TOGETHER TOWARDS ZERO & BEYOND

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT 2022
INTRODUCTION

Welcome to the Carlsberg Group’s Environmental, Social & Governance (ESG) Report Summary for 2022

Find out how our enhanced ESG programme supports our business, society and the planet.

Learn about the progress we are making by working together with our people and partners across our 11 focus areas.

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TELL US WHAT YOU THINK
We welcome feedback on our Together Towards ZERO and Beyond programme, our progress and our ESG reporting.
Please contact us at sustainability@carlsberg.com
MESSAGE FROM OUR CEO

At Carlsberg, we are brewing for a better today and tomorrow.

Together Towards ZERO, our ESG programme, set out bold ambitions to tackle four key challenges – ZERO Carbon Footprint, ZERO Water Waste, ZERO Irresponsible Drinking and a ZERO Accidents Culture.

Over the last five years, it has delivered significant progress, helping to drive standards within our industry and beyond. On climate, we were among the first three companies in the world to set science-based targets aligned with a 1.5 °C scenario. Today, more than 2,000 companies have these in place. Now, we are going further with an enhanced programme that is designed to address all our most material issues and drive efforts to meet evolving global challenges as we go Together Towards ZERO and Beyond (TTZAB).

Launch this year, TTZAB builds on our progress to date and reaffirms our commitment to help tackle global challenges, uphold the principles of the UN Global Compact and contribute to the UN Sustainable Development Goals. It is an integral part of our SAIL’27 strategy to accelerate growth and create value for our shareholders, employees and society.

TTZAB not only raises our ambition level even further but addresses a wider array of material topics to create a more holistic ESG programme. It sets new targets to support regenerative and sustainable agriculture for a ZERO Farming Footprint, to work towards ZERO Packaging Waste, to replenish water in areas of high water risk, and to increase representation of women in leadership roles as part of our wider commitment to Diversity, Equity and Inclusion. It also reinforces our long-standing commitments to Living By Our Compass, Human Rights, Responsible Sourcing and Community Engagement.

Ahead of the COP27 climate conference, I joined other members of the Alliance of CEO Climate Leaders in calling for collective action from governments and businesses to tackle the climate emergency. We are committed to doing our part, targeting a net ZERO value chain by 2040 to enable consumers to enjoy great beer with the smallest carbon footprint possible.

Our business was faced with global volatility in 2022. We strongly denounced the Russian invasion of Ukraine, which led us to seek a full divestment of our business in Russia. We also faced the effects of the ensuing energy crisis and ongoing pandemic-related challenges in our supply chains and on-trade sales channels. Despite these economic headwinds, we delivered on our strategy, and our commitment to sustainability remains steadfast, as we believe it is the right thing to do for business and for society.

Our five-year SAIL’22 strategy concluded with strong results for our business. Despite the substantial increase in input costs, the negative impact of the steep increases in energy prices, and our decision to increase marketing investments, operating profit grew organically by 12.2%, with reported operating profit amounting to DKK 11.5bn. Free cash flow was DKK 9.9bn and ROIC improved by 270bp to 15.2%.

Through the accompanying Together Towards ZERO programme, we have exceeded our 2022 targets to reduce carbon and water use at our breweries – by focusing on efficiency, eliminating coal and switching almost all our electricity to renewables.

However, more needs to be done on ZERO Irresponsible Drinking and a ZERO Accidents Culture. While our alcohol-free brews are now available in 90% of our markets and we are rolling out responsible drinking labelling on more of our packs, the pandemic and local implementation challenges have resulted in fewer responsible drinking partnerships than targeted. Although we have significantly reduced our lost-time accident rate and incidents related to our Life Saving Rules, we are deeply saddened by the death of an associate employee in a traffic accident this year and we are determined to keep working towards a ZERO Accidents Culture.

We are building on what we have learned and achieved through Together Towards ZERO to go Beyond. TTZAB sets specific, measurable targets to drive tangible progress in the areas where we can have the biggest impact. Its aspirational ambitions will push us to develop innovative solutions to global challenges and contribute to a strong sense of pride in Carlsberg.

Realising these ambitions will require paradigm shifts within and beyond our industry, so we must work together with others to get there, and partnerships remain central to our approach. We involved colleagues from across the business in the development of these ambitions and our SAIL’27 strategy to bolster the engagement we need to accelerate implementation.

Looking ahead, I am confident that TTZAB will deliver results for society and our business, cementing our licence to operate and our ability to brew better beers, now and in the future, as we strive to fulfill our purpose of brewing for a better today and tomorrow.

Cees ’t Hart
CEO, Carlsberg Group
TOGETHER TOWARDS ZERO AND BEYOND

Our purpose is brewing for a better today and tomorrow.

