



REMUNERATION REPORT 2022

REMUNERATION REPORT

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OUR REMUNERATION



The Group's financial, strategic and organisational health is strong, and we're confident that we'll be able to continue to deliver appealing top- and bottom-line growth and value creation for our shareholders and other stakeholders.

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.

2022 was a volatile year and our business was significantly impacted by the war in Ukraine, rising commodity prices and energy costs, and the continuing ramifications of

COVID-19. Nevertheless, the Group delivered a strong set of results. The strong top-line, operating profit and adjusted EPS growth, strong cash flow, increased ROIC and the step-up in cash returns to shareholders all serve as significant proof points for the strong financial and strategic health of the business.

In the three-year period ending in 2022, the business fundamentals and results continued to be very strong. ROIC, revenue and earnings per share developed strongly over the period. However, share price

development in the period has been negatively affected both by COVID-19 and the war in Ukraine, which has impacted Carlsberg more directly than many of our peers.

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

On 28 March, the Group announced its decision to seek a full divestment of the Russian business.

Consequently, the net result from the Russian operations is presented separately in the income and cash flow statements, and the evaluation of achievement of short-term and long-term targets relating to incentive payments made to the Executive Board are based upon the continuing business.

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

LOOKING AHEAD

2023 will be the first year of our SAIL'27 strategy. In general, the Board remains confident that our incentive plans continue to support the short- and long-term strategic vision of the Carlsberg Group.

To acknowledge the importance of Together Towards ZERO and Beyond as an integral part of the Company's long-term strategy, the

Board will add ESG to the long-term incentive (LTI) scheme with effect from 2023. This builds on our successful recent experience of having ESG in the short-term incentive (STI) plan and signals our long-term commitment to the delivery of these key business priorities.

More specifically, the following three focus areas and supporting targets will be added to the LTI scheme:

ZERO Carbon Footprint

- Reduction in value chain carbon footprint
- Number of carbon-neutral breweries

ZERO Water Waste

- Reduction in water usage at our breweries
- Water replenishment in water priority areas

Diversity, Equity & Inclusion

- Females in leadership positions

Group performance

Performance indicator	2022 ¹	2021 ²	2020 ²	2019 ²	2018 ²
Volume, organic growth	+5.7%	+7.4%	-3.8%	+0.1%	+4.8%
Revenue, organic growth	+15.6%	+10.0%	-8.4%	+3.2%	+6.5%
Operating profit, organic growth	+12.2%	+12.5%	-3.1%	+10.5%	+11.0%
Operating margin, reported	16.3%	16.3%	16.6%	15.9%	14.9%
Free cash flow, DKKm	9,884	8,876	5,057	9,962	6,156
Return on invested capital (ROIC)	15.2%	10.3%	8.9%	8.8%	8.1%

¹ As reported, continuing business. ² As reported, including Russia.

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 2022 and confirms that there were no deviations from the Remuneration Policy in 2022.

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 2022

In 2022, the main activities of the Remuneration Committee were:

- Finalising terms and conditions for Ulrica Fearn as the new Chief Financial Officer, effective 1 January 2023.
- Increasing the weighting of the revenue target in the short-term incentive scheme to reflect the Group's growth strategy.
- Reviewing overall incentive arrangements to ensure continued fit with the Group's strategy in light of the SAIL'27 ambitions.
- Reviewing ESG in the incentive arrangements, with a view to moving ESG targets into the long-term incentive scheme in 2023.
- Closely monitoring incentive plans for impacts of the announced divestment of the Russian business. This included delaying the grant of the 2022-2024 LTI award.

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 Committee meetings

Committee member	Committee meetings attended
Richard Burrows (Chair)	
Magdi Batato ¹	
Søren-Peter Fuchs Olesen	
Henrik Poulsen ¹	

¹ Independent.

 Attended meeting.  Did not attend meeting (position of hop leaf does not represent actual meeting).  Not a Committee member at the time.

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 2022

The remuneration of the Supervisory Board for 2022 was approved by

the Annual General Meeting on 14 March 2022.

The fees for members of the Supervisory Board for the financial year 2022 and additional fees are shown in the table on page 6.

