight-line vesting between 3% p.a. and 7% p.a.
Organic revenue growth	Organic revenue growth is a measure of the Group's ability to deliver on our strategic priorities.	<ul style="list-style-type: none"> 25% of the organic revenue element vests for 1.5% p.a. growth. 100% vests for 4.5% p.a. growth. Straight-line vesting between 1.5% p.a. and 4.5% p.a.
Growth in ROIC	Growing ROIC is a key financial metric reflecting our ability to drive a positive development in shareholder returns.	<ul style="list-style-type: none"> 25% of the ROIC at constant currencies element vests at 9.0% in 2023. 100% vests at 10.0% in 2023. Straight-line vesting between 9.0% and 10.0% in 2023.

¹ TSR comparator group: Kirin Holdings, Davide Campari-Milano, Rémy Cointreau, Asahi Group Holdings, Compañía Cervecerías Unidas, Diageo, Heineken, Ambev, Brown-Forman, Pernod-Ricard, Sapporo Holdings, Anheuser-Busch Inbev, Molson Coors Brewing and Royal Unibrew.

award with the long-term Group strategy and shareholder value. In order for any award (or part of an award) to vest, the Committee must be satisfied that underlying Group performance is at a satisfactory level.

Vested for the performance period ending in 2021

For the performance period ending in 2021, 75% of the 2019-2021 performance share awards vested for the CEO and the CFO.

Total shareholder return was above the upper quartile of the peer group and significantly stronger than the majority of the beer industry peers.

EPS growth and ROIC both progressed solidly even in the face of significant headwinds in 2020.

Despite strong performance in both 2019 and 2021, the revenue target became unachievable during 2020 because of the revenue decline caused by the impact of COVID-19 on our markets.

Granted in 2021

In 2021, the CEO and the CFO were granted long-term incentive awards with a face value of 255% and 210% of fixed full-year salary respectively at the time of award. This complies with the maximum award levels

outlined in our Remuneration Policy and means the eventual number of shares that vest cannot be higher than the number granted.

In order to properly present our best estimate of the actual value of these awards, we therefore report both the annualised accounting cost of all outstanding awards, adjusted for performance, and the fair value of the award at the time of grant; see the table on page 9.

The grant levels are decided at the discretion of the Supervisory Board to align the overall remuneration structure with our pay strategy. Any awards are subject to successful achievement of stated performance criteria.

The performance conditions for the 2021-2023 programme are detailed in the table on page 7.

OUTSTANDING LONG-TERM AWARDS

The table on page 9 outlines the total number of outstanding share options and performance shares for the executive directors.

The number of shares shown in the table is the maximum number of shares that can vest.

The fair value of performance shares is estimated using a stochastic (quasi-Monte Carlo) valuation model

of market conditions and a Black-Scholes call option-pricing model, taking into consideration the terms and conditions upon which the performance shares were granted.

TOTAL REMUNERATION

On page 9, total remuneration of the Executive Board, including fixed salary and variable payment, is shown, including the year-on-year change since 2019.

RECLAIMING VARIABLE PAY

In the event of serious misconduct, or if an annual bonus or long-term incentive award is made on the basis of financial statements that prove to be materially misstated, the Company may reclaim, in full or in part, any overpayment from the

annual bonus, or cancel or withdraw unexercised or unvested long-term incentive awards made to the executive directors. The Group has not reclaimed any variable pay.

SHARE OWNERSHIP GUIDELINES

In order to strengthen the alignment between executive directors and shareholders, the CEO is expected to build up a holding of shares with a market value equivalent to 150% of fixed salary, and the CFO a holding equivalent to 120% of fixed salary.

Shareholdings

The number of shares in Carlsberg A/S held by Cees 't Hart and Heine Dalsgaard, as well as the

movements during 2021, are shown in the tables below.

The tables include the holdings of the related parties of the CEO and the CFO.

None of the executive directors own shares in any of the subsidiaries or associates of Carlsberg A/S.

AGM VOTE

The AGM vote in relation to the Remuneration Report for 2020 received 92% of votes in favour (not including the Board and Foundation votes). This is an extremely positive response indicating broad support for our pay policy and practices.