Together Towards ZERO and Beyond (TTZAB), our enhanced ESG programme, supports this purpose and is integral to our SAIL’27 corporate strategy.

Launched this year, the programme raises our ambitions with concrete targets and commitments to help tackle global social and environmental challenges. It has 11 focus areas (see right) informed by a materiality assessment of the ESG issues that can have the biggest impact on our business and society (see page 83 in the full ESG Report).

We are taking action across our business and value chain to deliver on our targets and commitments, manage our most material issues and enhance our positive contribution to society.

Partnering with our suppliers, customers, consumers and the communities where we operate is essential to drive progress as we go Together Towards ZERO and Beyond.

"I'm confident that TTZAB will deliver results for society and our business, cementing our licence to operate and our ability to brew better beers, now and in the future, as we strive to fulfil our purpose of brewing for a better today and tomorrow."

Cees ’t Hart
CEO, Carlsberg Group
The need for action to tackle the climate crisis has never been greater and we are stepping up our ZERO Carbon Footprint ambition.

The call from the UN Secretary General to turn commitment into concrete action is underlined by the latest report from the Intergovernmental Panel on Climate Change and evidenced by widespread drought, flooding and other extreme weather events across the planet in 2022.

In the lead-up to the COP27 climate conference, our CEO joined other members of the Alliance of CEO Climate Leaders in calling on governments and businesses to set bold ambitions and follow through on their climate commitments. Carlsberg was also one of 12 leading Danish companies to meet with the UN and urge the Danish government to accelerate the green transition.

Carlsberg was the first brewer – and one of the first three companies in the world – to have emissions targets approved by the Science Based Targets initiative (SBTi) in line with limiting average global warming to 1.5°C. We have already cut emissions from our breweries by 57% since 2015, and we will continue to pioneer low-carbon brewing techniques and technologies to achieve ZERO brewery emissions by 2030.

We are going further by targeting a net ZERO value chain by 2040. Innovation, collaboration and advocacy will underpin our progress – including encouraging key suppliers to follow our lead by committing to science-based targets. We are working closely with partners to explore ways to reduce emissions from producing our ingredients and packaging, and from transporting and chilling our beer.

-57% carbon emissions at our breweries per hl of beer produced since 2015 – exceeding our 2022 target of 50%

ZERO coal achieved at our breweries with the conversion of the first coal boiler in India to sustainably sourced biomass in 2022

92% renewable electricity at our breweries globally, with lack of availability in 4 countries leaving us just short of our 100% target for 2022

New off-site agreement in new renewable assets through a power purchase agreement in Denmark

98% of all new fridges and beer dispense equipment delivering low-climate-impact cooling

Towards 15% reduction in value chain emissions per hl of beer produced, progress to be confirmed in next year’s report once full 2022 data is available

See SDG index in the full ESG Report.
TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO CARBON FOOTPRINT

BREWING WITH THE HEAT OF THE GREEK SUN

It takes almost three times as much thermal power as electricity to produce our beer. But solutions for renewable heat are not yet widely available.

We are exploring new ways to generate heat with renewable energy instead of fossil fuels as part of our ZERO Carbon Footprint commitment. In Greece, we are testing an innovative solar thermal technology that harnesses heat from the sun.

By generating heat from solar collectors instead of natural gas, we expect to save around 70 tonnes of CO₂ emissions during the one-year pilot.

In preparation for a one-year pilot with technology partner Absolicon, we have installed equipment that uses solar energy to generate steam for use at our Olympic Brewery site in Sindos, Salonika.

Solar collectors, programmed to follow the sun, use a series of mirrors to focus the energy from the sun’s rays onto highly efficient solar collector tubes.

Pressurised hot water circulates through the tubes to generate steam reaching a temperature of up to 150°C. During the summer months, the solar collectors could supply up to 70% of the energy required for the beer pasteurisation process – 5% of the brewery’s total daily heat demand.

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By generating heat from solar collectors instead of natural gas, we expect to save around 70 tonnes of CO₂ emissions during the one-year pilot. We have successfully tested steam production, and will formally begin the pilot in the spring of 2023 once the sun is strong enough to allow full testing.

The solar collector field occupies 1,900 m² – roughly the size of seven tennis courts – and there is potential to extend it by up to six times that size to generate even more heat from the sun. We will use this pilot in Greece to demonstrate the viability of the technology for other breweries across Carlsberg and beyond.

Watch a timelapse video showing the construction of the solar collector field.

"Breweries are making plans to decarbonise process heat, and now several reports show that in sunny regions solar thermal collectors are the best way to generate renewable heat and steam. In collaboration with Carlsberg, we show that brewing can be decarbonised using solar heat that provides a scalable, easy-to-integrate and secure energy source."

