CARLSBERG GROUP ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT 2023

INTRODUCTION

Welcome to the Carlsberg Group's Environmental, Social & Governance (ESG) Report for 2023

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

Discover how our ESG programme supports our business, society and the planet.

Learn about the progress we are making, with our people and partners, across the 11 Together Towards ZERO and Beyond focus areas – and how we contribute to economies.

Find out how we govern ESG, support UN ambitions and embrace transparent reporting.

ABOUT THIS REPORT

We are committed to transparent reporting. We publish a range of reports (see right), all available on *carlsberggroup.com*. Each report is tailored to specific audience needs, with cross-references to the other reports where relevant.

SCOPE OF REPORTING

This ESG Report describes our approach to and performance on our most material ESG issues – confirmed through our latest materiality assessment – for the financial year 1 January to 31 December 2023. It covers companies with continuing operations that the Carlsberg Group directly or indirectly owns, in which it controls more than 50% of the voting rights or that it otherwise controls. This scope includes 83 breweries and soft drinks production sites (together referred to as “breweries” in this report) across our markets. The report includes detailed performance data throughout, as well as in the Data Summary Table (see page 113).

For more on our reporting process and scope, see page 120.

REPORTING FRAMEWORKS

This report serves as our statutory statement on corporate social responsibility in accordance with sections 99a, 99d and 107d of the Danish Financial Statements Act.

Next year, we will align our ESG reporting approach and format with the forthcoming EU Corporate Sustainability Reporting Directive (CSRD) and the corresponding European Sustainability Reporting Standards (ESRS). As part of our preparations, we have completed a preliminary double materiality assessment in line with the requirements and are disclosing a summary of the results voluntarily in 2023 (see page 93). Starting in 2024, we will conduct yearly materiality assessments as input to our CSRD-aligned reporting.

Our ESG actions also contribute to the UN’s global ambitions on sustainability. This report forms the basis for our 2023 Communication on Progress to the UN Global Compact, which will be submitted in 2024 in line with new requirements. We signpost our contributions to the Sustainable Development Goals (SDGs) in relevant sections of the report. Indexes also summarise our contribution to the SDGs (see page 97), the UN Global Compact (see page 102) and the UN Women’s Empowerment Principles (see page 103).

See page 92 for more on the reporting frameworks we follow.

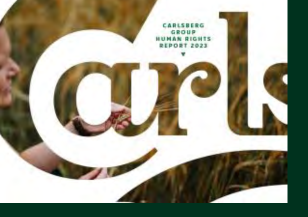
ASSURANCE

Selected data on key performance indicators is subject to limited assurance by PwC (see page 163).

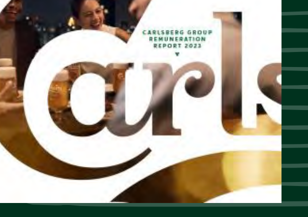
FIND OUT MORE

ESG REPORT & SUMMARY
This 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
Our 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.

TOGETHER TOWARDS ZERO & BEYOND

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.

carlsberggroup.com
@carlsberggroup
@carlsberggroup
Carlsberg Group

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

MESSAGE FROM THE CHAIR AND THE CEO

Our purpose to brew for a better today and tomorrow has never been more timely as we support global efforts to tackle urgent environmental and social challenges.

Meeting our global goals, and achieving measurable results, for climate and nature will require innovation, partnerships across the value chain, engagement with civil society and a science-based approach.

This year, we joined other corporate leaders at the Climate Week NYC to issue a global call for action to prevent uncontrolled global warming. We also emphasised the need for a transition to regenerative agriculture, at speed and scale, to restore the ecosystems that are vital for nature, society and the global economy to thrive.

To do our part, we are working to deliver on the bold ambitions set out in our Together Towards ZERO and Beyond (TTZAB) programme – from targeting a net ZERO value chain and sourcing all raw materials from regenerative agricultural practices by 2040, to replenishing all the water we consume at our breweries in areas with high water risk by 2030.

Achieving a 16% reduction in value chain carbon emissions from 2015 to 2022 globally marked a key milestone on our journey, and this year we worked with partners to expand use of regenerative agriculture practices in Europe and to establish water replenishment projects in Asia.

Under the leadership of a new CEO and a new CFO, we are building on the strong progress made since 2015 with steadfast commitment from Team Carlsberg to deliver on our ESG ambitions. We are continuing along the path set in 2022 and made progress across all 11 TTZAB focus areas in 2023. Our preliminary double materiality assessment reconfirmed that these focus our actions in the right places to address the environmental and social topics that are most material for our business.

Efforts to reinforce safe behaviours across the business helped to deliver a 25% reduction in lost-time accident rates in 2023 and we also enhanced our focus on psychological safety and wellbeing. We have achieved our target of 30% women in senior leadership roles, and engagement among our people remained strong as we continued to embed a culture of inclusion, respect and compassion. We remain committed to the fair and equal treatment of people within and beyond our workforce, having reinforced efforts to respect human rights across the value chain and enhanced transparency in this area with dedicated human rights reporting going forward.

TTZAB is integral to our business success and our SAIL'27 corporate strategy. The programme enables us to mitigate ESG risks and capitalise on opportunities for business growth – for example, by expanding our portfolio of no- and low-alcohol brews, which now makes up 28.5% of our global sales volumes, as part of our commitment to ZERO Irresponsible Drinking. Growth of this portfolio supported broader commercial successes this year. In 2023, we delivered solid financial results in the context of a difficult trading environment across our regions as well as adverse weather and the ongoing war in Ukraine. The Group's organic revenue growth was 9.2%, driven by a strong 10% revenue/hl improvement, and operating profit grew organically by 5.2%.

Regulatory scrutiny is increasing and stakeholders expect companies to take action and enhance disclosures on material ESG issues. Our performance is detailed in this report, highlighting our progress and achievements as well as key challenges and areas where we have more to do. Given the breadth of our commitments, we recognise that a tremendous amount of work lies ahead to meet all our targets.

The format of our ESG reporting will evolve next year with the EU Corporate Sustainability Reporting Directive (CSRD) coming into effect. Our commitment to transparency is unwavering, and we strive to provide our stakeholders with both financial and non-financial information that meets their needs, adds value and fosters trust.

In the face of geopolitical uncertainties, we remain committed to modelling good global citizenship and meeting the high standards we set for ourselves, our suppliers and other business partners across the value chain and across our markets.

Our journey Together Towards ZERO and Beyond connects and inspires our brands, employees, suppliers, business partners, communities and consumers around the world. As we look ahead, we see a growing role for Carlsberg as a leader and innovator on sustainability, building on our heritage as a pioneer and on our global reach to deliver lasting results for society, our stakeholders, our people and our business.

Henrik Poulsen
Chair of the Supervisory Board

Jacob Aarup-Andersen
Group CEO

OUR BUSINESS

The Carlsberg Group is one of the world's largest international brewery groups with a proud heritage dating back to 1847.

Today, our portfolio of beers, ciders, soft drinks and more reaches consumers around the world. Our portfolio spans international and local brands, with a growing emphasis on no- and low-alcohol brews.

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

We delivered strong results in 2023 despite a challenging consumer environment, significant inflationary pressure and currency headwinds. During the year, we sold over 125.1 million hectolitres (hl) of quality beers and beverages. Premium brews grew by 1% and alcohol-free brews by 3%, while total volumes declined by 0.5% due to lower volumes for Western Europe and Central & Eastern Europe.

When our business does well, so do our people, our shareholders and wider society (see business model below).

Our employee base grew in 2023 to more than 31,000 people, supporting our operations across the three regions where we have our own breweries.

The Carlsberg Foundation is our majority shareholder and uses the dividends it receives to benefit and enhance society (see page 81). In 2023, the Carlsberg Foundation, the New Carlsberg Foundation and the Tuborg Foundation together granted DKK 1.004bn for scientific research, the arts and civil society (see page 83).

The Carlsberg Group also makes a wider positive contribution to economies and communities around the world through job creation, the taxes we pay and local initiatives that support local causes (see pages 81 and 84).

See our Annual Report for more information on our business and financials at *www.carlsberggroup.com/reports-downloads/carlsberg-group-2023-annual-report/*.

BUSINESS MODEL

Sourcing
high-quality grains and other raw materials

→

Brewing & bottling
our beers and beverages

→

Distributing
our products via ships, trains and trucks

→

Selling
to bars, restaurants and stores

→

Marketing
to consumers to enjoy responsibly

TOGETHER TOWARDS ZERO & BEYOND

VALUE TO SHAREHOLDERS	**DKK 73.6bn** revenue generated	**DKK 11.1bn** operating profit	**DKK 3.7bn** dividends to shareholders	**DKK 3.2bn** share buy-backs
VALUE TO SOCIETY	**> 31,000** employees	**≈ 1.1 million** additional jobs created in our supply chain, hospitality and retail	**DKK 40bn** total tax contribution	**DKK 100bn** total economic value generated

TOGETHER TOWARDS ZERO & BEYOND

Carlsberg Group

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**

Our purpose is brewing for a better today and tomorrow.

Together Towards ZERO and Beyond supports our purpose with ambitious targets and commitments across 11 focus areas to deliver positive impact for people and the planet, help us manage social and environmental impacts, and support sustainable business growth. Meeting these targets and commitments will be challenging and demands transformative change – across our operations and value chain – that we cannot achieve alone. Partnering with suppliers, customers, consumers and communities remains central to our approach as we drive progress Together Towards ZERO and Beyond.

DRIVING PROGRESS TOGETHER TOWARDS ZERO AND BEYOND

Our ESG programme, Together Towards ZERO and Beyond (TTZAB), is an integral part of our SAIL'27 corporate strategy to create value for shareholders and society.

The programme focuses on 11 areas we identified through an assessment of the most material ESG impacts of our business. This year, we reconfirmed the relevance of these topics through our preliminary double materiality assessment, in line with coming EU regulation (see page 93). Our targets and commitments in these areas enable us to tackle global social and environmental challenges while supporting our licence to operate and our ability to brew better beers now and in the future.

The enhanced TTZAB programme, launched in 2022, builds on our pioneering Together Towards ZERO (TTZ) programme. Through TTZ we achieved significant milestones between 2015 and 2022 – including a 16% cut in our value chain carbon footprint, reported for the first time this year (see page 15). With TTZAB we have expanded the focus and reach of our programme and further raised our ESG ambitions.

A year into TTZAB, we have already taken action to support progress across our focus areas – detailed in this report – as we continue to pioneer more sustainable models for the brewing industry, and to leverage partnerships for collective action and progress.

The implementation of the programme is supported by robust governance, including oversight from our ESG Steering Committee of leaders and experts from across the business. Remuneration for our Extended Leadership Team and many other roles is linked to performance on TTZAB topics (see page 88 for more on ESG governance).

SUPPORTING OUR BUSINESS

TTZAB is championed by our leadership and embedded into our business strategy and value chain.

Our preliminary double materiality assessment this year (see page 93) confirmed that the TTZAB programme addresses the ESG risks and opportunities that are most material to the business financially, as well as the areas where we have material impacts on people and the environment and how these are concentrated along the steps of our value chain.

The actions we are taking to deliver on our TTZAB focus areas help us mitigate risks and capture opportunities, including the generation of new business. For example, we are responding to growing consumer demand for no- and low-alcohol brews.

Our ESG programme also bolsters our licence to operate, boosts our reputation and strengthens our relationships with stakeholders – including our people, consumers, suppliers, customers and investors – by demonstrating our deep commitment to acting responsibly and taking positive action on ESG.

CONTRIBUTING TO SOCIETY

TTZAB represents our response to pressing global challenges – from climate change, biodiversity loss, plastic waste and water scarcity to health concerns related to harmful alcohol consumption and safety at work. Ambitious targets for 2030 and 2040 (*see next page*) commit us to work towards a ZERO Carbon Footprint, a ZERO Farming Footprint, ZERO Packaging Waste, ZERO Water Waste, ZERO Irresponsible Drinking and a ZERO Accidents Culture.

Our commitments in five further focus areas encompass our ongoing efforts to promote diversity, equity and inclusion, uphold ethical business practices, respect human rights, source responsibly, and engage and give back to communities.

TRACKING OUR PERFORMANCE

We follow robust methodologies to establish baselines for our TTZAB targets and track our performance.

Our progress, including performance highlights and key challenges, is transparently disclosed in the relevant sections of this report. More detail on our ESG reporting data and methodologies can be found on pages 112, 113 and 122. Select data in this report is subject to independent assurance (see page 163).

Purpose	**Brewing for a better today and tomorrow**
SAIL'27 priorities	Our portfolio choices · Our geographical priorities · Our execution excellence · Our winning culture · Funding our journey → Creating value for all our stakeholders
ESG programme	**Together Towards ZERO and Beyond**

ESG focus areas	Targets	
ZERO Carbon Footprint	**2040** **2030**	› **Net ZERO** value chain › **ZERO** carbon emissions at our breweries › **30%** reduction in value chain carbon emissions › **All** renewable electricity must come from new assets (e.g. via power purchase agreements)
ZERO Farming Footprint	**2040** **2030**	› **100%** of our raw materials are from regenerative agricultural practices and are sustainably sourced › **30%** of our raw materials are from regenerative agricultural practices and are sustainably sourced
ZERO Packaging Waste	**2030**	› **100%** recyclable, reusable or renewable packaging › **90%** collection and recycling rate for bottles and cans › **50%** reduction in virgin fossil-based plastic › **50%** recycled content in bottles and cans
ZERO Water Waste	**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
ZERO Irresponsible Drinking	**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
ZERO Accidents Culture	**2030**	› **ZERO** lost-time accidents

Diversity, Equity & Inclusion
Living By Our Compass
Human Rights
Responsible Sourcing
Community Engagement

In these areas, we focus on the continuous enhancement and implementation of policies, partnerships and other initiatives that address the additional ESG topics having material impacts on our employees and operations, as well as on our value chain and wider society.

While we have an established ambition and ongoing actions to promote Diversity, Equity and Inclusion (DE&I), in 2022 we introduced additional DE&I targets that are quantitative and shorter-term: **30%** women in senior leadership positions by 2024, ramping up to **35%** by 2027 and a minimum of **40%** over time.

We continuously strive to Live By Our Compass and maintain a high-integrity culture through a robust compliance programme, and we have long-standing ambitions to source responsibly, respect human rights along the value chain, and engage communities responsibly.

ZERO Carbon Footprint

We aim to eliminate carbon emissions from our breweries by 2030 and reach net ZERO for our entire value chain by 2040.

More extreme weather events and record temperatures around the world this year underline the urgent need for action on climate change. We are determined to do our part, targeting net ZERO well ahead of the Paris Agreement global goal of 2050.

Together with other Danish businesses, we underlined our ambitions and called on governments to help accelerate the green business transformation in the lead-up to the COP28 climate conference, and committed to stepping up momentum to achieve the UN Sustainable Development Goals (see our joint statement *here*).

We have cut total brewery emissions by a further 6% this year – and by 57% since 2015 – on our road to ZERO. Relative emissions per hectolitre of beer have decreased by 59% from 2015 as we continue to improve brewery efficiency and we are investing in new assets that add renewable capacity to the grid.

We are also working closely with suppliers and other partners to find ways to reduce our emissions beyond our breweries – from growing our ingredients to packaging, transporting, distributing and chilling our beer. Our latest analysis shows we achieved a 16% reduction in value chain emissions per hectolitre of beer between 2015 and 2022, putting us on track to meet our 30% relative reduction target by 2030.

Carlsberg was among the first three companies in the world to have a near-term 1.5°C target for 2030 approved by the Science Based Targets initiative (SBTi). As the standards have since evolved, in 2024 we will review our carbon targets in line with the updated SBTi guidance.

3.9.1

7.2.1, 7.3.1 & 7.b.1

12.2.1, 12.2.2, 12.6.1 & 12.a.1

13.1.1

17.17.1

See SDG index, page 97.

-16%

value chain carbon emissions per hl of beer from 2015 to 2022, exceeding our 2022 target of -15% – based on in-depth analysis completed this year

-59%

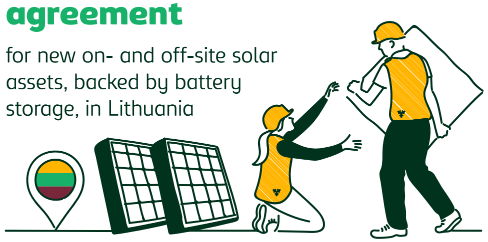
emissions per hl of beer produced since 2015, and -7% since 2022, on our way to ZERO in 2030

Worked with partners

to drive further carbon reductions in our value chain – from agriculture and packaging to logistics and cooling

New power purchase agreement

for new on- and off-site solar assets, backed by battery storage, in Lithuania



-96%

carbon emissions at our brewery in Laos will be achieved through a new biomass boiler by the end of 2024

Began using heat from the sun

in a one-year pilot of solar collectors to generate thermal energy at our brewery in Greece

By 2040:

› **Net ZERO** value chain

By 2030:

› **ZERO** carbon emissions at our breweries
› **30%** reduction in value chain carbon emissions
› **All** renewable electricity must come from new assets (e.g. via power purchase agreements)

ZERO Carbon Footprint

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO CARBON FOOTPRINT

PIONEERING A NEW MODEL FOR RENEWABLES IN THE BALTICS

Our Utenos brewery in Lithuania already sources 100% of its electricity from renewables – through a combination of on-site solar and certified renewable power from the grid.

Now we are going beyond with a new power purchase agreement (PPA) – the first of its kind in Lithuania and the Baltics – that will not only increase the country's renewable capacity through new assets, but will also include large-scale battery storage systems to help stabilise the grid.

Our local business Švyturys-Utenos Alus is partnering with Green Genius to install an additional 3,500 solar panels on the brewery's rooftops, bringing the total solar capacity of the site to 1.5 MW. An accompanying 2 MW battery storage system will enable excess energy to be stored and used when needed.

In a second stage of the project, Green Genius will develop a new 5 MW solar plant off site that we can draw from, also backed by battery storage.

Usually under a PPA we sell any excess electricity we generate to the grid and buy additional energy from the grid when needed at market prices. But new legislation in Lithuania will allow us to "store" any excess renewable electricity virtually and use it when required, for example at night when the solar panels do not generate power.

Once completed, this pioneering PPA will supply all the brewery's electricity needs from locally produced solar energy and demonstrate a novel "energy as a service" model to encourage expansion of renewables in our Eastern European markets. The PPA supports our global commitment for all our renewable electricity to come from new assets by 2030.

Image © Green Genius

Find more details on the partnership here.

"It will be the first autonomous green electricity solution for industrial users in the Baltic States. Therefore, we see this project as an essential milestone towards sustainability and energy independence in the region."

Ruslanas Sklepovicius
CEO, Green Genius

"I believe that our example will encourage other Lithuanian businesses to take similar actions, because by investing in new green energy capacities we are not only getting involved in the green transformation but also taking care of Lithuania's energy security, which, as the events of recent years show, is extremely important."

Rolandas Viršilas
CEO, Švyturys-Utenos Alus

ELIMINATING BREWERY EMISSIONS

In 2023, we cut total emissions from our breweries worldwide by a further 7% per hl of beer.

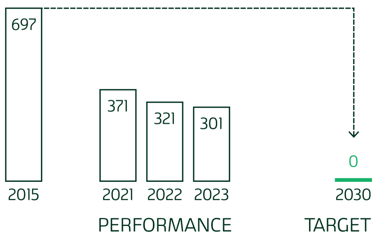
We have continued to focus on improving efficiency, sourcing renewable electricity and exploring lower-carbon alternatives to fossil-based thermal energy to help us on our way towards net ZERO emissions at our breweries by 2030.

In 2023, seven of our breweries ran on 100% renewable energy for both power and heat. For all those that had not yet achieved this milestone, we carried out a detailed examination this year to identify and prioritise potential actions, small and large, to help us cut carbon emissions. We are now in the process of exploring the feasibility of prioritised actions to develop a suitable implementation plan, including investing in new technologies where they can have the biggest impact.

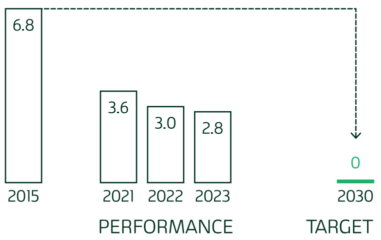
We also applied our "digital twin" simulation tool to model energy and water use and highlight reduction opportunities at one of our breweries in Germany and at the new brewery we are building in China.

Our actions are guided by our global *Environmental Policy*, which commits us to strong environmental standards on energy, emissions, water, waste and packaging. Our environmental management systems support continuous improvement at our breweries, and these are certified to

BREWERY AND MALTING SITE EMISSIONS: ABSOLUTE SCOPE 1 & 2
(thousand tonnes CO_2e, excl. logistics)*



BREWERY EMISSIONS: RELATIVE SCOPE 1 & 2
(kg CO_2e/hl)*



* 2023 data within PwC's assurance scope. Data for 2015, 2021 and 2022 has been restated from CO_2 to CO_2e. See previous ESG and sustainability reports for assurance of data published in prior years.

WHAT WE MEAN BY ZERO CARBON FOOTPRINT

BREWERY EMISSIONS

By 2030, we aim to cut absolute greenhouse gas emissions from brewing by at least 95%, before removing any residual emissions, to reach ZERO across our breweries globally.

Beginning in 2023, we include all CO_2-equivalent (CO_2e) greenhouse gas emissions, not just CO_2, in our target and reporting on brewery emissions. Brewery emissions include Scope 1 (direct, such as from burning fuel to generate heat) and Scope 2 (indirect, such as from purchased electricity). Emissions from in-house logistics and distribution operations are excluded from brewery emissions, but they are included in our value chain target.

VALUE CHAIN EMISSIONS

By 2040, we aim to achieve net ZERO carbon emissions in our value chain. Our net ZERO pathway follows the guidance set out by the Science Based Targets initiative (SBTi), with the focus on reducing greenhouse gas emissions by at least 90%, before removing or offsetting any residual emissions. As an interim target, we aim to reduce our value chain emissions per hectolitre (hundred litres or hl) of beer and beverages produced by 30% by 2030 from a 2015 baseline.

Both the 2030 and 2040 value chain targets include Scope 1, 2 and 3 CO_2e emissions from: growing and processing raw materials; brewing, packaging, transporting, distributing and chilling our products; and handling used packaging. We measure progress through an analysis of our value chain emissions, to be completed annually from now on. The results of this analysis are disclosed in our ESG reporting for the following year due to the time required to collate value chain data. For more on the scope of our reporting and emissions tracking, see pages 120 and 160.

RENEWABLE ELECTRICITY

We already source the vast majority of the electricity for our breweries from renewable sources, mainly purchased from the grid, with certificates linking the power we purchase to existing renewable assets.

By 2030, we are committed to sourcing all our renewable electricity from new assets that support investment in additional renewable energy capacity. We will achieve this by installing on-site renewables at our breweries where feasible and investing in power purchase agreements (PPAs) to source energy from new off-site and/or new on-site renewable assets.

the ISO 14001:2015 standard at 71 of our 83 sites. Energy management systems at 12 of our sites are certified to ISO 50001.

TRANSFORMING BREWING EFFICIENCY

We have implemented a range of measures to improve brewery efficiency in our regions this year, including:

- **Asia:** Breweries across the region introduced energy efficiency measures and learned from each other by sharing best practices. Measures included heat balancing projects enabling thermal, electricity and water savings at our Tianmuhu brewery in China and our Hue (Phu Bai) brewery in Vietnam.
- **Central & Eastern Europe**: Despite the challenges posed by the war in Ukraine we continued to make progress, including by installing a new canning line that delivers both carbon and water efficiencies.
- **Western Europe:** A range of measures across markets has helped to reduce energy needed for heat, including a cogeneration installation at the Okocim brewery in Poland that can capture and reuse biogas, generated by the on-site treatment of wastewater, to generate thermal energy and electricity for the production process.

SWITCHING TO RENEWABLE ENERGY

In 2023, 92% of our electricity came from renewable sources, mainly purchased from the grid through certificates that meet strict *RE100* criteria.

Our focus now is on investing in new assets that will contribute additional renewable capacity in the markets where we operate to widen availability of renewable power from national grids. We do this through power purchase agreements (PPAs) with partners to develop new assets, either on our own sites or elsewhere.

In Denmark and Lithuania, we have contracted PPAs for new assets currently in development that will contribute a further 36,500 MWh of renewable capacity once they are operational, helping us make progress towards our 2030 target to source all renewable energy from new assets.