Executive directors' holdings of Carlsberg A/S shares

					Number	DKK million
		1 Jan. 2021	Additions	Sold	31 Dec. 2021	Market value
Cees 't Hart	B shares	44,673	29,523	-47,500	26,696	30.15
Heine Dalsgaard	B shares	25,149	14,689	-29,000	10,838	12.24

Share ownership

	Share ownership guideline as % of fixed salary	Actual % held at 31 Dec. 2021	Fair value of unvested options and performance shares as % of fixed salary (prior to deduction for tax and incidental costs)
Cees 't Hart	150.0%	233.7%	1,333.3%
Heine Dalsgaard	120.0%	156.9%	641.0%

The table below outlines the share options and performance shares granted to the Executive Directors. The number of shares in the table is the maximum number of shares that

can vest. These are adjusted immediately prior to final vesting based on Supervisory Board approval of achievement of the predefined performance criteria.

Executive directors' granted share options and performance shares

Grant year	Exercise year	1 Jan. 2021	Granted	Adjusted	Exercised	31 Dec. 2021	Number	DKK million
							For exercise 31 Dec.	Fair value 31 Dec.
SHARE OPTIONS								
Cees 't Hart								
2015	2018-2023	97,334	-	-	-	97,334	97,334	61
2016	2019-2024	17,650	-	-	-	17,650	17,650	9
Total		114,984	-	-	-	114,984	114,984	70
PERFORMANCE SHARES								
Cees 't Hart								
2018-2020	2021	44,263	-	-14,740	-29,523	-	-	-
2019-2021	2022	40,954	-	-	-	40,954	-	35
2020-2022	2023	32,714	-	-	-	32,714	-	33
2021-2023	2024	-	33,926	-	-	33,926	-	34
Total		117,931	33,926	-14,740	-29,523	107,594	-	102
Heine Dalsgaard								
2018-2020	2021	22,023	-	-7,334	-14,689	-	-	-
2019-2021	2022	20,377	-	-	-	20,377	-	17
2020-2022	2023	16,277	-	-	-	16,277	-	16
2021-2023	2024	-	16,879	-	-	16,879	-	17
Total		58,677	16,879	-7,334	-14,689	53,533	-	50
Executive directors, total		291,592	50,805	-22,074	-44,212	276,111	114,984	222

ACCOUNTING POLICIES

The remuneration of the executive directors includes the fair value of granted performance shares accrued over the vesting period. On initial recognition (the grant

date), the number of awards expected to vest and the fair value thereof are estimated. The estimate of awards expected to vest is subsequently revised for

any changes impacting the accrued amount. Accordingly, the total recognition is based on the number of awards that ultimately vest.

Remuneration of executive directors

DKK million	Cees 't Hart (CEO)			Heine Dalsgaard (CFO)		
	2021	2020	2019	2021	2020	2019
Fixed salary	12.9	12.9	12.6	7.8	7.8	7.6
Change in fixed salary	-	2%	2%	-	3%	3%
Cash bonus and benefits						
Cash bonus	12.9	5.8	11.4	7.8	3.5	7.1
Other benefits	1.1	1.1	1.1	-	-	-
Non-monetary benefits	0.1	0.1	0.1	0.3	0.3	0.3
Remuneration settled in cash and non-monetary benefits	27.0	19.9	25.2	15.9	11.6	15.0
Share-based payments						
Fair value of shares granted ¹	19.6	20.0	19.4	9.8	9.9	9.7
Total	46.6	39.9	44.6	25.7	21.5	24.7
Change in total cash and non-cash benefits	17%	-11%	1%	20%	-13%	2%
Total remuneration based on accounting cost of awards						
Accrual for outstanding shares ²	20.5	17.3	24.6	10.6	8.7	12.4
Total cash paid and cost accrual for outstanding shares	47.5	37.2	49.8	26.5	20.3	27.4

¹ The fair value of granted performance shares is estimated using a stochastic (quasi-Monte Carlo) valuation model of market conditions and a Black-Scholes call option-pricing model of other conditions, taking into account the terms and conditions upon which the performance shares were granted.

