



**CARLSBERG
GROUP
HUMAN RIGHTS
REPORT 2023**



WELCOME TO THE CARLSBERG GROUP'S HUMAN RIGHTS REPORT FOR 2023

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FIND OUT MORE



ESG REPORT & SUMMARY

The full ESG Report provides comprehensive information about our Together Towards ZERO and Beyond programme, ambitions, targets, governance, performance and partnerships. The ESG Summary focuses on highlights from the year.



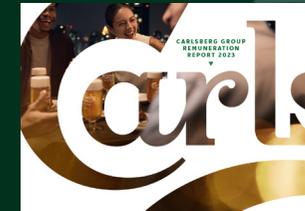
ANNUAL REPORT

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



HUMAN RIGHTS REPORT

This first stand-alone Human Rights Report provides more detail on this area of our Together Towards ZERO and Beyond programme, including our due diligence approach.



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 our reports and policies, offers an overview of our Together Towards ZERO and Beyond programme and showcases our achievements along the way.



SOCIAL MEDIA

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

INTRODUCTION

ABOUT THE CARLSBERG GROUP

The Carlsberg Group was established in 1847 by brewer J.C. Jacobsen. Today, we are one of the world's leading brewery groups, with more than 140 brands and 31,000 employees.

We have operations across three regions – Western Europe, Central & Eastern Europe and Asia – and a presence in additional markets through export and licence agreements globally.

The impact of our business goes well beyond our operations. Tens of thousands of suppliers around the world provide us with ingredients, packaging and logistics for our products as well as goods and services to keep our business running. Carlsberg brands – including beers, alcohol-free brews and brands Beyond Beer, such as cider – reach consumers globally through domestic sales, exports and licensing agreements.

Upholding our commitment to making the right choices in the way we conduct our business is essential for our customers, partners and stakeholders around the world to put

their trust in us as we brew for a better today and tomorrow.

ABOUT THIS REPORT

This is the Carlsberg Group's first stand-alone Human Rights Report.

The report describes our human rights due diligence approach and the actions we are taking to live up to our commitment to respect human rights throughout our value chain in line with the UN Guiding Principles on Business and Human Rights.

Working with human rights is a dynamic process. A constantly changing environment affected by geopolitics, economics, and environmental issues and other factors exposes our business to different human rights challenges.

This report increases transparency for our stakeholders in how we handle human rights risks, challenges and opportunities for improvement. It expands on the human rights content we already provide in our annual Environmental, Social and Governance (ESG) Report.

The reporting scope of this publication is equivalent to that of our *ESG Report 2023*.

We will publish a detailed Human Rights Report every two years, alongside yearly updates communicated through our ESG reporting.

“At Carlsberg, respect for people is an essential part of how we do business. We are committed to respecting the human rights of the people connected to our business and our value chain – from the colleagues who help make and promote our products to the communities where we brew and sell our beers. We continually seek opportunities to collaborate and have a positive impact wherever we operate.”

Jacob Aarup-Andersen
Group CEO



OUR COMMITMENTS

The Carlsberg Group is committed to meeting its responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights. We acknowledge our responsibility to respect all internationally recognised human rights across our own activities and business relationships.

We will continuously improve our ability to identify potential and actual adverse impacts on human rights with which our business is connected and, once identified, to take appropriate action to prevent or mitigate those impacts. We will maintain an open and unbiased dialogue with our stakeholders on human rights issues, and continue to periodically align our approach with external and internal stakeholders.

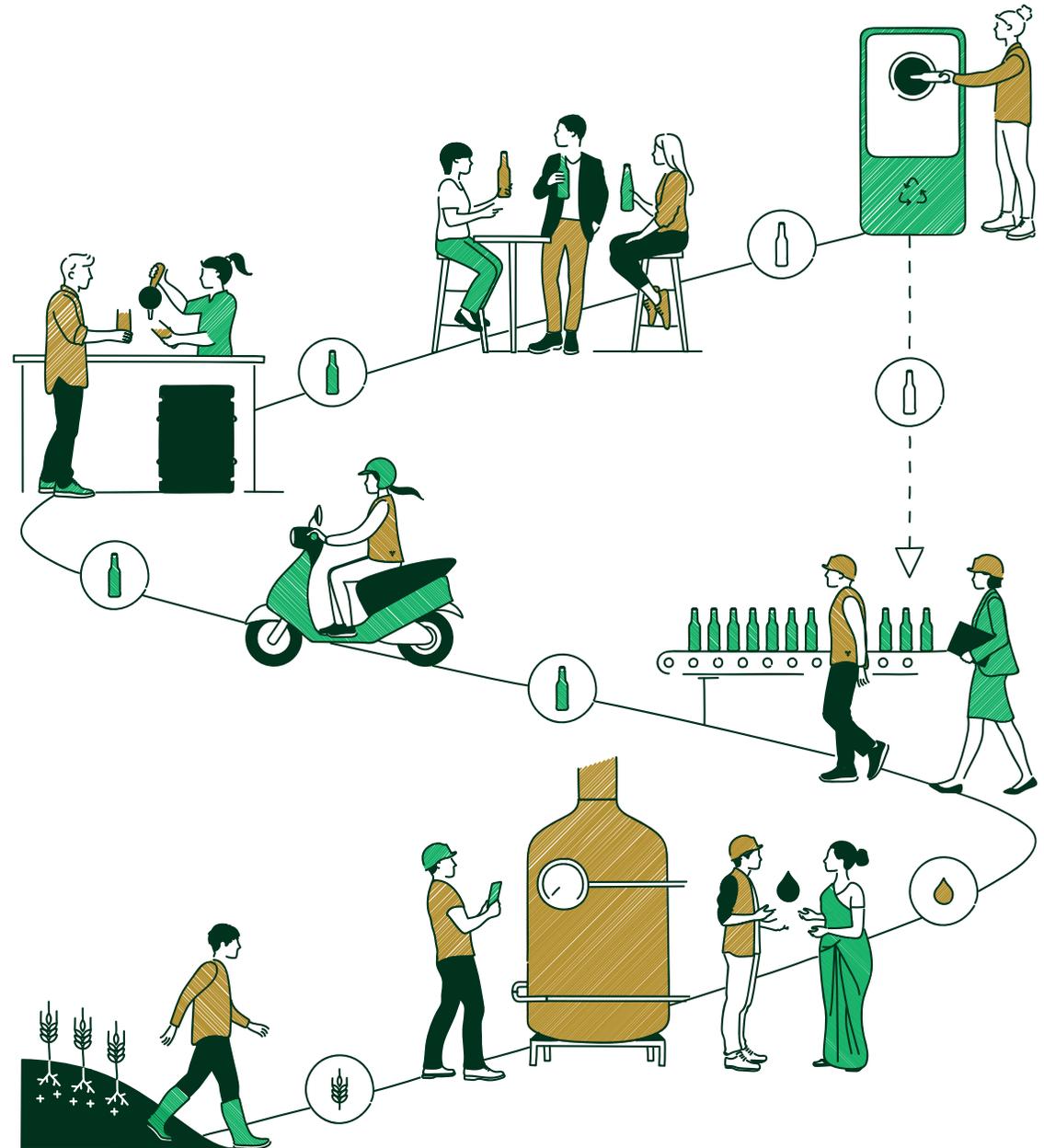
Our commitments are enshrined in our *Human Rights Policy* and based on internationally recognised human rights described in the International Bill of Human Rights (including the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights and its two Optional Protocols), the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and additional ILO conventions setting labour standards for working