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	440	
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
Henrik Poulsen (Chair)	Member	Chair	Member
Majken Schultz (Deputy Chair)		Member	
Mikael Aro	Member		
Carl Bache		Member	
Magdi Batato	Member		Member
Lilian Fossum Biner		Chair	
Richard Burrows	Member	Member	Chair
Punita Lal		Member	
Søren-Peter Fuchs Olesen			Member

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

					Number	DKK million
		1 Jan. 2022	Additions	Sold	31 Dec. 2022	Market value
Henrik Poulsen	B shares	3,056	-	-	3,056	2.82
Majken Schultz	B shares	-	-	-	-	-
Hans Andersen	B shares	1	-	-	1	-
Mikael Aro	B shares	-	-	-	-	-
Carl Bache	B shares	-	-	-	-	-
Magdi Batato	B shares	201	-	-	201	0.19
Lilian Fossum Biner	B shares	250	-	-	250	0.23
Richard Burrows	B shares	2,040	-	-	2,040	1.88
Eva Vilstrup Decker	B shares	68	-	-	68	0.06
Punita Lal	B shares	-	-	-	-	-
Erik Lund	B shares	54	-	-	54	0.05
Olayide Oladokun	A shares	-	-	-	-	-
Søren-Peter Fuchs Olesen	B shares	652	-	-	652	0.60
Tenna Skov Thorsted	B shares	11	-	-	11	0.01
Total		6,333	-	-	6,333	5.84

CHANGES IN SUPERVISORY BOARD REMUNERATION

Henrik Poulsen was elected Chair of the Board and Majken Schultz was elected Deputy Chair at the Annual General Meeting in March 2022.

Remuneration of the Supervisory Board

DKK million	2022		Change	2021	Change	2020	Change	2019	Change	2018
	Base fee	Additional Fee								
Henrik Poulsen	0.44	1.37	82%	0.86	-	-	-	-	-	-
Majken Schultz	0.44	0.31	101%	0.41	-	0.41	-	0.33	-	-
Hans Andersen	0.44	-	7%	0.41	-	0.41	-	0.41	-	0.41
Mikael Aro	0.35	0.13	-	-	-	-	-	-	-	-
Carl Bache	0.44	0.17	7%	0.57	-	0.57	-	0.54	38%	0.41
Magdi Batato	0.44	0.33	7%	0.73	-	0.73	-	0.69	28%	0.46
Lilian Fossum Biner ¹	0.44	0.50	7%	0.88	-	0.82	-	0.45	-	-
Richard Burrows	0.44	0.55	7%	0.93	-	0.99	-	1.15	-	0.90
Eva Vilstrup Decker	0.44	-	7%	0.41	-	0.41	-	0.41	-	0.41
Punita Lal	0.35	0.13	-	-	-	-	-	-	-	-
Erik Lund	0.44	-	7%	0.41	-	0.41	-	0.41	-	0.41
Olayide Oladokun	0.35	-	-	-	-	-	-	-	-	-
Søren-Peter Fuchs Olesen	0.44	0.17	7%	0.57	-	0.57	-	0.54	38%	0.41
Tenna Skov Thorsted	0.35	-	-	-	-	-	-	-	-	-
Total	5.80	3.67	26%	6.18	-	5.32	-	4.93	13%	3.41
Remuneration of former members	0.51	0.40	-	3.87	-8%	4.54	4%	4.66	-	5.94
Total incl. former members	6.32	4.07	10%	10.05	-4%	9.86	2%	9.59	7%	9.35

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 to/departures from committees are represented in the “% change” column.

¹ The company additionally pays mandated employer contributions to Swedish social security for Lilian Fossum Biner, which are not included in this table. For 2022, these amounts totalled SEK 270.000, or around DKK 175.000.

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 2022

The remuneration of the Executive Board in 2022 is detailed in the table on page 10.

31% of the CEO's total remuneration was fixed for the year, while 69% was variable. In the case of the CFO, 53% was fixed and 47% 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 the beverage and FMCG sectors, as well as companies based in the Nordic region across industry sectors.

Fixed salaries in 2022

Based on external benchmark data, and the general approach applied to management roles in Central Office, fixed salaries for the Executive Board were increased by 2% in 2022.

The annual fixed salary paid to Cees 't Hart in 2022 was DKK 13.1m. The annual fixed salary for Heine Dalsgaard was DKK 7.9m.