Construction will begin in 2024 to create a 70-hectare solar park in Denmark from which we will source 29 GWh of power per year for our Fredericia brewery through an off-site PPA. We have signed a new PPA that includes both on- and off-site solar installations, backed by battery energy storage, in Lithuania (see page 10). Our state-of-the-art greenfield brewery in China,

CASE STUDY

CUTTING OUR FOOTPRINT WITH BIOMASS

Our brewery in Vientiane, Laos, is currently the single biggest contributor to our direct (Scope 1) emissions globally. By the end of 2024, we will reduce its carbon emissions by 96%.

We have signed a 15-year contract with Green Energy to source thermal energy from a new biomass boiler. Located on a site adjacent to our brewery, the boiler will be fuelled by agricultural by-products and renewable production residues from agroforestry, that would otherwise be waste. The locally sourced biomass, such as rice straw, rice husks, rubber wood and cane leaves, will come from licensed suppliers and comply with local certification requirements. We will also be able to use the ash produced from burning the biomass in the boiler to provide valuable organic fertiliser for local farmers.

The new biomass heat source will replace the current carbon-intensive boiler that runs on heavy fuel oil. We also plan to install an additional biogas boiler to recover biogas from brewery processes and create a supply of renewable steam.

"Our biomass solution will play a key role in reducing the brewery's carbon emissions and this project will be a win-win scenario for our companies and wider society. We are very pleased to have taken the first steps in our new partnership and look forward to maintaining a strong working relationship for many years to come."

Hoang Nam Thanh
General Director, Green Energy

currently under construction, will also include a PPA with a 6 MWp on-site solar installation to supply 30% of its power, avoiding an estimated 3,800 tonnes of carbon emissions per year.

EXPLORING RENEWABLE ALTERNATIVES FOR THERMAL ENERGY

It takes a lot more heat than power to produce our beer. We have already eliminated coal from our breweries, but the majority of our thermal energy still comes from fossil fuels such as natural gas and heavy fuel oil.

We are exploring the feasibility of a range of renewable alternatives in local markets, including:

- **China:** We installed a biogas boiler at our Korla brewery, supporting reductions of brewing emissions with a renewable fuel for thermal energy.

- **Denmark:** We installed an electric boiler at our Fredericia brewery that provides an alternative to heating with gas. The boiler can supply around 30% of the brewery's thermal energy needs and is expected to avoid around 3,657 tonnes of carbon emissions per year. It also supports grid stability by enabling us to switch from gas to electricity almost instantly to make use of renewable power on the grid when it is available.

- **Greece:** We began a one-year pilot of solar thermal energy generated from the 1,900 m^2 field of solar collectors we installed at our Olympic Brewery production site last year, with the aim to supply low-carbon steam for processes such as pasteurisation. We will evaluate the solar collectors' effectiveness and the associated carbon savings at the end of the trial to explore the potential to use solar thermal energy at other breweries.

- **Laos:** We have agreed a partnership to transition from heavy fuel oil to biomass at our brewery in Vientiane (see page 12).

In 2023, 22 of our breweries used biogas extracted from on-site wastewater treatment plants for thermal energy.

CASE STUDY

CIRCULAR BREWING: REUSING INDUSTRY BY-PRODUCTS

Reusing waste from our own and others' processes can contribute to more circular and efficient production with lower environmental impacts.

This year, our Jacobsen brand showcased circular brewing by "upcycling" by-products from other beverage businesses to create two innovative brews for local festivals in Denmark. NorthSide 2023 Sublime, an easy-drinking sour beer brewed for the NorthSide festival, is made with leftover "tea" from distillation of Njord gin, and a new IPA brewed for the Roskilde Festival uses excess pulp from fruit and vegetables squeezed to make Frankly Juice. Jacobsen and Frankly extended their collaboration to upcycle more excess pulp and launched the Cornerstore IPA in partnership with 7-Eleven, Denmark's largest convenience store chain.

In Sweden, we invested in a new recycling plant that will process and purify the CO_2 generated from our fermentation processes so it can be reused to put the bubbles in our beverages. This recycling of our own brewing by-product will avoid the need to buy in around 3,600 tonnes – 120 truckloads – of CO_2 per year, as well as transport by suppliers.

The main by-products from our brewing processes, around 1.38 million tonnes of spent grains and waste yeast per year, can be used as valuable inputs for farmers. In 2023, 99% was used as animal fodder and 1% as fertiliser.

UNDERSTANDING OUR VALUE CHAIN EMISSIONS

In-depth analyses of Scope 1, 2 and 3 greenhouse gas emissions at each key stage of our value chain – from growing barley in the field to recycling bottles and cans after use – help us understand our value chain carbon footprint and measure progress towards our targets.

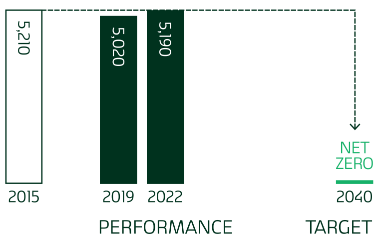
The latest three-yearly analysis was completed in 2023 based on 2022 data. It confirms that we have achieved our target to cut value chain emissions per hl of beer by 15% by 2022 from the 2015 baseline, and have even exceeded it with a 16% reduction overall, with steady progress since the previous assessment in 2019 (see chart below).

By the end of 2022, we had achieved a 16% reduction from 2015 to 47 kg CO_2e/hl. As well as outperforming our 2022 target, this progress gets us more than halfway towards our target of a 30% reduction by 2030.

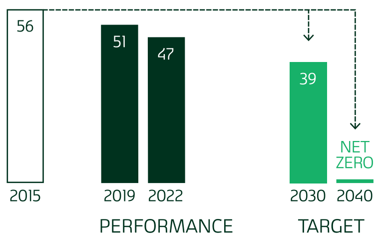
Our total (absolute) value chain emissions remained at a steady level of around 5.2 million tonnes CO_2e from 2015 to 2022, despite 19% growth in our production volumes over the same period. This means we have successfully decoupled our carbon footprint from business growth.

To meet our ZERO Carbon Footprint targets, we must work with our breweries and value chain partners not only to continue improving efficiency, but also to cut absolute carbon emissions as our business continues to grow.

VALUE CHAIN EMISSIONS: ABSOLUTE SCOPE 1, 2 & 3
(thousand tonnes CO_2e)*



VALUE CHAIN EMISSIONS: RELATIVE SCOPE 1, 2 & 3
(kg CO_2e/hl)*



* Our latest value chain carbon emissions analysis based on 2022 data.

We have shared detailed findings of our latest analysis with local teams – as well as central global functions such as procurement – to help us identify and act on key levers for carbon reduction at global and market level. From now on, we will repeat our in-depth value chain analysis annually to accelerate action to target emissions hotspots.

ENHANCING OUR METHODOLOGY AND DATA

We conduct our value chain carbon footprint analysis in accordance with international standards: the Greenhouse Gas Protocol for Scope 1, 2 and 3 emissions; the Beverage Industry Greenhouse Gas Emissions Sector Guidance; and the European Commission's Product Environmental Footprint (PEF) guidelines, including the category rules for beer.

We have been working in partnership with the Carbon Trust since 2016 (see quote right) to continually refine our methodology and improve the quality of data we use to calculate our value chain carbon emissions. We have developed a bespoke emissions calculator, and established a system to make sure the calculation model is up to date. Through Brewers of Europe, we worked with others in the industry to develop additional country-level lifecycle inventories for key ingredients, such as barley, rice and wheat. These robust inventories have been built on the same database used by the European Commission to develop its PEF guidelines for agricultural products. We also based our logistics emissions on fuel consumption figures, rather than distances driven, to increase the accuracy of emissions data.

We have improved the quality of data in our latest analysis by including more primary data from suppliers. We sourced data directly from 50 primary suppliers, covering 50% of our direct spend. The majority of data on emissions from packaging – the single biggest contributor to our value chain footprint – came directly from suppliers. In China, more than 80% of emissions from direct materials are now calculated using primary data.

We are committed to transparent reporting and environmental claims based on robust data and methodologies. Our Environmental Claims Guidance builds on advice from the World Federation of Advertisers (WFA) and Denmark's Consumer Ombudsman. Carlsberg is also a signatory to the WFA's Planet Pledge, committing us to use our brands as a positive force to help consumers make informed choices that are less damaging to the environment.

"Since 2016, we have been working with Carlsberg to help the team progress towards net zero. Since then, Carlsberg's ambition has only grown. Its Together Towards ZERO and Beyond programme shows that tackling value chain emissions is a collaborative effort and gets value chain partners on board with Carlsberg's climate action. With our tailored emissions calculator, Carlsberg can update the carbon data of its suppliers and other value chain partners to meaningfully track its emissions reductions over time. This level of insight is paramount for targeted climate action. More so, it instils confidence in future business decisions around procurement, operations and distribution."

Tom Delay
CEO, Carbon Trust

CUTTING OUR VALUE CHAIN EMISSIONS

Between 2015 and 2022, we made significant reductions in relative carbon emissions per hl of beer at every stage of the value chain (see page 16).

We achieved the most significant reduction – 41% – in production at our breweries where we have most direct control. Key drivers include eliminating coal, improving efficiency, switching to renewable electricity and exploring lower-carbon thermal energy sources (see page 12).

Relative emissions also fell in agriculture and packaging – which together account for more than two thirds of our value chain emissions – as well as in transport and cooling (see page 16).

We have delivered reductions across all three of our regions:

- **23% in Asia**, where elimination of coal and lower-carbon solutions at breweries, along with efficiency gains in the agricultural supply chain, played a key role (among other factors) in driving down overall emissions and achieving the largest relative reduction in the most carbon-intensive region.
- **9% in Central & Eastern Europe**, supported by improvements in the collection and recycling of packaging – including through the deposit return scheme established in Lithuania in 2016 that had increased recycling rates above 90% by the end of 2022.
- **16% in Western Europe**, where reductions were aided by the sourcing of lower-carbon raw materials, including our new barley variety that cuts energy use in malting.

CUTTING CARBON WHILE GROWING OUR BUSINESS

KEY CHALLENGE

Cutting our absolute carbon emissions as our business continues to grow is challenging. This is particularly the case in Asia, where our business is growing fastest and also has the highest carbon intensity, with relative value chain emissions per hectolitre of beer in 2022 roughly 65% higher than in Western Europe.

Contributing factors include sourcing of more higher-intensity crops such as rice. Grid electricity also tends to be higher-carbon. Although this does not impact our brewery emissions because we source 100% renewable power in Asia, it can lead to higher carbon emissions in our value chain, for example from production of packaging.

We also see a significant opportunity here as Asia is the region where we have made most progress to date in reducing our relative value chain emissions and we are working hard to keep up the momentum.

We have taken – and continue to take – measures to reduce emissions from our breweries. Our last coal boiler (in India) was replaced by the end of 2022, and this, together with other investments in lower-carbon solutions and a strong focus on efficiency, will help to deliver further improvements at our breweries.

We are also working with suppliers in Asia to reduce emissions in other stages of our value chain. For example, we are trialling lower-carbon rice production in Laos, innovating to achieve further lightweighting of packaging and cutting transport emissions by switching to local sourcing for almost all (95%) of the 620 ml glass bottles we use at our Xixia brewery in China. Last year, we also included criteria on fuel use and emissions reductions in our logistics tender covering the whole of China.

OUR VALUE CHAIN CARBON EMISSIONS: LATEST ANALYSIS BASED ON 2022 DATA*

Global & regional value chains		Agriculture & processing Growing and processing of our raw ingredients	Breweries Production of our beer and beverages	Packaging Manufacturing and disposal of our packaging	Transportation & distribution Distribution of our products to customers	Cooling Refrigeration of our products in bars and retail stores	Overall reduction in carbon intensity 2015-2022 (kg CO_2e/hl)	Overall change in value chain carbon emissions 2015-2022
Global	Emissions share in 2022	24%	11%	45%	10%	10%	56	-16%
	Emissions change since 2015	-18%	-41%	-3%	-10%	-26%	47	
Asia	Emissions share in 2022	25%	11%	44%	10%	10%	76	-23%
	Emissions change since 2015	-27%	-60%	0%	-20%	-20%	58	
Central & Eastern Europe	Emissions share in 2022	22%	12%	44%	9%	13%	54	-9%
	Emissions change since 2015	-8%	-19%	0%	-17%	-18%	49	
Western Europe	Emissions share in 2022	24%	11%	48%	11%	6%	42	-16%
	Emissions change since 2015	-16%	-15%	-14%	-1%	-40%	35	

*All numbers have been rounded.

PARTNERING TO SHRINK OUR SHARED FOOTPRINT

Suppliers play a critical role in helping us reduce our carbon footprint at every stage of the value chain.

Many share our commitment to climate action and have also set carbon reduction targets approved by the SBTi.

Key suppliers have already made significant progress in areas such as switching to renewable electricity and making packaging lighter (see page 31). Further incremental change in these areas will continue to deliver emissions reductions.

The transformative change needed to get to net ZERO will require further innovation and investment in partnership with our suppliers. Getting to net ZERO also means working with partners to reach further along the supply chain. For example, we are engaging with aluminium can suppliers on increasing recycled content and with farmers who grow ingredients for our beer on adopting regenerative agricultural practices.

We are using the findings of our latest value chain analysis to inform our shared efforts to go Together Towards ZERO and Beyond.

MOVING TO LOWER-CARBON PACKAGING

Manufacturing and disposal of packaging make up almost half (45%) of our value chain footprint.

Relative emissions fell by 3% from 2015 to 2022 as carbon intensity decreased across all packaging types through lightweighting, increased use of renewable electricity by suppliers, and improved recycling rates for PET bottles and aluminium cans. However, progress was counteracted by the increased share of cans in our global packaging mix, eroding the share held by reusable glass bottles, which are less carbon-intensive.

We must work with our suppliers to further reduce emissions from glass and aluminium, which are energy-intensive to produce because they are manufactured at high temperatures. For example, we are partnering with Ball Corporation to use less aluminium in cans by lightweighting (see page 31). We also look for opportunities to harness consumer interest in shifting to less carbon-intensive packaging alternatives (see page 34).

Our focus on ZERO Packaging Waste (see page 30) will also help us deliver carbon reductions, for

AVERAGE LIFECYCLE CARBON FOOTPRINT OF OUR DIFFERENT PACKAGING TYPES**

(kg CO_2e per hl of packed product)

Best practice example: Norway
80% rPET content and high recycling rates lead to a >25% lower footprint versus the global average, achieved together with Infinitum

Best practice example: Laos
High collection and refill rates lead to >25 uses per bottle and a ~35% lower footprint versus the global average, achieved together with our distributors

Best practice example: Denmark
A >90% recycling rate, >60% recycled content and lightweighting lead to a ~30% lower footprint versus the global average, partially achieved together with Ball Corporation

Best practice example: France
More efficient manufacturing and lower emissions from use of electricity and rail transportation lead to a >30% lower footprint versus the global average, achieved together with our glass supplier

*Share of total packaging mix.

**Carlsberg Group averages based on a study conducted with the Carbon Trust based on 2022 data; results vary from market to market.

example by increasing recycling rates and exploring ways to use more renewable or recycled content. This year, we trialled compostable wooden cups which offer a lower-carbon alternative to single-use plastic cups, at concerts and sports events in Switzerland (see page 35).

CUTTING CARBON FROM CROPS

The second largest share of our value chain footprint comes from growing and processing the raw ingredients used in our beer.

Lower-carbon solutions in malting processes supported an 18% reduction in relative emissions from 2015 to 2022. We are driving further carbon reductions as we expand use of the novel barley variety we developed, which reduces the energy needed for malting and brewing, in Denmark and the UK.

However, as we grow our business in Asia we are using more rice in our beers, which are currently more carbon-intensive to produce than barley. We are working with farmers in Laos to trial more sustainable methods for their rice crops, achieving more than 30% carbon reductions and 45% higher yields (see page 25).

Promoting the adoption of regenerative agricultural practices and sustainable sourcing of our ingredients through our ZERO Farming Footprint ambition (see page 22) will help to shrink climate impact across our agricultural value chain as well as supporting capture and storage of carbon in soil. In 2023, the first harvest from our Responsible Barley partnership in France cut the carbon intensity of malting barley by 20% (see page 24).

MAKING OUR LOGISTICS SMARTER

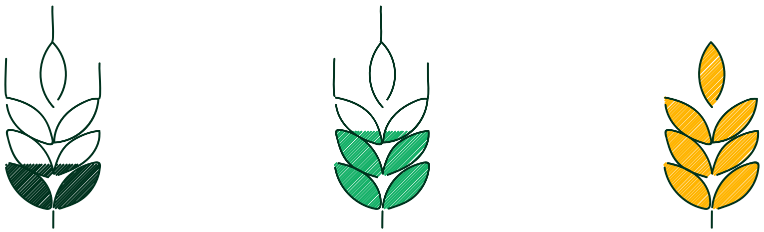
Around 10% of our value chain emissions come from transporting raw materials to our sites and distributing beer to our customers. There was a 10% reduction in relative emissions from transportation and distribution from 2015 to 2022, largely driven by efficiency improvements, together with marginal improvements from electrification and reduced business travel.

Much of our transport is by road, and efficiency measures in our own fleets have contributed to a 12% reduction in fuel consumption per 100 km driven over the last six years in Denmark, Norway and Switzerland (having cut consumption from roughly 32 litres in 2017 to 28 litres in 2023). Use of telematics and changes to driver behaviour have aided year-on-year reductions in these three markets and demonstrate solutions for application in other markets. This year, we brought our UK logistics in house and installed telematics in our UK

AVERAGE LIFECYCLE CARBON FOOTPRINT OF OUR DIFFERENT RAW MATERIALS***

(kg CO_2e per kg of raw material)

Barley	Barley Malt	Rice
0.4	**0.7**	**1.5**
(6%*)	(65%*)	(18%*)

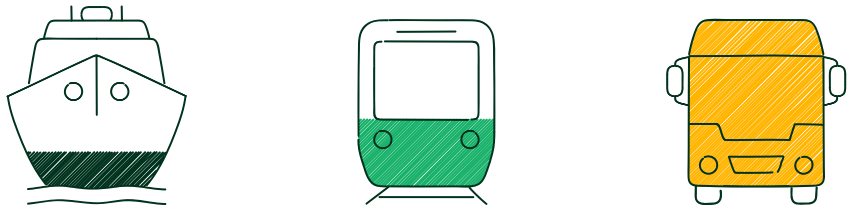


Best practice example: France
Responsible Barley for our 1664 Blonde beers with a 20% lower footprint versus the French average, achieved together with farmers and Groupe InVivo

AVERAGE LIFECYCLE CARBON FOOTPRINT OF OUR DIFFERENT TRANSPORTATION TYPES***

(kg CO_2e per tonne per km transported)

Sea	Rail	Road
0.02	**0.04**	**0.10**
(2%**)	(1%**)	(97%**)



Best practice example: Sweden
Expansion of electrified fleet and routes leads to a >90% lower footprint versus diesel trucks, achieved together with Einride

* Share of total raw materials purchased

** Share of total transportation emissions

*** Carlsberg Group averages based on a study conducted with the Carbon Trust based on 2022 data; results vary from market to market.

trucks to promote fuel-efficient driving.

We are exploring lower-carbon transport alternatives that have the potential to deliver more substantial reductions if we can overcome challenges to wider roll-out, such as limited availability of infrastructure on many routes for electric charging, refuelling with biogas or moving goods by rail.

Local examples include:

France: We have secured additional rail freight capacity that will replace the equivalent of 80 shipments by diesel trucks from next year.

Sweden: We are expanding our partnership with Einride to electrify transport between our warehouses and breweries (see right), and exploring how we can extend it to other markets. We also trialled cross-border electrification of transport between Sweden and Denmark.

Switzerland: Our fleet of 20 electric delivery trucks avoided nearly 194 tonnes of carbon emissions (compared with diesel trucks in the same weight category) during their second year on the road.

UK: We have begun trialling two electric trucks for secondary distribution.

We have also ordered 28 biogas trucks for testing in Norway and Denmark next year.

At our own sites, we have invested in more electric forklifts (and associated charging infrastructure), which now make up 66% of our global forklift fleet (down from 71% in 2022, a combined effect from a reshuffle in the fleet composition with a new tender, inheritance of non-electric fleets in the UK and corrections to active fleet data).

We continue to build carbon reductions criteria into supplier tenders for logistics equipment and distribution services. This year, we concluded tenders for our logistics in Finland, Sweden and Switzerland that include increased commitments from our suppliers to use sustainable fuels, and we are targeting fossil-free last-mile deliveries by 2030 through a new contract with logistics provider Posti in Finland.

CASE STUDY

EXPANDING ELECTRIFIED LOGISTICS NETWORKS IN SWEDEN

We are extending electrification of our logistics in Sweden thanks to a major expansion of our partnership with technology company Einride, which provides electric trucks, software and charging infrastructure.

Last year, we trialled the use of electric trucks to shuttle stocks between our Falkenberg brewery and the nearby warehouse. Now we are using them for many of our longer transport routes between the brewery and shipment terminals at Swedish ports, and to some wholesale customers.

The trucks will also bring aluminium cans and water from other suppliers. Einride will install charging infrastructure at our brewery and the water factory to enable trucks to charge.

Replacing diesel trucks with electric models for these journeys will reduce carbon emissions by over 4,600 tonnes over five years.

“At Einride, we strive for collaborations with forward-thinking companies to actively reduce global carbon emissions. It is a pleasure to work with customers like Carlsberg Sverige and assist them on their journey towards sustainable freight, proving together that the time has come for a large-scale transformation of heavy transportation, even over longer distances. Carlsberg dares to challenge old truths and break new ground through digitisation and electrification to create real change."

Carl Ceder
Vice President Nordics, Einride

CUTTING IMPACTS FROM COOLING

Keeping our products cool in bars, restaurants and shops accounts for 10% of our value chain footprint. Emissions from cooling decreased by 26% per hl of beer from 2015 to 2022 due to energy efficiency improvements in fridges and a reduction in grid carbon intensities.

We invest in more efficient models whenever fridges need to be replaced. The new fridges we have ordered for 2024 will use 20% less energy, on average, than those we purchased in 2023. All new fridges must include energy management systems and use hydrocarbon refrigerants, which have a lower climate impact than hydrofluorocarbons.

To support wider sustainability improvements in refrigeration, Carlsberg is co-leading a Beverage Industry Environmental Roundtable (BIER) Coalition workstream (see right).

REPORTING ON CLIMATE-RELATED FINANCIAL RISKS AND OPPORTUNITIES

We analyse and report on the risks to our business from climate change in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our latest disclosure is included in our 2023 *Annual Report*. It summarises our climate-related governance, strategy, risks, metrics and targets, with links to more information on our approach in this ESG Report and elsewhere.

CASE STUDY

PARTNERING FOR LOWER CARBON COOLING

Together Towards ZERO and Beyond embodies a spirit of partnership for action on sustainability. We are working with other global beer and soft drinks producers, alongside world-leading fridge and component manufacturers, in the Beverage Industry Environmental Roundtable (BIER) Coalition. Our joint effort aims to cut the carbon emissions of cooling equipment by increasing efficiency and circularity.

We are co-leading a workstream of the Coalition to develop an ambitious energy efficiency roadmap that will raise awareness of reliable and scalable energy-saving options, and accelerate research and development efforts to deliver innovation. Together, we want to support fridge and component manufacturers to overcome challenges they face in deploying new technologies.

ZERO CARBON FOOTPRINT: OUR PROGRESS & TARGETS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023	PLANNED ACTIONS FOR 2024
Explore using biogas boilers fuelled by biomethane captured from on-site water treatment plants at breweries in China and Europe		Trialled alternative biogas technology at our Korla brewery and conducted analyses, including virtual simulations, of all remaining non-carbon-neutral sites to identify the right mix of technology solutions (including biogas and others) to make each site carbon-neutral	Conduct three on-site trials – at one site per region – with an external partner to test, customise and optimise the designs for carbon-neutral sites
Begin a pilot of solar thermal technology in Greece		Began a one-year pilot of solar collectors to generate thermal energy at Olympic Brewery's production site in Sindos, Greece	Evaluate KPIs after 12 months of operation and use the results to inform next steps
Install electric boiler powered by renewable energy in Denmark		Installed an electric boiler in Denmark that allows us to switch from gas to electricity to use renewable electricity when available and support grid stability	Install a new electric boiler at our Boke brewery in China
Expand renewable electricity from new assets through additional on-site and off-site power purchase agreements		Secured new power purchase agreement in Lithuania for on- and off-site solar power, backed by battery storage	Continue to expand renewable electricity from new assets through additional on-site and off-site power purchase agreements
Complete and communicate 2022 value chain analysis to define actions and raise awareness among procurement teams		Completed and reported a detailed value chain analysis, and communicated market-specific results to local teams (including procurement) to help identify emissions reduction levers	Review our carbon targets in line with updated guidance from the Science Based Targets initiative
Test and compare electric and biogas trucks in Western Europe		Completed first full year of electric trucks in Switzerland, began trials of electric trucks in the UK, and ordered 28 biogas trucks for testing in Norway and Denmark in 2024	Test and compare electric and biogas trucks in Western Europe

2030 TARGETS

ZERO carbon emissions at our breweries

30% reduction in value chain carbon emissions

All renewable electricity must come from new assets (e.g. via power purchase agreements)

2040 TARGET

Net ZERO value chain

Fully achieved Partially achieved Not achieved

ZERO Farming Footprint

We are partnering with suppliers and experts to take action on climate change and biodiversity loss by targeting a ZERO Farming Footprint.