² The value of share-based payments does not reflect the value of shares transferred to or cash equivalents received by the executive director during the year. The amount reflects only the technical accounting charge to the income statement required by IFRS.

CEO PAY RATIO

We apply the same basic principles to the Executive Board remuneration as we do for all our employees, benchmarking salaries against the relevant external market for the role.

Complying with legal requirements, the CEO to average employee remuneration ratio for the Parent Company is shown in the table below. Average remuneration is based on all employee costs, including incentives and benefits.

The Parent Company, Carlsberg A/S, is a small entity, primarily employing research scientists in the Carlsberg Research Laboratory. The annual average remuneration in this entity is

relatively volatile because of the small number of employees in the entity, meaning changes to average remuneration are more related to individuals joining and leaving than to any meaningful trend.

The table below therefore also shows the global Carlsberg Group ratio. This number is heavily influenced by different salary levels in the markets in which Carlsberg operates, as detailed in the graphs on the right-hand side.

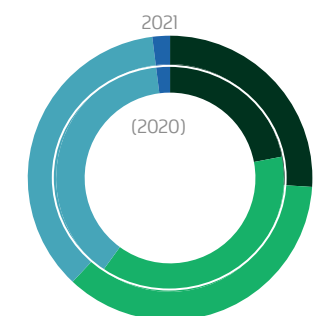
Sales, distribution and production employees make up 90% of the workforce in the Group. 72% of the workforce is employed in Asia and Central & Eastern Europe.

Employee remuneration

DKK million	2021	Change	2020	Change	2019	Change	2018	Change	2017
Group									
Average employee remuneration excl. registered executives (DKK million)	0.27	12%	0.24	-6%	0.25	-1%	0.26	4%	0.25
CEO/average employee ratio	175	5%	167	-5%	175	2%	172	2%	168
Parent Company									
Average employee remuneration excl. registered executive (DKK million)	0.71	8%	0.66	-7%	0.71	-6%	0.75	-2%	0.77
CEO/average employee ratio	65	8%	61	-4%	63	7%	59	9%	54

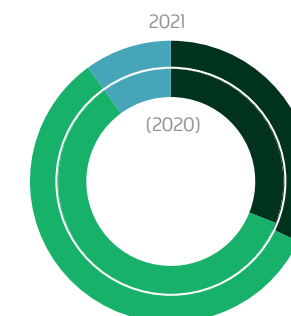
Please note that the change shown in the CEO/average employee remuneration ratio is the percentage increase or decrease in the ratio. This is not the increase or decrease in total remuneration paid to the CEO, which can be found in the table on page 9.

Employees by segment (%)



- Western Europe 26% (22%)
- Asia 36% (38%)
- Central & Eastern Europe 36% (38%)
- Other 2% (2%)

by function (%)



- Production 32% (31%)
- Sales & Distribution 58% (59%)
- Administration 10% (10%)

SUMMARY OF EXECUTIVE BOARD REMUNERATION

	2021	2020	2019	2018	2017
Group financial data					
Volume, organic growth (%)	7.4	-3.8	0.1	4.8	-2.0
Revenue, organic growth (%)	10.0	-8.4	3.2	6.5	1.0
Operating profit, organic growth (%)	12.5	-3.1	10.5	11.0	8.4
Operating margin, reported (%)	16.3	16.6	15.9	14.9	14.6
Parent Company financial data					
Operating profit, reported growth (%)	-84.8	55.2	14.7	2.3	-16.4
Consolidated profit, reported growth (%)	2.0	19.0	13.2	58.2	19.3
Capital allocation					
Net interest-bearing debt/EBITDA	1.24	1.51	1.25	1.29	1.45
Dividend payout ratio, adjusted (%)	49	50	50	51	50
Dividend per share (DKK)	24	22	21	18	16
Total dividend paid (DKKbn)	3.5	3.3	3.2	2.7	2.4
Share buy-back (DKKbn)	3.6	2.9	4.1	-	-
Total shareholder return (DKKbn)	7.1	6.2	7.3	2.7	2.4
Executive remuneration					
CEO, Cees 't Hart, total remuneration (DKKm)	46.6	39.9	44.6	44.3	41.6
Change, total remuneration (%)	17	-11	1	6	4
CEO, Cees 't Hart, fixed remuneration (DKKm)	14.1	14.1	13.8	13.5	13.3
Change, fixed remuneration (%)	-	2	2	2	-
CFO, Heine Dalsgaard, total remuneration (DKKm)	25.7	21.5	24.7	24.6	26.0
Change, total remuneration (%)	20	-13	2	-5	-22
CFO, Heine Dalsgaard, fixed remuneration (DKKm)	8.1	8.1	7.9	7.7	7.6
Change, fixed remuneration (%)	-	3	3	1	73
Remuneration ratios					
CEO, fixed remuneration share of total (%)	30	35	31	30	32
CEO, variable remuneration share of total (%)	70	65	69	70	68
CFO, fixed remuneration share of total (%)	32	38	32	31	29
CFO, variable remuneration share of total (%)	68	62	68	69	71
Change, average employee remuneration excl. registered executives (%)	8	-7	-6	-2	27
CEO/average employee, Parent Company, ratio	65	61	63	59	54