hours, wages and benefits, and health and safety.

As a signatory to the UN Global Compact, we adhere to its Ten Principles, which include human rights. The UN Guiding Principles on Business and Human Rights guide our approach and activities in this area.

Our *Human Rights Policy* provides guidance and specific requirements on respecting human rights that we consider most significant to our operations. Our commitment to respect human rights also refers to all internationally recognised human rights across our own activities and business relationships. These include respect for people’s land rights and the right to water.

Our due diligence efforts across the value chain, including supplier audits and human rights assessments, also pay particular attention to groups that are more prone to human rights infringements, such as indigenous people, migrants, women and children.



HUMAN RIGHTS GOVERNANCE

Human Rights is a focus area of our ESG programme, *Together Towards ZERO and Beyond (TTZAB)*, which in turn supports our SAIL'27 business strategy and commercial success.

Our Executive Committee, chaired by the Group CEO, is responsible for our performance on ESG, including human rights. It provides strategic

guidance and approval of our *Human Rights Policy*.

Implementation of the policy is overseen by our ESG Steering Committee, made up of leaders from across the business. Ownership of specific areas of TTZAB, including human rights, is allocated to leaders of relevant business functions.

Specific matters that require special attention are presented to our Supervisory Board, which regularly discusses ESG topics and elements of our TTZAB programme. The Supervisory Board is currently overseeing implementation of our three-year human rights plan.

DAY-TO-DAY RESPONSIBILITIES

Respecting human rights across the value chain touches many parts of our business, and responsibility is shared by several functions.

Overall responsibility for human rights at Carlsberg lies with the Vice President of Corporate Affairs. Our global Group Sustainability & ESG team, which includes a dedicated Senior Human Rights Manager, coordinates our human rights due diligence process and work across the value chain. The team engages with relevant business functions and local teams in our markets to provide advice, drive the implementation of our human rights activities (including management of specific risks) and support continuous improvement through ongoing open dialogue.

Our Senior Human Rights Manager works closely with our Senior Responsible Sourcing Manager, who supports the implementation of initiatives related to human rights in our supply chain and our *Supplier & Licensee Code of Conduct*.

Our global Human Resources function is responsible for the

effective implementation of our *Human Rights Policy* among our own employees, including those based at our breweries and offices, and those working in our sales force.

POLICIES AND GUIDELINES

We have a range of policies and guidelines for our employees, suppliers and other business partners that help us meet our commitments to respect people's rights. These include our:

- *Human Rights Policy*: sets out our commitment to human rights and our expectations for employees and business partners globally, with further guidance provided in an internal Human Rights Manual that explains how our policy applies in real-life situations.
- *Code of Ethics & Conduct*: lays down mandatory rules of behaviour for all our employees, including on workplace human rights issues such as discrimination and harassment.
- *Supplier & Licensee Code of Conduct*: lays down requirements for suppliers in areas covering business ethics, labour and human

TOGETHER TOWARDS ZERO & BEYOND



ZERO
Carbon
Footprint



ZERO
Farming
Footprint



ZERO
Packaging
Waste



ZERO
Water
Waste



ZERO
Irresponsible
Drinking



ZERO
Accidents
Culture

Responsible
Sourcing

Diversity, Equity
& Inclusion

Human
Rights

Living By
Our Compass

Community
Engagement

rights, health and safety, and environmental sustainability. To work with us, suppliers must meet these requirements and ask the same of their own suppliers.

- *Diversity, Equity & Inclusion (DE&I) Policy*: reinforces our zero tolerance for discriminatory behaviours and harassment, and embeds our commitment to DE&I through a four-pillar approach that includes providing employees with equal access to opportunity.
- *Health & Safety Policy*: includes our commitment to a ZERO Accidents Culture and defines requirements for managing health and safety risks for employees working on- and off-site, and for everyone working at or visiting Carlsberg sites.
- *Environmental Policy*: seeks to prevent and control environmental risks connected to our business, and applies globally to our management, employees and contract workers.
- *Responsible Drinking Policy*: sets the standards expected of our employees regarding responsible alcohol consumption to prevent alcohol-related harm and promote enjoyment in moderation. The policy defines the responsibilities of the Carlsberg Group and all its

employees, and provides clear guidelines on fulfilling the standards. All agency workers, contractors, consultants and other individuals working on the Group's premises or working for or on behalf of the Group must also observe the standards.