Joakim Byström
CEO, Absolicon

"We’re excited by the potential of this technology to support the decarbonisation of our breweries globally by 2030, by harnessing the ultimate source of renewable heat energy – the sun. Collaborating across our business and with partners like Absolicon is vital to identifying and scaling the solutions to create renewable heat energy, and we’re pleased to be going towards ZERO and Beyond, together."

Surinder Singh
Senior Director of New Technologies, Carlsberg Group
Our bold new ambition aims to drive action on climate and biodiversity through regenerative agriculture and sustainable sourcing of ingredients.

Soil is critical for life on earth. It underpins food production, stores carbon, maintains biodiversity, purifies water, and helps to mitigate flooding and drought. But modern agricultural techniques have led to land degradation and contribute to greenhouse gas emissions that drive climate change1.

The use of synthetic fertilisers and pesticides made from fossil fuels produces CO₂, methane and nitrous oxide, while excess fertiliser contaminates nearby waterways. Heavy tillage releases CO₂ from the soil, contributing to climate change that in turn affects crop production. Increasingly frequent flooding, drought and heatwaves can reduce the quality and yield of crops – including barley – in many parts of the world2.

Every year, we buy more than a million tonnes of raw materials to make our beer. By changing how we source these, we aim to reduce our value chain emissions, secure our supply, improve farmers’ livelihoods – and drive a wider shift to regenerative farming for the beer industry and beyond.

We will do this by collaborating with others to define and adopt regenerative agricultural practices. Such farming methods aim to restore soil health, nurture biodiversity, and increase the capacity of soils to capture and store carbon.

By 2030, our target is for 30% of our raw materials to be grown using regenerative practices and be sustainably sourced – on our way to 100% by 2040. We have already secured barley that is grown using regenerative practices for beers in Finland and France, and the UK will be next.

By 2040:
- 100% of our raw materials are from regenerative agricultural practices and are sustainably sourced

By 2030:
- 30% of our raw materials are from regenerative agricultural practices and are sustainably sourced

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1 Intergovernmental Panel on Climate Change: Climate Change and Land.
TOGETHER TOWARDS ZERO AND BEYOND IN ACTION:
ZERO FARMING FOOTPRINT

RETHINKING THE BARLEY SUPPLY CHAIN

The barley used to make our Kronenbourg 1664 Blonde beer is changing. We have partnered with malt producer Malteries Soufflet and grain buyer Soufflet Agriculture (part of the InVivo agricultural group) to create the first sustainable and traceable “Responsible Barley” supply chain in France.

In 2022, together with our partners we brought together 45 farmers who are implementing a set of regenerative practices to promote biodiversity and reduce the carbon footprint of farming. These techniques include: diversified crop rotations to promote biodiversity; sowing cover crops during fallow periods to increase soil carbon; and optimising fertiliser input based on regular soil analysis.

We use blockchain technology to enable full traceability and verify responsible production from the field to our brewery. The farmers are guaranteed fair remuneration through a bonus scheme to reward their commitment to using more sustainable practices while maintaining the same high level of barley quality.

From 2023, 20% of the malt used to brew our Kronenbourg 1664 Blonde beer will be sourced from barley that is grown using these regenerative practices, with a production target of 900 hectares. By 2026, we aim to reach 100% by involving around 250 farmers producing barley on 5,000 hectares.

While further requirements need to be met to consider this barley fully regenerative, the adoption of these techniques takes us a big step forward on the path towards a ZERO Farming Footprint in France.

“Watch interviews with our partners on the ground here.”

"We’re very happy to work with Kronenbourg SAS in this value chain approach, which promotes good agroecological practices. As a committed maltster partner, Malteries Soufflet has always been deeply concerned about the challenges of all stakeholders, from farmers to consumers. Therefore, we support farmers’ produce while developing sustainable practices, in order to continuously improve our response to customer expectations."

Guillaume Couture
CEO, Malteries Soufflet

"This strong and engaging approach, developed with our partners Malteries Soufflet and Soufflet Agriculture, is part of Kronenbourg’s long tradition of prioritising the environmental and social impacts of its activities. It also illustrates our passion for the art of brewing and for innovation."

Anders Reed
Chairman and CEO, Kronenbourg SAS
At Carlsberg, product sustainability is not just about what we put into our beer – it’s also about what we put our beer into.

Packaging plays a fundamental role in getting our beer to consumers and making sure product quality is maintained from our brewery to their glass. It also has a significant influence on which products people buy.