Executives make their own provision 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 2022

In 2022, the annual bonus comprised two elements. The first element, accounting for 80% of the bonus, was based on three financial measures: organic revenue growth, organic operating profit and addressable cash flow.

The second element, accounting for 20%, was linked to our ESG programme based on targets for carbon emissions and water usage, development of alcohol-free brew (AFB) volumes, diversity and inclusion, and successful development of our new ESG strategy – Together Towards ZERO and Beyond.

Elements of executive directors' remuneration

Element of pay	Objective	Award level	Performance criteria for 2022	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.	- Organic operating profit - Addressable cash flow - Organic revenue growth - ESG	35% 25% 20% 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 2022 is 255% of fixed salary for the CEO, based on the face value of the award at the grant date. See Remuneration Policy, section 3.C.	- 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

For the financial year 2022, 92% of the maximum bonus award was payable to the CEO and the CFO for performance in 2022. This complies with the maximum awards as outlined in the Remuneration Policy.

Despite the significant challenges, including rising input costs and the war in Ukraine, the Group delivered strong revenue and operating profit growth of 15.6% and 12.2% respectively. KPI achievement was 100% of maximum for both KPIs.

Free cash flow was strong at DKK 9.9bn, and the net interest-bearing debt/EBITDA ratio of 1.23 remained well below the Group's target of below 2x. Thanks to the strong financial position, the Group was able to return significant value to shareholders in 2022 in the form of a 9% higher dividend per share and share buy-backs amounting to DKK 3.4bn. The KPI achievement for addressable cash flow amounted to 100% of maximum.

The strategic measures (20% of total STI) in 2022 focused entirely on ESG.

As detailed in the Group's ESG Report, we continued to make good progress towards our ambitious goals for carbon emissions and water, exceeding our 2022 mid-term targets. The Group has launched revised ambitions as part of the

successful launch of Together Towards ZERO and Beyond.

Diversity & inclusion was a continued focus in 2022. The Group has set and published a range of time-bound targets for female representation in leadership roles and 2022 saw strong progress on this journey.

AFB volumes were impacted by lower volumes in Ukraine, which is a large market for this category. AFB volumes were up by 7% in Western Europe while for the Group, volumes declined by 6%.

The achievement for the ESG measures amounted to 60% of maximum (i.e target performance).

LONG-TERM INCENTIVE ARRANGEMENTS

The long-term incentives are designed to incentivise the executive directors to deliver on 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' 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.

Long-term incentive plan – targets for 2022-2024

Measure	Description	Performance condition measured over the three financial years 2022-2024
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 .	• 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.	• 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.	• 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 return.	• 25% of the ROIC at constant currencies element vests at 10.5% in 2024. • 100% vests at 11.5% in 2024. • Straight-line vesting between 10.5% and 11.5% in 2024.

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.

Vested for the performance period ending in 2022

For the performance period ending in 2022, 75% of the 2020-2022 performance share awards vested for the CEO and the CFO.

EPS growth, net revenue and ROIC all progressed strongly even in the face of significant headwinds throughout the performance period. All three KPIs were achieved above the maximum vesting levels.

Total shareholder return was below the median for the peer group, the share price having been impacted by the war in Ukraine in 2022.

Granted in 2022

Due to share price volatility in Q1 related to the war in Ukraine, the Board agreed to delay the grant of the 2022 LTI until after the publication of the Group's interim financial statement in the summer.

In 2022, the CEO was granted long-term incentive awards with a face value of 255% of fixed full-year salary.

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. To present our best estimate of the actual value of these awards,

we 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 10.

The CFO was not granted an award as he had tendered his resignation prior to the final granting of the 2022 award.

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 2022-2024 programme are detailed in the table on page 8.

OUTSTANDING LONG-TERM AWARDS

The table on page 10 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

The table on page 10 shows total remuneration of the Executive Board, including fixed salary and variable payment. The year-on-year change since 2020 is also shown.

