

# Corporate governance

The recommendations of the Committee on Corporate Governance, current legislation and regulation within the area, best practices and internal rules provide the framework for Royal Unibrew's corporate governance. Royal Unibrew's objective is to ensure that Royal Unibrew meets its obligations to shareholders, customers, employees, authorities and other stakeholders and that long-term value creation is pursued.

## Remuneration Report 2021

Royal Unibrew has prepared a Remuneration Report in accordance with section 139b of the Danish Companies Act for the financial year 2021, which concludes that the remuneration of the Board of Directors and the Executive Management is disclosed in accordance with the incentive guidelines and remuneration policy adopted by the Annual General Meeting on 15 April 2020. When granting the variable part of the remuneration, information is made available for the potential value of the programs at the time of exercise.

→ For further information see [Remuneration Report 2021](#)

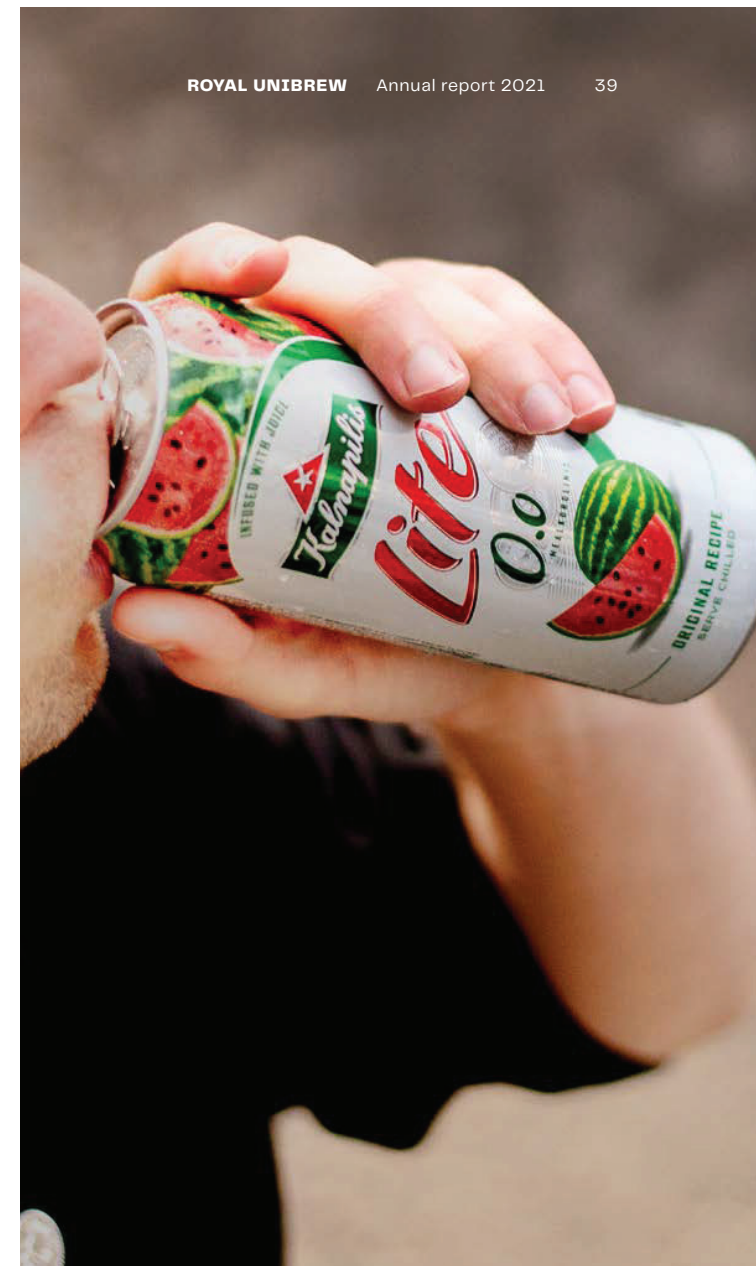
In compliance with the recommendations on Corporate Governance issued by the Committee on Corporate Governance, Royal Unibrew has prepared a detailed description in the company's Corporate Governance Report 2021.

→ For further information see [Corporate Governance Report 2021](#)

## Annual General Meeting

The Annual General Meeting (AGM) is the ultimate authority in all affairs of Royal Unibrew. According to the Articles of Association of Royal Unibrew, AGM's shall be convened not more than five weeks and not less than three weeks prior to the AGM. It is an objective to formulate the notice convening the meeting and the agenda in a way that gives shareholders an adequate presentation of the business to be transacted at the general meeting. Proxies are limited to a specific AGM and are formulated also to allow absent shareholders to give specific proxies for individual items of the agenda – either to the Board of Directors or to a person attending the AGM. All documents relating to AGMs are available at Royal Unibrew's website no later than three weeks prior to the AGM.