Consumers are increasingly concerned about the environmental impact of packaging and growing regulations, such as the proposed EU Packaging and Packaging Waste Regulation, make sustainable packaging an important focus area for our business.

This is not new for Carlsberg. Driving down the climate impact of our packaging has been, and remains, a key driver of our ZERO Carbon Footprint ambition, as it accounts for the largest share (41%) of our value chain emissions.

We have been working with suppliers and partners to cut this footprint by lightweighting bottles and cans, opting for lower-carbon options where feasible, and innovating to create more sustainable solutions.

Now, we are building on these efforts to improve the carbon footprint of our packaging through increased focus on its circularity. With our new focus on ZERO Packaging Waste, we have set ambitious targets to drive progress towards circular packaging.

By 2030, we want all our packaging to be recyclable, reusable or renewable. We want to use less virgin plastic and more recycled content – and we want to ensure that at least 90% of our bottles and cans get collected and recycled after use to support this circular approach.

### New targets

- **8,000** Fibre Bottle prototypes produced and tested by consumers in Western Europe
- **70%** of four- and six-can multipacks in the UK use Snap Pack, cutting plastic use by up to 76% per pack
- **66%** return rate for our Aldaris brand bottles following the introduction of a deposit return scheme in Latvia
- **2,064 tonnes** of plastic wrap sourced in Europe made with 100% recycled plastic, from e.g. post-consumer waste and recycled materials from Carlsberg sites
- **5.3 billion** returnable glass bottles washed and refilled worldwide in 2022
- **12.2, 12.2.2, 12.5.1 & 12.6.1** launched to promote circularity through our new focus on ZERO Packaging Waste

By 2030:
- 100% recyclable, reusable or renewable packaging
- 90% collection and recycling rate for bottles and cans
- 50% reduction of virgin fossil-based plastic
- 50% recycled content in bottles and cans

See SDG index in the full ESG Report.
TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO PACKAGING WASTE

MOVING FORWARD WITH OUR FIBRE BOTTLE

Renewable and recyclable are the buzzwords for circular packaging – and critical to our ZERO Packaging Waste ambitions. Our Fibre Bottle is both.

Six years in the making, this bio-based and fully recyclable packaging innovation is now in its second-generation design and we will continue to refine it. The Fibre Bottle is made from wood fibres and polyethylene furanoate (PEF), a plant-based polymer developed by Avantium, our partner and leading expert in renewable chemistry. It is derived entirely from natural raw materials (excluding the cap).

Feedback from the trial will inform the next-generation design, and next steps will focus on a renewable solution for the cap, the only part of the Fibre Bottle that is not yet 100% bio-based.

The pilot has helped us gain insights to prepare for production at scale so we are ready to integrate the Fibre Bottle into our commercial packaging portfolio to expand consumer choice.

In 2022, we took this innovation a step closer to commercial reality by putting 8,000 second-generation Fibre Bottles into the hands of consumers for the first time – at festivals, flagship events and sampling sessions across eight Western European markets: Denmark, Finland, France, Germany, Norway, Poland, Sweden and the UK.

The vision for the bottle is to design it for recycling through mainstream post-consumer collection schemes, and should it end up outside the recycling system it will also degrade naturally. Based on expected scaling of production capacities and planned design iterations, the carbon footprint of the future Fibre Bottle is expected to be 80% lower than that of the single-use glass bottles of today.

Watch Carlsberg’s campaign video here.

"2022 was a landmark year in the development of our Fibre Bottle. We’ve taken a big step on a long journey, driving progress through our entrepreneurial approach and collaboration with Avantium, Paboco and other partners. Production of prototypes at our pilot plant in France has provided valuable insights to help us overcome technical challenges to achieve high-speed production at scale, and insights from consumers will help to optimise our next-generation Fibre Bottle."

Marine Andre
Packaging Innovation Director,
Carlsberg Group

"It's a truly exciting milestone that – for the very first time – consumers can now experience a PEF-lined beer bottle. With business partners such as the Carlsberg Group, Avantium can further scale and build the PEF value chain, meeting the growing global demand for circular and renewable material solutions. This is what the material transition is about: ensuring that people can get access to novel and sustainable products at scale."

Tom van Aken
CEO, Avantium
Without water we have no beer. Protecting water resources is essential for our business and for the communities where we operate.

Water is not only a key ingredient in itself, it is also used for cleaning and production processes at our breweries – and to grow the hops and grains we use to make our brews.

We need enough water to keep our breweries going, and we have a responsibility to use this vital natural resource in a way that does not compromise water supplies for the communities around us – especially in regions at high risk of water scarcity. The best way to do this is to make our breweries as efficient as possible to prevent water being wasted, and to reuse water where we can.