- *Marketing Communication Policy*: focuses on how we promote and advertise our products to ensure we reach the right people with the right messages and encourage people to consume our products responsibly.
- *Brand Promoter Manual*: provides specific guidance for our brand promoters (both employees and contractors) on how to put our *Human Rights Policy* into practice in their day-to-day work.
- *Speak Up Manual*: provides guidance for employees on how to use our Speak Up channels to raise any concerns about suspected ethical breaches, including those related to human rights.

Depending on the needs of local markets, these policies and guidelines may also be translated into local languages.

TRAINING

All employees must complete training in our *Code of Ethics & Conduct*, which includes human

rights topics, and relevant employees must complete refresher training every three years thereafter.

Our policies clearly set out our requirements for everyone. Accompanying guidelines and manuals help explain how to apply our policy in real-life situations, and we make human rights training available to all our employees.

Additional training on human rights is mandatory for people working in certain roles. These include our human resources, procurement and legal teams. We hold awareness sessions on specific topics with teams in relevant global functions and local markets.

We also run periodic training and communications campaigns for all employees to raise awareness of specific topics. For example, we rolled out mandatory sexual harassment training in 2023.

EXTERNAL PARTNERSHIPS

Through our human rights policies, standards and processes we seek to drive positive impact in our own value chain and beyond. To amplify this impact, we work closely with expert partners and global platforms.

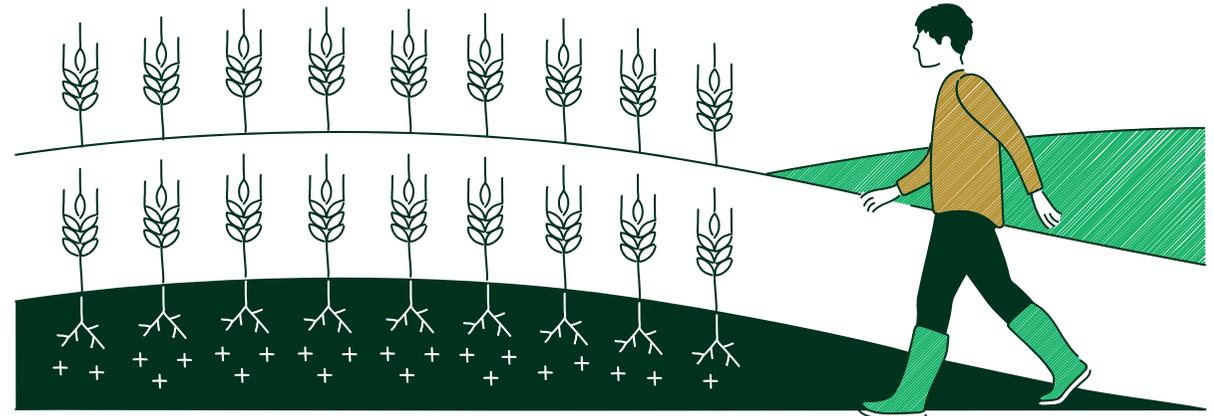
Shift, the leading centre of expertise on the UN Guiding Principles on Business and Human Rights, supported our implementation of a salient human rights assessment framework, which our team updates annually with input from internal and external sources.

In 2023, we conducted human rights assessments in two high-risk markets with support from the expert consultancies twentyfifty and Yever.

Sourcing responsibly is a key component of our human rights approach, and we have joined two global organisations, AIM-Progress and Sedex, to support our due diligence of suppliers.

As a member of AIM-Progress, we share best practices for responsible sourcing with other manufacturers of fast-moving consumer goods and suppliers of these companies.

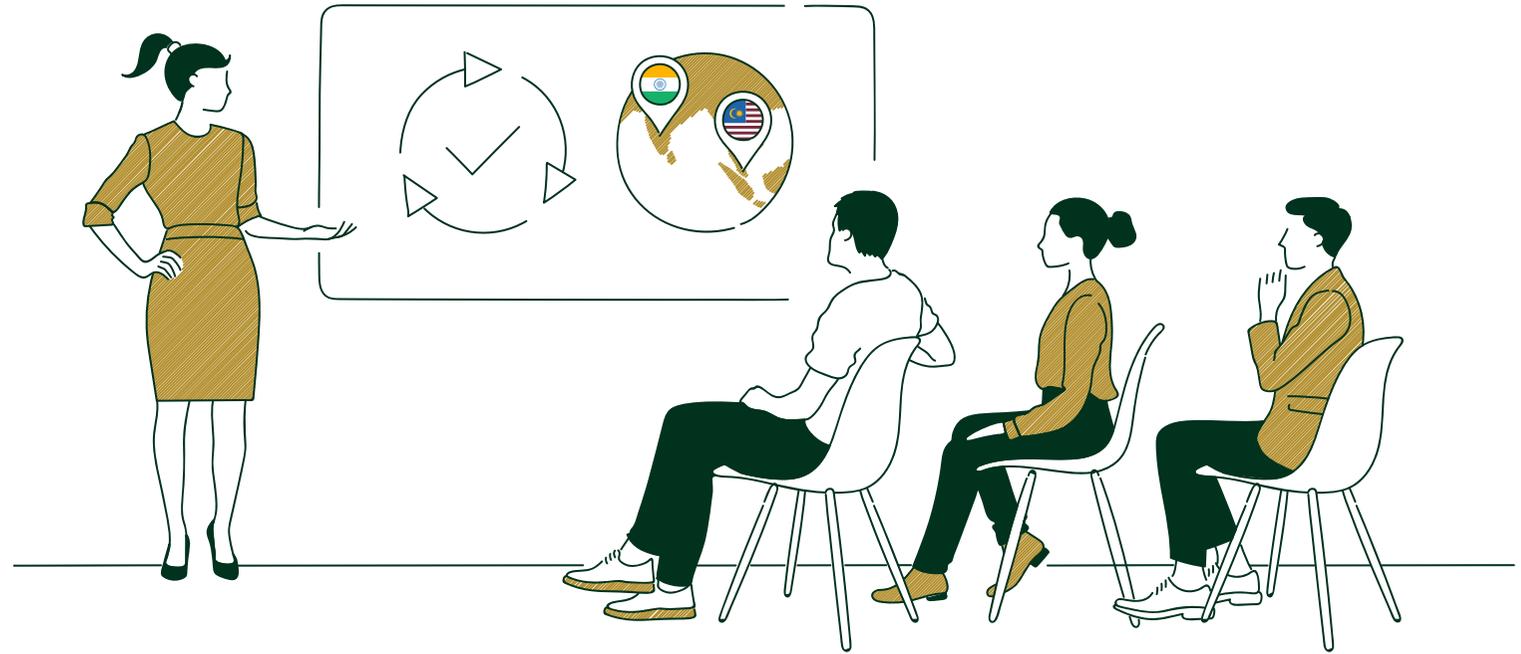
Through the forum, we are working with other brands to build capacity among suppliers via training and awareness sessions led by external experts (see case study on page 7).