Climate and biodiversity are priorities for our stakeholders and our business with investors demanding transparency and action across the value chain, and regulations expanding in these areas.

Agriculture is the second largest driver of our value chain carbon emissions, and we cannot reach net ZERO by 2040 without taking steps to reduce its climate impact. Today's farming and food systems are accelerating the biodiversity loss that is threatening the health of the planet and having knock-on effects for businesses, with half the world's economy under threat[1].

We have set bold targets to ensure all our raw ingredients are sourced sustainably and produced using regenerative agricultural practices by 2040. These commitments will support global action on environmental challenges, improve farmers' livelihoods and help us secure a sustainable supply of raw ingredients – from barley to rice – to make our brews now and in the future.

Crops generally grow in the top layer of soil, half of which has been lost worldwide in the last 150 years[2]. Farmers adopting regenerative practices can produce the same amount of food in a more sustainable way by preserving and enriching depleted soil. But it will take time, effort, innovation and far-reaching collaboration to extend this approach across our agricultural value chain.

Our initial efforts include partnering with barley farmers in Finland, France and the UK to pilot regenerative practices, as well as supporting wider efforts to define common standards for regenerative agriculture.

2.3.1 & 2.4.1

12.2.1, 12.2.2 & 12.6.1

13.1.1

14.1.1

15.3.1 & 15.5.1

See SDG index, page 97.

6,927 tonnes

of barley grown using regenerative and sustainable practices went into our beers in Finland, France and the UK

Full conversion

to regenerative barley for Carlsberg Danish Pilsner in the UK by 2027 – and for all our UK brews by 2031 – in a major new commitment by our UK business

120

partner farmers are now growing traceable Responsible Barley in France

155,000

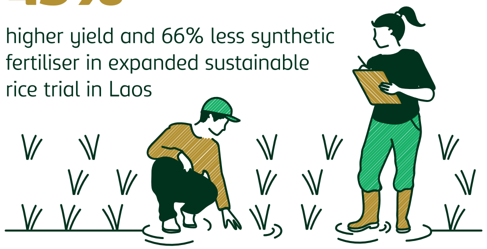
consumers scanned our bottles of Kronenbourg 1664 Blonde beer to learn more about the barley's cultivation and journey from field to bottle

Ranked top 25

in the World Benchmarking Alliance's Food and Agriculture Benchmark and Nature Benchmark

45%

higher yield and 66% less synthetic fertiliser in expanded sustainable rice trial in Laos



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

1 Sources: UNEP/Chatham House; WEF.
2 Source: WWF.

ZERO Farming Footprint

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO FARMING FOOTPRINT

A NEW REGENERATIVE BREW FOR THE UK

Our journey towards 100% regenerative barley in the UK has begun.

Carlsberg Marston's Brewing Company (CMBC) and the Archer-Daniels-Midland Company (ADM) contracted 23 farmers to grow an estimated 686 tonnes of regeneratively grown barley during 2023.

The harvest will be used to brew Carlsberg Danish Pilsner from 2024, and we aim to expand this pilot to source enough regenerative barley to make all our beer under this brand in the UK by 2027. We are committed to making all our products that are brewed in the UK with 100% regenerative barley by 2031.

We have partnered with agriculture consultancy Ceres Rural to develop a regenerative agricultural protocol for participating farmers to follow that will be used to audit the farms. The protocol is tailored to local contexts and requirements in the UK while aligning with our global criteria for regenerative agriculture.

Find more details on the partnership here.

The farmers are using techniques such as no- or low-tillage, planting cover crops and restricting chemical use to the minimum that the crop requires. They will measure the impact over time on farm carbon emissions, carbon sequestration in the soil, soil health and biodiversity.

We are supporting farmers in the transition to regenerative practices, including helping them to measure and track carbon emissions and soil health. Participating farmers also have opportunities to learn from each other, and to promote regenerative and replenishment techniques beyond the core groups.

The variety of barley they are growing, developed at the Carlsberg Research Laboratory, brings brew quality benefits and additional climate benefits by reducing the amount of energy and associated carbon emissions during the brewing process (see page 18).

In a complementary initiative through our longstanding partnership with WWF-UK, and together with the Norfolk Rivers Trust, we are working with farmers to introduce water-sensitive interventions to replenish up to 100 million litres of fresh water across East Anglia (see page 44).

"At CMBC, we are deeply committed to the future of sustainable brewing, which is why we are excited to support British farmers in adopting regenerative techniques – preserving soil health, reducing carbon emissions, and leading the way for our sector. Our strategic partnerships are the cornerstone of this transformative journey, as we work hand in hand with local farmers, traders, maltsters, agronomists and NGOs. Together we are not just brewing beer; we are brewing a brighter, regenerative future for all."

Paul Davies
CEO, CMBC

"Agricultural systems vary hugely across the world due to climate, soil type, crops grown, scale and technology. Therefore, adapting the approach across markets is essential to success. Government and industry support for farmers will help scale these practices – from expert advice and facilitating peer-to-peer learning to gathering local data to give more farmers confidence to adopt new practices."

Alice Andrew
Associate Partner, Ceres Rural

TOWARDS REGENERATIVE AGRICULTURE

Regenerative agricultural practices include no- or low-tillage, planting of cover crops, and minimising chemical inputs to help maintain soil carbon, nutrients and water. They also help to increase the organic matter in soil that supports biodiverse microorganisms and make food more nutritious.

We are collaborating with others – in our industry and beyond – to develop a common understanding and define standards for regenerative agriculture through the Sustainable Agriculture Initiative (SAI) Platform. In the meantime, we have established our own global criteria (see right) to enable us to begin partnering with suppliers to work towards our target for all our raw ingredients to be produced using regenerative agricultural practices by 2040.

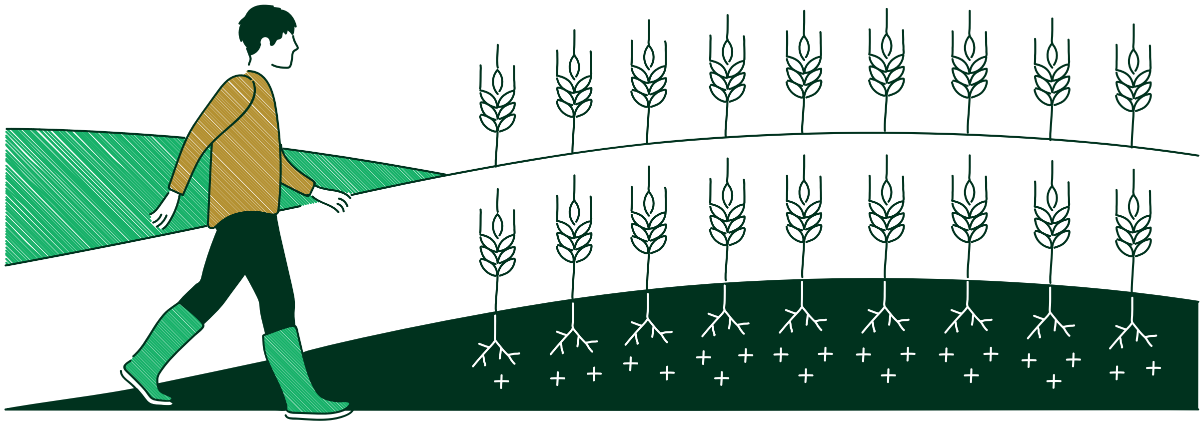
SOURCING REGENERATIVE BARLEY

Our initial focus is on barley, which makes up approximately 60% of our raw ingredients by weight.

This year, our UK business announced a major new commitment to brew Carlsberg Danish Pilsner with 100% regenerative barley by 2027 and for all our other brands in the UK to follow suit by 2031. We have already begun partnering with 23 farmers whose regenerative practices are verified by our partner Ceres Rural (see page 23). We are also partnering with WWF to support farmers to implement water-sensitive farming measures (see page 43).

In France, we have achieved our target to have 20% of the barley for our Kronenbourg 1664 Blonde beer derived from grains grown using some regenerative practices. Since we began this initiative in 2022, the number of farmers involved has more than doubled and the crop area has tripled. We are also using our brand presence to engage consumers on sustainable farming through on-pack messaging and QR codes that offer enhanced transparency (see page 26).

In 2021, KOFF's Christmas Beer in Finland was our first brew to be made with regenerative barley, and KOFF has pioneered our support for farmers in adopting regenerative practices. The barley used for the festive brew in 2023 was again tracked and audited by supplier Viking Malt from field to glass. It was sourced from a farm that uses regenerative practices and is certified as Baltic Sea friendly by the Baltic Sea Action Group. Together with



WHAT WE MEAN BY ZERO FARMING FOOTPRINT

REGENERATIVE AGRICULTURAL PRACTICES

By 2030, we aim to have 30% (by weight) of our raw materials grown using regenerative agricultural practices, increasing to 100% by 2040.

While we work with others to define a common understanding of regenerative practices, we are applying our own global criteria for raw materials to be considered regeneratively grown. These include no- or low-tillage cultivation, soil covered for 95% of the year, at least four crops on the same plot over four harvest seasons, and avoiding overuse of synthetic fertilisers and pesticides by using the minimum required by the crop. All practices must be fully documented and traceable.

These criteria are mandatory for raw materials to count towards our target, unless local field or climate conditions justify different regenerative practices. To further support biodiversity, farmers can create field borders as habitats for pollinators or other beneficial insects, restore soil with compost or organic manure, or integrate livestock (where feasible).

SUSTAINABLY SOURCED RAW MATERIALS

By 2030, we aim for 30% (by weight) of our raw materials to be sustainably sourced, increasing to 100% by 2040.

Sustainably sourced raw materials are produced at farms that are externally certified to at least the bronze level of the Farm Sustainability Assessment (FSA), developed by the Sustainable Agriculture Initiative (SAI) Platform, or at farms certified under schemes that cover the same scope as the FSA.

other businesses, we are also supporting research by the National Resource Institute of Finland into the environmental and economic impacts of crop rotation.

The quantities of raw materials we source that are currently grown using regenerative practices – 6,927 tonnes in total in 2023 – are small (<1%) in the context of our global purchasing footprint. But the pilots we have undertaken this year are helping us establish a strong platform from which to scale our efforts. Through increased farmer participation in our existing partnerships, we have already expanded the area of land being cultivated using regenerative techniques within the first year of setting our ZERO Farming Footprint targets.

TRIALLING MORE SUSTAINABLE RICE PRODUCTION

We continued to trial more sustainable farming methods for rice crops in Laos this year and a growing number of farmers are participating.

Over five growing seasons, the trial has reduced chemical fertiliser input by 67% and organic fertiliser by 70%, while increasing rice yields by 45% per hectare. There is also anecdotal evidence of returning bird, fish, amphibian and insect species, indicating additional benefits to natural habitats and biodiversity.

Adopting the practice of alternative wetting and drying – allowing rice paddies to dry before being re-irrigated when necessary rather than leaving continual standing water that causes methane emissions – is expected to reduce carbon emissions and water consumption, and we are working with the local authorities to quantify these impacts.

This year, Lao Brewery Company Ltd celebrated its 50-year anniversary and special-edition beers were brewed with rice from the pilot project to mark the occasion (see right).

CASE STUDY

BREWING WITH SUSTAINABLY GROWN RICE FROM OUR PILOT FARMS

A limited-edition brew for Beerlao, our local flagship brand in Laos, has been introduced to mark 50 years of brewing excellence and to celebrate the heritage and cultural pride embodied by the brand. The resulting brew has been crafted from two single-origin lowland rice variants[1] that have been locally developed and sourced from our sustainable rice pilot farms along the Mekong River.

Through the project, we are testing techniques to lower the environmental impacts of rice farming while increasing yields and maintaining quality, and our efforts have been recognised with an Organic Rice Certificate awarded by the Ministry of Agriculture and Forestry.

"Our objective is to support and collaborate with the government in advancing sustainable rice cultivation while establishing production chains that distribute income to farmers. Our sustainable rice farming project has made significant strides and we are seeing promising results."

Sithixay Ketthavong
Corporate Affairs and Administration Director, Lao Brewery Company Ltd

[1] Hom Xebangfai2 and Hom Xebangfai3.

DEFINING CROSS-INDUSTRY STANDARDS FOR REGENERATIVE AGRICULTURE

KEY CHALLENGE

There is no quick route to a regenerative agricultural system. Adopting the necessary practices – including rotation of crops that serve diverse industries – requires transformative change in our value chain and beyond.

Defining common standards is therefore a priority to enable farmers to adopt a suitable approach that will be accepted as regenerative by the various industries they supply. Carlsberg is part of the Sustainable Agriculture Initiative Platform (SAI Platform) that is currently working to develop such standards.

We need common standards and metrics to support adoption of regenerative practices and measure progress, but some flexibility will also be needed to adapt standards to local contexts. For example, a winter cover crop may not be feasible in colder climates, and effective methods may vary even within the same region.

We are encouraging governments in our markets to support the transition to regenerative agriculture. The farmers who are transforming the way they operate also need to know their livelihoods will be secure. We are exploring how to create fair value for farmers choosing to adopt regenerative practices through our partnerships in Finland, France and the UK. While the transition will require changes to their business model and investment – such as purchasing seeds for cover crops – we expect that in the long term farmers, and the entire supply chain, will see lower costs from reduced chemical inputs and a more resilient system able to withstand weather extremes.

Building peer-to-peer networks will be critical to build knowledge and experience, and to encourage more farmers to adopt new practices.

CASE STUDY

GIVING CONSUMERS A WINDOW INTO OUR BARLEY'S JOURNEY

We are engaging consumers to improve understanding of sustainable agriculture to enable them to make more informed and environmentally conscious choices – starting with our Kronenbourg 1664 Blonde beer in France, where we launched the first traceable Responsible Barley chain in 2022.

Thanks to a QR code on the packaging, and a new blockchain solution, consumers can keep a close eye on our commitments and progress in sourcing Responsible Barley for Kronenbourg 1664 Blonde, and access information about the barley's journey from field to bottle.

Over 155,000 consumers scanned the QR code in the first six months to learn about the various stages of the brewing process and the dates when their beer was brewed and bottled.

The sustainable practices adopted by the 45 farmers taking part in the first year of our Responsible Barley partnership with Malteries Soufflet and grain buyer Soufflet Agriculture are already delivering benefits for the planet. An independent assessment[1] found that emissions from the 2022 harvest were 20% lower compared with conventionally grown barley.

The number of partner farmers supplying the crop has now grown to 120, and the area of farmland dedicated to Responsible Barley has tripled to 2,700 hectares.

[1] Using the Arvalis eGES tool / Label Bas Carbone Grandes Cultures.

PARTNERING FOR SUSTAINABLE SOURCING

We buy over a million tonnes of raw materials to make our beers every year and we are committed to sourcing 100% sustainably by 2040.

Our definition of sustainably sourced means ingredients must come from farms that are externally certified to at least the bronze level of the SAI Platform's Farm Sustainability Assessment (FSA) or equivalent.

However, we do not buy our ingredients directly from farmers so we do not currently have access to information about whether the farms they come from are FSA-certified except where we are engaging in specific initiatives. For example, the 6,041 tonnes of barley purchased in 2023 for our Kronenbourg 1664 Blonde brew in France is from farms that are FSA-certified. In 2024, we will explore how to measure progress against our targets on sustainable sourcing.

INNOVATING FOR BETTER CROPS

We continue to invest in research at our Carlsberg Research Laboratory to develop new and improved raw materials for our brews that offer environmental benefits, such as reducing climate impact or enhancing drought resilience.

In 2023, our scientists began field trials to explore the impacts of regenerative practices on all aspects of crop production, including crop quality and carbon impacts. They also started exploring the potential of a new perennial barley species, *Hordeum bulbosum*, as part of our long-term Crops for the Future initiative. Perennial crop varieties grow back year after year. Their extensive root systems can double soil carbon storage and avoiding the need for annual ploughing also reduces the release of carbon from the soil. *Hordeum bulbosum* is drought-tolerant, growing in dry regions across southern Europe, northern Africa, the Middle East and parts of South Central Asia. Its larger root system can also contribute to increased organic matter content in soil.

We continue to roll out the malting barley variety we developed that reduces the climate impact of our beer, with less energy required in malting and brewing (see page 18), and we make it available to others to extend the climate benefits across the brewing industry.

CASE STUDY

A SUSTAINABLE GRAIN FOR INCLUSIVE SOURCING AND SOCIAL IMPACT

Together with food brand Yolélé we have developed Brooklyn Fonio Double Pilsner, a limited-release beer brewed with fonio – a drought-tolerant ancient African supergrain grown by smallholder farmers in West Africa.

The collaboration aims to demonstrate the viability of fonio as an alternative grain for the brewing and wider food and beverage sectors, and help develop an agricultural value chain that is more inclusive for smallholder farmers and provides a valuable source of income for rural African communities.

Choosing drought-tolerant fonio as the key ingredient is helping to support climate-resilient small-scale farming with a crop that can grow in nutrient-poor soil without the use of fertilisers, pesticides or irrigation.

"I think the entire brewing community ought to be excited about this supergrain that few of us have even heard about. I am personally excited to be drinking our delicious beer while supporting African smallholder farmers and the land that sustains them."

Garrett Oliver
Brewmaster, Brooklyn Brewery

CASE STUDY

SUPPORTING BIODIVERSITY AROUND OUR BREWERIES AND WITH OUR BRANDS

World leaders agreed to take urgent action to reduce threats to biodiversity this decade when they came together at the COP15 Convention of Biological Diversity in late 2022. We are committed to playing our part in global efforts to protect and restore biodiversity.

The biggest impact we can have is in our agricultural value chain through our ZERO Farming Footprint commitments to regenerative practices and sustainable sourcing of our ingredients.

We also look for opportunities to harness our breweries and brands to promote biodiversity. This year, in Finland, we established a set of on-site meadows at our Sinebrychoff brewery to provide a habitat for pollinators. In Poland, we have been engaging employees and their families through educational and activity-packed eco-picnics near our Bosman, Kasztelan and Okocim breweries. This included litter clean-ups, tree planting and construction of "bee hotels" designed for pollinators to nest in.

Our Somersby brand is also raising consumer awareness of pollinators and their critical role in ecosystems through a partnership with ecological foundation Pszczoła Musi Być in Poland. Together, we transformed an unused urban space in Warsaw into a bountiful garden to support biodiversity, complete with bee hotels. A digital campaign, with quizzes and prizes, encouraged consumers to get involved with tips on how they can take positive action for nature no matter how small their space – from a windowsill to a garden.

"Agriculture is the biggest cause of biodiversity loss around the world and a major driver of climate change. If we are to bring our world back to life, we simply must find better ways to farm in harmony with nature. Regenerative agriculture, when robustly defined and comprehensively implemented, is one way to do that. Every business with an agricultural supply chain needs to step up to this challenge and we applaud Carlsberg Group for setting their ambitions towards zero footprint farming."

Callum Weir
Head of Agricultural Programmes, WWF-UK

ZERO FARMING FOOTPRINT: OUR PROGRESS & TARGETS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023	PLANNED ACTIONS FOR 2024	2030 TARGET	2040 TARGET
Engage through SAI Platform to help define and advance adoption of regenerative agricultural practices in the wider farming value chain	Partially achieved	Participated in discussions on the development of standards by SAI Platform member companies	Continue to engage through SAI Platform on the development of standards to advance adoption of regenerative agricultural practices in the wider farming value chain	**30% of our raw materials are from regenerative agricultural practices and sustainably sourced**	**100% of our raw materials are from regenerative agricultural practices and sustainably sourced**
Source 20% of malt used to brew Kronenbourg 1664 Blonde from barley grown with some regenerative practices	Fully achieved	Achieved our goal with Responsible Barley making up 20% of the barley used to brew Kronenbourg 1664 Blonde in 2023, and tripled the area of farmland dedicated to Responsible Barley to 2,700 hectares	Explore opportunities to source more regeneratively grown raw materials and measure progress towards our targets		
Explore opportunities to source more regeneratively grown raw materials, with initial focus on barley	Fully achieved	Began partnering with 23 farmers as the first step towards our major new commitment to source regenerative barley in the UK, increased farmer participation in Finland and France, and continued to explore opportunities in other countries			
Explore how to effectively integrate sustainable sourcing criteria into purchasing of raw materials	Not achieved	Postponed until 2024	Explore how to effectively integrate sustainable sourcing criteria into purchasing of raw materials and measure progress towards our commitment to source ingredients sustainably		
Continue to develop and roll out climate-resilient barley varieties	Fully achieved	Conducted field trials to select the most promising varieties of barley for our pipeline and increased hectares of land dedicated to climate-resilient varieties	Continue to develop and roll out climate-resilient barley varieties, with a focus on *Hordeum bulbosum*, wheatgrass and sorghum		
Research the impacts of regenerative practices on quality, biodiversity and carbon impacts	Partially achieved	Commissioned research on the benefits of regenerative farming, and established a partnership with Ceres Rural to develop a soil health measurement protocol in the UK and began to collect baseline data	Commission market-specific research on the impacts and opportunities linked to regenerative agriculture to inform the local approach(es) in selected market(s)		

Fully achieved   Partially achieved   Not achieved

ZERO Packaging Waste

We are partnering on packaging that delivers sustainability benefits along with our beer.

Packaging gets our beer safely to consumers and influences what they buy. Awareness about the environmental impact of packaging continues to grow and reducing this impact is high on the agenda for legislators.

Private sector innovation and EU regulatory developments are paving the way for circularity in packaging by promoting reuse and recycling as well as increased use of recycled materials. Adopted at scale, such measures can support a more sustainable economy that eliminates waste, circulates products and materials at their highest value, and regenerates nature[1].

Packaging is responsible for almost half (45%) of our value chain carbon emissions and cutting its climate impact is a priority to achieve our ZERO Carbon Footprint ambition (see page 9).

Our focus on ZERO Packaging Waste goes beyond carbon to drive progress towards circularity. We aim to use less virgin fossil-based plastic and more renewable, recycled or recyclable materials. We also strive to increase the amount of packaging that is collected and reused or recycled after use.

Achieving these targets will be challenging and requires innovation, partnership with suppliers, and collaboration in our industry and beyond to develop the solutions required to support a circular economy across our markets.

This year, we rolled out a Sustainability Scorecard to put environmental impact at the forefront of our decisions on all new products. We continued to partner with suppliers on more sustainable packaging solutions, and developed a position statement, to be published in 2024, setting out criteria for effective deposit return schemes to support increased collection and recycling rates.

12.2.1, 12.2.2, 12.5.1 & 12.6.1

14.1.1

See SDG index, page 97.

Sustainability scorecard

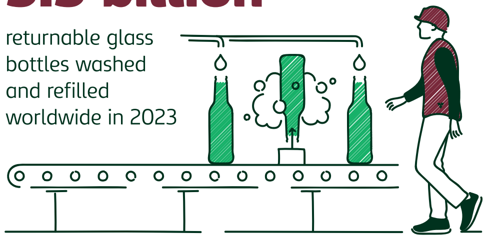
rolled out to assess and integrate environmental impact in our development of all new products – and their packaging

74%

of our bottles and cans were collected and recycled globally in 2022

5.5 billion

returnable glass bottles washed and refilled worldwide in 2023



-2,000 tonnes

of virgin fossil-based plastics from 2019 to 2022, based on in-depth analysis completed this year

34%

recycled content in our packaging in 2022 – including 80% recycled glass bottles and 62% recycled aluminium cans from key suppliers in Western Europe

Deposit return schemes

increased collection rates in several of our markets, and we developed criteria to support further roll-out of effective schemes

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

[1] Source: Ellen MacArthur Foundation.