Since 2015, we have cut the amount of water we use from 3.6 to 2.5 hectolitres (hl) for every hl of beer we produce around the world. That is a 31% reduction, beating our 25% target for 2022 and making us one of the most efficient major brewers in the world. By 2030, we aim to get this down to an industry-leading 2.0 hl/hl globally.

We are going further by targeting 1.7 hl/hl at our breweries in high-risk areas where our water use has the biggest impact, and we have already achieved a 43% reduction at these breweries since 2015. We also safeguard water supplies for local communities in high-risk areas through local partnerships and have set an ambitious new goal to replenish 100% of the water we consume in high-risk areas by 2030.

-31% brewery water use globally since 2015, exceeding our 25% target for 2022

-43% water use at our 16 majority-owned breweries in high-risk areas since 2015

-26% water use over two years at our Liczniwig brewery through process improvements with input from frontline workers

30,000 people provided with better access to clean water in 2022 through our community partnerships in Vietnam

10 sites achieving industry-leading water usage efficiency of 2.0 hl/hl or less, with 3 in high-risk areas

By 2030:
- Water usage efficiency of 2.0 hl/hl globally and 1.7 hl/hl at breweries in high-risk areas
- 100% replenishment of water consumption at breweries in high-risk areas
TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO WATER WASTE

TEAMWORK TARGETS WATER SAVINGS IN CHINA

Improving water efficiency does not always have to involve capital expenditure. At our Liangping brewery in China, changes in working practices have delivered excellent water savings at virtually no cost. The impressive results won the site our first annual award for the best-performing water-saving brewery in Asia in 2022.

Liangping’s winning approach is all about teamwork. Brewery workers were asked to come up with ideas about where water could be saved based on their experience on the frontline of our operations.

More than 80 of their ideas have been translated into action, and workers whose suggestions led to significant water savings received rewards for their teams.

Process adjustments ranged from the relatively simple to the more complicated, from water loss elimination to water recovery and reuse. Most cost little or nothing to implement, making these water-saving solutions highly cost-efficient with strong potential to be applied at other breweries in the region.

These seemingly small changes add up to make a big difference, contributing to a 26% reduction in water use over two years and enabling the brewery to achieve a high efficiency rate of 2.0 hl of water for every hl of beer produced in 2022.

Lessons learned through this pilot at Liangping, and a similar trial at Dazhulin, will be adopted at other high-risk breweries across Asia from 2023, building on the same team ethos.

“We are on a mission to cultivate water-saving habits and challenge water consumption limits.”
Hu Bo
Environmental, Health & Safety Manager, Liangping brewery

“We treat water like gold and cherish every drop, pushing the boundaries to go even further on water efficiency.”
Lei Cheng
Maintenance & Utilities Manager, Liangping brewery
We are working to expand consumer choice, support moderation and encourage responsible drinking.

Consumers everywhere are embracing healthy, balanced lifestyles – and this is increasingly reflected in their drinking choices.

Beer and cider are already relatively low in alcohol content compared with wine and spirits – and we are increasing the appeal, variety and availability of our no- and low-alcohol brews. By expanding choice for consumers, we will further differentiate our products in ways that are good for society and our business.

Our Together Towards ZERO and Beyond programme includes an ambitious new goal for 35% of all the brews we sell to contain no more than 3.5% alcohol by volume (ABV) by 2030.

We also continue to encourage consumers to enjoy all our products responsibly. Alcohol misuse – including drinking underage, while driving or to excess – remains a global public health concern. We are tackling this challenge head-on through our own actions and partnerships, adjusting our approach to the varying drinking cultures and attitudes to alcohol in each market.

As a responsible brewer, we want to create a positive beer culture in each of our markets by giving consumers healthier options and the information to make responsible choices. Countering underage drinking – alcohol consumption by people under the legal drinking age – is a global priority and we are continuing our work to put age-restriction symbols on all our products.

Our ZERO Irresponsible Drinking ambition supports the UN and World Health Organization goal to reduce harmful alcohol consumption. It also helps to protect our reputation and licence to operate – and drives business growth as we tap into consumer demand for no- and low-alcohol brews.

See SDG index in the full ESG Report.

**By 2030:**
- 100% responsible drinking messaging through packaging and brand activations
- 100% of our markets run partnerships to support responsible consumption
- 100% availability of alcohol-free brews
- 35% of our brews globally are low-alcohol or alcohol-free
TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO IRRESPONSIBLE DRINKING

UNDERWATER BAR HIGHLIGHTS PERILS OF DRINKING AT SEA

Carlsberg’s advertising is known for its creativity and wit. In 2022, we used those trademarks to highlight a serious problem in Sweden: the risks of drinking at sea during the summer boating season.