These sessions also allow stakeholders to discuss common challenges, best practices and ways to drive positive change.

Sedex is a membership platform that enables companies to manage and improve working conditions in their global supply chains, and we are using tools developed by Sedex to screen, assess and audit relevant suppliers for human rights risks (see page 10).

Both platforms lessen the risk of audit fatigue and help suppliers avoid duplicated effort. Suppliers can choose to share the findings of rigorous SMETA audits, which follow the Sedex methodology, with any customer that is a Sedex member, and the AIM-Progress mutual recognition programme enables members to share supplier evaluation approaches in a similar way.



CASE STUDY

PARTNERING TO BUILD CAPACITY AMONG SUPPLIERS

Suppliers across our markets face complex and often market-specific human rights challenges. In 2023, we invited some of our key suppliers in Asia to expert-led capacity building sessions designed to help equip them to navigate such challenges.

In Malaysia, members of our local procurement team and three of our key suppliers joined an expert-led training session facilitated by AIM-Progress that focused on

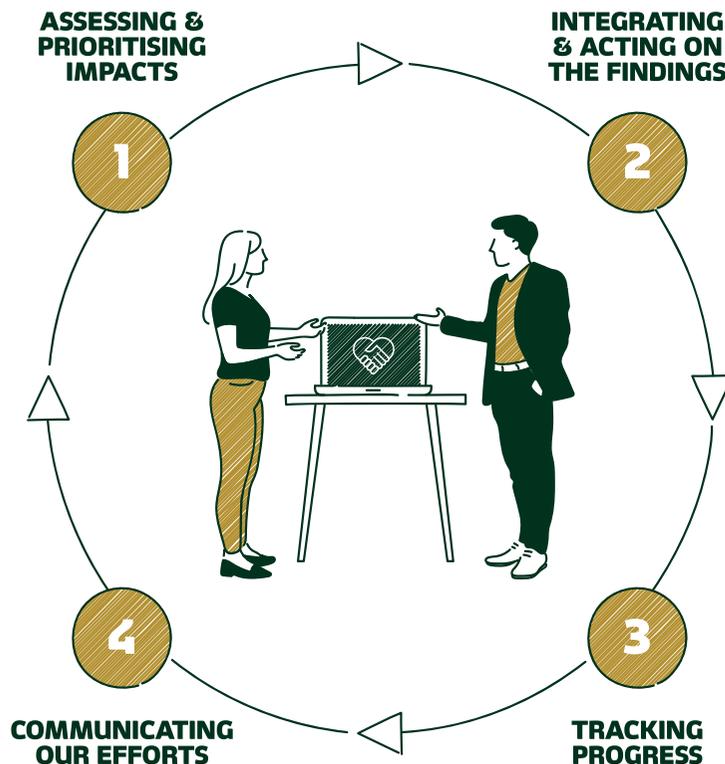
the fair and ethical recruitment of foreign workers. Ten multinational brands that are AIM-Progress members, and around 40 of their suppliers across food and agriculture, packaging, manufacturing, transport and logistics, held an open dialogue about common challenges, best practices and ways to co-create solutions and drive responsible sourcing.

In India, we sponsored an AIM-Progress training programme attended by 14 of our key suppliers in the country and our local procurement team. The event focused on implementing human rights due diligence in the market, with speakers from government agencies and leading Indian businesses. Interactive sessions led by expert third-party organisations explored how businesses are addressing human rights and how mandatory reporting is impacting supply chains in India.

HUMAN RIGHTS DUE DILIGENCE

We have a robust due diligence process that screens our business activities and relationships for potential adverse impacts on human rights related to specific issues and markets. We work with our local markets and relevant business partners to implement remedial measures designed to prevent or mitigate any potential impacts.

Our approach to human rights due diligence aligns with the UN Guiding Principles on Business and Human Rights. The four components are illustrated below and described in the following sections.



ASSESSING AND PRIORITISING IMPACTS

At least once a year, we review the human rights that our business and value chain could potentially impact globally. This process builds on the formal identification of salient human rights risks we conducted with Shift in 2020, which considered industry trends, public research, best practices from peers and input from internal stakeholders.

