

Corporate Governance Report 2024

Statutory Corporate Governance Report for 2024,
cf. the Danish Financial Statements Act § 107 b



The report concerns the financial year 1 January–31 December 2024

● Complies
● Does not comply

Recommendation	The company complies	The Company explains
1. Interaction with the company’s shareholders, investors and other stakeholders		
1.1. Communication with the company’s shareholders, investors and other stakeholders		
1.1.1. The Committee recommends that the management through ongoing dialogue and inter-action ensures that shareholders, investors and other stakeholders gain the relevant insight into the company’s affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.	●	The dialogue and interaction with shareholders, investors and other stakeholders take place through publishing of company announcements, including interim reports and trading statements, webcasts, capital market days and meetings with investors, analysts the media and other stakeholders. Further, Royal Unibrew communicates through updated information on the company’s website. The insight of the Board of Directors in this dialogue and interaction is ensured through the on-going communication between the Board of Directors and the Executive Management.
1.1.2. The Committee recommends that the company adopts policies on the company’s rela-tionships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company’s considerations and that such policies are made available on the company’s website.	●	Royal Unibrew’s Management strives and works actively to maintain a good and transparent commu-nication and dialogue with its shareholders, investors and other stakeholders. The Code of Conduct adopted by The Board of Directors provides the overall framework for the inter-action with our stakeholders and ensures that the interaction with stakeholders and the business at Royal Unibrew is carried out in accordance with our core values and business principles. Royal Unibrew has adopted a policy on the relationship with our shareholder related stakeholders in order to take due account of the different interests, while at the same time considering the regulatory requirements. The policy is available on our website.
1.1.3. The Committee recommends that the company publishes quarterly reports.	●	Royal Unibrew publishes quarterly reports.

Recommendation	The company complies	The Company explains
1.2. General meeting		
1.2.1. The Committee recommends that the board of directors organizes the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.	●	Royal Unibrew's general meeting provides a forum for communication and discussion and is the place where shareholders have the opportunity to put forward their viewpoints, raise questions and are able to make decisions. . General meetings are transmitted digitally and can be accessed from a website. Notification of general meetings is communicated through a Company Announcement. The notice and all related documents concerning general meetings are published on our website. Shareholders can register to receive the notice convening the general meeting as well as all documents directly Shareholders are able to vote and raise questions to the management prior to or at the general meeting.
1.2.2. The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	●	Shareholders voting by proxy or by postal votes are allowed to consider all items on the agenda by means of proxies given to the Board of Directors.
1.3. Takeover bids		
1.3.1. The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.	●	Takeover procedure on how to act in case of takeover bids has been prepared and approved by the Board of Directors. The procedure ensures that shareholders are allowed to decide on possible takeover bid themselves.

Recommendation	The company complies	The Company explains
1.4. Corporate Social Responsibility		
1.4.1. The Committee recommends that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.	●	Royal Unibrew is working in accordance with international and national legislation as well as international guidelines, conventions and standards for environmental, social, and governance (ESG) and sustainability. Royal Unibrew has signed up to UN Global Compact. In addition, Royal Unibrew has set Science based CO2 targets in line with the Paris agreement and approved by SBTi. The Board of Directors has adopted policies covering all key ESG areas, including social responsibility and sustainability to ensure that Royal Unibrew conducts its business in accordance with regulatory requirements and guidelines. Royal Unibrew's policies on ethics and our Code of Conduct provide guidelines for our employees, third parties acting on behalf of the Company and suppliers regarding anti-corruption, environment, human rights and labor standards but also GDPR (General Data Protection Regulation), competition and marketing law. Internal controls and the whistleblower scheme are important means for controlling and reporting potential irregularities also by external stakeholders. Regular training is among the tools to ensure compliance internally. Thus, employees are trained in relevant aspects depending on their function inside and outside of the Company. Our ESG policies are available on our website.
1.4.2. The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.	●	The Board of Directors has adopted a tax policy which sets out the main principles for the global management of taxes including governance and risk management. The tax policy is available on our website.