Interest in boating has soared during the COVID-19 pandemic. But drinking while boating is too common, and the consequences can be fatal. Between 2011 and 2019, 230 people died in recreational boat accidents in Sweden – and over half had alcohol in their blood.¹

Carlsberg Sverige set out to raise awareness of this challenge and present our alcohol-free beer as a solution. The result was a campaign that reached over 35 million people with the message: "Don’t drink and boat. Stay sober and float."

The innovative approach combined advertising with an underwater bar reachable by diving. Located just off the pier in the summer hotspot of Smögen, the bar offered tourists the chance to sip a non-alcoholic beer on the seafloor, under the guidance of the local diving club.

The fully equipped bar included a counter, stools, beer cooler and taps, and a selection of Carlsberg Sverige’s tasty alcohol-free brews.

¹ Svenska Transportstyrelsen (Swedish Transport Agency).

"As a leading brewery and distributor of alcoholic beverages, we have a responsibility for how our beverages are consumed. Our ambition with the underwater bar was that it would be an important reminder to abstain from alcohol at sea and choose an alcohol-free alternative instead."

Henric Byström
Director, Corporate Affairs, Carlsberg Sverige

"We think that Carlsberg Sverige’s underwater bar was a fantastic initiative that will hopefully make more people choose alcohol-free alternatives at sea."

Samuel Löfgren
Gösta’s Fish Restaurant in Smögen
Safety is always our first priority. Any injury is one too many as we drive progress towards ZERO accidents.

Keeping our employees – and everyone who works with us – safe is a prerequisite for doing business. Knowing that we prioritise their health and safety also helps our people feel that they are a valued part of a winning team. Rigorous safety standards apply across our operations. These are reinforced by our Life Saving Rules, which set out safe working practices in breweries, warehouses and offices, and on the road.

Safe behaviour is central to a ZERO Accidents Culture. Managers, employees, contractors and temporary workers are all expected to take care of their own safety, and the safety of those around them. We provide clear guidance and training to empower people to work safely, and to spot, report and take action to prevent unsafe behaviours.

We are working hard to create a safe environment by making improvements each year on a steady course towards ZERO accidents. We have cut our lost-time accident rate by 37% since 2015. But changing behaviour takes time and we still have work to do in embedding our ZERO Accidents Culture at the breweries we acquired in 2020.

Our global safety performance improved year on year in 2022 and we achieved a significant reduction in accidents related to high-hazard activities targeted by our Life Saving Rules.

To further strengthen oversight at Executive Committee level, our Vice President of Integrated Supply Chain took on overall responsibility as head of the Health and Safety Council in 2022.

-37% lost-time accident rate from 2015 – and -7% from 2021, meeting our year-on-year reduction target for 2022

-89% motorcycle and scooter accidents in Asia compared with 2021

-41% total lost-time accidents from 2015 – and -9% from 2021 – on the way to our target of ZERO by 2030

365,000 observations on safety risks and unsafe behaviours made by our employees

30 breweries achieved 1,000 consecutive days without a lost-time accident

99.6% of our 7,732 drivers globally completed safe driving training in 2022

By 2030:
> **ZERO** lost-time accidents
> A **year-on-year reduction** in the accident rate

See SDG index in the full ESG Report.
TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO ACCIDENTS CULTURE

EMPOWERING DRIVERS TO SPOT AND CHANGE UNSAFE BEHAVIOURS

Road safety remains one of our biggest risks. Driving 25,000 miles a year on business is the third most dangerous work-related activity that anyone can be involved in.¹

We train all our drivers on road safety. With an estimated 94%² of traffic collisions caused by human error, we are now going a step further to help our people adopt safe behaviours through an easy-to-use app called Brightmile.

Our drivers simply download Brightmile onto their smartphone to get regular reports on how well they are performing. Its dashboard monitors factors such as how often drivers exceed speed limits, accelerate sharply or cross junctions too fast, and if they go too long without a break.

The idea is not to keep a disapproving eye on drivers – managers do not see reports of driver locations or individual trips – but to help draw drivers’ own attention to risky behaviours they may not even be aware of. We are also using the app to incentivise safe behaviour by enabling drivers to earn points that can be exchanged for prizes and awarding bonuses to the safest drivers.

In Malaysia, where we have rolled out Brightmile to all our drivers, risky behaviour has already declined by 24% and speeding by 28%, contributing to a significant reduction in accidents.

By the end of 2022, more than 1,600 Carlsberg drivers were using Brightmile in Malaysia, Cambodia, Hong Kong SAR and Vietnam. Together, they have already logged over 2.7 million kilometres of driving on the app. We plan to extend the use of Brightmile or similar apps to our drivers in more markets in 2023.