ZERO Packaging Waste

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO PACKAGING WASTE

PARTNERING ON A ROADMAP TO REDUCE IMPACT FROM OUR CANS

Our cans are getting lighter and so is their environmental footprint.

Over the last three years, we have worked with Ball – one of our biggest can suppliers – to cut the weight of our most common can formats (33 cl and 50 cl) by around 5% in more than ten European markets. This lightweighting is shrinking our value chain carbon footprint by around 5,000 tonnes per year.

Through our longstanding partnership with Ball, we are now implementing a joint roadmap of actions designed to drive progress towards our shared ambitions on sustainability. Lightweighting to reduce material use and cut carbon emissions is just one aspect of this roadmap.

See the 2023 Tour de France collaboration with Every Can Counts here.

We are also working together to encourage consumers to return more of their used cans for recycling. Joint initiatives include a trial deposit return scheme in Serbia and we have included the "Metal Recycles Forever" logo on cans there to emphasise the infinite recyclability of aluminium.

We also showcase recycling together at high-profile events. For example, at the 2023 Tour de France sponsored by our Tourtel Twist brand (see page 47), we handed out alcohol-free refreshments – in Ball cans – to spectators and encouraged them to help collect and recycle them in a joint initiative with Every Can Counts.

The cans supplied by Ball in Europe are already made of 62% recycled aluminium on average, achieved by a mix of pre- and post-consumer recycled material. Promoting collection and recycling will help to increase availability of post-consumer recycled content and enable progress towards Carlsberg's and Ball's complementary targets for increased recycling rates and increased use of recycled content in cans by 2030.

"Partnering with suppliers who share our values and commitment is key to reaching our ambitious targets on our journey Together Towards ZERO and Beyond. Our collaboration with Ball has already delivered notable improvements in lightweighting – a critical lever for decarbonisation and materials use in our shared value chain. Now we're going further through joint efforts to increase the circularity of our cans."

Johan Keerberg
VP, Group Procurement, Carlsberg Group

"We are pleased to continue to partner with Carlsberg and collaborate on our aligned goals including a 90% recycling rate by 2030. Carbon reduction across our value chains is a key focus and lightweighting our cans is one way we have achieved this with Carlsberg, resulting in significant carbon savings in 2023. Our collaboration with Carlsberg will help us to meet our own Climate Transition Plan while delivering positive impact across our shared value chain."

Björn Kulmann
VP, Sustainability, Ball Corporation

TOWARDS ZERO PACKAGING WASTE

We introduced ZERO Packaging Waste as a new focus area of our ESG programme in 2022. This year, we developed training to raise awareness of this new focus area among employees, and we have begun work to define and implement a roadmap of specific actions to drive progress. We have also started to establish processes to gather the data we need to measure and report our performance.

Our analysis, based on the latest available data, found that total use of virgin fossil-based plastic in 2022 amounted to roughly 58,000 tonnes, representing a 3% reduction versus 2019 (see page 33).

Based on market-level recycling rates used in our latest analysis of our value chain carbon footprint, we estimate that 74% of our bottles and cans were collected and recycled in 2022, and they included 34% recycled content on average (see page 33). We do not yet have suitable data to report progress on our target for 100% recyclable, reusable or renewable packaging. We will expand data collection and improve data quality in order to report accurately against all of our targets, as well as live up to new EU reporting requirements from 2024 (see page 92).

WHAT WE MEAN BY ZERO PACKAGING WASTE

RECYCLABLE, REUSABLE OR RENEWABLE

We aim for all our packaging to be 100% recyclable, reusable or renewable by 2030. The scope of the target includes all primary packaging that is in direct contact with our product (such as glass bottles or cans) and consumer-facing secondary packaging used to help consumers take the product home (such as shrink film or cardboard holding multipacks together).

Packaging is considered:

- **Recyclable** if its post-consumer collection, sorting and recycling are proven to work in practice and at scale. Packaging that can only be recycled into applications that do not allow further use cycles is not considered recyclable.
- **Reusable** if it has been designed to be used at least twice in the same application, and preferably more.
- **Renewable** if it is made of biomass from a living source that can be continually replenished.

COLLECTION AND RECYCLING

We are targeting a 90% collection and recycling rate for bottles (glass and plastic), cans and kegs (plastic and steel) by 2030. We measure progress by comparing hectolitres (hundred litres, hl) of beer sold in each market with the recycling rate for each packaging type in that market. The target excludes closures and labels.

RECYCLED CONTENT

We aim to reach 50% recycled content in our bottles (glass and plastic), cans and single-use plastic kegs by 2030. Recycled content must come from post-consumer recycled material (such as aluminium from cans that have been used to deliver beverages and then discarded by consumers), as defined by the international ISO 14021 standard. It excludes pre-consumer recycled material (such as production scrap).

VIRGIN FOSSIL-BASED PLASTIC

We aim to reduce our use of virgin fossil-based plastic by 50% by 2030 compared with 2019. This can be achieved by reducing the amount of plastic needed through lightweighting, or by replacing virgin fossil-based plastic with recycled content or renewable materials (as defined above), such as recycled PET or PEF.

USE OF VIRGIN FOSSIL-BASED PLASTIC BY WEIGHT*

Region	Total virgin plastic [thousand tonnes]
Asia	17
Central & Eastern Europe	16
Western Europe	25
Global total 2022	58
Global total 2019	60

* Based on available data; as data accuracy improves over time the results of this analysis may change.

COLLECTION AND RECYCLING RATES FOR PRIMARY PACKAGING*

Region	Collection and recycling rates for bottles and cans (%), by material			
	PET	Aluminium	Glass	Total
Asia	30%	83%	69%	69%
Central & Eastern Europe	31%	49%	62%	44%
Western Europe	90%	87%	84%	86%
Global total 2022	63%	80%	77%	74%
Global total 2019	56%	77%	79%	72%

* Based on available data; as data accuracy improves over time the results of this analysis may change.

RECYCLED CONTENT IN PRIMARY PACKAGING*

Region	Recycled content in bottles and cans (%), by material			
	PET	Aluminium	Glass	Total
Asia	0%	21%	39%	30%
Central & Eastern Europe	1%	45%	30%	23%
Western Europe	25%	57%	51%	41%
Global total 2022	14%	41%	42%	34%
Global total 2019	4%	41%	36%	29%

* Based on available data; as data accuracy improves over time the results of this analysis may change.

BALANCING COMPLEX CONSIDERATIONS IN OUR CHOICE OF PACKAGING

KEY CHALLENGE

Packaging is one of the most tangible aspects of a product's sustainability for consumers and can impact their purchasing decisions. But with climate impact and circularity to consider, the most sustainable option is not always clear.

The way we package our six-can multipacks illustrates the range of complex factors we must balance in our choice of packaging on our journey Together Towards ZERO and Beyond.

Lifecycle analysis usually shows that virgin fossil-based plastic shrink wrap has a lower carbon footprint than fully enclosed cardboard around our multipack cans, supporting our ZERO Carbon Footprint target to reduce value chain emissions. Including recycled plastic in making the shrink wrap can further reduce its carbon footprint and additionally supports our ZERO Packaging Waste target on recycled content.

On the other hand, replacing shrink wrap with cardboard sleeves contributes to our ZERO Packaging Waste targets to reduce use of virgin fossil-based plastic and increase use of renewable or recycled content. Our research also shows that consumers perceive cardboard as more environmentally friendly than shrink wrap, and cardboard alternatives show promising consumer acceptance. Considering these various dimensions, we are testing open-ended cardboard wraps for our multipacks in Western Europe, which can reduce the amount of secondary packaging used (versus fully enclosed wraps) while maintaining the convenience and premium characteristics that consumers look for.

Multiple factors, including varying consumer perceptions, affect success in any given market, adding another layer of complexity. For example, our innovative Snap Pack solution has been embraced by consumers in the UK but was not as well received in another Western European market. This year, we conducted research in Western Europe to better understand consumer perceptions of a range of packaging alternatives throughout their experience from supermarket shelf to use and disposal at home (see page 34).

Our Sustainability Scorecard (see page 34) is helping us consider these kinds of wide-ranging, and sometimes conflicting, criteria in our decision-making about new products and packaging.

INNOVATING FOR SUSTAINABLE PACKAGING

Innovation, in partnership with our suppliers, will be key in achieving our ZERO Packaging Waste targets.

Our Sustainability Scorecard ensures that environmental criteria are considered in the development of all new products – and their packaging – across our markets. This year, we trained our Innovation Board and project teams on the scorecard to help them assess the environmental impact of a product at key stages of development. The scorecard helps us understand and balance complex considerations in our choice of packaging (see page 33). It also enables the Innovation Board to halt a development project if sustainability criteria are not met.

We are working with suppliers on innovations that support our ZERO Packaging Waste ambitions by reducing material use and introducing more renewable, reusable and recyclable packaging. Some of these innovations are incremental, but they can have a big impact at scale. Others are more experimental and we are conducting trials to assess their sustainability benefits alongside factors such as functionality.

Consumer perception is key to support uptake of new products and packaging solutions – and their ability to deliver sustainability benefits at scale. This is included as one of the key criteria in our Sustainability Scorecard, alongside factors such as packaging carbon footprint and recycling rates.

This year, we conducted in-depth consumer experience testing in Western Europe to understand and compare perceptions of a range of secondary packaging solutions for our Tuborg and Kronenbourg 1664 can multipacks. The testing, based on consumers' end-to-end experience from the supermarket shelf to use and disposal at home, found that sustainability considerations alone do not provide sufficient motivation to persuade consumers to move away from plastic. Open-ended cardboard packs were strongly preferred over both plastic wrap and fully enclosed cardboard wrap. Consumers could experience the product and compare it to the alternatives through simulations, and they judged it to be more sustainable thanks to an efficient use of cardboard. For both of the brands studied, respondents consistently found the open-ended design optimal when they considered sustainability along with other dimensions, including visibility and functionality.

REDUCING USE OF MATERIALS

Reducing the amount of materials that go into our packaging helps to cut environmental impacts from manufacturing the materials and from transport – of raw materials, packaging and packaged products – by making them lighter.

We have already achieved significant reductions in material use through lightweighting of bottles and cans, and continue to work on further incremental weight reductions through our multi-year contracts with suppliers. Our partnership with Ball has achieved significant progress in reducing the amount of aluminium – and associated carbon emissions – that it takes to make our cans (see page 31). In 2023, we also carried out initiatives to lightweight PET bottles at our three breweries in Ukraine and reduced the amount of glass used for our Angkor 33 cl bottles in Cambodia by a total of 445 tonnes.

Our Snap Pack solution cuts plastic use by holding cans together using glue dots instead of plastic rings or shrink wrap. In 2023, we continued its rollout in the UK, cutting our plastic use by approximately 76% compared with previous multipacks, and we plan to use this innovation for all our 4- and six-can multipacks produced at our Northampton brewery by the end of 2024. We took a further step in reducing plastic use by removing the plastic handle from Snap Pack and trialling this with key UK customers, and aim to further roll out this change if trials are successful.

In Germany, we worked with Enviro Group to optimise the amount of material used in shrink film at our Lübz brewery, enabling us to save around 9 tonnes of virgin plastic and cut carbon emissions by almost 26 tonnes over four months. We are also reducing the thickness of the plastic shrink film used for our multipacks in Poland.

This year, we also trialled new ways to cut materials used for tertiary packaging. Unseen by consumers, this packaging plays an essential role in getting our beers from breweries to stores. Innovations include removing interlayers of shrink wrap for single cans on pallets and eliminating the cardboard tray from our pallets of can six-packs.

USING MORE RECYCLED OR RENEWABLE MATERIALS

We are working with suppliers to increase the amount of recycled or renewable content in our packaging.

Aluminium is infinitely recyclable. Many of our cans in Europe already include a significant portion of recycled aluminium – 62% on average for the cans supplied by Ball (see case study on page 31). We are working to increase the availability of post-consumer recycled materials through efforts to increase collection and recycling rates (see page 35).

Through our partnership with our long-term and largest glass supplier in Western Europe, we are sourcing bottles to our Obernai brewery in France containing 80% cullet, a mixture of recycled glass and scrap glass. From 2015 to 2022, we increased the recycled content in our PET plastic bottles to 25% across our markets in Western Europe and 14% globally. We will begin rolling out DraughtMaster kegs with 50% recycled material in 2024 across all markets where we operate with DraughtMaster, except China.

In 2023, 28% of the shrink wrap we sourced to 16 of our breweries in Europe was made from recycled polyethylene – with half the material coming from post-consumer waste and half from post-industrial sources, including waste from our breweries (up from 21% in 2022).

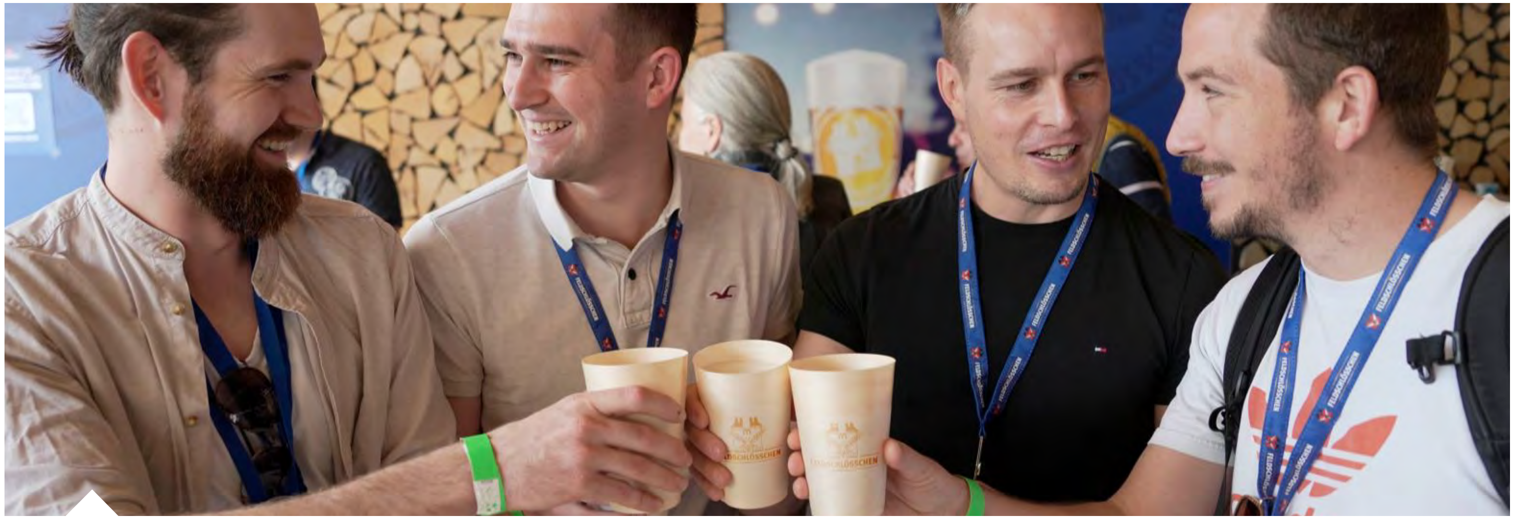
We are moving from plastic shrink wrap to renewable cardboard for many of our can multipacks in Denmark, Norway and Switzerland. In 2023, we invested in the machinery to handle card packaging at several more breweries to support this transition. Our can multipacks are already wrapped in cardboard in France, but new machinery there will support a transition from fully enclosed to open-ended card packs to reduce the amount of material needed.

Following testing and consumer sampling of our bio-based and fully recyclable Gen 2.0 Fibre Bottle in 2022, we are now working on optimisations towards Gen 3.0. PEF, a plant-based material used in these innovative bottles, will be sourced from Avantium's new Flagship Plant, which will be starting up production in 2024.

In 2023, we also trialled the use of innovative wooden cups to replace single-use plastic cups at large-scale events in Switzerland (see case study, right).

SUPPORTING COLLECTION, RECYCLING AND REUSE

Consumers and legislators increasingly expect us, as beverage producers, to take responsibility for ensuring that the packaging we put onto the market is collected and recycled. We encourage efficient



CASE STUDY

DRINKING FROM A WOODEN CUP

Music and sports fans in Switzerland will soon be drinking from renewable, compostable wooden cups.

Feldschlösschen, our Swiss business, has teamed up with Swiss start-up Arboloom to trial innovative wooden cups as a potential alternative to the millions of single-use plastic cups customers use to serve our beers at festivals, concerts and sports events.

Very little processing is required to produce the thin veneer used to make the cups as it is cut directly from the trunks of trees – a renewable resource. After use, the cups can be returned to the environment through composting, recycled into products such as chipboard and pallets, or incinerated as a renewable fuel source. We have secured an agreement with a local business to recycle the used cups into chipboard.

Across their lifecycle, these wooden cups have a carbon footprint three times smaller than single-use plastic cups.

Of the 700 consumers surveyed in our initial trial, more than six times as many would prefer the wooden cups over single-use plastic cups for their next beer. We are now working to further improve the design of the cups to enhance the consumer experience.

"As the leader in the Swiss beer market, it is great to see that Feldschlösschen is partnering up with sustainable start-ups to get rid of one-way plastic by using locally produced, sustainable beer cups."

Natalia Röthlisberger
CEO, Arboloom Cup AG

systems for collection and recycling, and will increasingly support development of the enabling infrastructure through engagement on this industry-wide challenge. We support EU proposals to set up mandatory deposit return schemes (DRSs) in all European countries by 2029. This year, we developed a position paper on DRSs, which we see as the most effective way of collecting our cans and bottles in order to reuse them or to create high-value mono-material streams for recyclers (see below). Many of the criteria we have defined are echoed in the draft EU regulation.

Existing DRSs in several of our markets have already achieved significant improvements in return rates for bottles and cans, including all four Nordic and all three Baltic countries. In Serbia, we are collaborating with Ball (see page 31) and several other partners on a trial DRS and campaign to promote recycling of aluminium cans as well as glass and PET bottles. We have also achieved a return rate of more than 90% through a DRS for our DraughtMaster plastic kegs in Norway, together with Infinitum (see right).

In 2023, we washed and refilled 5.5 billion glass bottles worldwide (up from 5.3 billion in 2022). In Laos, the return rate for our 640 ml bottles has reached 97%, and these are reused on average 14 times. While our use of returnable glass bottles (RGBs) is high in Laos and increasing in India (78%) and Malaysia (28%), the impacts of these developments on the global pack mix are counteracted by decreases in RGB shares of the local pack mix in higher-volume markets like China (63%, down from 65% in 2022).

In Poland, our Brooklyn brand introduced reusable cups at festivals this year, accompanied by an education campaign with the key message that one cup can be refilled many times.

ADVOCATING FOR EFFECTIVE DEPOSIT RETURN SCHEMES

Based on research and experience across our markets, we have developed a position paper, to be published in 2024, advocating for deposit return schemes (DRSs) as the optimal separate collection system, both economically and environmentally, assuming that these key criteria are met:

- DRSs should be industry-driven and supported by authorities, retailers and consumers.
- DRSs should be not-for-profit, with unredeemed deposits contributing to the financing of operations.
- Customer collection and redemption points for refillable glass bottles should be the same as for single-use packaging to achieve high return rates.
- DRSs should be self-financing through sales of collected material, unredeemed deposits and producer fees.
- All beverage packaging types should require a deposit and that deposit should be redeemable in any outlet selling beverages in the same types of pack.
- As a minimum, all types of beer, carbonated soft drink and water must be part of a DRS.
- Packaging recovery organisation (PRO) fees should not apply to beverage packaging that is part of a DRS.
- DRSs should develop clean, closed-loop recycling streams through separate collection that generate high-quality, food-grade recycled materials.

CASE STUDY

GIVING NEW LIFE TO USED KEGS

Our innovative DraughtMaster plastic kegs are lighter than the traditional steel kegs, cutting emissions from logistics and enabling easier manoeuvrability. They also offer a longer shelf life, helping to reduce potential wastage of beers that are on tap in bars.

Across our Nordic markets the return rate for DraughtMaster kegs is over 90% and we have agreements in place with local companies to recycle them where possible. We also participate in national recycling schemes in other markets, such as Germany, Italy and Serbia.

ZERO PACKAGING WASTE: OUR PROGRESS & TARGETS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023
Define a roadmap with specific actions to drive progress on each of our ZERO Packaging Waste targets	Partially achieved	Began work to analyse the recyclability of primary packaging, and developed innovations to cut use of virgin plastic and increase recycling rates
Launch an internal policy and associated training to support implementation of our ZERO Packaging Waste targets, including clear definitions and methodologies	Partially achieved	Developed a policy, including clear definitions and methodologies, for global roll-out in 2024 and provided initial training on our ZERO Packaging Waste focus area available to all relevant employees
Develop a packaging action plan for selected markets in Asia based on an initial analysis of what happens to our packaging after consumption	Partially achieved	Engaged our local corporate affairs teams from selected Asian markets to build knowledge on recycling and awareness of best practices, with targeted action plans to follow
Work with suppliers to increase use of recycled material in packaging	Partially achieved	Conducted analysis based on 2022 data to find we have increased recycled content to 42% for glass bottles, 41% for aluminium cans and 14% for PET bottles on average globally; new data-based insights can inform where we focus joint actions with suppliers
Work with suppliers to decrease use of virgin plastic in our packaging through weight reduction and replacement with recycled PET	Partially achieved	Conducted product and consumer tests on secondary packaging as part of a broader transition from plastic shrink to renewable cardboard in Western Europe, continued conversion to Snap Pack in the UK, and continued increasing rPET in PET bottles (from 2019 levels)

PLANNED ACTIONS FOR 2024

Define a roadmap with specific actions to drive progress on each of our ZERO Packaging Waste targets, and improve data collection to monitor and report progress

Partner with suppliers to explore ways to identify alternatives to virgin fossil-based plastic and increase recycled content in bottles and cans

Continue industry engagement and advocacy to support roll-out of effective deposit return schemes in more markets

2030 TARGETS

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

Fully achieved Partially achieved Not achieved

ZERO Water Waste

Everyone needs water, including us. Simply put: no water, no beer.

Water is an essential ingredient in our beer. We also need it to grow our hops and grains, and for cleaning and production processes at our breweries.

The effects of climate change and population growth are putting stress on water supplies around the world, with the effects felt most acutely in certain high-risk river basins.

We are working hard to minimise our impact by making all our breweries as efficient as possible. We used just 2.5 hectolitres (hl) of water for every hectolitre of beer we made in 2023 – down 31% from 2015. We aim to get to 2.0 hl/hl globally by 2030 and we have already achieved this at 12 breweries.

At our 16 breweries in high-risk river basins, we are going even further by targeting 1.7 hl/hl. Several of these breweries have made great strides by implementing measures to improve efficiency – many suggested by our brewery workers – that we are now sharing as best practice across the business. In addition, we have invested in more water treatment plants that reuse wastewater.

We are also partnering with communities to protect and restore the natural water resources we share. This year, we established several new partnerships with NGOs to help us reach our target to replenish all the water we consume in high-risk areas by 2030.

3.9.2

6.1.1, 6.2.1, 6.3.1, 6.3.2, 6.4.1, 6.4.2, 6.5.1 & 6.6.1

11.5.1, 11.5.2 & 11.5.3

12.2.1, 12.2.2 & 12.6.1

13.1.1

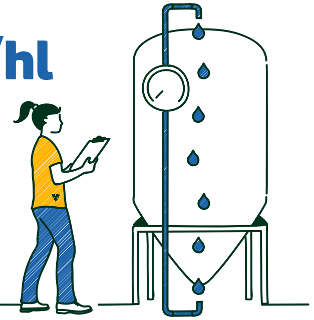
15.3.1 & 15.5.1

17.17.1

See SDG index, page 97.

2.5 hl/hl

water efficiency achieved at our breweries globally – a 31% improvement from 2015

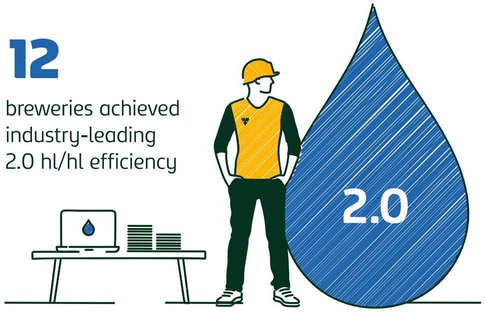


New partnerships

established to replenish the water we consume at 8 sites in high-risk areas

12

breweries achieved industry-leading 2.0 hl/hl efficiency



6,800 people

to be provided with access to potable water on tap and 36,960 hl of water replenished through our new partnership with TapEffect

Global Industrial Water Reuse Award

for our Fredericia brewery in Denmark, where our state-of-the-art recycling plant has helped to halve water consumption per hl of beer

1.7 hl/hl

water efficiency achieved at our Dazhulin brewery in China, the first of our sites 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

ZERO Water Waste

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO WATER WASTE

PUTTING WATER ON TAP

Around four in five people lack essential access to safely managed water in rural Cambodia[1]. Our new partnership with social enterprise TapEffect will for the first time bring safe drinking water to thousands of Cambodians in need.