Recommendation	The company complies	The Company explains
2. The duties and responsibilities of the board of directors		
2.1. Overall tasks and responsibilities		
2.1.1. The Committee recommends that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.	●	Our purpose and ambition are to be "The preferred choice" – for our consumers, customers, our people, our shareholders and for the future. We want to be the preferred choice of local beverage partner that challenge the status quo by doing better every day in a fun, agile and sustainable way. We have set ambitious financial targets with the aim of creating both shareholder value and developing the business for the benefit of all stakeholders. The financial targets are supported by a well-defined growth-formula, a strong performance culture combined with a very solid operating model as well as two fundamental strategic routes which are multi beverage and niche position. Our overall strategy, including our purpose and strategy for creating value, is described in further detail in the Annual Report.
2.1.2. The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.	●	Royal Unibrew's overall strategy is discussed and updated annually. The overall strategy and the long-term financial targets were most recently discussed in December 2024. Every year, the Executive Management of Royal Unibrew establishes a number of main priorities for the year ahead. The main priorities are based on the overall strategy. The overall strategy, including our purpose and strategy for creating value, is described in further detail in the Annual Report.

Recommendation	The company complies	The Company explains
2.1.3. The Committee recommends that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.	●	The objective of our capital structure and distribution policy is to secure enough flexibility to develop the business in line with our strategic priorities. Royal Unibrew has one class of shares. The Board of Directors evaluates continuously whether the capital and share structures adopted support the strategy and the long-term value creation in the interests of the Company and its shareholders. At present, the Board of Directors assesses that the capital and share structure ensures; • an adequate capitalization of the company • an adequate liquidity of the share and • a reasonable distribution of risk and influence
2.1.4. The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.	●	The Board of Directors has established and annually approves guidelines for the work of the Executive Management, including requirements for the reporting to the Board of Directors. Among other things, a number of policies have been prepared, eg finance policies, risk policies and insurance policies, laying down the framework for the work of the Executive Management.
2.2. Members of the board of directors		
2.2.1. The Committee recommends that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.	●	A Deputy Chair of the Board of Directors has been elected. The Deputy Chair of the Board of Directors is elected by the Board immediately after the Company's annual general meeting. The Deputy Chair's role is in accordance with the recommendations and is described in the rules of procedure of the Board of Directors.
2.2.2. The Committee recommends that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.	●	The Board of Directors has assessed that it is important that the Board 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. In order to ensure that the Board of Directors possesses these qualifications, the Chair and the individual board members have a regular dialogue on how the members can up-date and supplement their knowledge of relevant matters, and how the members' special knowledge and qualifications are applied in the best possible manner.

Recommendation	The company complies	The Company explains
2.2.3. The Committee recommends that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.		Royal Unibrew's Chair or other members of the Board of Directors do not participate in the day-to-day management of the Company. In case the Board of Directors should request a member of the Board of Directors to take on special duties for the company, the board of directors will approve this, and a company announcement considering the decision will be published.
3. The composition, organization and evaluation of the board of directors		
3.1. Composition		
3.1.1. The Committee recommends that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states; • which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and • the composition of and diversity on the board of directors.		The Board of Directors has prepared a description of the skills that it should have in order to best perform its duties. Based on this, the Board of Directors annually assesses its composition, including ensuring that the combined skills and diversity of the members match the Company's business. Thus, the Board of Directors strives to achieve a composition that its members, to the widest extent possible, complement each other in terms of age, background, gender, nationality, etc with a view to ensuring a competent and versatile contribution to the board duties at Royal Unibrew. A description of the individual directors' executive functions and special competences is provided in the Annual Report and is available on our website.
3.1.2. The Committee recommends that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.		Royal Unibrew strives to promote diversity based on a conviction that inclusion and diversity contributes to achieving Royal Unibrew's vision and goals in a competitive global business environment. This includes a diverse and strong blend of educational background work and life experience, diversity of beliefs, nationality and gender, both within the Board of Directors as well as in our respective management teams and our workforce in general. We believe that a diversified organization increases the versatility and total competences of the Company and improves decision-making processes. The members of the Board of Directors discuss the Company's diversity-promoting activities annually. Targets and achievement status are described in the Annual Report. The Board of Directors has adopted a Diversity, Equity & Inclusion Policy. The policy is available on our website.