Each share of a nominal value of DKK 2 entitles the holder to one vote. Royal Unibrew's shares are not subject to any restrictions of voting rights, and the Company has one class of shares.



Proposals for resolutions to be considered at the AGM may be submitted by shareholders to the Board of Directors no later than six weeks prior to the date of the AGM.

### Board of Directors

The Board of Directors oversees the company's overall strategy and supervises the organizational, financial and performance management of the Company as well as continuously evaluates the work performed by the Executive Management on behalf of the shareholders.

#### Attendance at meetings (in total 12)

	Position	Board meetings
Walther Thygesen	Chairman	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Jais Valeur	Vice chairman	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Christian Sagild	Board member	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Heidi Kleinbach Sauter	Board member	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Catharina Stackelberg-Hammarén	Board member	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Floris van Woerkom	Board member	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Martin Alsø	Board member	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Einar Esbensen Nielsen	Board member	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Claus Kærgaard	Board member	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Peter Ruzicka	Board member	□ □ □ □ ■ ■ ■ ■ ■ ■ ■ ■
Torben Carlsen	Board member	□ □ □ □ ■ ■ ■ ■ ■ ■ ■ ■

■ Attended the meeting  
 ■ Did not attend the meeting  
 □ Not a board member at the time

The Board of Directors performs its tasks in accordance with the Rules of Procedure of the Company governing the Board of Directors and the Executive Management. These Rules of Procedure are reviewed and updated annually by the Board of Directors.

The Board of Directors usually meets for six annual ordinary board meetings. Under normal circumstances at least one of the meetings focuses on the Company's strategy and prospects and one takes place in a market in which the Company operates, however, due to the pandemic it was not possible to arrange market visit in 2021. In 2021, additional 6 extraordinary meetings were held, resulting in a total of 12 board meetings during the year.

The Board of Directors has established the following committees:

### Nomination and Remuneration Committee

The committee consists of the Chairman and the Deputy Chairman of the Board of Directors and as per 28 April 2021 Peter Ruzicka has participated in the committee meetings as advisor. The principal duty of the Nomination and Remuneration Committee is to assist the Board of Directors in nomination of members to the Board of Directors and Executive Management. Furthermore, the committee secures that the remuneration policy is updated and the principles are followed. The committee reviews Executive compensation, design of short- and long-term incentive schemes including proposal of KPIs.

### Attendance at meetings (in total 9)

	Position	Remuneration and Nomination Committee
Walther Thygesen	Chairman	■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Jais Valeur	Vice chairman	■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Peter Ruzicka	Board member	□ □ □ ■ ■ ■ ■ ■ ■ ■

■ Attended the meeting  
 ■ Did not attend the meeting  
 □ Not a committee member at the time

### Audit Committee

The committee consists of two members; the Chairman (Christian Sagild) and one member (Peter Ruzicka). The principal duty of the Audit Committee is to secure quality and integrity in the Company's presentation of Financial Statements, audit and financial reporting, including compliance with relevant accounting legislation and other legal requirements. In addition, the Audit Committee monitors accounting and reporting processes, the audit of the Company's financial reporting, risk issues and the external auditor's performance and independence and oversees the responsibility of monitoring the whistleblower reporting system.

Moreover, the Audit Committee assesses and recommends to the Board of Directors election of external auditors. The external auditor has participated in all ordinary meetings of the Audit Committee. The committee held five meetings in 2021.

### Attendance at meetings (in total 5)

	Position	Audit Committee Meetings
Christian Sagild	Chairman Audit Committee Board member	■ ■ ■ ■ ■
Floris van Woerkom	Former Chairman Audit Committee, Board member	■ ■ □ □ □
Peter Ruzicka	Board member	□ □ ■ ■ ■

■ Attended the meeting  
 ■ Did not attend the meeting  
 □ Not a committee member at the time

### Evaluation of the work of the Board of Directors

Evaluation of the work of the Board of Directors takes place annually. The evaluation focuses on ensuring that the Board of Directors (as a body) has expertise and experience within Fast Moving Consumer Goods (FMCG), production, sales and marketing of brands globally and in business-to-business markets, strategic and general management and within economic, financial and capital market issues, including those relating to listed companies. The evaluation is facilitated by the Chairman of the Board of Directors. For this purpose, the Chairman receives written replies to a questionnaire distributed to all members of the Board. The findings of the evaluation were presented and discussed at a Board meeting and based on the 2021 evaluation it was concluded that the Board of Directors possesses the necessary competencies taken Royal Unibrew's business model and strategy into consideration.