TapEffect is working with communities in a remote rural area of Pursat province to establish a new water supply and associated infrastructure that will provide over 6,800 people with access to potable water straight from the tap in homes, schools, referral hospitals and businesses.

The holistic project will include a new reservoir, a treatment plant, a clean storage facility, a pumping system and over 50 km of pipework. By 2025, it is expected to deliver 7 million litres of water per month, yielding around 25% of the water needed to replenish consumption at our brewery in Sihanoukville.

[1] WHO/UNICEF Joint Monitoring Programme.

The system is expected to operate for over 20 years. Local people will pay a small fee – that is affordable for the communities being served and in line with local regulations – to receive the water to make the project self-sustaining, give communities a stake in its success and support any maintenance required.

Image © TapEffect

Watch a video to learn more about TapEffect's approach here.

Watch a case video featuring local community members here.

"Bringing piped water to rural populations in hard-to-reach areas can be very challenging and access to finance is key. We are happy to team up with Carlsberg as our partner on this ambitious project to deliver clean water to households in Pursat province. Access to safe water is one of the UN's Sustainable Development Goals in its own right and supports several others – from good health and quality education to gender equality."

Nick Boerema
CEO, TapEffect

"Inspired by our purpose of brewing for a better today and tomorrow and through our Together Towards ZERO and Beyond programme, we are committed to developing partnerships that help protect and replenish the water supplies we share with communities. Working with TapEffect, we will help local communities in a water-stressed area of Cambodia access clean water and create a sustainable solution to meet their needs."

Vladimir Vava
Managing Director, Cambrew Ltd

UNDERSTANDING OUR WATER RISK

We regularly evaluate water risk for our breweries and key crops to help us target our ZERO Water Waste efforts where they are most needed. Assessing, and mitigating, water risks helps to enhance resilience for our business and communities. We plan to refresh our water risk assessments in 2024.

The results of our latest assessment, conducted in 2020 using WWF's Water Risk Filter tool, found that none of our majority-owned breweries have any overall operational risk from water shortages. However, 16 of them – and one associate – were found to be in high-risk areas. These breweries are located in nine different river basins across Cambodia, China, India, Laos and Nepal (see right).

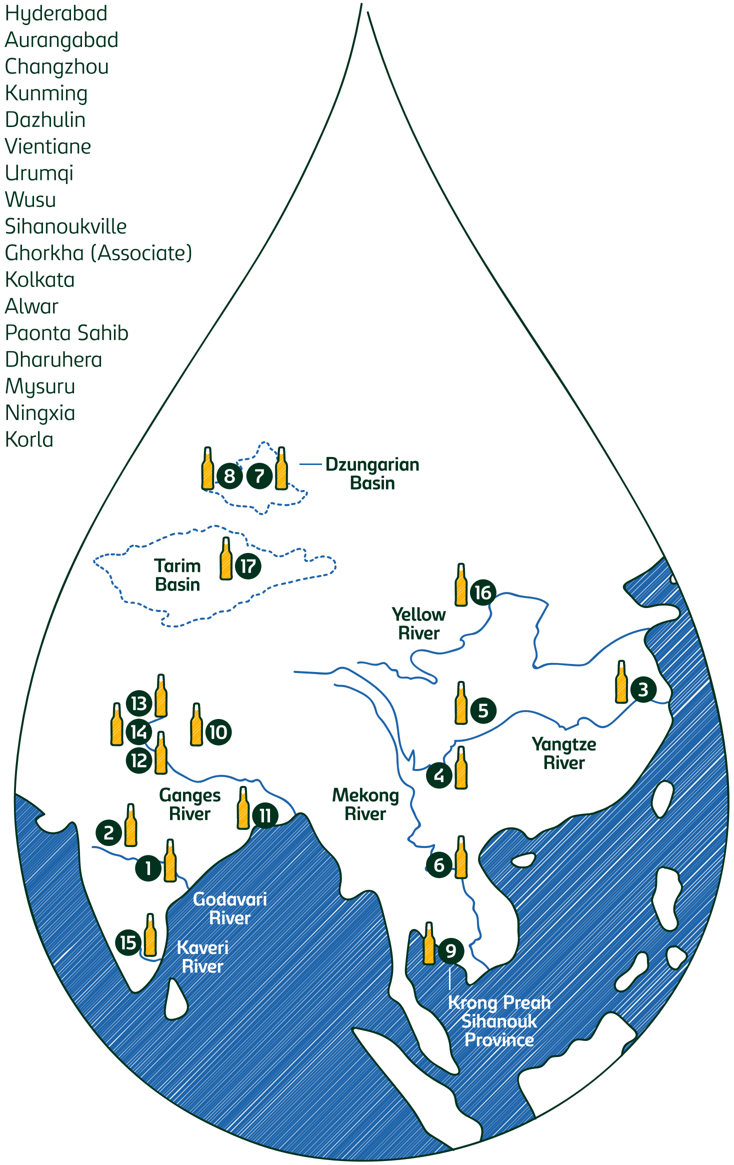
The assessment using WWF's Water Risk Filter tool is based on three types of water risk: physical, regulatory and reputational. The resulting score used to identify breweries in high-risk areas is based on four weighted parameters. One third of the score is allocated to water risks within a given river basin and one third to operational risks for our industry. Each of these two risk parameters is based on: a holistic view of the physical risks of water scarcity, flooding and water quality, as well as the impact of degradation of ecosystems and the services they provide; regulatory risks tied to good governance in line with the UN Sustainable Development Goal (SDG) target 6.5; and reputational risks related to impacts on the cultural good of water, media scrutiny and conflict. The final third of the score is split equally between two parameters that are specific to each Carlsberg brewery: its current size (based on production volumes) and its projected growth.

In a separate analysis, using WWF's water scenario analysis tool, we modelled scenarios in 2030 and 2050 based on current trends, as well as both optimistic and pessimistic pathways to model the potential future impact of climate change and socioeconomic developments on water risk for our business. This analysis showed that sites identified as at highest risk for water in 2020 are generally the same ones projected to experience the greatest increase in risk in all modelled pathways. The main water risks at our three most at-risk breweries – Hyderabad in India, Lao in Laos and Sihanoukville in Cambodia – concern changes in water quality, scarcity and flooding as a result of climate change.

We also look at water risk in our supply chain and this is a key driver in our ZERO Farming Footprint targets on regenerative agriculture (see page 22). Our latest assessment of crop water risk, conducted in 2020 using WWF's Water Footprint methodology, assessed water risk in the production of barley and rice – two key ingredients for our beers. The assessment was based on 32 indicators, including scarcity, drought and water quality. It found that the highest risks to these two crops are in China, India and Vietnam. We plan to perform climate- and nature-related scenario analysis in 2024, covering a broader range of topics to assess how climate- and nature-related risks and opportunities – including crop water risk – affect our business and value chain.

BREWERIES IN PRIORITY AREAS

1 Hyderabad
2 Aurangabad
3 Changzhou
4 Kunming
5 Dazhulin
6 Vientiane
7 Urumqi
8 Wusu
9 Sihanoukville
10 Ghorkha (Associate)
11 Kolkata
12 Alwar
13 Paonta Sahib
14 Dharuhera
15 Mysuru
16 Ningxia
17 Korla



WHAT WE MEAN BY ZERO WATER WASTE

BREWERIES

We aim to reduce the amount of water used to produce every hectolitre (hundred litres, hl) of our beer and beverages to an average of 2.0 hl/hl globally by 2030. This includes all majority-owned breweries, soft drinks production sites and water plants. All brewery operations are covered, including offices, production, warehousing and cogeneration.

We are also going further by aiming for a higher efficiency of 1.7 hl/hl by 2030 at breweries in high-risk areas, as defined by our water risk analysis using WWF's Water Risk Filter evaluation tool. The analysis identified 17 breweries in high-risk areas, all located in Asia. Of these, 16 are included within the scope of our 1.7 hl/hl target and one is excluded as it is an associate.

COMMUNITIES

By 2030, we aim to replenish 100% of the water we consume at our breweries in high-risk areas. We will achieve this target through partnerships that safeguard and restore shared water resources for communities in the river basins where we operate.

Replenishment of water consumed by each brewery must be achieved in the river basin where that brewery is located. This year, we have begun to target, assess and measure the amount of water replenished through our water partnerships using criteria defined by the World Resources Institute's Volumetric Water Benefit Accounting standard.

ELIMINATING BREWERY WATER WASTE

We are working hard to drive continuous improvement across our breweries through efficiency measures and water recycling.

Globally, we used an average of 2.5 hl of water to produce 1 hl of beer in 2023, on our way to our global target of 2.0 hl/hl by 2030. We have maintained our performance from 2022, equivalent to a 31% reduction compared with 2015, and have made strong progress at breweries in areas of high water risk.

The 16 breweries in high-risk areas collectively cut their water use by 45% since 2015, to reach 2.2 hl/hl on average. Of these, our Dazhulin brewery in China achieved the major milestone of 1.7 hl/hl in 2023. By 2030, we aim to achieve this at all our breweries in high-risk areas, where cutting our water use can have the biggest positive impact for society and our business.

To incentivise progress, all brewery directors have water efficiency targets linked to their remuneration and we recognise our best-performing water-saving sites in Asia – home to all our breweries in high-risk areas – through an annual awards programme.

Overall, our total water use decreased by 4% to 26.2 million m³ in 2023. Breweries in high-risk areas used a total of 5.2 million m³, 4% less than in 2022.

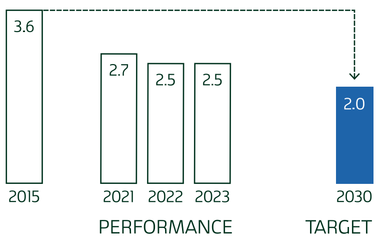
USING WATER MORE EFFICIENTLY

We are reducing the amount of water we use to make our beer through a strong focus on process efficiency and optimisation – with breweries in Asia leading the way (see page 42).

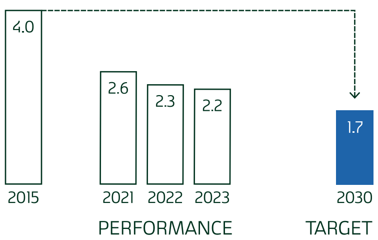
This year, we updated our global operations manual based on input from our brewery operators, following pilot programmes at two breweries in China that achieved significant water savings based on their suggestions. We also rolled out training on this approach across our regions to encourage breweries to share best practices and learn from each other.

Where we cannot reduce water use sufficiently through process

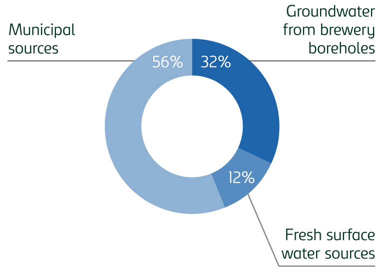
RELATIVE BREWERY WATER USE: ALL SITES
(hl/hl)*



RELATIVE BREWERY WATER USE: SITES IN HIGH-RISK AREAS
(hl/hl)



SOURCES OF WATER USE IN 2023



* 2023 data within PwC's assurance scope. See previous ESG and sustainability reports for assurance of data published in prior years.

improvements alone, we are investing in plants to cut consumption by recycling wastewater. We now have 15 wastewater recycling plants in operation – 14 of them at breweries in high-risk areas – with three more planned for 2024.

Our investment in further water recycling plants builds on the success of our state-of-the-art plant at the Fredericia brewery in Denmark. In the first two years of operation, it has saved 1 billion litres of water by recycling 90% of all process water from production, halving the brewery's average water consumption to 1.47 hl/hl and achieving 1.40 hl/hl at some points in the year. This achievement won Carlsberg the Global Water Awards Industrial Project of the Year in 2023.

In Poland, our Kasztelan brewery has installed a water recovery system that is expected to save 400,000 litres of the clean water used for brewing per week, and the Bosman brewery already saves 200,000 litres by recycling treated wastewater for use in other technical processes. In China, the Xixia brewery is now sharing recycled wastewater with the local municipality (see page 43).

MEASURING TANGIBLE BENEFIT TO PEOPLE AND NATURE

KEY CHALLENGE

The connection between water resources, socioeconomic development and biodiversity is a complex area that we are working with others to understand in order to track our impact and progress.

Our new projects with partners in Cambodia, China, India and Laos (see page 43)- all high-risk areas for water scarcity - include planned water replenishment volumes based on the World Resources Institute's (WRI) Volumetric Water Benefit Accounting standard. However, many of these projects will also offer wider benefits to nature, such as creating or restoring species-rich wetland ecosystems, that can be harder to quantify.

CASE STUDY

LEADING THE WAY WITH EFFICIENCY MEASURES IN ASIA

Water efficiencies can be achieved without expensive infrastructure investments. Two of our breweries in Asia have made big advances in 2023, solely by implementing best-practice process efficiency measures.

In Cambodia, our Sihanoukville brewery, located in an area of high water risk, achieved an average of 1.77 hl/hl in 2023. We recognised the team's efforts with our annual Asia water waste award.

Our brewery at Tianmuhu, located in another high-risk area by China's Yangtze River basin, has also made big strides this year. It has become one of our most water-efficient breweries globally, improving efficiency to 1.95 hl/hl entirely through process optimisation. This strong result has been achieved without a wastewater recycling plant, so further efficiencies can still be gained as we progress in rolling out wastewater recycling technologies across more sites over time.

CASE STUDY

SHARING RECYCLED WATER RESOURCES

Our Xixia brewery in China is sharing recycled water with the local community.

The brewery's water recycling plant treats more than 50,000 m³ of wastewater from our operations per year – enough to fill 20 Olympic swimming pools. We recycle the treated wastewater for cleaning, toilet flushing and grounds maintenance at the brewery.

Now we have found a way to share treated water with the local municipality. A new pipeline will supply around 7,500 m³ of water per year from the plant to the municipality, where it will be used for street cleaning. We are also using this initiative to raise community awareness of the need to conserve water together with representatives from the local county and public sanitation company.

PARTNERING TO PROTECT AND REPLENISH THE WATER WE SHARE

We have established or agreed partnerships in four high-risk river basins that will support our target to replenish 100% of the water we consume in high-risk areas by 2030.

We are already working on projects with TapEffect in Cambodia (see page 39) and WaterAid in India (see page 44). Further planned partnerships include projects with WWF to create, recover and strengthen wetlands in China's Yangtze River basin and in Laos's Vientiane Prefecture by the Mekong River by the end of 2025. Over time towards 2030, with proper monitoring and maintenance, these projects can replenish 100% of the water we use at our three breweries in China and our brewery in Laos situated in these high-risk areas. They will also contribute to the improvement of local freshwater ecosystems and basin resilience.

As these projects are in the early phases of development, the amount of water replenished so far is still relatively small. The project in Cambodia is the furthest along in development and has already created a new water supply, replenishing 36,960 hl of water in 2023. We are also supporting projects and campaigns across our markets that support efforts to protect and restore water sources, and to improve access to safe drinking water and hygiene. Local highlights in 2023 include:

- **India:** We are now in the third year of a five-year WASH (Water, Sanitation and Hygiene) programme that provides clean water, toilets and handwashing facilities at two schools – one in Alwar and one in Mysuru. In addition to health benefits, on-site WASH facilities contribute to children's education and safety by avoiding journeys to collect water.

- **Switzerland:** We worked with local authorities to expand and upgrade the Ängi nature reserve near our Feldschlösschen brewery, which included creating a stream in a small floodplain. Our Feldschlösschen brand also continued to partner with IGSU, AquaViva and Abfalltaucher Schweiz on nature restoration and river clean-ups through its "Together for Healthy Swiss Waters" initiative, as well as to engage employees, volunteers and local VIPs in the Feldschlösschen Clean-Up-Challenge in June and in additional activities to mark World Clean-Up Day in September.

- **UK**: Together with WWF-UK and the Norfolk Rivers Trust, we aim to help selected farmers replenish 100 million litres of freshwater on farmland in East Anglia through water-sensitive interventions designed to help nature thrive. The project helps farmers to reduce the run-off of pollutants into local rivers, cut water wastage, capture rainwater and reduce flooding – alongside our efforts to adopt regenerative agricultural practices in the UK (see page 23).

"With only 14% of rivers in England classed as healthy, and agriculture having a major impact on freshwater habitats, we are proud to be working with Carlsberg to help farmers in the East of England adopt more nature-sensitive practices. This is both good for maintaining healthy soils on farms and good for wildlife across the region."

Lucy Lee
WWF-UK's Chief Advisor, UK Conservation Programmes

- **Vietnam:** As part of its "Fresh water for beloved Central" community initiative, our Huda brand has launched five new projects to provide safe water supplies for a further 2,300 people, bringing the total to 22 projects over the last five years. Since 2019, these projects have helped nearly 33,000 people in over 8,500 households access fresh water.

CASE STUDY

TURNING OUR COMMITMENT INTO COMMUNITY IMPACT IN INDIA

Our brewery in the Mysuru district of Karnataka in southern India is located in an area that gets below average rainfall. Industry and intensive agriculture rely on annual monsoon rains, and the region faces a significant water challenge.

We have teamed up with international NGO WaterAid in a three-year programme to implement sustainable water conservation measures in the district's Najangud block. On completion, the project is expected to replenish 100% of the brewery's annual water consumption.

It includes a range of measures designed to protect groundwater resources in the long term: wetland restoration will enhance water storage capacity; stormwater will be used to recharge deep aquifers that also provide a water source for communities; rainwater will be harvested from roofs to provide water for domestic use; and greywater will be treated to reduce the potential for water stagnation, which can cause health issues.

In addition, we will raise community awareness of the need to conserve water and local people will be introduced to new water-efficient technologies, including drip irrigation to help farmers reduce the amount of water they need to grow crops.

The project will support over 34,000 people across five villages in the Mysuru district. Local people will be trained to operate and maintain the infrastructure to make it self-sustaining and embed a sense of ownership in the community.

"Our partnership with Carlsberg India furthers our common goal of ensuring assured availability of water, especially in water stressed regions in India. WaterAid India's holistic and participatory approach, steered by communities' collective commitment and action to conserve water and protect water sources through conservation, groundwater recharge measures, greywater management and efficient water use for agriculture will create a more resilient and water-secure future."

VK Madhavan
Chief Executive, WaterAid India

Find more details on our new partnership here.

ZERO WATER WASTE: OUR PROGRESS & TARGETS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023	PLANNED ACTIONS FOR 2024	2030 TARGETS
Continue efficiency improvements with existing equipment through application of best practices and inclusive problem-solving	Fully achieved	Achieved improvements through a strong focus on process efficiency and implementation of best practices	Continue to embed best practices, with a strong focus on breweries in high-risk areas Pilot (close to) real-time reporting on water consumption to support targeted improvements	**Water usage efficiency of 2.0 hl/hl globally and 1.7 hl/hl at breweries in high-risk areas**
Focus wastewater recycling investments at high-risk sites	Fully achieved	Installed four new recycling plants at breweries in high-risk areas in Asia and planned three more for implementation in 2024	Continue to invest in wastewater recycling plants where appropriate at breweries in high-risk areas	
Set up water replenishment projects in selected high-risk areas	Fully achieved	Established or agreed partnerships to deliver water replenishment projects in high-risk areas in Cambodia, China, India and Laos	Continue to implement replenishment projects in high-risk areas and follow up on the volumes delivered in 2024 by projects begun in 2023	**100% replenishment of water consumed at breweries in high-risk areas**
Update our global water risk assessments	Partially achieved	Began preparations to update our global water risk assessment of our breweries	Update our global water risk assessment of our breweries Conduct climate- and nature-related scenario analysis covering various topics, including water risks present in the value chain	

Fully achieved   Partially achieved   Not achieved

ZERO Irresponsible Drinking

We promote responsible drinking and offer great-tasting drinks for every occasion as more people embrace healthy lifestyles and moderation.

Consumer attitudes towards alcohol are changing. Globally, nearly four in ten consumers say they are drinking alcohol in moderation[1], and 15% are actively trying to consume less alcohol[2].

Beer and cider are already relatively low in alcohol content compared with wine and spirits, and we are rapidly expanding our range of no- and low-alcohol brews to make them a positive and liberating choice for consumers around the world. We now offer alcohol-free brews (AFBs) in 90% of our markets.

Our ZERO Irresponsible Drinking ambition is good for society, supporting the UN and World Health Organization goal to reduce harmful alcohol consumption. It is also good for our business, with continued growth in our no- and low-alcohol sales. In 2023, 28.5% of all the brews we sold contained no more than 3.5% alcohol by volume (ABV) and we aim to increase this to 35% by 2030.

We encourage consumers to enjoy all our products responsibly. Curbing underage drinking is a priority, and we work with social media companies to prevent those under the legal drinking age from seeing our advertising. We address alcohol misuse through clear on-pack messaging, such as age restriction symbols, and local responsible drinking partnerships tailored to each market.

As people focus more on their health, many are actively trying to reduce sugar intake and more than half say their product choice is influenced by on-pack health labelling[3]. Our commitment to consumer choice includes publishing nutritional and ingredient information on our bottles and cans, and we are exploring the use of QR codes to share more product details.

3.5.2 & 3.6.1

12.6.1

See SDG index, page 97.

28.5%

of our brews sold globally are no- or low-alcohol, up from 26% in 2022

99%

of our primary packaging globally includes ingredient information to inform consumer choices

90%

of our markets now offer alcohol-free brews, with 46 new products launched in 2023

18+ million

people reached through 150 responsible drinking campaigns across our markets in 2023

50%

of our product packaging includes age-restriction labels, supporting our industry commitment of 100% by the end of 2024

88%

of Carlsberg Group companies implemented responsible drinking initiatives in 2023

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

[1,2,3] Source: GlobalData (2021).

ZERO
Irresponsible
Drinking

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO IRRESPONSIBLE DRINKING

TOURTEL TWIST TEAMS UP WITH THE TOUR DE FRANCE

Cycling is thirsty work. It requires quick reactions and a clear head. That is why our alcohol-free Tourtel Twist brand is a perfect partner for the world's premier cycle race, the Tour de France.

Tourtel Twist from Kronenbourg offers alcohol-free beer mixes combined with fruit juices free of colouring, sweeteners or artificial flavours. This tasty and healthy combination has made it France's most popular no-alcohol beer and our biggest-selling alcohol-free brand (by volume) in Western Europe.

2023 was the second of three years for Tourtel Twist as an official Tour de France supplier. An event caravan hosted by celebrities engaged with spectators along the route, handing out 400,000 cans of Tourtel Twist drinks as refreshments. Twenty lucky winners of a radio competition crossed the finish line of the race on our branded ten-seater electric bike.

The partnership with the Tour de France has generated around 340 million contacts through TV and social media advertising this year alone, supporting our wider efforts to raise awareness of responsible drinking.

Next year, France's favourite AFB will raise the profile of alcohol-free alternatives not only at the Tour de France but also as an official supporter of the Paris Olympics and Paralympics.

See a video from the event here (audio in French).

"The Tour de France is a group of friends, a family who travel the roads to give and receive happiness, conviviality from other groups of friends, other families! The refreshment break with Tourtel Twist is always a pleasure, whether it is for us or for the people waiting for us at the side of the roads."

François Vandeweghe
Host for LOSC Lille Football Club and the Tourtel Twist caravan

"Tourtel Twist is very proud of this three-year partnership, which illustrates the exceptional development of the brand. It is a unique experience that increases visibility within one of the most popular events taking place in France."

Anders Røed
CEO, Brasseries Kronenbourg

EXPANDING CHOICE WITH NO- AND LOW-ALCOHOL BREWS

We are bringing consumers more choice – and responding to their growing focus on health and moderation – by expanding our range of no- and low-alcohol brews worldwide. We are driving uptake with our target for 35% of all brews we sell to contain no more than 3.5% ABV by 2030. In the last year alone, we grew this share of our portfolio from 26% to 28.5%.