¹ Royal Society for the Prevention of Accidents (UK).
² National Highway Traffic Safety Administration (USA).

"Carlsberg has implemented one of the most innovative and driver-friendly safety and sustainability programmes across four Asian markets in 2022 – with more to follow soon. We’ve been using positive reinforcement, gamification and rewards to encourage driver behaviour change. The results speak for themselves with significant reductions in risky driving behaviours."

Adam Hawes
Co-Founder, Brightmile

"The five pillars of the Brightmile app – risk, speeding, distraction, fatigue and eco – have helped me to pay more attention to road conditions and every potential risky situation that arises. With Brightmile, I now take the speed limit at various places like schools, housing areas and highways with serious caution to avoid unfortunate accidents."

Beh Ee Seong
Carl’s Shop Project Executive, Carlsberg Malaysia
We aspire to create a fair, diverse and inclusive workplace where all our people feel they belong.

As a large international business, we have a responsibility to promote diverse perspectives and voices in today’s society. But for us, Diversity, Equity and Inclusion (DE&I) is a business priority, not a compliance necessity.

Carlsberg’s many brands around the world are as diverse as our people, customers and consumers. Harvesting the diversity of experiences and perspectives of our employees helps us build a winning team where every colleague can be themselves. This sense of belonging supports creativity and innovation, making our business more successful.

Our DE&I focus is led from the top, and our leaders undergo dedicated inclusion training. We believe that getting the gender balance right will pave the way for more diverse representation, and we have set shorter-term targets to recruit and develop more women leaders into our traditionally men-dominated industry: 30% women in senior leadership roles by 2024, reaching 35% by 2027 and a minimum of 40% over time.

Promoting equity also builds trust in our culture. We provide equal access to opportunity through consistent, fair and transparent policies and practices, and we have zero tolerance for discriminatory behaviours and harassment.

As we continue on our DE&I journey, we will hold ourselves accountable by asking our people how we are doing through regular employee surveys and by measuring our maturity against industry peers.

See SDG index in the full ESG Report.
At Carlsberg, we take an ethical approach to all our business decisions and stakeholder relationships.

Our company’s success is rooted in doing business responsibly. This commitment is deep in our DNA, and it is what our people, customers, business partners and communities expect of us.

We create a winning culture by defining clear standards on ethical behaviour for employees to follow in their daily decision-making – and our Board of Directors, CEO and executive team lead by example. We call this approach Living by our Compass, and it supports all our efforts in going Together Towards ZERO and Beyond.

Carlsberg maintains a rigorous compliance programme that includes our Code of Ethics & Conduct and supporting policies, training, third-party screening and a Speak Up helpline.

We are committed to continual improvement, and this year we strengthened controls in areas such as employee conflicts of interest and screening of higher-risk third parties for bribery and sanction risks.

Respect for people is an essential part of how we do business.

At Carlsberg, we are committed to respecting human rights throughout our value chain. This commitment applies to all our activities and relationships, including employees, contractors, suppliers and licensees.

We are committed to the UN Guiding Principles on Business and Human Rights, which guide our approach. We are also a signatory to the UN Global Compact and support its ten principles, which include a strong focus on human rights.

Respect for people and their fundamental rights is one of our core values and integral to the Together Towards ZERO and Beyond programme that supports our SAIL’27 business strategy.

Our Human Rights Policy, overseen by our Executive Committee, outlines our commitments and expectations for all employees and business partners globally. Requirements related to human rights are also covered in our Supplier & Licensee Code of Conduct, that all suppliers and licensees must commit to.

See SDG index in the full ESG Report.
**SOURCING RESPONSIBLY**

We aim to collaborate with suppliers who share our values and responsible approach to doing business.

Carlsberg partners with tens of thousands of suppliers around the world who provide us with the ingredients, packaging and logistics we need for our beer, as well as goods and services to keep our operations running.

To work with us, suppliers must meet the standards set out in our Supplier & Licensee Code of Conduct and accompanying technical standards, and commit to extending these requirements to their own suppliers.

The wide-ranging standards cover business ethics, labour and human rights, quality, health and safety, and environmental sustainability. Additional commitments for key suppliers to cut their environmental footprint also support wider progress across our ESG programme in areas such as ZERO Carbon Footprint.

This year, we strengthened our Responsible Sourcing programme and joined two external platforms, AIM-Progress and Sedex, to help us drive positive impact in our own supply chain and beyond.

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**ENGAGING COMMUNITIES**

We engage our communities responsibly, and work with business partners and non-profits to give back to society.