Recommendation	The company complies	The Company explains
3.1.3. The committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.	●	The Board of Directors has approved a process for recruiting new members for the Board of Directors. When new members are nominated for the Board of Directors, the knowledge and professional experience required are carefully considered to ensure that all necessary qualifications are present on the Board. Further, the need for continuity, renewal and diversity is considered. The nomination and remuneration committee established by the Board of Directors is responsible for proposing candidates for the Board to the Board of Directors as a body.
3.1.4. The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the agenda in addition to the statutory items also includes a description of the proposed candidates. • qualifications, • other managerial duties in commercial undertakings, including board committees, • demanding organizational assignments and • independence	●	Royal Unibrew ensures that the notice convening any general meeting includes election for the Board of Directors accompanied by a description of the nominated candidates' qualifications as well as information on other managerial duties in commercial undertakings, including board committees, demanding organizational assignments undertaken by the candidates. It is also indicated whether the individual candidate is considered independent.
3.1.5. The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.	●	Pursuant to the Company's Articles of Association, members of the Board of Directors elected by the general meeting are elected for one year at a time, and they are nominated and elected individually.

Recommendation	The company complies	The Company explains
3.3.2. The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors: • position, age and gender, • competencies and qualifications relevant to the company, • independence, • year of joining the board of directors, • year of expiry of the current election period, • participation in meetings of the board of directors and committee meetings, • managerial duties in other commercial undertakings, including board committees, and demanding organizational assignments, and • the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year.		The Annual Report and the website provide the recommended information on the individual members of the Board of Directors.
3.4. Board committees		
3.4.1. The Committee recommends that the management describes in the management commentary: • the board committees' most significant activities and number of meetings in the past year, and • the members on the individual board committees, including the chairperson and the independence of the members of the committee in question. In addition, it is recommended that the board committees' terms of reference are published on the company's website.		Information on the board committees established, including the most significant activities and number of meetings during the past year as well as the members of the committees and their independence, is provided on the website and in the Annual Report. The terms of reference for the established committees (the Audit Committee and the Nomination and Remuneration Committee) are available on the website under Investor, Corporate governance.
3.4.2. The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.		The established board committees solely consist of members of the board and all members are independent.

Recommendation	The company complies	The Company explains
3.4.3. The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in: • supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions, • reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook, • assessing the need for internal audit, • performing the evaluation of the auditor elected by the general meeting, • reviewing the auditor fee for the auditor elected by the general meeting, • supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and • ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present. If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must: • prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department, • ensure that the internal audit function has sufficient resources and competencies to perform its role, and • supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function.	●	The Board of Directors has among its members set up an Audit Committee with a Chair that is not the Chair of the Board of Directors. In addition to its statutory duties, the Audit Committee monitors and reports to the Board of Directors on supervising the correctness of published financial information, including accounting practices in significant areas, significant accounting estimates, related party transactions as well as reviewing internal control and risk areas. In addition, the Audit Committee performs the evaluation of the auditor elected by the general meeting, reviews the auditor's fee and the scope of the non-audit services performed and ensures regular interaction between the auditor and the Board of Directors. In 2024, the audit committee has assessed that there is no need for an actual internal audit function. Instead, the Company's central finance and group accounting function carries out financial and business controlling of the Company's business units during the year.

Recommendation	The company complies	The Company explains
3.4.4. The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks: • describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies, • on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes, • in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors, • handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval, • ensuring that a succession plan for the executive management is in place, • supervising executive managements' policy for the engagement of executive employees, and • supervising the preparation of a diversity policy for the board of directors' approval.	●	Royal Unibrew has established a committee that handles tasks covering both nomination and remuneration. The decision to establish a joint Nomination and Remuneration Committee was made on the basis of an assessment of the level of complexity of the two areas, overlapping tasks, and with a view to achieving the greatest possible efficiency in the work. The tasks of the committee are in accordance with the recommendations. The terms of reference of the committee are available on the website under Investor, Corporate governance.
3.4.5. The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks: • preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting, • providing a proposal to the board of directors on the remuneration of the members of the executive management, • providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting, • ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and • assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote.	●	Reference is made to 3.4.4. on the tasks of the combined Nomination and Remuneration Committee. The terms of reference of the committee are available on the website under Investor, Corporate governance.