Salient human rights are those at risk of the most severe human rights impacts. We refresh our assessment of salient human rights risks annually by considering external developments impacting our business, such as changes in operational contexts or conflicts that could exacerbate risks of human rights abuses, and integrating learning from our due diligence work.

Annual assessments take into account relevant new research indicating potential issues in additional areas, results of supplier audits, findings from our enhanced due diligence activities (including human rights assessments in high-risk countries), as well as input from

relevant functions and markets across the business and from external stakeholders such as investors and trade unions. We analyse all this information to determine the severity and likelihood of each potential impact across our value chain.

In 2023, the salient human rights risk assessment was also informed by the results of our latest ESG materiality assessment (our first using a double materiality process in

line with forthcoming reporting regulations, see our *ESG Report*). These inputs helped to sharpen our focus on the areas, relationships and markets most closely related to our salient human rights risks.

As a result of this process, we have identified seven potential areas of impact as the most salient to our business (see box above).

SALIENT HUMAN RIGHTS RISKS IDENTIFIED IN 2023

Potential areas of impact related to our business activity identified by our annual review of salient human rights risks included the following:

- Access to water in water-scarce areas where we have operations.
- Forced labour, child labour and overall working conditions in the sourcing of some products and services we purchase.
- Harassment of our own workforce and of outsourced employees promoting our products (known as brand promoters).
- Health and safety issues connected to harmful drinking.
- Precarious conditions in the scavenging of bottles and cans in places where formal recycling infrastructure is absent.
- Respect for land rights in connection with our agricultural supply chain, mergers and acquisitions, and greenfield investments.
- Workplace accidents in our own operations.



CASE STUDY

ENGAGING WITH STAKEHOLDERS IN MYANMAR

We have operated in Myanmar for 10 years and own a brewery in the city of Bago. We directly employ 430 people and indirectly support around 30,000 jobs in the local economy.

This year, we conducted an assessment to identify areas of impact connected to our value chain in Myanmar, a high-risk market for human rights.

Stakeholders consulted included local Carlsberg employees, suppliers and distributors (and their

employees), sellers and wholesalers, community members and civil society organisations. Expert consultants twentyfifty and Yever supported this work, with Yever conducting field work, including face-to-face interviews and surveys.

Input from these various sources helped us better understand the practical complexities of implementing our human rights policies on the ground in challenging contexts. Our comprehensive assessment supported the development of effective remedial action plans

and enabled us to discuss our role in bringing positive change with local stakeholders.

"twentyfifty has supported Carlsberg over the past year to assess current practices in identifying and addressing risks in specific operations and supply chains. We look forward to continuing our engagement with their leadership team and to supporting them to further embed human rights due diligence and deliver impact."

Luke Wilde
Founder and Chief Executive, twentyfifty

ENHANCED DUE DILIGENCE IN CHALLENGING CONTEXTS

We are a global company. Some of the markets where we operate are affected by conflict and related human rights risks. In line with the UN Guiding Principles on Business and Human Rights, we engage in enhanced due diligence activities in markets where we identify a higher likelihood of our value chain being connected to adverse impacts on human rights.

In 2022, we worked to gain a better understanding of the potential adverse impacts of operating in a conflict-affected country, including through engagement with other companies and independent human rights experts.

In 2023, we conducted further analysis of these risks and began rolling out human rights assessments to identify areas of human rights impact in specific high-risk markets, starting with two markets in Asia.

To provide objectivity, independence and external expertise, we commissioned two consultancies to support us in these assessments, including by conducting stakeholder engagement with potentially affected groups of people (see case study, left).

In each case, an analysis of the information gathered helped to determine and prioritise potential and actual impacts by severity and likelihood. We then created remediation plans to mitigate these impacts – which included labour rights, safety conditions and grievance mechanisms – in collaboration with our global and local teams. Our ESG Steering Committee will oversee progress on these remediation plans.

The external assessments for these two markets, together with our own internal reviews, provided valuable insights into how our global policies are implemented on the ground and the steps we need to take to address gaps in implementation in specific settings.

In 2024, we plan to conduct further human rights assessments in other high-risk markets, engage with people whose rights could be adversely affected in connection with our value chain, develop measures to prevent potential impacts, and provide remedy or cooperate in providing remedy as necessary.

INTEGRATING AND ACTING ON THE FINDINGS

Our salient human rights risks can affect different stakeholders in different stages of our value chain – from the sourcing of ingredients, materials and services to the production and consumption of our beer. Below, we describe potential impacts by stakeholder group and how we respond.

POTENTIAL IMPACTS RELATED TO SUPPLY CHAIN WORKERS

Carlsberg partners with tens of thousands of suppliers around the world and some of our salient human rights risks are in our supply chain. We strive to partner with suppliers that share our commitment to respecting human rights and we believe that together we can have a positive impact on people.

All our suppliers and service providers are contractually obliged to comply with our *Supplier & Licensee Code of Conduct*, which includes requirements on labour and human rights alongside business ethics, health and safety, and environmental sustainability. Suppliers are also required to extend these requirements to their own supply chain.

This year, we established a new Responsible Sourcing Programme – with accompanying guidance sessions for global and local procurement teams – to enhance our oversight of supplier practices in areas covered by our *Supplier & Licensee Code of Conduct* and other identified salient human rights risks.

The programme includes a three-step process to identify, assess and audit higher-risk suppliers and uses tools developed by the Sedex platform that we can access as members.

An initial screening determines a supplier’s level of risk based on its location and the service or product it provides. To conduct this screening, we use the Sedex Radar tool, which draws on a range of sources to define risk levels for human rights, labour conditions, the environment, ethics, and health and safety.

Suppliers in categories and countries identified as high-risk through the initial screening process are then asked to complete the detailed Sedex self-assessment questionnaire, which generates a risk profile specific to that supplier.