Moving consumers from high-alcohol products to low-alcohol beverages, such as beer, can help to reduce harmful alcohol consumption at population level. The World Health Organization (WHO) has therefore urged businesses to substitute higher-alcohol products with no- or low-alcohol alternatives[1] in support of its target to reduce harmful alcohol consumption by 20% from 2010 levels by 2030.

Recent regulatory developments also support our investment in no- or low-alcohol brews. In 2023, the UK raised tax at a lower rate for drinks below 3.5% ABV than for wine and spirits, and Finland is cutting tax on beer while raising it on drinks with over 8.5% ABV. Guidance from the European Union encourages member countries to exempt beers below 3.5% ABV from tax altogether.

More people are also choosing alcohol-free brews (AFBs) – 0.0-0.5% ABV – not only as a substitute for traditional beer, but also for refreshment and hydration at lunchtime, after sports and on the go. We are well placed to help meet this demand with our strong focus on innovation, commitment to consumer choice and early investment in the development of tasty AFBs. In 2023, global AFB volumes were up by 3%, with growth broadly based across most Western and Central & Eastern European markets. Success of our low-alcohol brews (LABs) – with an alcohol content of 0.6-3.5% ABV – was supported by volume growth in Asia and is particularly notable in China.

Performance of our no- and low-alcohol brews in 2023:

28.5%
SHARE OF NO- AND LOW-ALCOHOL BREWS IN OUR GLOBAL SALES VOLUME

3.4m hl
GLOBAL AFB SALES VOLUME (BEER AND CIDER)

COMPETITIVE VOLUME SHARE OF THE AFB CATEGORY
SOLD IN STORES IN WESTERN EUROPE (≈27.6%) AND CENTRAL & EASTERN EUROPE (≈26.5%)

46
NEW AFB PRODUCT LAUNCHES ACROSS MARKETS

40
MARKETS WITH AFB OFFERINGS THROUGH EXPORT AND LICENSING AGREEMENTS

WHAT WE MEAN BY ZERO IRRESPONSIBLE DRINKING

NO- AND LOW-ALCOHOL BREWS

Our targets focus on offering responsible drinking choices to consumers everywhere. By 2030, we are targeting 100% availability of alcohol-free brews (AFBs) to ensure that all customers and partners in all our operating markets will have access to our AFB portfolio, wherever Carlsberg brands are sold.

We have also committed to increasing the combined share of low-alcohol brews (LABs) and AFBs to 35% of the volume of brews (beer, cider, kvas and malt-based beverages) we sell globally. We define AFBs as 0.0-0.5% alcohol by volume (ABV) and LABs as 0.6-3.5% ABV.

ON-PACK MESSAGING

Together with others in the industry, we have committed to providing consumers with clear age-restriction information on the labels of all our alcoholic products, as well as a warning not to drink while pregnant or a warning not to drink and drive, by the end of 2024. This information can be either a symbol or equivalent text. For all alcohol-free extensions, we will add age-restriction symbols or text to labels to signal that these products are not intended for those under the legal drinking age. Our 2030 Together Towards ZERO and Beyond target will ensure this continues as our global product portfolio evolves.

LOCAL PARTNERSHIPS

Our target is for 100% of our markets to run partnerships that support responsible consumption by 2030.

[1] Source: WHO Global Alcohol Action Plan, 2022.

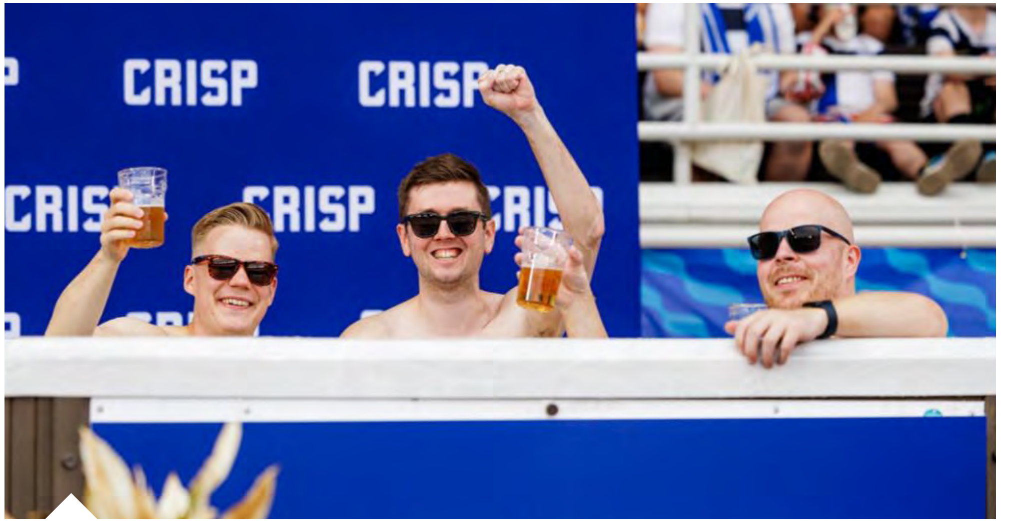
Through our brands we have introduced over 70 new products over the last two years alone. We are on target to offer AFBs in 100% of our markets by 2030, reaching 90% in 2023. We now offer AFBs across all our Western Europe and Central & Eastern Europe markets, half of our Asia markets and nearly half of Carlsberg Export & License markets. Our global sales by volume have more than doubled since 2015.

BRANDS LEADING THE WAY

Our brands are leading our efforts to develop, launch and engage consumers with great-tasting no- and low-alcohol brews that offer a positive, everyday lifestyle choice.

Virtually all our global brands now have at least two premium alcohol-free options, with two of our brands offering six or more alcohol-free variants. Many of these AFBs are becoming an important part of our brand proposition, with Somersby and Garage AFBs now representing over 10% of total brand volumes. New product launches across our regions in 2023 include:

- **Western Europe:** In Denmark, we launched a new 0.0% variant of the popular Tuborg Classic, which is already the second most widely sold AFB in the country, helping to increase our AFB sales by 40% in bars and restaurants. In Sweden, where we have led the AFB market for 17 years, we launched Carlsberg Hoppy 0.0% lager, boosting our AFB market share (by volume) to 53%.
- **Central & Eastern Europe:** In Bulgaria, where our AFB sales have grown by 131% over the last two years, we introduced Pirinsko Bodro alcohol-free lemon and cherry beer mixes, and 0.0% variants of Pirinsko, Somersby and Carlsberg. These launches were accompanied by a digital campaign supporting responsible drinking choices among young people, positioned as zero alcohol and zero compromise. Other high-profile 0.0% launches included S&R's Garage Fun ZERO radler in Ukraine and FIX's Anef Lemon in Greece.
- **Asia:** Our low-alcohol beers are popular with consumers in Asia, but alcohol-free options have yet to gain a strong foothold in the region. This year, we launched our first AFBs in Laos, Carlsberg 0.0 and Somersby Apple 0.0, with the tagline "free feels good". We also launched Somersby Apple 0.0 in Malaysia. In China, low-alcohol variants of our Wind Flower Snow Moon brand are increasingly popular, with successful launches of a lemon-flavoured AFB in 2022 and a peach-flavoured LAB in 2023.



CASE STUDY

PITCH-SIDE PROMOTION OF RESPONSIBLE DRINKING AT FOOTBALL GAMES

Our Sinebrychoff Crisp Lager brand ran a competition to promote responsible drinking offering a unique vantage point at one of Finland's biggest football games of the year.

The lucky winners enjoyed a once-in-a-lifetime experience, sipping Crisp's 0.0% lager in a pitch-side jacuzzi as Finland claimed a 2-0 win over Slovenia in a European Championship qualifier at the Helsinki Olympic Stadium.

Organised with the Football Association of Finland, and advertised by the national team on social media, the lottery competition drew 1,765 entries (each from groups of 3-4 people) in just ten days. The event gained widespread media attention, heightening the visibility of Crisp's 0.0% lager variant.

Crisp 0.0% is one of 12 AFBs offered by Sinebrychoff in Finland.

KEY CHALLENGE: BRINGING ALCOHOL-FREE BREWS TO EVERY MARKET

KEY CHALLENGE

Attitudes to alcohol vary greatly across different countries and regions, which means we need to adapt the way we work towards our ZERO Irresponsible Drinking targets to the specific local circumstances in each region and in individual markets.

For example, AFBs are a key growth driver for our business in Western Europe and our focus there is on making them available at more outlets. But in Asia, where the average beer's alcohol content is already only around 3% ABV, adoption of AFBs is slower. We are therefore pursuing other innovations in this region, such as adding AFB and lower-ABV fruit flavours to popular beers and introducing branded carbonated soft drinks (see page 49). We also need to develop our supply chain, distribution networks and production capacity to reach 100% AFB availability in Asia by 2030.

This year, we have transferred responsibility for driving our LAB and AFB product expansion and responsible drinking programmes from a central team to our markets. This will help us develop suitable approaches that are tailored to local cultures.

Several brands and markets also launched high-profile consumer campaigns promoting our AFBs alongside responsible drinking messages, including through:

- **Sports events,** such as Tourtel Twist's involvement in cycling's Tour de France (see page 47), Sinebrychoff Crisp's competition at football's European Championship match in Finland (see page 49) and Carlsberg Nordic's sponsorship of three new Danish leagues for the increasingly popular sport of padel.
- **Leisure activities,** such as our *Don't Drink and Ski* and *Don't Drink and Boat* campaigns promoting AFBs to consumers while skiing or boating in Sweden, and Ringnes's promotion of alcohol-free offerings at safe boating events as part of the relaunch of its Munkholm Radler in Norway.
- **Cultural activities,** such as our pop-up Bar Zero offering concert-goers tasty AFBs at summer music festivals in the UK, and sponsorship of the new Ukrainian film *Dovbush* by our AFB Lvivske 17.

INFORMING AND EMPOWERING CONSUMERS

We aim to empower consumers to make informed choices about what they drink by providing information on our packs about ingredients, nutrition and alcohol content – as well as guidance on responsible drinking related to drinking underage, while driving or while pregnant.

Almost all our product labels contain clear information on ingredients and we provide ingredient and nutritional information, including calorie counts, for 99% and 59% of our global fermented volume respectively (see table below). While we have strong performance regarding ingredient information, we have larger gaps to close on other aspects of our labelling. We are now working on a new Global Labelling Policy for all our alcoholic and alcohol-free beverages. This will provide more guidance for our local teams to streamline labelling globally, with a focus on increasing information on product labels and adding QR codes linked to more in-depth background on our products and brands.

We are also using our pack labels to get key messages across about avoiding harmful drinking behaviours, going beyond compliance with regulatory requirements in many markets.

RESPONSIBLE DRINKING CAMPAIGNS AND PRODUCT INFORMATION

Performance	2021	2022	2023
% of Carlsberg companies implementing responsible drinking initiatives	68%	94%	88%
Number of responsible drinking campaigns	80	123	150
% of fermented produced volume listing ingredient information*	98%	98%	99%
% of fermented produced volume listing nutritional information*	58%	60%	59%
% of fermented produced volume carrying legal age-restriction symbol or equivalent text*	41%	40%	50%
% of fermented produced volume carrying information warning against drink-driving or drinking while pregnant	-	-	77%
% of fermented produced volume carrying a responsible drinking message by the #1 or #2 brand in the market	26%	50%	59%

* 2023 data within PwC's assurance scope. See previous ESG and sustainability reports for assurance of data published in prior years.

As a member of the International Alliance for Responsible Drinking (IARD), Carlsberg has committed, together with others in the industry, to including age-restriction symbols or text on all our alcoholic products and alcohol-free extensions by the end of 2024, along with an additional symbol related to either drink-driving or drinking while pregnant. We have also set our own 2030 target to maintain 100% responsible drinking messaging through packaging and brand activations as new products are launched thereafter, and have begun adding a "please drink responsibly" or equivalent message on our products to support this target. In 2023, we included age-restriction labelling on 50% of our alcoholic products (up from 40% in 2022) and a brand-led responsible drinking message on 59% (up from 50% in 2022).

REACHING THE RIGHT PEOPLE WITH OUR MARKETING

Underage drinking is a global challenge that we are working with our markets, industry peers and community partners to address.

In addition to age-restriction symbols on our products, our Marketing Communication Policy lays out strict controls with a focus on appealing to, and reaching, adult audiences only. These apply not only to our own marketing teams but also the advertising, communications and retail agencies that help promote our products. Every contract with these business partners highlights the importance of complying with the policy and we are developing e-learning training on its provisions, for both internal and external use.
We follow global standards, led by the IARD and the World Federation of Advertisers (WFA), to prevent those under the legal drinking age from seeing our alcohol-related ads online. To monitor and ensure compliance across our markets, we conduct training sessions with our local teams and provide additional guidance on an internal website. A monthly performance dashboard tracks the status of markets and their online channels against IARD and WFA commitments.

In a 2023 audit by the IARD and WFA, our markets achieved 96% full compliance and 99% average compliance with the IARD's Digital Guiding Principles for online platforms and social media (up from 55% and 80% respectively in 2022). Across markets the average compliance rate for all social media channels also improved, from 74% in 2022 to 77% in 2023. Where markets fall short, we work with local teams to improve. This year, we identified a number of areas needing general attention, including changes within social media platforms that affected the display of digital guiding principles. We also continued to collaborate with Meta, Google, TikTok and other platforms on issues including maintaining full control of our brand pages so we can make them compliant.

PARTNERING TO ENCOURAGE RESPONSIBLE BEHAVIOUR

Our well-known, trusted brands around the world work with local partners – including government and education agencies, police and fire departments, NGOs and ride-sharing companies – to encourage responsible behaviour.

In 2023, we had responsible drinking partnerships in 88% of our markets and ran 150 responsible drinking campaigns, many of them linked to our biggest local brands for greater impact. These campaigns, including events held on our Global Beer Responsibility Day in September, reached more than 18 million people.

Highlights from our markets this year include:

- **Azerbaijan:** We partnered with the NGO Agrarian Development Volunteers on a large-scale public awareness campaign promoting sober driving and responsible alcohol use. Activities included a podcast by the country's Young Ambassador for the UN Sustainable Development Goals together with a video and animations posted on social media platforms, outdoor banners and a countrywide competition among youth organisations. We also conducted a community survey on drinking habits with over 1,100 participants.

- **Belarus:** Our Alivaria brand worked with the Onliner news platform and a well-known blogger to raise awareness of harmful drinking. Volunteers were asked to rate their condition – also checked by a medical professional – the morning after consuming alcohol to raise awareness of how excessive alcohol use affects coordination.

- **Bulgaria:** Through the Union of Bulgarian Brewers, we supported the annual school-based "Code: Responsible Together" campaign to prevent underage drinking. Around 4,000 people received leaflets at sports events and arts workshops, organised with regional municipalities, police and fire services at 35 schools.

- **China:** For nine consecutive years, Carlsberg China has actively participated in the National Responsible Drinking Week run by the China Alcoholic Drinks Association. In December, 11 brand ambassadors representing Tuborg, Chong Qing, Somersby, Kronenbourg 1664 and Dali led public awareness activities on the issues of underage drinking and drink driving, and encouraged responsible choices through branded messaging.

- **India:** Together with the Gurugram Traffic Police and the Raahgiri Foundation, in November we ran a "Cheers to Responsibility" engagement campaign to encourage responsible drinking and safe driving in the city of Gurugram, emphasising the continuous importance of making responsible choices – throughout and beyond the festive season.

- **Kazakhstan:** We joined forces with a driving school to offer the public a chance to test our reaction simulators at two large festivals we sponsor. The simulator enabled festival-goers to experience how alcohol intake affects reaction times and perception of speed.

- **Malaysia:** For the eighth year running, Carlsberg Malaysia partnered with ride-share companies to offer complimentary or discounted rides for consumers to encourage them to #CELEBRATERESPONSIBLY. Over three Fridays, 33 of our employees volunteered as ambassadors, teaming up with ride-share partner BuddyDriver on a bar-hopping activation at 40 popular venues in Kuala Lumpur to raise awareness of the legal blood alcohol content (BAC) limit of 0.05% for driving, and encourage people to avoid drinking and driving by offering an alternative transportation solution with chauffeur-on-call services.

- **Poland:** The high-profile "I Think Soberly" safe driving campaign continued this year with Carlsberg supporting sobriety tests of drivers on the roads with national police and at our breweries with our logistics partners. Over three months, we conducted 34,000 mandatory checks on employees, delivery truck drivers, contractors, service providers and guests entering and exiting our premises. An accompanying public advertising campaign, on billboards and on screens in Uber and Bolt vehicles, encouraged consumers to always drive sober.
- **Ukraine:** We teamed up with the largest service station provider in seven cities to run TV information banners urging viewers to drink responsibly, while promoting our AFBs.

ENABLING OUR PEOPLE TO DRIVE SAFELY

We encourage our own people to embrace responsible drinking, and we fit alcolocks to company cars in our European markets that prevent employees from driving when over the legal blood alcohol limit. In 2023, these were fitted to 59% of our fleet in Western Europe and 82% in Central & Eastern Europe.

CASE STUDY

DRIVING HOME A RESPONSIBLE DRINKING MESSAGE

We partnered with local government and mobilised employee ambassadors in Cambodia this year to get across a very important message: Don't Drink & Drive.

Local government agencies in Phnom Penh joined our high-profile campaign, which combined events, videos and online activities to raise public awareness of the benefits of drinking in moderation.

We also enlisted employees and our local Managing Director to champion responsible habits with colleagues and the public by sharing the message that Heroes do ZERO.

The multi-platform digital campaign reached over 900,000 people in 2023. Next year, we will extend the partnership to include selected customers and a three-wheeler ride-sharing company.

ZERO IRRESPONSIBLE DRINKING: OUR PROGRESS & TARGETS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023	PLANNED ACTIONS FOR 2024	2030 TARGETS[1]
Continue to commercialise our AFB expansion plans across our regions – with product innovations based on local consumer insights – including launches in India		Continued to grow market share in our European markets – including Greece, Ukraine and Bulgaria – and launched new AFB products across our regions – including in Laos and Malaysia, though not in India as planned Transferred ownership of our AFB strategy to our markets to tailor approaches to local consumers. All global brands now include AFB variants in brand campaigns	Assign additional resources to commercialising AFBs and LABs and promoting responsible consumption Roll out regional AFB strategy, including new AFB launches in selected Central & Eastern European markets Explore opportunities to expand AFBs and LABs in response to moderation trends and emerging consumer segments, including an assessment of the potential for an international brand in selected Asian markets	**35% of our brews globally are low-alcohol or alcohol-free** **100% availability of alcohol-free brews[2]** **100% responsible drinking messaging through packaging and brand activations[3]** **100% of our markets run partnerships to support responsible consumption**
Define LAB opportunities for Carlsberg based on in-depth consumer insights, and work with lead markets on concepts tailored to local cultures		Transferred ownership of our LAB strategy to our regions and markets to tailor approaches to local consumers		
Further embed our Marketing Communication Policy among our commercial teams and agency partners		Postponed until 2024	Further embed our Marketing Communication Policy among our commercial teams and agency partners	
Continue to roll out age symbol labels on our alcohol brands and their alcohol-free extensions, to be completed end of 2024		Reached 50% implementation of legal age symbols on our product packaging and made adjustments to our approach to ensure existing age-related messages are supported by the additional icons required by IARD	Meet our IARD commitment to roll out age symbol labels on our alcohol brands and their alcohol-free extensions by the end of 2024	
Prepare and launch a new Global Labelling Policy for all alcoholic and alcohol-free beers, ciders, hard seltzers and other beverages		Developed a new Global Labelling Policy to be launched next year	Launch a new Global Labelling Policy for all alcoholic and alcohol-free beers, ciders, hard seltzers and other beverages	
Develop a toolkit and roadmap for markets to help them launch effective local responsible drinking partnerships		Postponed until 2024	Develop a toolkit and roadmap to help our markets launch effective responsible drinking partnerships	
Develop ESG training for all Carlsberg employees on our responsible drinking strategy ready to be rolled out in 2024		Postponed until 2024	Develop training on our responsible drinking strategy for all Carlsberg employees	

Fully achieved Partially achieved Not achieved

[1] The previous target for 100% of our markets to improve on responsible drinking year on year by 2030 has been discontinued, as it is now superfluous with the other targets that have been set for 2030 that will drive progress in this area.
[2] 100% availability means Carlsberg will ensure all customers and partners in all our operating markets will have access to our AFB portfolio, wherever Carlsberg brands are sold.
[3] This target encompasses a set of sub-targets regarding the type and degree of information on product labels, including information on ingredients and nutrition, legal age restriction, warnings against drinking and driving or drinking while pregnant, and responsible drinking messaging that is connected to brand-led responsible drinking campaigns. More information can be found on pages 112 and 122.

ZERO Accidents Culture

We are creating a ZERO Accidents Culture that aims to ensure that everyone returns home safely every day.

We strive to protect the health and safety of everyone working at, or visiting, our sites. This commitment fosters the resilience of our people and our business, underpins our high-performance culture and strengthens our reputation as a company that cares.

We have made significant strides in preventing physical harm to our people at work, reducing lost-time accidents among employees by 25% this year – and by 64% since 2015. We believe that all accidents are preventable and our goal of ZERO accidents drives our efforts in this area.

There is no higher value than a person's life. Extensive training and a sustained focus on our Life Saving Rules helped us complete the year with no fatal incidents.

We further reinforced our Life Saving Rules through a series of short training sessions in 2023, together with a continued emphasis on safe driving.

We put a strong focus on instilling safe behaviours, and encouraging people to report any unsafe conditions or behaviour they observe. This year, interactive Health & Safety Days in each of our markets enabled people to gain first-hand experience of the impact that their day-to-day choices can have on safety.

Increasingly, we are going beyond physical health and safety to promote psychological safety and wellbeing through awareness raising and practical guidance for our leaders and employees.

8.8.1

12.6.1

See SDG index, page 97.

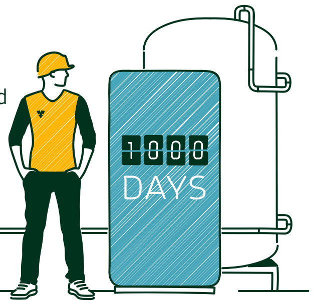
-25%
lost-time accident rate this year, and -53% since 2015

25,500
of our employees took part in interactive Health & Safety Days across our markets

-64%
lost-time accidents among employees since 2015, and -25% since 2022

533,840
observations on safety risks and unsafe behaviours made by our employees

33
breweries achieved 1,000 consecutive days without a lost-time accident



88%
of our employees in supply chain and commercial functions completed refresher micro-training sessions to reinforce our Life Saving Rules

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

ZERO Accidents Culture

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: ZERO ACCIDENTS CULTURE

MAKING SAFETY PERSONAL ACROSS OUR MARKETS

We take safety personally. It affects all of us.

This year, we focused on building personal experiences that inspire us to make safe choices through interactive Health & Safety Days in every market.

Our CEO kicked off the new initiative with a personal video message that emphasised how deeply accidents can affect people's lives and families, and how important it is for everyone at Carlsberg to take care of themselves and those around them.

The Health & Safety Days reached an estimated 25,500 of our employees globally in creative and engaging ways, with strong participation from leaders at all levels of the business. Each market hosted practical training on a range of topics designed to create "a-ha" moments for colleagues to understand the impact of their choices every day.

In Vietnam (pictured), more than 1,500 employees came together for a day of activities dedicated to safety in the workplace, road safety and incident reporting. Brewery teams in the UK learned about traffic safety and being aware of blind spots when driving forklifts. In Sweden, colleagues learned first-hand that multi-tasking not only increases the risk of accidents but also takes more time, not less, as they attempted to walk a route and avoid hazards while looking at their phones.

Feedback from the Health & Safety Days has been very positive, and we plan to run more in the future to further embed safe behaviour.

"We have made tremendous progress on our journey towards a ZERO Accidents Culture. Health and safety is no longer viewed as a compliance issue. It is seen as a desired state that we choose to be in. Now we must build on this progress by maintaining a steadfast commitment to prioritise safe behaviours at all times. Every action we take has the power to shape the safety and wellbeing of ourselves and others."

Victor Shevtsov
EVP, Integrated Supply Chain and Head of the Health & Safety Council, Carlsberg Group

"The preparation was thorough and the Health & Safety Day was really engaging, with activities that were creative but still very relevant and insightful. Everyone participated enthusiastically, and we would be happy to do this every year!"

Do Thanh Long
Logistics Manager, Carlsberg Vietnam

PROGRESS TOWARDS ZERO ACCIDENTS

In 2023, we delivered a further 25% year-on-year reduction in the lost-time accident rate for employees, which fell to 3.6. We also reduced total lost-time accidents for employees by 25% to 110.