CHANGES IN SUPERVISORY BOARD REMUNERATION

	2021	2020	2019	2018	2017
Change in remuneration of the Supervisory Board					
Flemming Besenbacher	-	-	-	-	32%
Henrik Poulsen	-	-	-	-	-
Hans Andersen	-	-	-	-	3%
Carl Bache	-	-	38%	-	3%
Magdi Batato	-	-	28%	-	-
Lilian Fossum Biner	-	54%	-	-	-
Richard Burrows	-	-25%	33%	20%	3%
Eva Vilstrup Decker	-	-	-	-	3%
Lars Fruergaard Jørgensen	-39%	20%	-	-	-
Finn Lok	-	-	-	-	3%
Erik Lund	-	-	-	-	3%
Søren-Peter Fuchs Olesen	-	-	38%	-	3%
Peter Petersen	-	-	-	-	3%
Majken Schultz	-	-	-	-	-
Lars Stemmerik	-	-	-	-	3%

SUPERVISORY BOARD STATEMENT

The Supervisory Board has today considered and adopted the Remuneration Report of Carlsberg A/S for the financial year 2021.

The Remuneration Report has been prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report is submitted to the Annual General Meeting for an indicative vote.

Copenhagen, 4 February 2022

Supervisory Board of Carlsberg A/S

Flemming Besenbacher
Chair

Henrik Poulsen
Deputy Chair

Hans Andersen

Carl Bache

Magdi Batato

Lilian Fossum Biner

Richard Burrows

Eva Vilstrup Decker

Lars Fruergaard Jørgensen

Finn Lok

Erik Lund

Søren-Peter Fuchs Olesen

Peter Petersen

Majken Schultz

Lars Stemmerik

INDEPENDENT AUDITOR'S STATEMENT

TO THE SHAREHOLDERS OF CARLSBERG A/S

We have examined whether the Remuneration Report for Carlsberg A/S for the financial year 1 January – 31 December 2021 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

THE SUPERVISORY BOARD'S RESPONSIBILITY FOR THE REMUNERATION REPORT

The Supervisory Board is responsible for the preparation of the Remuneration Report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Supervisory Board is also responsible for the internal control that the Supervisory Board deems necessary to prepare the Remuneration Report without material misstatement, regardless of whether this is due to fraud or error.

AUDITOR'S INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulations.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the Remuneration Report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, numbers 1-6, on the remuneration of each individual member of the Executive Board and the Supervisory Board.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the Remuneration Report, and therefore

we do not express any conclusion in this regard.

CONCLUSION

In our opinion the Remuneration Report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Copenhagen, 4 February 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Mogens Nørgaard Mogensen
State Authorised Public Accountant
mne 21404

Michael Groth Hansen
State Authorised Public Accountant
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This report contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe, anticipate, expect, estimate, intend, plan, project, will be, will continue, will result, could, may, might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying

such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements. Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, market acceptance of new products, changes in consumer preferences, launches of rival

products, stipulation of fair value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.