Suppliers classified as high- or medium-risk in this phase of the process are asked to go through a rigorous third-party audit that

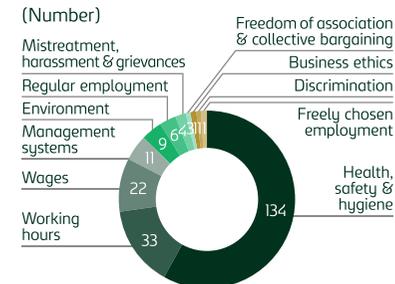
includes site visits and uses the Sedex Members Ethical Trade Audit (SMETA) methodology. The four-pillar SMETA audits cover labour, ethical, environmental, and health and safety risks. Supplier audits, conducted by experienced and independent SMETA-approved auditors, involve a walk-through of the supplier facility, documentation review and conversations with management. Auditors assess if any corrective actions are required and define adequate timeframes for remediation.

In addition, the audit process includes voluntary and confidential conversations with workers who are selected to be representative of the workforce, including vulnerable groups (where present), such as ethnic minorities, migrant workers and women. Auditors also review whether the supplier has a grievance mechanism in place to enable workers to make formal complaints.

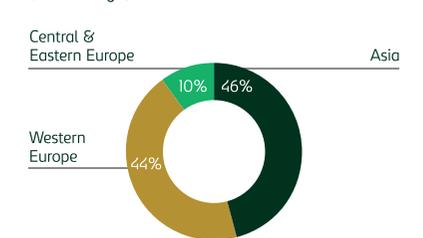
When circumstances occur in specific markets that would prevent third-party audits – such as travel bans – we ask relevant suppliers to complete the Sedex enrolment process and questionnaire and we monitor the situation. If barriers to conducting audits persist, we will explore alternative means to assess supplier practices, such as conducting remote surveys of their employees or evaluating previous audits by other companies that belong to the same collaborative supply chain programmes.

In 2023, we reviewed the results of 48 rigorous third-party SMETA audits of our suppliers conducted through the Sedex platform. To avoid duplication, some of these audits were initiated by Carlsberg and some by other Sedex member companies who use the same suppliers. Auditors employ the same rigour and methodology in all audits conducted through the shared Sedex platform.

SMETA AUDITS OF CARLSBERG SUPPLIERS: ISSUES IDENTIFIED BY TYPE IN 2023



SMETA AUDITS OF CARLSBERG SUPPLIERS: REGIONAL DISTRIBUTION OF AUDITS IN 2023 (Percentage)



The charts (see page 10) show the workplace issues identified in 2023 SMETA audits, with health, safety and hygiene being the most common area of concern (60% of cases), as well as the distribution of audits across our three regions. Carlsberg commissioned eight of the total of 48 audits.

We are working with relevant suppliers on corrective action plans and we will track progress in implementing these plans, with completion to be verified by independent auditors.

We seek to work with our suppliers to help them mitigate risks, and we also collaborate through industry partnerships to provide supplier training and build capacity (see page 6) in order to deliver a positive impact on people in our supply chain

and beyond. In cases where our suppliers are unwilling to improve or demonstrate alignment with our policies, we reserve the right to terminate the business relationship.

In addition to Sedex, for certain categories of suppliers we also recognise other certifications that include external verification. For example, suppliers of raw materials can provide a Farm Sustainability Assessment or a Bonsucro certification in lieu of a SMETA audit.

Depending on their risk profile, some of our suppliers also go through a screening exercise focused on areas of compliance including sanctions and anti-corruption and bribery. Quality audits include preliminary questions about labour conditions, environmental matters, and health and safety.

POTENTIAL IMPACTS RELATED TO OUR OWN WORKFORCE

We have robust policies and processes in place to protect the human rights of our own workforce, which spans regions and markets with a wide range of geopolitical and cultural contexts.

Our global, regional and local Human Resources teams oversee the implementation of our *Human Rights Policy* and other relevant policies around the world, and monitor how respect for employees' rights is put into practice.

Workplace accidents present one of the salient human rights risks related to our operations. Our rigorous global health and safety programme, including a strong focus on safe behaviour, is delivering progress towards our TTZAB ambition to

create a ZERO Accidents Culture. We aim to achieve ZERO lost-time accidents by 2030 for everyone working at our sites.

In addition to extensive training for employees, our facilities must adhere to strict standards on contractor management and temporary labour. Across the Carlsberg Group, we met our target to maintain at least 95% compliance with these standards globally in 2023. We reduced lost-time accidents year on year among employees by a further 25% to 110 – and achieved an overall 64% reduction since 2015. For more information, see the ZERO Accidents Culture chapter of our *ESG Report*.

Harassment is a potential area of impact in our own operations and related concerns were reflected in recent Speak Up reports. In 2023, we

rolled out mandatory training for all employees to reinforce our zero tolerance of sexual harassment. By year-end, 98.5% of our people had completed the training.

People promoting our products at the point of sale can also be exposed to working conditions with potential negative impacts, including harassment. Our *Brand Promoter Manual*, together with accompanying training and local dialogue, provides these employees and contractors with guidance and resources to maintain a safe working environment.



POTENTIAL IMPACTS RELATED TO COMMUNITIES

Water resources are essential to our products, operations and supply chain. They are also increasingly scarce in some areas where we operate, which has an impact on local communities.

Water scarcity can impact communities' human rights with respect to having reliable and safe access to water, whether in households for drinking, cooking and washing, in livelihoods such as farming or in schools.

As part of our TTZAB programme, we continually assess and work to mitigate water risks related to our breweries and supply chain. We have set a target to replenish 100% of the water we consume in high-risk areas by 2030 and we established several new partnerships with NGOs in Asia during 2023 to support progress towards this goal. For more information, see the ZERO Water Waste chapter of our *ESG Report*.