Previously, we have achieved such benchmark performance only during the COVID-19 pandemic. In 2023, we achieved this in a year of full-speed production to support our growing business, thanks to successful safety initiatives across our markets and significant strides in embedding our ZERO Accidents Culture at the breweries we acquired in 2020 (see page 59).

Our continued emphasis on our Life Saving Rules (see page 57) has also supported progress and translated into fewer accidents related to high-hazard activities in all categories except traffic. There were no fatalities in 2023, but two serious incidents occurred in Laos. We deeply regret that our best efforts were not enough to prevent a contract worker's loss of three fingertips in a forklift-related accident, and an employee's loss of a thumb in a maintenance-related accident. We recognise that on our journey towards a ZERO Accidents Culture, full and consistent compliance with our Life Saving Rules is essential and forms the foundation upon which any targets can be set and met. We must secure this foundation in order to achieve ZERO fatalities and severe incidents.

Supported by our new Health & Safety Responsibility Model (see page 60), we have stepped up efforts to recognise and encourage exceptional performance by sites, teams and individuals, while applying appropriate consequences when reckless behaviours are observed. In 2023, 33 breweries achieved 1,000 consecutive days without a lost-time accident and contractors working on our new brewery in China achieved ZERO accidents during construction (see page 61). We also introduced a new programme to celebrate our Health & Safety Heroes in Asia (see page 60).

WHAT WE MEAN BY A ZERO ACCIDENTS CULTURE

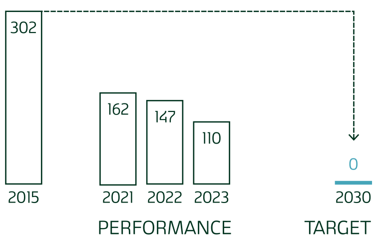
ACCIDENTS

We define these as workplace lost-time accidents that result in an injured or ill person being medically considered unable to work for at least one day, starting the day after the incident and ending the day before return to work, and including time away from work for rest, recovery or treatment. We report total lost-time accidents for employees and contractors, and we are targeting ZERO by 2030.

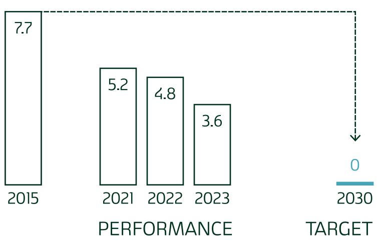
ACCIDENT RATE

This is calculated as the total number of lost-time accidents suffered by employees multiplied by 1,000 and divided by the number of full-time Carlsberg Group employees. The rate includes employees only. We aim to reduce this rate year on year as we work towards ZERO accidents by 2030.

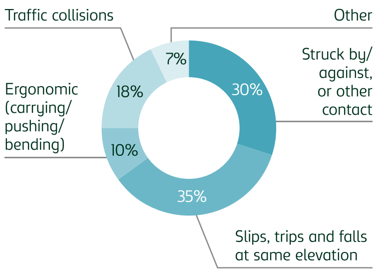
LOST-TIME ACCIDENTS
(LTAs for Carlsberg employees)*

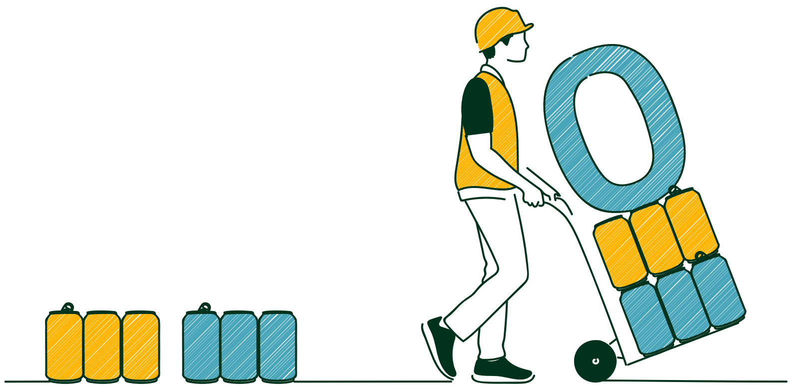


LOST-TIME ACCIDENT RATE
(LTAR for Carlsberg employees)*



LOST-TIME ACCIDENTS BY TYPE IN 2023
(LTAs for Carlsberg employees and contractors)**





* 2023 data within PwC's assurance scope. See previous ESG and sustainability reports for assurance of data published in prior years.
** Percentages are rounded.

TARGETING THE BIGGEST RISKS

Our Life Saving Rules (see right) set out clear directives to help our people stay safe when carrying out the activities that present the highest risk of accidents across the business. Everyone working with us must follow these rules. Anyone who does not may face disciplinary action. Each site must follow specific requirements associated with each of the five rules. We check compliance through regular internal audits. Globally, we aim to maintain at least 95% compliance and we achieved 96.9% in 2023.

CHANGING BEHAVIOUR FOR SAFE CHOICES

KEY CHALLENGE

Life is full of choices and, when it comes to safety, even a seemingly small decision can be life-changing.

Everyone who works with us is trained to identify and mitigate safety risks associated with their role. This kind of health and safety training is essential to give people the skills and knowledge they need to do their jobs safely.

But it is one thing to be trained and quite another to put that training into practice consistently every day. Even with regular reminders, safety may not stay at the forefront of people's minds as they get on with their day-to-day work.

This is why we go beyond safety risk management training and awareness to focus on safe behaviour. Changing behaviour takes time. But once safe behaviours are embedded, safe choices come naturally without having to consciously think about them all the time.

Our Behaviour Safety Programme helps to embed a safety first mindset by empowering everyone at Carlsberg – from leaders to frontline workers – to be vigilant in observing, reporting and feeding back on any unsafe behaviours (see page 59).

In 2022, we ran intensive training on our Life Saving Rules, including tests and workplace simulations, for all employees. This year, we followed up with a series of "espresso shot" micro-training sessions to keep the rules fresh in people's minds. Each session takes just 10-20 minutes to complete, combining short videos and practical tasks to get people thinking about how to stay safe during high-risk activities – including working in confined spaces, at height or with machinery, as well as driving. By the end of the year, 89% of our employees in supply chain and 88% of our employees in commercial functions had completed the micro-training sessions relevant for them.

DRIVING SAFETY

Traffic accidents now account for almost all (18%) of the accidents related to our Life Saving Rules, making driving safety a priority – both on our sites and on the road.

We have developed a new Driver Safety standard specifically on off-site traffic management, in addition to our existing on-site traffic management standard. The new standard specifies safety requirements for vehicles used by our drivers (including personal vehicles used for work), use of telematics or apps to support safe driving behaviours, and frequency of mandatory training for drivers.

The Brightmile app, which draws drivers' attention to risky behaviours they may not even be aware of, has now been rolled out in seven markets and is being used by 1,902 drivers to improve awareness and reduce risks of traffic accidents.

By the end of 2023, 78% of our 1,140 new drivers across the business had completed online training on safe driving and 3,795 drivers in total had completed practical defensive driving training. In Laos, we went beyond our own operations to promote safe driving in the community with a responsible driving programme for local students near our brewery in Vientiane, in collaboration with a local driving school, a transportation agency and a police division.

MANAGING OTHER RISKS

We also continue to manage a wide range of other safety risks. This year, we developed a new global standard on preventing slips, trips and falls. Further standards on other risks, and associated training, will be rolled out in 2024.

In compliance with our *Health and Safety Policy*, all our sites must maintain robust procedures for emergency planning and response. This year, our Saku brewery in Estonia organised a joint exercise with the Estonian Rescue Board to test the brewery team's readiness to respond to a simulated emergency as part of our efforts to develop safety mindsets that can cope with the unexpected.

MANAGING HEALTH AND SAFETY

We prioritise health and safety at every level of the business. We introduced Safety Moments so that every meeting of our teams starts with an agenda point focused on health and safety. All leadership team and ExCom meetings receive and address monthly reports on our performance in this area, and determine appropriate follow-up actions.

Our Health & Safety Council meets every two weeks to discuss issues of concern and how they can be addressed. Headed by our Executive Vice President of Integrated Supply Chain, a member of our Executive Committee, the Council is made up of senior managers and health and safety leaders from each of our regions.

Robust health and safety management systems, certified to the ISO 45001 standard at 71 of our breweries, support continuous improvement. We also share best practices across the business through monthly safety calls, led by our Group Health & Safety team.

Our commitment to a ZERO Accidents Culture is enshrined in our *Health and Safety Policy*, which sets out our Life Saving Rules, risk management and incident reporting requirements, and the relevant obligations on everyone from leaders to contractors.

Everyone working with us – employees, temporary workers or contractors – must complete health and safety induction and training on specific risks relevant to their role.

In 2023, we achieved 96.4% compliance with our contractor management standard and 98.0% compliance with our temporary labour standard, meeting our target to maintain at least 95% compliance across our sites globally.

SAFETY OBSERVATIONS

	2021	2022	2023
Production and logistics teams (globally)			
Safety observations	238,837	237,469	298,105
Per employee	14.9	15.1	18.1
Observations specifically related to behaviour	136,959	153,349	191,347
Per employee	8.6	9.7	11.6
Safety walks by managers (site and team leaders)	89,394	101,034	175,987
Per manager	78.6	86.3	106.5
Sales and marketing teams (in markets where the Behaviour Safety Programme has been implemented)			
Safety observations	64,001	139,468	235,735
Per employee	4.4	5.1	16.5

CASE STUDY

CELEBRATING SAFETY SUCCESS

Colleagues at our logistics centre in Aalborg, Denmark, celebrated an impressive safety milestone in October 2023: ten years, and counting, without a single lost-time accident.

Working in a high-risk environment with large trucks and machines, collaboration among colleagues and with customers has played a key role in the team's journey towards ZERO accidents as they deliver beer and soft drinks across Northern Jutland.

INSTILLING A SAFETY-FIRST MINDSET

We ran Health & Safety Days in every market this year to instil safe behaviours through practical experiences, reaching roughly 84% of employees globally (see page 55).

Our Behaviour Safety Programme empowers people to spot and report unsafe behaviours – and provide feedback to help each other improve. Employees in our production and logistics teams reported an average of 11.6 behaviour observations each this year (up from 9.7 last year), exceeding our target of six each. In total, they reported 533,840 safety observations in 2023 – 64% of them related specifically to behaviour rather than conditions.

We have also rolled out our Behaviour Safety Programme to more of our sales and marketing teams. In the 12 markets where the programme has been implemented, sales and marketing employees reported an average of 16.7 observations each this year (compared to 5.1 each in 11 markets last year).

Safety culture starts at the top. We encourage leaders to conduct regular safety walks to observe and promote

CASE STUDY

CHANGING UK SAFETY CULTURE

Our joint venture in the UK brought together teams from Carlsberg and Marston's in 2020, giving us some unique challenges to address due to the historic nature of the breweries and the pubs they serve across the country.

We are empowering them to observe and mitigate associated risks, such as working in confined spaces and manual handling, so they can work safely wherever they are brewing or delivering. Tools to support them include training to assess risks before entering a cellar and to emphasise the importance of checking for potential hazards every time they visit a site, even on regular delivery routes, by using dynamic risk assessments.

Local leaders play a critical role in promoting and modelling safe practices, ensuring that safe behaviour is at the top of the agenda every day so our people can go home safely. We conducted an average of 95 safety walks per manager this year (around two a week), and have rolled out health and safety leadership training to 1,690 people managers in our UK production and logistics functions to clarify roles, responsibilities and expectations. Feedback from employees indicates that they feel their leaders prioritise safety and genuinely want everyone to be safe.

Over the last three years, we have achieved a step change in safety performance in our UK operations through our focus on behaviour safety and investment in increased health and safety resources. We have cut accidents by 76% since 2022.

"I am incredibly proud of the journey we have been on in the UK. The whole organisation is focused on not only their own safety but the safety of others. We will remain relentless in our pursuit of ZERO accidents."

Sarah Perry
VP, Integrated Supply Chain, Carlsberg Marston's Brewing Company

safe behaviours. In 2023, we completed the roll-out of health and safety leadership training to all leaders in production and logistics and sales and marketing.

We have also introduced new training that will help leaders use coaching to change attitudes to health and safety, create a culture of trust and foster ownership in others. This year, selected leaders completed a two-day train-the-trainer masterclass to become ambassadors for this approach. Over the next three years, we will cascade coaching training to leaders at all levels across the business to help them embed safe behaviour and lead with care.

Our new Health & Safety Responsibility Model, rolled out this year, sets out a clear framework to reward safe behaviour while making clear that there are consequences, including disciplinary action, for anyone failing to live up to our expectations on safety. In Asia, teams and individuals demonstrating outstanding safe behaviour are recognised at quarterly local sessions on health and safety, and we have introduced an annual award for the best performing site across our regions (see right).

CASE STUDY

APPRECIATING HEALTH & SAFETY HEROES IN ASIA

To create a ZERO Accidents Culture, everyone at Carlsberg must do their part to ensure we can all go home safely every day.

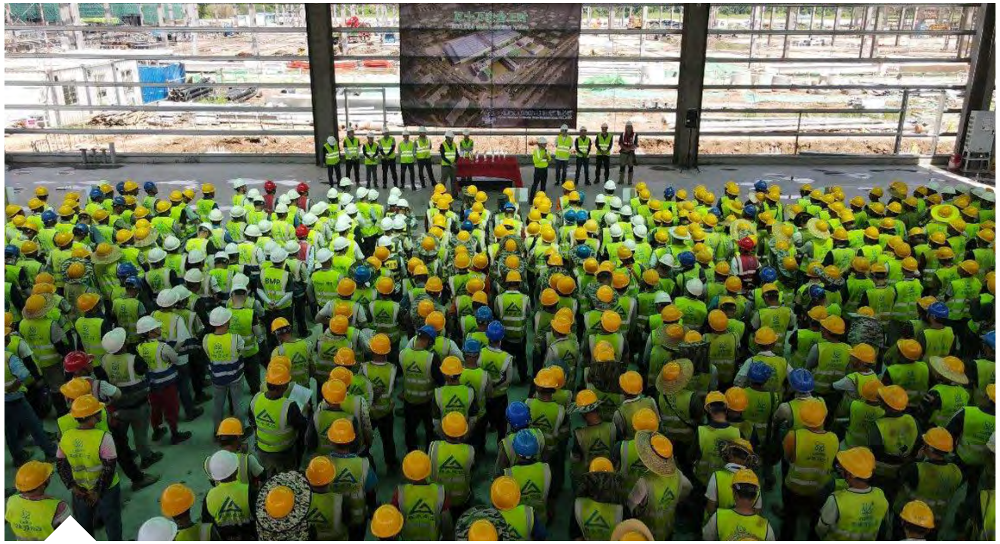
This year, our team in Asia introduced a new awards programme to recognise the efforts of individuals and sites across the region that are demonstrating leadership by innovating and implementing best practices to help keep people safe.

Each quarter, we recognise a Health & Safety Hero nominated by colleagues for their exceptional efforts to enhance safety. The first-quarter winner was announced as part of the region's celebration of the World Day for Safety and Health at Work on 28 April 2023.

The annual awards programme also recognises the site that demonstrates the strongest safety performance across our regions each year. In 2023, our Dali site in China won for having achieved three years with ZERO lost-time accidents and is a benchmark for the implementation of our Life Saving Rules and our new on-site traffic management standard.

"We are thrilled to see how passionate our colleagues across the region are in creating and safeguarding a healthy and safe environment for colleagues around us. Their dedication and commitment, together with tremendous support from the local managing directors and health and safety teams, play an integral part in pursuing a ZERO Accidents Culture for Carlsberg. Together, we will make a difference!"

Joy Rice
VP, Integrated Supply Chain, Carlsberg Asia



CASE STUDY

BUILDING A BREWERY SAFELY

In June 2023, the team of contractors building our new brewery in Foshan, China, celebrated 500,000 working hours with no lost-time accidents – demonstrating our strong focus on a ZERO Accidents Culture not only for our employees, but for everyone working with us.

Carlsberg leaders joined an event to recognise this milestone and the more than 600 contractors working on the site who have made it happen. Each of them has played their part in contributing to a ZERO Accidents Culture on the site by strictly adhering to our safety requirements and managing risks associated with construction to ensure a safe working environment.

Dennis Lv, Carlsberg China's VP, Supply Chain, took the opportunity to offer heartfelt appreciation to all the workers – not only on behalf of the management team, but also the families who trust us with their loved ones. He also urged continued vigilance and unwavering commitment to our safety rules.

By the end of 2023, the construction team at Foshan had achieved 1.6 million working hours with no lost-time accidents.

PROMOTING HEALTH AND WELLBEING

Psychological safety supports mental health and wellbeing at work by creating an environment where individuals feel safe to speak up and share their ideas without fear of negative consequences.

On 10 October 2023, World Mental Health Day, we communicated practical tips to help our people foster psychological safety by being respectful to each other, allowing others to express their opinions openly and making sure feedback is constructive. At our headquarters in Denmark, we ran a day of activities to support employees' mental health and wellbeing, from yoga and healthy snacks to tips on tangible actions to address stress and prevent burnouts.

Across our markets, we run locally tailored programmes to support health and wellbeing by promoting fitness activities, good nutrition, stress management and social interaction. Flexible working options are widely available for relevant roles.

We have continued regular wellness checks for our colleagues in Ukraine, who are operating in a region of conflict. They have demonstrated incredible resilience and steadfast commitment to health and safety in exceptional circumstances, completing the installation of a new production line this year without any accidents.

In our employee survey this year, 77% of respondents globally agreed that Carlsberg takes a genuine interest in employees' wellbeing, giving a score of 77, six points above the external benchmark based on data from nearly 1,000 companies worldwide (see page 69).

ZERO ACCIDENTS CULTURE: OUR PROGRESS & TARGETS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023
Complete roll-out of health and safety leadership training to remaining leaders in operational, sales and marketing teams	Fully achieved	Completed roll-out of training to leaders in operational, sales and marketing teams
Roll out new Health & Safety Responsibility Model by building consequence and recognition management across sites for high-risk activities	Fully achieved	Rolled out new Health & Safety Responsibility Model, emphasising recognition for safe behaviours while making clear that there are consequences for anyone failing to live up to our safety expectations
Launch new off-site traffic management standard	Fully achieved	Launched new off-site traffic management standard, including a requirement to use telematics and minimum fleet standards
Launch visionary health and safety leadership training, conduct core team training and train-the-trainer sessions	Fully achieved	Completed core team and train-the-trainer sessions to launch new training on leading with care that focuses on coaching to change attitudes to health and safety, create a culture of trust and foster ownership in others
Develop standards on slips, trips & falls, chemical management, and lifting & hoisting	Partially achieved	Developed standard on slips, trips & falls, which will be rolled out in 2024 together with standards on the other topics once they have been developed
Conduct Safety Day initiatives at all sites and offices; awareness-raising high-scale events promoting a health and safety culture and aiming to reduce the number of work-related injuries	Fully achieved	Ran Health & Safety Days at all sites to build personal experiences that inspire our people to make safe choices every day

PLANNED ACTIONS FOR 2024

Continue training leaders in shaping safe behaviours through effective coaching

Sustain refresher training on Life Saving Rules

Enhance compliance with on-site traffic management

Enhance consequence and recognition management programmes for high-risk activities across our sites

Roll out driver safety standard and train all employees on new requirements

Develop a standard on chemical management and roll out associated training, and create guidance on lifting & hoisting

Roll out training on slips, trips & falls standard

Run further high-scale awareness-raising events to promote a health and safety culture and foster safe behaviours

2030 TARGETS

Year-on-year reduction in accident rate

ZERO lost-time accidents

Fully achieved Partially achieved Not achieved

PROMOTING DIVERSITY, EQUITY AND INCLUSION

Our diverse perspectives make us who we are and drive our success.

At Carlsberg, we pride ourselves on being purpose-led and performance-driven. With so many iconic brands, we know our differences are what make us stand out. We embrace the diverse perspectives and experiences that each of our 31,044 employees contributes to our rich and unique culture.

We are committed to treating our people with fairness, honesty and kindness, and providing an inclusive global workplace where everyone belongs and can be at their best. This spirit is encompassed in our new Welcome You engagement programme and reinforced with training for employees, including our leaders, who champion our Diversity, Equity and Inclusion (DE&I) agenda.

This year, we continued to strengthen our DE&I culture with a new global Parental Leave Policy, steps to remove bias from our hiring processes and mandatory training to tackle sexual harassment.

Improving gender balance is also a DE&I priority. This year, we achieved our target of 30% women in senior leadership roles by 2024, launched a development programme to help retain women managers and reconfirmed our commitment to the UN Women's Empowerment Principles (see page 103).

In addition, we have expanded our DE&I focus beyond gender, launching a global LGBTQ+ employee resource group and joining the Business Disability Forum and the Employers Network for Equality & Inclusion.

5.5.2

8.5.1

10.2.1 & 10.3.1

12.6.1

16.b.1

See SDG index, page 97.

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: DIVERSITY, EQUITY AND INCLUSION

WELCOMING WOMEN TO BREWING CAREERS

Every third employee working in Norway's food industry is a woman. But far fewer women have joined the country's brewers – a challenge shared across much of the brewing industry worldwide.

We are tackling this challenge head on through a partnership between Ringnes, our Norwegian business and Norway's leading beer provider, and Pink Boots Society, an international non-profit that supports women and non-binary people working in brewing and the wider fermented beverages industry.

Inspired by Pink Boots Society, Ringnes and the national Brewery and Beverage Association collaborated to establish a scholarship programme aimed at bolstering the careers of women professionals in Norway's beer industry. Recipients will receive funds to access tuition, conferences, training or research.

› ***See a video compiled by the Ringnes team here (in Norwegian).***

Ringnes launched the partnership on 8 March 2023 by brewing with hops purchased from Pink Boots Society and hosting an industry-wide seminar for employees and external visitors to celebrate International Women's Day.

During the event, Pink Boots Society and other experts shared insights on how brewers can overcome barriers to attracting women. Participants included the Norwegian Enterprise Federation, the Federation of Norwegian Food & Drink Industries and the national Brewery and Beverage Association.

Ringnes is improving gender balance, with half (50%) of its brewmasters now women and nearly 19% of its employees now women overall.

This partnership in Norway is just one example of the steps we are taking to welcome more women into brewing careers worldwide.

"Pink Boots Society has helped and supported many women and non-binary folks in the fermented beverages industry with scholarships and network opportunities. It is great to see this initiative coming to Norway as well. Speaking at the International Women's Day event hosted by Ringnes was a great opportunity to introduce Pink Boots Society to a bigger audience and show its importance and benefits. Hopefully, it will lead in the future to more women working at Ringnes and in the whole industry!"

Linda van Loon
Benelux Chapter Leader, Pink Boots Society

"We have many talented women in key roles at Ringnes and we are proud to have a balance of female brewmasters. But we still have a way to go for the company overall. For us, the way forward is about working in a targeted manner with a range of measures, on our own and together with central industry organisations that clearly stand behind the same goal. The collaboration with Pink Boots Society, with the explicit aim to educate and attract more women to the brewing industry, is a good example of such an initiative."

Even Ødegården
HR Business Partner, Ringnes

DRIVING OUR DE&I AGENDA

Our *Diversity, Equity & Inclusion Policy* embeds our commitment to equity and our approach to building a more diverse workforce and inclusive people processes, driven by our leaders (see graphic). We define diversity in terms of gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs, sexual orientation and other attributes.

We expect our leaders to embody inclusive behaviour and to encourage our people to do the same. Our CEO and top executives lead the way, participating in videos, townhall meetings and candid conversations with small groups of employees that promote and explore what DE&I means at Carlsberg.

Senior executives drawn from across business functions and regions form our DE&I Council, which holds our leaders accountable for progress on our DE&I ambitions and targets. They also act as global ambassadors for DE&I, representing the voices of colleagues from across the company.

This year, we rolled out Welcome You communications globally through our human resources and corporate affairs teams, explaining how to put our DE&I agenda into practice. Each of our markets and functions now has its own DE&I roadmap, informed by local contexts and priorities, with input from relevant leaders.

EMBEDDING AN INCLUSIVE CULTURE

Embedding an inclusive culture that involves, accepts and values all our people begins with our leaders. Following a pilot in 2022, this year we rolled out training to our top 350 executives and senior managers to raise their awareness of differences, bias and how to be an ally.

