

Carlsberg A/S
J.C. Jacobsens Gade 1
1799 København V
Att. Chairman Henrik Poulsen

27. januar 2023
Side 1 | 3

Shareholder Proposal

AkademikerPension

Publish human rights due diligence and risk reporting

Akademikernes
Pensionskasse
Smakkedalen 8
DK-2820 Gentofte

Proposal

Tlf.: +45 3915 0102
akademikerpension.dk
CVR nr. 20766816

The board of directors shall report on:

- 1) the company's efforts to respect human rights and labour rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), and
- 2) Which, if any, human rights related financial risks the company has identified, and how it seeks to address these.

The reported information shall be updated and published at least once a year at reasonable cost, omitting proprietary information. The reported information shall be made public before the Annual General Meeting notice starting in 2024 and may be included in the current reporting suite.

Motivation

The pressure on companies to demonstrate respect for human rights is increasing as the link between long-term value creation and a prudent approach to human rights risks is becoming increasingly established.

In recent years the European Union has introduced a range of regulatory initiatives which, in different ways, seek to address the impacts that businesses have on human rights and labour rights. Two of the main developments in this area are the Corporate Sustainability Due Diligence Directive (CSDDD)¹, which includes a mandatory due diligence obligation with respect to human rights, and the Corporate

¹ Link: [CSDDD \(DIREKTIV om virksomhedernes due diligence i forbindelse med bæredygtighed og om ændring af direktiv \(EU\) 2019/1937\)](#)

Sustainability Reporting Directive (CSRD)², which concerns disclosures on a range of sustainability matters including human rights from a double materiality perspective.

27. januar 2023
Side 2 | 3

It is increasingly important for companies and investors alike that companies demonstrate that they understand and navigate the business opportunities and risks related to the corporate duty to respect human rights and labour rights. Failure to do so may leave the company vulnerable to operational disruptions, litigation risk and increased scrutiny by supervisory authorities as well as reputational risk and loss of license to operate in the eyes of customers, employees, investors, and business partners. Companies that have begun to prepare for the comprehensive reporting requirements on human rights due diligence early on will likely gain a competitive advantage when the EU regulatory initiatives become national law in a few years.

The EU regulatory initiatives are largely based on the corporate duty to respect human rights as described in the United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs³ have set out the international standard of practice for companies to respect international human rights (including labour rights) by identifying, preventing, mitigating, remedying, and reporting on human rights impacts associated with their business activities – commonly known as human rights due diligence⁴. Companies that are operating (directly or through the value chain) in conflict-affected areas are, furthermore, expected to perform heightened human rights due diligence in light of the increased risk of human rights violation in these areas.

However, studies⁵ show that companies have not taken the necessary steps to demonstrate sufficient implementation of human rights due diligence processes in their operations. Both the Corporate Human Rights Benchmark and the Danish Institute for Human Rights (DIHR) has examined the public reporting of a number of large companies and provided an analysis of the human rights policies and self-reported human rights due diligence practices of these companies in 2020⁶ and

² Link: [CSRD \(DIREKTIV \(EU\) 2022/2464 af 14. december 2022 om ændring af forordning \(EU\) nr. 537/2014, direktiv 2004/109/EF, direktiv 2006/43/EF og direktiv 2013/34/EU for så vidt angår virksomheders bæredygtighedsrapportering\)](#)

³ Link: [United Nations Guiding Principles on Business and Human Rights](#) (2011)

⁴ The expectation for companies to perform human rights due diligence has furthermore been incorporated in the [OECD Guidelines for Multinational Enterprises](#) (2011) and detailed in the [OECD Due Diligence Guidance for Responsible Business Conduct](#) (2018).

⁵ [2022 Corporate Human Rights Benchmark](#) (2022, World Benchmarking Alliance), [Documenting Respect for Human Rights](#) (2022, The Danish Institute for Human Rights), and [Study on due diligence requirements through the supply chain](#) (2020, European Commission)

⁶ [2020 Corporate Human Rights Benchmark](#) (2020, World Benchmarking Alliance) and [At Dokumentere Respekt for Menneskerettighederne](#) (2020, The Danish Institute for Human Rights)

again in 2022⁷. These analyses indicate that more progress needs to be made in this area. This is also the case for Carlsberg A/S.

27. januar 2023
Side 3 | 3

Carlsberg A/S is a signatory to the UN Global Compact and the company commits to support the UN Universal Declaration of Human Rights and the UNGPs. By strengthening its ability to document its human rights due diligence and risk management processes, the company would stand to benefit and ensure compliance with the comprehensive new reporting requirements under the new EU legislation.

Given that Carlsberg A/S and its supply chain business partners operate in geographic territories and depend on sectors with a high risk of adverse impact on human rights, it is important that the company can account for the necessary due diligence processes applied to handle these risks.

We therefore encourage the board and fellow shareholders to consider their support for this proposal.

⁷ [2022 Corporate Human Rights Benchmark](#) (2022, World Benchmarking Alliance) and [Documenting Respect for Human Rights](#) (2022, The Danish Institute for Human Rights)