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 2022, 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 2021 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

		1 Jan. 2022	Additions	Sold	Number 31 Dec. 2022	DKK million Market value
Cees 't Hart	B shares	26,696	90,098	-93,000	23,794	21.97
Heine Dalsgaard	B shares	10,838	15,283	-15,000	11,121	10.27

Share ownership

	Share ownership guideline as % of fixed salary	Actual % held at 31 Dec. 2022	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%	167.7%	572.5%
Heine Dalsgaard	120.0%	129.5%	138.7%

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

							Number	DKK million
Grant year	Exercise year	1 Jan. 2022	Granted	Adjusted	Exercised	31 Dec. 2022	For exercise 31 Dec.	Fair value 31 Dec.
SHARE OPTIONS								
Cees 't Hart								
2015	2018-2023	97,334	-	-	-97,334	-	-	-
2016	2019-2024	17,650	-	-	-17,650	-	-	-
Total		114,984	-	-	-114,984	-	-	-
PERFORMANCE SHARES								
Cees 't Hart								
2019-2021	2022	40,954	-	-10,238	-30,716	-	-	-
2020-2022	2023	32,714	-	-	-	32,714	-	23
2021-2023	2024	33,926	-	-	-	33,926	-	26
2022-2024	2025		33,752	-	-	33,752	-	26
Total		107,594	33,752	-10,238	-30,716	100,392	-	75
Heine Dalsgaard								
2019-2021	2022	20,377	-	-5,094	-15,283	-	-	-
2020-2022	2023	16,277	-	-	-	16,277	-	11
2021-2023	2024	16,879	-	-16,879	-	-	-	-
Total		53,533	-	-21,973	-15,283	16,277	-	11
Executive directors, total		276,111	33,752	-32,211	-160,983	116,669	-	86

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)		
	2022	2021	2020	2022	2021	2020
Fixed salary	13.1	12.9	12.9	7.9	7.8	7.8
Change in fixed salary	2%	-	2%	2%	-	3%
Cash bonus and benefits						
Cash bonus	12.1	12.9	5.8	7.3	7.8	3.5
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	26.4	27.0	19.9	15.5	15.9	11.6
Share-based payments						
Fair value of shares granted ¹	19.2	19.6	20.0	-	9.8	9.9
Total	45.6	46.6	39.9	15.5	25.7	21.5
Change in total cash and non-cash benefits	-2%	17%	-11%	-40%	20%	-14%
Total remuneration based on accounting cost of awards						
Accrual for outstanding shares ²	27.3	20.5	17.3	0.7	10.6	8.7
Total cash paid and cost accrual for outstanding shares	53.7	47.5	37.2	16.2	26.5	20.3

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 average annual remuneration in this entity is

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

The table below therefore also shows the global Carlsberg Group ratio (based on continuing business for 2021 and 2022). 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.

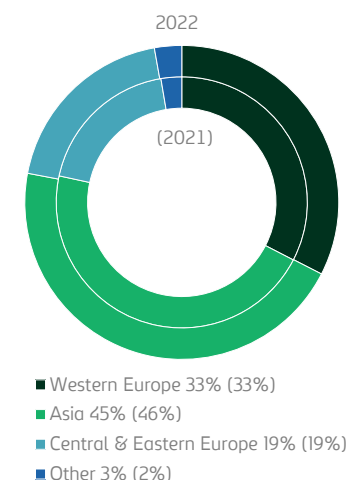
Sales, distribution and production employees make up 91% of the workforce in the Group. 64% of the workforce is employed in Asia and Central & Eastern Europe.

Employee remuneration

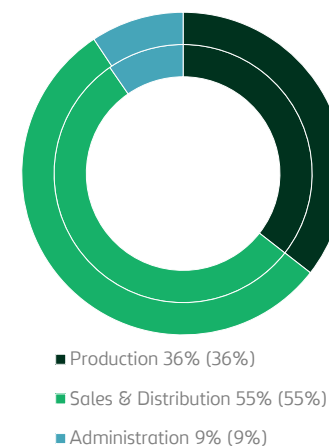
	2022	Change	2021	Change	2020	Change	2019	Change	2018
Group									
Average employee remuneration excl. registered executives (DKK million)	0.33	7%	0.31	30%	0.24	-6%	0.25	-1%	0.26
CEO/average employee ratio	138	-9%	151	-10%	167	-5%	175	2%	172
Parent Company									
Average employee remuneration excl. registered executive (DKK million)	0.62	-12%	0.71	8%	0.66	-7%	0.71	-6%	0.75
CEO/average employee ratio	73	12%	65	8%	61	-4%	63	7%	59

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 10.