Land rights related to our supply chain are an emerging topic covered by our SMETA supplier audits and certifications. We are also exploring how to formally integrate land rights into initial feasibility studies for mergers and acquisitions, with input from relevant business functions to gain a better understanding of current

processes connected with this topic.

POTENTIAL IMPACTS RELATED TO CONSUMERS

Our business is brewing, and as a responsible company and employer we proactively address alcohol-related challenges.

Harmful drinking can lead to detrimental effects on consumers' health and safety and on their relationships with other people. The World Health Organization (WHO) has set a target to reduce harmful alcohol consumption by 20% from 2010 levels by 2030 and encourages businesses to replace higher-alcohol products with low- or no-alcohol products.

We are tackling this challenge through our own actions and through local partnerships, adjusting our approach to reflect attitudes to alcohol in each market. By 2030, our target is for 35% of all our brews globally to be low-alcohol or alcohol-free. Our TTZAB focus on ZERO Irresponsible Drinking also aims to expand our alcohol-free offerings and responsible drinking partnerships to all our markets, and to include age restriction messaging on all product labels.

We provide consumers with detailed ingredient and nutritional information on our product labels as

well as warnings related to underage drinking and other harmful alcohol-related behaviours. Our global *Marketing Communication Policy* has a strong focus on responsible drinking, moderation and enjoyment of our products as part of a healthy lifestyle. We also adhere to global standards, led by the International Alliance for Responsible Drinking (IARD) and the World Federation of Advertisers (WFA), to prevent minors from seeing our advertising online.

For more information, see the ZERO Irresponsible Drinking chapter of our *ESG Report*.

POTENTIAL IMPACTS RELATED TO WORKERS IN THE INFORMAL WASTE SECTOR

In markets where formal recycling infrastructure is lacking, the job of collecting packaging such as bottles and cans for recycling falls to informal waste-pickers. Working conditions for these waste-pickers can be hazardous and precarious, with a lack of health and safety precautions and reliable pay. There is also a risk of child labour.

Our TTZAB focus on ZERO Packaging Waste includes efforts to achieve a 90% collection and recycling rate for bottles and cans by 2030. To achieve this target, we are working with others in our industry and beyond to support the

development of formalised processes for collection of used packaging, including effective deposit return systems in our markets.

We are also identifying potential partnerships for initiatives to improve conditions for people working in the informal waste sector and to recognise the importance of their role in global value chains.

For more information, see the ZERO Packaging Waste chapter of our *ESG Report*.

TRACKING PROGRESS

Our evolving approach of conducting SMETA supplier audits and human rights assessments results in concrete action plans agreed with relevant stakeholders to remediate the identified impacts on human rights. We will follow up on these actions until local markets and suppliers have fully addressed them, and our target is to do this within the deadlines established in the respective action plans.

In addition, we have set targets relevant to human rights for other TTZAB focus areas, including a ZERO Accidents Culture, ZERO Water Waste, ZERO Irresponsible

Drinking and ZERO Packaging Waste. Responsibility for meeting these targets and tracking progress lies with the relevant business functions.

We plan to introduce internal spot checks to measure how successful we are in bringing our human rights and other related policies to life in our own workplaces in 2024.

We also keep track of concerns related to human rights that are raised by employees and other stakeholders through our Speak Up channels (see page 14).



IDENTIFYING, ACTING ON AND TRACKING PROGRESS ON SALIENT HUMAN RIGHTS RISKS

Potential areas of impact (salient human rights risks)	Potentially affected stakeholder group	Taking action	Performance indicators to track progress
Access to water in water-scarce areas	Communities in water-scarce areas where we have operations	<ul style="list-style-type: none"> • TTZAB focus on ZERO Water Waste, including efforts to enhance water efficiency of breweries and replenish water supplies in high-risk areas 	<ul style="list-style-type: none"> • Water usage efficiency of 2.0 hl/hl globally and 1.7 hl/hl at breweries in high-risk areas by 2030 • 100% replenishment of water consumption at breweries in high-risk areas by 2030
Forced labour, child labour and overall working conditions in the sourcing of some of the products and services we purchase	Workers in our supply chain	<ul style="list-style-type: none"> • Standard procurement contracts that mandate compliance with our <i>Supplier & Licensee Code of Conduct</i> • Responsible Sourcing Programme, including supplier screening, self-assessments, audits, action plans and capacity building 	<ul style="list-style-type: none"> • Corrective actions identified through supplier audits are closed within the established deadlines
Harassment of our own workforce and outsourced employees promoting our products	Employees and outsourced employees promoting our products (brand promoters)	<ul style="list-style-type: none"> • Human rights due diligence process, including annual revision of salient human rights risks, training and country assessments • Standard human resources practices • <i>Human Rights Policy</i> and Human Rights Manual • <i>Brand Promoter Manual</i> • Mandatory training on harassment for all employees in 2023 	<ul style="list-style-type: none"> • Corrective actions identified through human rights assessments are closed within the established deadlines
Health and safety issues connected to harmful drinking	Consumers, employees	<ul style="list-style-type: none"> • TTZAB focus on ZERO Irresponsible Drinking • Expansion of low-alcohol and alcohol-free product portfolios • <i>Marketing Communication Policy</i> 	<ul style="list-style-type: none"> • 35% of our brews globally are low-alcohol or alcohol-free by 2030 • 100% availability of alcohol-free brews by 2030 • 100% responsible drinking messaging through packaging and brand activations by 2030 • 100% of our markets run partnerships to support responsible consumption by 2030
Precarious conditions in the scavenging of bottles and cans where recycling infrastructure is absent	People working in the informal waste sector	<ul style="list-style-type: none"> • TTZAB focus on ZERO Packaging Waste, including improving the recycling rate for our bottles and cans, and supporting the development of effective deposit return systems in our markets 	<ul style="list-style-type: none"> • 90% collection and recycling rate for bottles and cans by 2030
Respect for land rights in connection with our agricultural supply chain, mergers and acquisitions, and greenfield investments	Communities connected to the land used in the sourcing of raw materials, or where our facilities are present, in locations where land ownership presents an inherent risk	<ul style="list-style-type: none"> • Responsible Sourcing Programme • Supplier audits, action plans and certifications • Human rights assessments • Land rights red flags used to screen mergers and acquisitions and greenfield investments (in development) 	<ul style="list-style-type: none"> • Corrective actions identified through supplier audits and human rights assessments are closed within the established deadlines
Workplace accidents in our own operations	Employees, contractors and suppliers working on our premises	<ul style="list-style-type: none"> • TTZAB focus on a ZERO Accidents Culture, underpinned by rigorous health and safety standards, training and programmes 	<ul style="list-style-type: none"> • ZERO lost-time accidents by 2030 • Year-on-year reduction in accident rate by 2030

