

8 May 2023

Dear B4Ukraine Coalition,

Thank you for reaching out to Carlsberg and providing us with the opportunity to address the concerns you have raised on our Russian operations and our commitment to human rights.

We take these issues very seriously and want to assure you that we have been working diligently to address them. We hope that this letter provides you with the necessary information and reassurance.

First off, we would like to underline that we are fully committed to selling our Russian business and leaving the Russian market.

Since the announcement of our decision to leave Russia, we have been working in two main areas: Firstly, separating the Russian business from the rest of the Carlsberg Group. And secondly, seeking a buyer for that business.

The separation of the Russian business from the rest of the Group has been complicated but is now finalized. The Russian operation has been an integrated part of our company, and the separation process has involved more than 150 work streams. Due to the separation process, we have invested more than DKK 100 million in new brewery equipment and IT-infrastructure in other markets outside Russia, to mention a few examples. This means that Baltika Breweries are now run as a separate entity from the rest of the Group.

Since we announced the intent to divest the Russian business on March 28, 2022, a process has also been running to clarify the impact of sanctions and the Russian government's approval process, select legal and financial advisors, identify potential buyers, and formalize the sales process. We have now narrowed the list of potential buyers down to less than 10 and are expecting to have found a buyer and signed an agreement before the summer. This agreement will then be subject to the approval of the Russian authorities.

During the process, we have been as transparent as possible and have taken all necessary steps to ensure that the sale is conducted in accordance with relevant laws and regulations. This is a complex process, and it has taken longer than we originally hoped for. Both due to the difficulty in finding suitable buyers, and new rules introduced by the Russian authorities. But also due to the difficulty in separating the Russian business. It is in no way an indication of us not standing by our word to divest our Russian business.

Regarding your concerns about a buy-back clause; We have chosen to be transparent about the possibility of a buy-back clause because we hope that there will come a day when we can return to Russia. But it will take many years - at least 10 years, maybe even 20, 30 or 50 years. This is not the same as saying we are returning to Russia or staying in Russia.

We are not able to provide information on the taxes we pay, as we do not disclose these numbers on market level. What we can say is that most of the amount is import taxes and

excise duties, and as we announced in connection with the full year results, the net result from the business in Russia is a loss of just over DKK 8 billion for 2022.

Our human rights programme has global applicability and follows the UN Guiding Principles on Business and Human Rights (UNGPR). We continuously assess the areas of human rights that could be adversely impacted by our value chain and identify adequate measures to address such impacts. This work is ongoing and includes concrete efforts to prevent, address and remedy human rights abuses connected to our value chain.

Regarding the war in Ukraine, we would like to underline that the safety and well-being of our employees is our top priority. We have closed our operations when needed and kept all employees on the payroll, and we have made significant donations to humanitarian causes in the region. We have provided support to affected communities in numerous ways, including supplying drinking water, creating a foundation for helping our employees repair homes that have been impacted by the war, and supporting employees with generators and power banks. To mention a few actions.

We have been transparent about our actions in Ukraine, and we are committed to continuing to work with stakeholders to address the ongoing humanitarian crisis in the region and to help rebuild the country. We plan to invest close to DKK 300 million in Carlsberg Ukraine in 2023. This is three times more than in 2021. This is because we believe in a strong Ukraine on the other side of this war, and we want to do our part to rebuild, invest and strengthen the financial situation in the country. It is a valued market, and we are extremely impressed with the work of all our Carlsberg Ukraine employees.

In conclusion, we would like to emphasize that it is an extraordinarily complex situation, with no easy solutions, but we believe that our actions to date demonstrate our commitment to conducting our business in a responsible and sustainable manner.

We hope this letter has cleared up some misconceptions and provided you with the information you needed.

Sincerely,

Christian Wulff Søndergaard
Vice President Global Corporate Affairs
Carlsberg Group