Employees by segment (%)



by function (%)



SUMMARY OF EXECUTIVE BOARD REMUNERATION

	2022	2021	2020	2019	2018
Group financial data					
Volume, organic growth (%)	5.7	7.9	-3.8	0.1	4.8
Revenue, organic growth (%)	15.6	10.3	-8.4	3.2	6.5
Operating profit, organic growth (%)	12.2	14.6	-3.1	10.5	11.0
Operating margin, reported (%)	16.3	16.9	16.6	15.9	14.9
Parent Company financial data					
Operating profit, reported growth (%)	282.4	-84.8	55.2	14.7	2.3
Consolidated profit, reported growth (%)	18.6	2.0	19.0	13.2	58.2
Capital allocation					
Net interest-bearing debt/EBITDA	1.23	1.37	1.51	1.25	1.29
Dividend payout ratio, adjusted (%)	37	49	50	50	51
Dividend per share (DKK)	26	24	22	21	18
Total dividend paid (DKKbn)	3.7	3.5	3.3	3.2	2.7
Share buy-back (DKKbn)	4.4	3.6	2.9	4.1	-
Total shareholder return (DKKbn)	8.1	7.1	6.2	7.3	2.7
Executive remuneration					
CEO, Cees 't Hart, total remuneration (DKKmn)	45.6	46.6	39.9	44.6	44.3
Change, total remuneration (%)	-2	17	-11	1	4
CEO, Cees 't Hart, fixed remuneration (DKKmn)	14.3	14.1	14.1	13.8	13.5
Change, fixed remuneration (%)	1	-	2	2	-
CFO, Heine Dalsgaard, total remuneration (DKKmn)	15.5	25.7	21.5	25.0	24.6
Change, total remuneration (%)	-40	20	-14	2	-22
CFO, Heine Dalsgaard, fixed remuneration (DKKmn)	8.2	8.1	8.1	7.9	7.7
Change, fixed remuneration (%)	2	-	3	3	73
Remuneration ratios					
CEO, fixed remuneration share of total (%)	31	30	35	31	30
CEO, variable remuneration share of total (%)	69	70	65	69	70
CFO, fixed remuneration share of total (%)	53	32	38	32	31
CFO, variable remuneration share of total (%)	47	68	62	68	69
Change, average employee remuneration excl. registered executives (%)	-12	8	-7	-6	-2
CEO/average employee, Parent Company, ratio	73	65	61	63	59

CHANGES IN SUPERVISORY BOARD REMUNERATION

	2022	2021	2020	2019	2018
Change in remuneration of the Supervisory Board					
Henrik Poulsen	82%	-	-	-	-
Majken Schultz	101%	-	-	-	-
Hans Andersen	7%	-	-	-	-
Mikael Aro	-	-	-	-	-
Carl Bache	7%	-	-	38%	-
Magdi Batato	7%	-	-	28%	-
Lilian Fossum Biner	7%	-	54%	-	-
Richard Burrows	7%	-	-25%	33%	20%
Eva Vilstrup Decker	7%	-	-	-	-
Punita Lal	-	-	-	-	-
Erik Lund	7%	-	-	-	-
Olayide Oladokun	-	-	-	-	-
Søren-Peter Fuchs Olesen	7%	-	-	38%	-
Tenna Skov Thorsted	-	-	-	-	-

SUPERVISORY BOARD STATEMENT

The Supervisory Board has today considered and adopted the Remuneration Report of Carlsberg A/S for the financial year 2022.

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

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

Copenhagen, 7 February 2023

Supervisory Board of Carlsberg A/S

Henrik Poulsen
Chair

Majken Schultz
Deputy Chair

Hans Andersen

Mikael Aro

Carl Bache

Magdi Batato

Lilian Fossum Biner

Richard Burrows

Eva Vilstrup Decker

Punita Lal

Erik Lund

Olayide Oladokun

Søren-Peter Fuchs Olesen

Tenna Skov Thorsted

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 2022 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 the 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, number 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.

Hellerup, 7 February 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Mogens Nørgaard Mogensen
State Authorised Public Accountant
mne21404

Michael Groth Hansen
State Authorised Public Accountant
mne33228