Recommendation	The company complies	The Company explains
3.5. Evaluation of the board of directors and the executive management		
3.5.1. The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organization, cf. recommendations 3.1.–3.4. above, and that the evaluation as a minimum always includes the following topics: • the composition of the board of directors with focus on competencies and diversity • the board of directors and the individual member's contribution and results, • the cooperation on the board of directors and between the board of directors and the executive management, • the chairperson's leadership of the board of directors, • the committee structure and the work in the committees, • the organization of the work of the board of directors and the quality of the material provided to the board of directors, and • the board members' preparation for and active participation in the meetings of the board of directors.		Royal Unibrew's Board of Directors has established an annually evaluation procedure under which, among other things, the composition, contributions and results of the Board of Directors and its individual members, the cooperation on the board and between the Board of Directors and the Executive Management, the Chairs leadership and the organization of the work are evaluated. The evaluation is facilitated by the Chair of the Board of Directors. For this purpose, the Chair receives written replies to a questionnaire distributed to all members of the Board. Every third year, external assistance is obtained to carry out the evaluation procedure. An evaluation by an external consultant took place in 2024.
3.5.2. The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.		The findings of the evaluation are presented and discussed at a Board meeting. The procedure for the evaluation and the key conclusions are described in the Annual Report, on the website and at the general meeting.
3.5.3. The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.		Once every year, the Board of Directors evaluates the work and results of the Executive Management based on the targets established for their work. As part of the evaluation the Board of Directors assesses the need for changes in the structure and composition of the Executive Management in light of Royal Unibrew's strategy. The Chair reviews and discusses the results of the evaluation together with the Executive Management.

Recommendation	The company complies	The Company explains
4. Remuneration of management		
4.1. Remuneration of the board of directors and the executive management		
4.1.1. The Committee recommends that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.	●	The Remuneration Policy for Royal Unibrew for the Board of Directors and the Executive Management has been designed to reflect shareholder and company interests, to match the level of peer companies and to take into account any specific circumstances, including the duties and the responsibility undertaken. Moreover, the Remuneration Policy is intended to promote long-term objectives for safeguarding company interests.
4.1.2. The Committee recommends that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.	●	As part of Royal Unibrew's continued efforts to retain key staff and to align interest with shareholders, the Executive Management has been offered to participate in a Long-Term Incentive Plan. The LTIP is granted annually and will vest in three years depending on the performance of KPIs based on ambitious targets. The maximum value of the annual grant is transferred into restricted share units. Each restricted share units entitles the holder to receive one Royal Unibrew share of a nominal value of DKK 2 for no consideration. The value of the annual grant is transferred into restricted share units at the weighted average share price for the first five days following announcement of the annual report. Reference is made to the Remuneration Policy and the Remuneration Report 2024.
4.1.3. The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.	●	According to the Remuneration Policy, any long-term cash bonus and the value of conditional shares at the time of granting combined may not for the multi-year period in question exceed 100% of the annual gross salary per year of the person in question.
4.1.4. The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.	●	In accordance with the Remuneration Policy, the total value of remuneration relating to the notice period cannot exceed two years of remuneration.
4.1.5. The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	●	The members of the Board of Directors are remunerated only by a fixed annual fee.
4.1.6. The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.	●	According to the Remuneration Policy, in certain cases, the Board of Directors may decide to reclaim variable remuneration for the Executive Management (claw-back), e.g. in the event of the variable remuneration having been paid to a member of the Executive Management based on incorrect or misstated information.

Recommendation	The company complies	The Company <u>explains</u>
5. Risk management		
5.1. Identification of risks and openness in respect of additional information		
5.1.1. The Committee recommends that the board of directors based on the company’s strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company’s risk management.	●	Royal Unibrew has defined clear risk management processes, including policies and procedures, to strive to minimize the effect of our key risks as well as to protect our reputation, values and freedom to operate. Every year, a summary of the key enterprise risks, including market risks, industry and partner–ships related risk, business interruption and third–party risks and financial risks is prepared, and it is discussed how these may affect the realization of the strategy targets established and how the individual risks may be mitigated. A description of risks and risk management is included in the Annual Report.
5.1.2. The Committee recommends that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.	●	A whistleblower scheme has been established.

ROYAL UNIBREW A/S

Royal Unibrew A/S
Faxe Alle 1
DK-4640 Faxe
Tel +45 56 77 15 00

CVR No: 41 95 67 12
Financial year: 1 January – 31 December 2024
Registered municipality: Faxe

Homepage: www.royalunibrew.com
E-mail: contact@royalunibrew.com