Corporate responsibility

CORPORATE SOCIAL RESPONSIBILITY – CSR

As a global brewer, Carlsberg is aware of its responsibilities to society. We are also aware that we are confronted by a challenge. How does Carlsberg continue to grow while ensuring that this growth is achieved in a responsible way that helps us live up to the expectations that society now has of a global brewer? We have identified that our long-term success depends not only on growing, but on growing responsibly, and we have defined a new approach to corporate social responsibility (CSR) for 2009 to help us achieve this goal.

Heritage and a new approach

From the very beginning, Carlsberg's founders practised responsibility towards the societies in which they operated. They created the Carlsberg Foundation, which remains a major shareholder in Carlsberg A/S today.

Up until now, our approach has been for all companies in the Carlsberg Group to engage with the societies in which they operate in a way that suits their local circumstances. For example, Carlsberg Serbia has been nominated as best corporate social responsibility company in Serbia. Many companies in the Group have reached significant targets in reducing their environmental impact. Baltika Brewery, Sinebrychoff, Carlsberg Polska and a number of other companies have conducted nationwide alcohol awareness campaigns.

In 2008, a new step was taken to integrate corporate social responsibility into all Carlsberg's business operations in a more structured and systematic way and to formulate a common Group CSR strategy. Furthermore, Carlsberg became a signatory member of the United Nations Global Compact. As a member of the UN Global Compact, the Carlsberg Group is committed to supporting and advancing the ten principles of this organisation.

CSR governance

To ensure the development of a common Group CSR strategy, a CSR governance structure has been put in place. The structure ensures guidance from the Group Executive Committee as well as local involvement and responsibility. To support the governance structure and to ensure the strategic development of the CSR goals a CSR unit has been established at the Carlsberg headquarters, supported by a Group CSR Steering Committee.

CARLSBERG SVERIGE CARES FOR THE ENVIRONMENT

Carlsberg's efforts to continuously reduce its environmental impact have contributed, among other things, to significant reductions in the use of water and energy. At Carlsberg in Sweden, water consumption has fallen by 32% and energy consumption by a full 46%. In addition, beverages distributed per litre of diesel have increased by 19%, and the amount of waste has been reduced by 52%. There are several initiatives on the way in Sweden, including switching to rail transport on the 1,126 km stretch from the brewery in Falkenberg to Umeå and the purchase of trucks that only run on biofuel.

UN Global Compact – 10 principles

HUMAN RIGHTS

Principle 1 Businesses should support and respect the protection of international human rights within their sphere of influence; and

Principle 2 make sure they are not complicit in human rights abuses.

LABOUR

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 the elimination of all forms of forced and compulsory labour;

Principle 5 the effective abolition of child labour; and

Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7 Businesses should support a precautionary approach to environmental challenges;

Principle 8 undertake initiatives to promote greater environmental responsibility; and

Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

In 2010 the Carlsberg Group will publish its first Global Compact Communication on Progress.

CSR strategy

Behaving in a socially and environmentally responsible way is one of the Carlsberg Group's winning behaviours, and it underpins our goal of growing responsibly, making a positive contribution to the societies in which we operate.

We have identified four Group-wide CSR priorities for 2009, reflecting those aspects of our business where Carlsberg believes it can make a significant contribution to society and to the overall success of the business.

Implementing CSR policies across the Carlsberg Group

In 2008, our CSR policies were revised in order to strengthen Carlsberg's commitment to minimising the environmental and social impacts of our products and production methods. In 2009, our focus will be on implementing the revised policies and identifying key CSR indicators and targets.

Environment

During 2008, a project was carried out focusing on the carbon and water footprint of our entire value chain to further develop Carlsberg's global environmental strategy. The project has identified opportunities to reduce our carbon and water impact and save costs, and in 2009 our focus will be on capitalising on these opportunities.

Responsible supplier management

In 2008, a process was initiated to include a Supplier and Licensee Code of Conduct in all new agreements with suppliers to make them aware of, and encourage them to comply with, Carlsberg's requirements in areas such as Labour and Human Rights, Health & Safety, Environment and Business Ethics. This work continues in 2009.

Responsible consumption

Carlsberg shares the concern within society about misuse of alcoholic beverages. As a global brewer, Carlsberg believes it has an important role to play in minimising problems related to misuse of alcohol. In 2009, Carlsberg will develop guidelines and recommendations for campaigns and other initiatives and sharing best practice between markets to help reduce the harm caused by misuse of alcohol.