COMMUNICATING OUR EFFORTS

This Human Rights Report provides in-depth content on our due diligence processes and additional activities related to human rights across our operations and value chain. It covers the reporting year 2023 and will be updated every two years.

We will also continue to report on our performance and progress through our annual *ESG Report*, which covers our entire TIZAB ESG programme, including Human Rights.

Our work with human rights is also

publicly benchmarked through a range of established initiatives, including the World Benchmarking Alliance, the Workers Disclosure Initiative and the Global Child Forum.

GRIEVANCE MECHANISMS

If a Carlsberg employee believes that our policies, including those related to human rights, have been breached, we encourage them to discuss it with their manager, our compliance team or a human resources representative. If such discussions do not resolve the issue or the employee does not feel comfortable sharing their concerns with their manager, compliance team or human resources representative, they can also raise their concerns anonymously using our Carlsberg

Speak Up platform. This 24-hour helpline is run by an independent service provider, available by phone or online everywhere we operate. The helpline is also available to third parties who would like to speak up. The Speak Up system includes more than 300 languages and an explanatory *Speak Up Manual* is available online.

All claims that potentially constitute a breach of our policies are investigated, and we have measures in place to prevent retaliation of any kind against anyone reporting a concern. Potential outcomes include an issue being deemed a violation of our policies with appropriate remediation, an issue not being found a violation of our policies but

alerting us to an opportunity to improve our internal systems, or an issue being deemed unfounded. We communicate with complainants throughout the process and offer them the opportunity to ask relevant questions, including about the outcome.

In 2023, we received 188 Speak Up reports in total, of which 77 were on human rights topics. These related to discrimination and harassment (26%), health and safety (6%), labour law (3%), retaliation (1%) and other human resources issues (64%). Of the human rights-related investigations we completed during the year, 59% were fully or partly substantiated and we addressed each of these through an agreed action plan.

During 2023, we also identified actions to improve our Speak Up system by providing stakeholders with better access to grievance mechanisms. These actions included identifying relevant minority languages in markets where we operate that are currently not available in Speak Up. These minority languages will be added in the Speak Up platform for relevant markets (see left). As part of our annual Speak Up review for local employees who act as Speak Up points of contact, we also performed additional training in China, one of our key markets (see left).

REMEDY

We are committed to providing remedy for any adverse impacts on individuals, workers and communities that we have caused and to collaborating in providing remedy where we have contributed to adverse impacts on human rights. We also expect our business partners to follow this approach and we will collaborate with judicial or non-judicial mechanisms to provide access to remedy as applicable.

If we find, through our due diligence processes, that we are directly linked to adverse impacts on human rights, we will use our leverage to help bring positive change in line with the UN Guiding Principles on Business and Human Rights. Where we do not have leverage over the relevant supplier or other stakeholder, we will seek ways to increase our influence. If this fails, we will follow the UN Guiding Principles on Business and Human Rights guidance and consider terminating the business relationship. We will only take such a step after a thorough assessment of the severity of the impacts in question, and taking into account the potential adverse impacts on human rights of terminating the relationship.

ENHANCING ACCESS TO GRIEVANCE MECHANISMS

Our Speak Up system can be accessed via the internet, where people can report a concern in their local language, or they can call our telephone hotline where more than 300 languages are available. Claims can be raised anonymously, and the system is available to both internal and external parties.

In 2023, it came to our attention that some needed local languages were not represented. In response, we made an internal assessment to identify minority languages spoken within our areas of operation. As a result, we have added one more language in China for our phone hotline and in 2024 will add more minority languages in other countries to both the phone hotline and our online platform.

To make our system even more accessible, local points of contact who can receive grievances from employees and other stakeholders, are available in China. This year, we provided additional in-depth training for these local points of contact and ran a communication campaign to alert employees to their presence.

NEXT STEPS

We strive for continuous improvement as we navigate complex human rights challenges related to our business and markets.

As we continue this journey, our plans include revising our *Supplier & Licensee Code of Conduct* and our *Human Rights Policy* to make their requirements more explicit. We will also conduct human rights assessments in further markets and continue to conduct and evaluate supplier audits through Sedex. Our planned actions for 2024 under the TTZAB programme include conducting human rights assessments in two further high-risk markets and updating our *Human Rights Policy*.

As these efforts progress, we will identify any trends that emerge and assess how to collaboratively address root causes related to negative impacts on human rights with our local teams in the markets, suppliers and other stakeholders. To maximise our positive impact, we will continue to work with our current partners and may join additional local, regional or global partnerships.

We are committed to transparency and will continue to report annually on our human rights progress and performance through the Carlsberg Group ESG Report. We will publish our second biennial stand-alone Human Rights Report in 2026.



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