As a global business with well-known brands, we influence consumers and have an impact on people’s lives wherever we operate. We give back through appropriate corporate and brand-led initiatives that create positive impact and mutual benefits for Carlsberg and for wider society.

Some of our community projects support our global focus areas on our journey Together Towards ZERO and Beyond. Others are driven by community needs or sustainable development issues that are important to local stakeholders.

The Carlsberg Foundation is our principal shareholder and a major benefactor of Danish society. Together with the New Carlsberg Foundation and the Tuborg Foundation, the Carlsberg Foundation donated DKK 1.03bn to scientific research, the arts and civil society in 2022. This unique structure means that the more successful our business, the bigger the difference the Foundations can make to society and communities with the dividends from Carlsberg Group.

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8.7.1, 8.8.1 & 8.8.2
10.3.1
12.6.1
16.b.1
See SDG index in the full ESG Report.
COMMUNITY ENGAGEMENT IN ACTION

AID TO UKRAINE

Carlsberg has a long history in Ukraine. Our three breweries – in Lviv, Kyiv and Zaporizhzhya – employ 1,300 people. Following the Russian invasion, we took steps to support our people and communities on the ground.

In early March, the Carlsberg Group, the Carlsberg Foundation and the Tuborg Foundation together pledged DKK 75m to support the humanitarian relief effort, which we channelled through international aid groups.

We supported evacuation transport and re-housing for affected employees, and set up Project Lux to distribute a EUR 0.57m fund (DKK 4.2m) to help maintain electricity and internet connection through blackouts at employees’ homes. In 2023, we will triple our annual overall business investment in Ukraine to UAH 1.5bn (DKK 286.4m).

We also partnered with the Red Cross to collect donations from our employees around the world, and provided funds directly to Polish and Ukrainian NGOs helping the displaced. Our local markets and employees also responded to Ukraine’s plight in inspiring and creative ways. Our support for communities during 2022 included:

• Delivering bicycles: We teamed up with Bikes4Ukraine to send hundreds of bicycles from Copenhagen to Lviv to help people who have resettled there get around, and support delivery of food and medicine.
• Distributing food: Through the Kind Hamper for Ukrainians initiative, we supported communities by buying food from small local businesses for distribution to people in need in Kyiv and Zaporizhzhia.
• Providing drinking water: We repurposed our Ukrainian production facilities to manufacture bottled water and worked with NGOs to deliver over 3 million litres to cities where drinking water supplies were running low.
• Rebuilding: Our Lvivske brand, sponsor of Ukraine’s football team, supported new housing for internal refugees in Lviv by making a donation to the UNITED24 reconstruction fund for every fan’s vote for “Lion of the match”.
• Rehabilitating: We supported the UNBROKEN National Rehabilitation Centre to provide bionic prostheses for people injured in the war.
• Supporting scholars: The Carlsberg Foundation donated DKK 5m to bring displaced Ukrainian scholars to Danish universities, funding up to 24 fellowships with the Novo Nordisk Foundation and Villum Foundation.

"Local manufacturers continued to produce goods despite the war’s alarms, rocket attacks and power cuts. Kind Hamper, together with our dear partner Carlsberg Ukraine, bought and collected products from local manufacturers and packed them into sets for distribution. Every jar of honey, bread or chocolate is an opportunity for manufacturers to work, continue their business and stay afloat. Through this collaboration Carlsberg Ukraine supported local business and people."

Serhiy Horunov
Founder, Kind Hamper initiative

"Carlsberg Ukraine has always taken an active part in supporting our communities, and we stand side by side with our society. During the war, we’ve supported the arrangement of housing in Lviv and provided internally displaced Ukrainians with access to water and other necessities. We’re happy to support the Kind Hamper project as a response to the problem local gastronomic producers and people were faced with."

Oleh Khaidakin
Managing Director, Carlsberg Ukraine
FIND OUT MORE

ESG REPORT & SUMMARY
The full ESG Report provides comprehensive information on our Together Towards ZERO and Beyond programme, ambitions, targets, governance, performance and partnerships. This ESG Report Summary provides an overview of the report highlights.

ANNUAL REPORT
Our Annual Report focuses on our financial performance. It includes sustainability information relevant to investors, including our annual climate disclosures for the Task Force on Climate-related Financial Disclosures (TCFD).

REMUNERATION REPORT
Our Remuneration Report includes full disclosure of the remuneration we provide to members of our Supervisory Board and Executive Management.

WEBSITE
carlsberggroup.com hosts all our relevant reports and policies, as well as an overview of our Together Towards ZERO and Beyond focus areas, and showcases examples of actions and achievements along the way.

SOCIAL MEDIA
We share our latest sustainability stories and updates from across our markets throughout the year.