An external consultant is involved in the evaluation at least every third year. An evaluation by an external consultant took place in 2020.

Both the performance of the Executive Management and the cooperation between the Board of Directors and the Executive Management are evaluated annually as a minimum.

### Composition of the Board of Directors

When composing the Board of Directors, the Company emphasizes that the members have the competences required. The Board of Directors assesses its composition annually, ensuring that the combined competences and diversity of the members match the Group's activities.

Candidates for the Board of Directors are recommended for election by the AGM supported by motivation in writing by the Board of Directors as well as a description of the recruiting criteria. The individual members' competences and credentials are described in the below section on the Board of Directors and the Executive Management.

Three of the board members are elected by the Company's employees for a period of four years pursuant to the Danish Companies Act. Election will take place in 2022.

Newly elected board members are upon their election introduced to the company through a focused program.

### Executive Management

The CEO and the CFO reports to the Board of Directors. Together with the Senior Leadership Team (SLT) they are responsible for the day-to-day management and strategy. In addition, we operate with a Growth Leadership Team (GLT) comprising of leaders within group functions and country managers with broad experience and each of them with special expertise within their area of business in order to achieve our overall strategy of being THE PREFERRED CHOICE.

### Diversity and inclusion

The international management team of Royal Unibrew – a total of 129 leaders – comprises 71% (2020: 67%) male and 29% (2020: 33%) female. Reference group has been changed in 2021 due to new structure at GLT level and acquisitions have also increased the gap. Our target is a more balanced gender representation of at least 40% of each gender in the Board of Directors and international management teams by 2025. When recruiting new executives, we prioritize identifying candidates of both genders without discrimination and aim to encourage female candidates' interest in taking on managerial tasks.

Currently, the Board of Directors consists of seven Board members elected by the AGM and three Board members elected by the Danish based employees. Four of the members elected by the AGM are Danish and three are non-Danish. Two of the AGM elected board members are female (29%).

We aim for the Board of Directors to consist of expert members who should, to the widest extent possible, complement each other in terms of age, background, nationality, gender, etc., with a view to ensuring a competent and versatile contribution to the board duties at Royal Unibrew. These matters are taken into consideration when the Nomination and Remuneration Committee identifies new candidates for the Board of Directors, and it is an objective of the committee to identify both male and female candidates. However, recommendation of candidates will always be based on an assessment of the individual candidate's competences and how he/she will match Royal Unibrew's needs and contribute to the overall efficiency of the Board.

**Whistleblower system**

Royal Unibrew is committed to doing business according to high ethical standards striving to be responsible, committed, holistic, creative, ambitious as well as honest and open.

The Company's secure whistleblower system provides employees and any third parties doing business with Royal Unibrew the possibility to report knowledge or suspicion of non-conformance with Royal Unibrew's Code of Conduct or other serious offences.

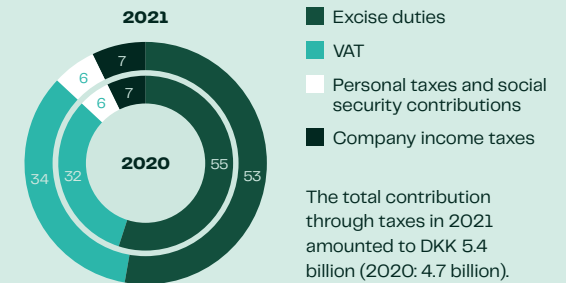
The whistleblower system can be accessed from Royal Unibrew websites and is available in seven languages. When communicating through the whistleblower system all communication is encrypted, if so chosen, in order to maintain anonymity. Filings are evaluated by Group General Counsel and Director of Finance and Treasury. The Audit Committee oversees the responsibility of monitoring the whistleblower reporting system. Reporting is made in compliance with national data protection regulation and GDPR. No cases reported in neither 2020 nor 2021.

**Tax**

Royal Unibrew seeks to comply with all tax legislation to its business operations and, in doing so, aims to minimize its tax risks by actively seeking to identify, evaluate, monitor, and manage tax risks. The Board of Directors has decided to publish a country-by-country reporting as per the GRI 207 framework from 2021. Please refer to page 61 for further details.

**Tax by category**

(%)



**Development in total contribution**

billions