Safe spaces where people feel free to speak out are also key to inclusion. Our head office in Copenhagen modelled this approach by designating a voluntary employee advocacy group, made up of 60 employees, to take action on locally significant issues relating to DE&I. Four local Employee Resource Groups (ERGs) have formed from this larger group, with each group focusing on tangible actions relating to LGBTQ+, gender, age and generations, culture, ethnicity and race. For example, one ERG is working to have the central office certified by the Stonewall Inn Gives Back Initiative as a safe space for LGBTQ+ people. We have also launched our first global ERG, instigated by our Nordic markets, for LGBTQ+ individuals and allies.

Improving gender balance remains a DE&I priority (see page 66) and we have also joined two expert organisations, the Business Disability Forum and the Employers Network for Equality & Inclusion, to help broaden our efforts and identify our best next steps on inclusion. The Employers Network for Equality & Inclusion is reviewing four of our key policies – on human rights, human resources, DE&I and parental leave – against best practices, and we will act on the findings in 2024.

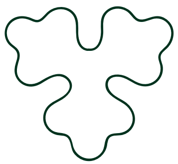
We have also rolled out mandatory training for all employees this year to reinforce our zero tolerance of sexual harassment in response to concerns raised via our Speak Up channels (see page 73). The importance of this topic and training, and of our employee feedback and Speak Up mechanisms, was underscored by our CEO, our CFO and our VP, Internal Audit in an internal video series addressed to all employees around the world. By the end of 2023, 98.5% of employees worldwide had completed the training.

TALKING OPENLY ABOUT DE&I

We encourage our people to talk openly about DE&I – and they have a lot to say, posting almost 2,200 comments on the DE&I section of this year's global employee survey (see page 69).

This year, we launched several new initiatives to expand the conversation. These included a global engagement campaign under the banner "Let's Talk DE&I" on topics such as allyship and inclusive language, which gave employees tips on using gender-neutral terms, avoiding slurs and being respectful of diverse cultural, ethnic and religious backgrounds.

Through our new series of People Stories *videos*, five high-achieving employees shared insights into their diverse backgrounds and unique experiences with colleagues (see



BUSINESS PRIORITY

Our DE&I agenda is leader-owned and part of our Leadership Expectations.

DIVERSE REPRESENTATION

Diversity in our workforce is a prerequisite for harvesting diverse experiences and perspectives.

EQUITY

We provide equal access to opportunity, with zero tolerance for discriminatory behaviours and harassment.

INCLUSIVE CULTURE

Inclusive leadership behaviours are the foundation for an inclusive culture and a global mindset.

Huang's story on page 68). We also launched a new online interface where all employees can easily access and share DE&I resources.

On International Women's Day, more than 1,000 colleagues joined a global webinar led by senior women in the business to hear what inspires them in their careers and how they have overcome barriers.

Locally, our markets ran DE&I awareness and education initiatives that included a Diversity Month of online activities in Poland on topics such as intergenerational cooperation, attended by 340 employees. In Italy, our people had the opportunity to shadow a colleague for a day to understand life "In Your Shoes".

DEBIASING OUR POLICIES, PROCESSES AND PAY

We are working to remove bias from our people policies and processes – including recruitment, benefits and pay.

Following efforts last year to reduce potential bias in interviews and remove non-essential qualifications and experience from job descriptions, we have introduced an innovative screening tool to remove bias from our job advertising (see case study right). Some markets have also adopted the practice of removing applicants' personal details, such as their age, gender or ethnicity, when screening applications.

Our new global Parental Leave Policy is non-gendered and also applies to employees who adopt children. It stipulates minimum paid parental leave of 16 weeks for a primary carer and two weeks for a secondary carer across all markets by January 2024, and many already go beyond these standards.

Equal pay for equal work is a key part of our Total Rewards Philosophy. While we differentiate pay based on objective criteria such as position, performance and capabilities, these are the only reasons for which we differentiate pay between our employees.

We regularly review market practices to ensure equal pay for equal work and do not see structural issues in gender-based pay. Many of our markets separately report on and comply with local legal requirements in this regard.

We welcome the introduction of the EU Pay Transparency Directive and its implementation in the EU Member States. We have agreed with the DE&I Council that this will be a standing item on its meeting agendas going forward to ensure we continuously make progress in this area in support of our wider DE&I objectives.

Ahead of the Directive, in 2023 we have also internally developed a Pay Transparency dashboard – initially for our Western European markets and to be rolled out globally. This tool creates greater transparency of how our markets implement our Global Pay Principles – including, but not limited to, ensuring gender equity. This approach supports our belief that gender equity is a key outcome of consistent application of our objective pay principles.

In addition to this process, we plan to implement an equal pay audit application from an external vendor to enable an independent process that analyses both unadjusted and adjusted pay gaps. We intend for this application to be available for our Western European markets and Group functions in early 2024, and our ambition is to roll it out to all markets globally over time.

CASE STUDY

SCREENING OUR JOB ADS FOR UNCONSCIOUS BIAS

Unconscious bias is human nature. To help remove it from our recruitment processes, we have teamed up with Develop Diverse, a platform that uses inclusive language for job ads, e-mail letters, and content for social media and websites.

Starting this year, we are steering all our recruitment colleagues globally to use the platform (when writing in English) to craft inclusive content that will help us attract the best candidates regardless of gender, age, ethnicity, neurodiversity and physical disability.

The highly innovative technology unravels unconscious bias from communications, removing words that could imply bias related to gender, age or other aspects of diversity. A guide and video to support users in recruiting for belonging is available to all our employees.

IMPROVING GENDER BALANCE

We are actively working to attract, retain and develop more women in the men-dominated brewing industry and our own business, driven by ambitious targets to increase women in leadership.

We partner with groups such as Brewers of Europe and Pink Boots Society (see page 64) to attract more women into brewing careers, and we encourage women to join our graduate and apprenticeship programmes. In 2023, women made up 53.4% of our entry-level roles, including 12 of the 18 graduate trainees working in our Group finance, technology, commercial and human resources departments, as well as 19 of the 42 graduate trainees in our Carlsberg Asia Graduate Trainee Programme across seven markets.

To encourage women employees to stay with us, we offer flexible working options to help them – and all our people – better balance their work and home lives, and our new global Parental Leave Policy will support this (see page 66). In our 2023 employee survey, 77% of respondents agreed that they are able to successfully balance their work and personal life (giving a weighted score of 78 points, seven points above the external benchmark).

This year, we also launched a global sponsorship programme to help develop women leaders identified as having potential to take on executive roles. Each of the first 12 women to participate – chosen from across our regions and functions – was paired with a senior sponsor for six months of coaching, support and access to networks of internal influencers that will better prepare them for success at the top of the company.

INCREASING WOMEN IN LEADERSHIP

In 2023, women represented 30.1% of senior leadership roles across our markets and operations (up from 28.3% in 2022), achieving our 2024 TTZAB target to increase women in senior leadership to 30%. We will continue to recruit and develop more women leaders as we work towards our next target of 35% by 2027.

In 2023, we revisited our longer-term target of 40% to make it more ambitious and time-bound. In January 2024, our updated target of 40% women in senior leadership roles by 2030 was approved. Several of our markets have already achieved 50% or higher representation of women in their local leadership teams.

The Supervisory Board recognises the value and benefits of diversity amongst its members, and constantly considers how to best achieve as diverse a representation as possible in terms of gender and other forms of diversity, such as experience and cultural background. It has set and will maintain the following objectives regarding international experience and gender:

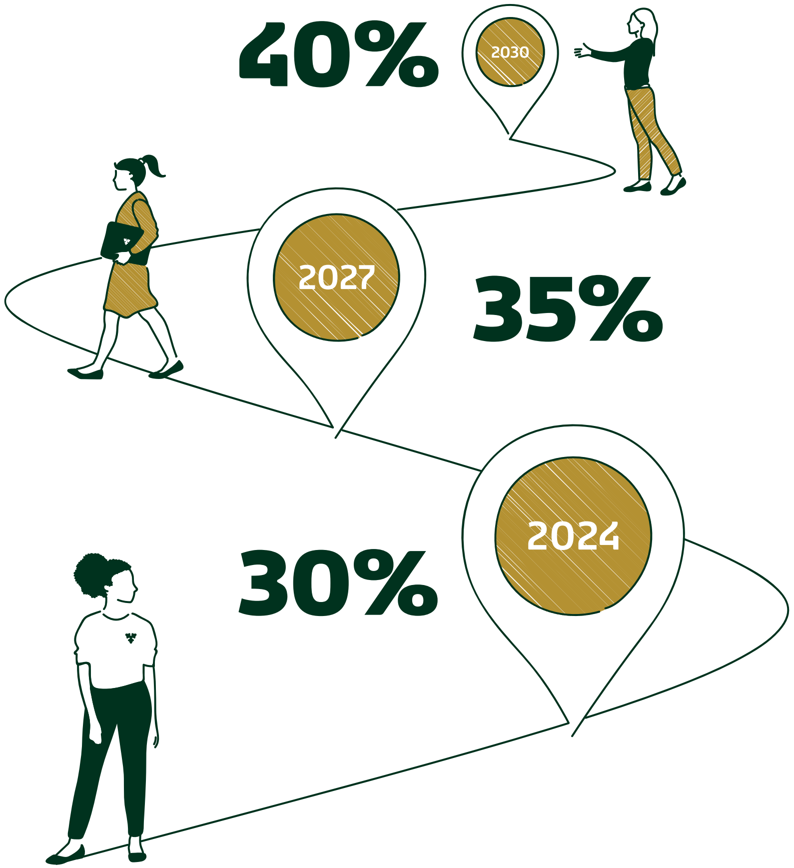
- With regard to international experience, the objective is that 50% or more of the Supervisory Board members elected by the General Meeting should have substantial international experience from managing large corporations or institutions. The Supervisory Board fulfils the objective regarding international experience.

- With regard to gender, the target for the under-represented gender is 40% of the Supervisory Board members elected by the General Meeting. As per the Annual General Meeting 2023, three of the eight members (38%) elected by the General Meeting are women. This represents an equal distribution of gender according to the Danish rules on diversity in top management.

WOMEN AT CARLSBERG

	2021	2022	2023
Supervisory Board (incl. employee representatives)	25.0%	35.7%	38.5%
Executive Committee	0.0%	0.0%	14.3%
Senior leadership roles (director level and above)*	27.3%	28.3%	30.1%
Entry-level roles (graduates and apprentices)	54.0%	46.0%	53.4%
All employees	31.1%	31.5%	30.8%

* 2023 data for senior leadership roles within PwC's assurance scope. See previous ESG and sustainability reports for assurance of data published in prior years.



DEVELOPING DIVERSE TALENT

When our people succeed, so does our business. Employees engage in continuous dialogue with their managers based on progress towards annual personal goals and plans. We train all our managers to make this ongoing feedback positive and productive.

We invest in professional development and strive to ensure that every individual working for us has a genuinely equal opportunity to make the most of their ability and talents. In this year's employee survey, 76% of respondents agreed they have good opportunities to learn and grow at Carlsberg (giving a score of 77 points, five points above the external benchmark based on data from nearly 1,000 companies; see page 69).

In 2023, our people spent an average of 18 hours on professional development (up from 16 hours the previous year). Our online learning academies provide training to help people build expertise in their role, develop new skills or learn about different parts of the business. We also offer global access to LinkedIn Learning and saw a 35% increase in uptake this year, with 2,750 people completing 10,750 courses. Our local team in Cambodia has integrated LinkedIn Learning into employee development plans, assigning or recommending courses based on individuals' learning needs.

We have continued to develop our next generation of leaders, with 36 people completing our global training

CASE STUDY

PEOPLE STORY: FROM GRADUATE RECRUIT TO BREWERY MANAGER IN LESS THAN SIX YEARS

Huang Yu has enjoyed a meteoric rise at Carlsberg. Less than six years after joining us as a management trainee straight from university, she became Carlsberg China's first woman brewery manager to graduate from the trainee programme aged just 31.

Huang joined our China operations in Chongqing in 2016 as a management trainee with a master's degree in engineering. Eight months later, she moved to the Yibin brewery in Sichuan province, where she gained experience working in several roles related to brewing and processing, as well as operational excellence. She later took on a broader role as China Strategic Development Manager.

The knowledge she gained in these different roles, and through our training and development programmes, helped Huang build the skills and experience she needs in her current role, where she leads the team that operates our Tianchang (Tiandao) Brewery in Anhui.

"My greatest piece of advice is to keep moving forward. Open new doors, do new things and stay curious."

Huang Yu
Brewery Manager, Carlsberg China

See more People Stories here.

for high-potential employees. This year, 100 of our leaders piloted an intensive new leadership development programme that offers four days of facilitator-led training on every aspect of being an effective leader at Carlsberg. Topics include how to add personal value, drive team performance, develop people's capabilities, build diverse teams and address barriers to inclusion. We aim to roll out this training – tailored to three levels of leadership – to all global managers with at least two people reporting to them.

LISTENING TO OUR PEOPLE

We know that our people deliver their best when they feel a sense of belonging, purpose and team spirit. Listening to and responding to their feedback play an important role in helping them feel heard and valued.

91% of our people responded to our My Voice employee survey in 2023. We achieved an overall engagement index of 82, seven points above the survey benchmark based on almost 1,000 companies worldwide. Employees also took the time to provide more than 20,000 open comments, demonstrating the connection they feel to the company.

Extensive DE&I questions in the global survey replaced our previous DE&I-specific survey for managers only. Employee feedback (see table below) suggests that we are largely succeeding in providing a welcoming workplace where people feel supported and able to progress, but there is room to improve. For example, employees who chose not to state their gender had a significantly less positive experience than those who self-described as male or female, and office workers rated their DE&I experience more highly than people in our supply chain and production roles.

Other areas where we scored well but still see opportunities for improvement include creating an inclusive corporate and team environment, and enhancing how our managers mentor and support their team members.

The results will inform local HR and DE&I action plans tailored to each market and function, and individual managers are also acting on the results with their teams. Employees expect us to hear them, and we achieved a score of 75 in response to the survey question "I believe meaningful action will be taken as a result of this survey" (scoring 11 points above the external benchmark).

Our CEO communicated the high-level survey results via a video to all employees as part of our regular series of global townhall meetings and listening sessions led by senior leaders alongside local engagement activities in our markets.

We also hold formal consultations with employee representatives globally, and 59% of our employees were covered by collective bargaining agreements in 2023.

EMPLOYEE SURVEY RESULTS: WHAT OUR PEOPLE SAY ABOUT DE&I

	2023 survey score	Comparison with external benchmark[1]
Diversity, equity and inclusion: Overall score	77	N/A
Diversity: My company hires people from a variety of different backgrounds	83	+4
Diversity commitment: Top leaders demonstrate a visible commitment to diversity	78	+4
Equity: Everyone at my company has an equitable opportunity to succeed	75	N/A
Inclusive culture: My company has an inclusive environment	79	+3
Inclusive team: Our team has a climate in which diverse perspectives are valued	80	+3
Inclusive leadership: Leaders from all teams role model inclusive leadership skills and behaviours	75	N/A
Fair reward: I am fairly compensated for the work I do	72	+8
Speak my mind: I feel free to speak my mind without fear of negative consequences	76	+6

[1] Service provider's Global Benchmark is based on scores of nearly 1,000 companies, with 9 million respondents from over 150 countries providing 306 million data points on topics including but not limited to DE&I topics.

PROMOTING DIVERSITY, EQUITY & INCLUSION: OUR PROGRESS & TARGETS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023
Roll out DE&I survey to all employees, continuing to track progress and getting input from all		Included detailed questions on DE&I in our global employee survey, with strong results overall and valuable feedback to help us target further improvements
Deliver training on preventing sexual harassment to all employees		Delivered mandatory e-learning on preventing sexual harassment to all employees, completed by 98.5% of our people by the end of 2023
Roll out inclusive leadership training and coaching to leaders across the business		Rolled out inclusive leadership training and coaching to our top 350 executives and senior managers following a successful pilot in 2022
Continue to debias our people processes to enable decision-making based on facts and data		Commissioned an external review of four policies, continued to debias recruitment processes with an inclusive language tool and introduced a non-gendered global Parental Leave Policy

PLANNED ACTIONS FOR 2024

Make available an equal pay audit application from an external vendor for use by our Western Europe markets and Group functions

Undergo third-party assessment (engaging an expert external stakeholder in an organisation-wide research project) to identify and inform crucial areas within DE&I, guiding the strategic development of DE&I for a more inclusive organisational culture

Undertake the triennial DE&I maturity assessment, including inputs from all markets to comprehensively gauge progress on our DE&I programme

Initiate global Employee Resource Groups (ERGs) serving as influential advocates for under-represented groups across the business

Continue our review of specific business processes, benefits and frameworks

TARGETS

30% women in senior leadership roles by 2024

35% women in senior leadership roles by 2027

Minimum of 40% women in senior leadership roles by 2030

Fully achieved | Partially achieved | Not achieved

LIVING BY OUR COMPASS

Doing the right thing is essential to our winning culture – and enables our customers, partners and stakeholders to put their trust in us.

Carlsberg's success is rooted in doing business well and responsibly, upholding our commitment to making the right choices in how we conduct our business as we brew for a better today and tomorrow.

We expect and empower all our people to act ethically in their daily work – an approach we call Living by our Compass. Our leaders set the tone from the top, reinforcing the importance of legal and regulatory compliance for our business success, reputation and ESG programme.

Everyone at Carlsberg must follow the rigorous standards for ethical behaviour enshrined in our *Code of Ethics & Conduct* and *Anti-bribery & Corruption Policy*. Our compliance programme also includes third-party screening of relevant business partners and suppliers, and anyone working for or with us can raise ethical concerns via our Speak Up channels.

We monitor laws and regulations as they evolve across our markets, and we are committed to continual improvement in our compliance efforts. For example, this year we provided guidance for our policy owners globally and screened more than 5,400 third parties for bribery and trade sanctions risks. We also launched an enhanced programme to reinforce our commitment to Responsible Sourcing (see page 78).

12.6.1

16.5.2

See SDG index, page 97.

STRENGTHENING COMPLIANCE

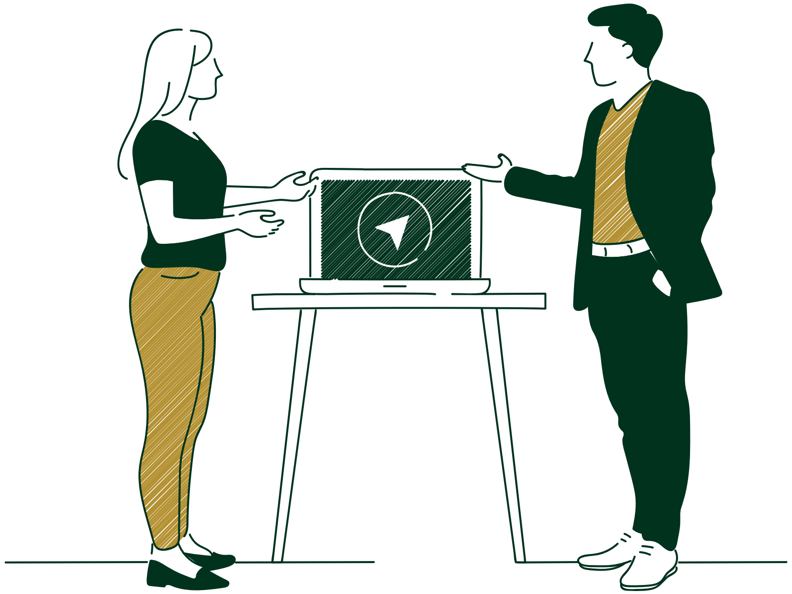
Our *Code of Ethics & Conduct* is fundamental to our culture and ethical values – to be honest, compliant, responsible and show people respect. Updated in 2023, it forms the foundation of our compliance programme, guiding the daily decisions made by our employees and contract workers around the world.

Available in 29 languages, the Code details our ethical standards across a range of areas, including anti-bribery and corruption, conflicts of interest, competition law, data protection and privacy, political activities, and discrimination and harassment. It includes a practical ethical decision-making guide on how to act when faced with common dilemmas.

All relevant new employees take online training on our *Code of Ethics & Conduct* when joining the company, and relevant existing employees repeat this training every three years to reinforce our compliance mindset. In 2023, 8,780 new and existing employees completed this training globally.

Our *Anti-bribery & Corruption Policy* provides additional guidance on how to identify and avoid higher-risk situations – such as those related to gifts and hospitality or when dealing with governments. In addition to mandatory anti-bribery e-learning for all relevant employees, we also provide annual in-depth training on anti-bribery and corruption for employees in higher-risk roles who regularly interact with government representatives.

This year, we introduced new guidance for policy owners to support implementation of our compliance policies globally. Animations shared with employees across the business further reinforced the message that everyone at Carlsberg is responsible for acting ethically, every day (see case study, page 72).



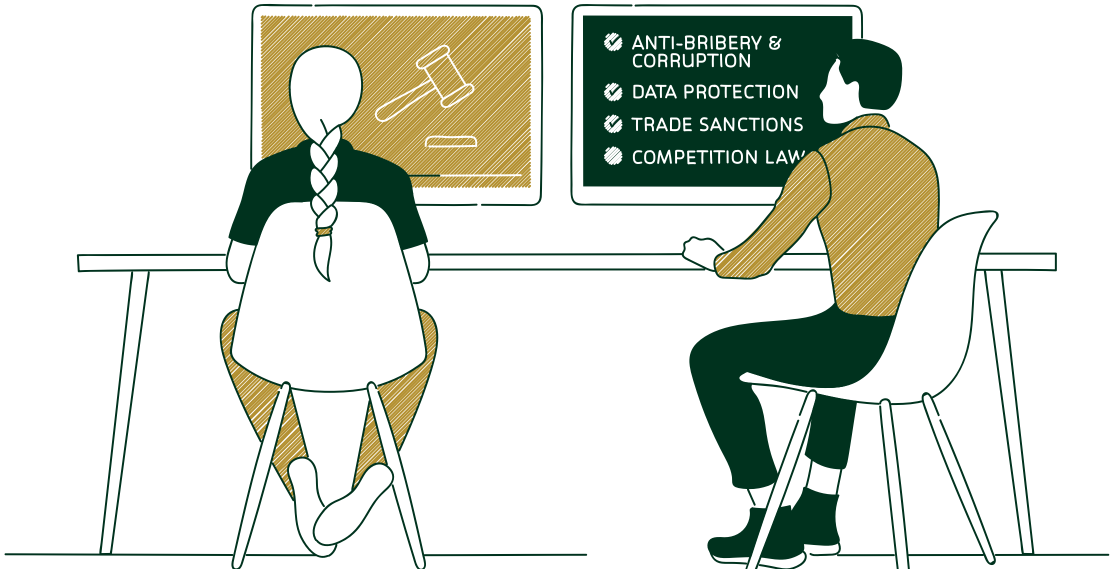
SCREENING THIRD PARTIES

We expect our tens of thousands of business partners and suppliers around the world to meet Carlsberg's high standards for ethical behaviour. For suppliers, these expectations are detailed in our *Supplier & Licensee Code of Conduct*.

Supplier risk assessments and audits are included in our wider Responsible Sourcing programme (see page 78), and we also conduct third-party screening on specific aspects of ethical compliance.

This year, we continued to roll out our enhanced anti-bribery and trade sanctions screening process, which was launched in 2022, evaluating 19,474 of our higher-risk new and existing business partners, including agents, consultants and service providers (including screenings of 5,400 third parties in 2023). The new automated online risk screening form is available in 27 languages. If the screening process raises any red flags, we take appropriate follow-up action, including a detailed review by our Legal and Compliance teams at Group or local level.

This screening process is part of our robust trade sanctions programme – led by our dedicated trade sanctions director – and includes export/import control processes that



CASE STUDY

BRINGING COMPLIANCE TO LIFE

Doing the right thing is not always easy or straightforward. We empower our people to succeed by providing in-depth training together with clear, practical guidance. This year, for example, we reinforced key compliance messages through a series of engaging animations, available in 27 languages.

Our Legal and Compliance teams created the innovative explainer videos to bring to life employee responsibilities in meeting Carlsberg's compliance obligations on anti-bribery and corruption, competition law, data protection and trade sanctions.

The animations use simple visuals to explain each issue and how it affects our business. They set out related compliance rules to follow, highlight the consequences of breaking these rules (for both the individual and the company) and remind people how to report any suspected breach.

Local leaders helped to cascade the animations to employees across the business, and initial feedback has been positive.

"Compliance animations were very well received by employees. This way of communicating our compliance policies is easy to understand, low-pressure and helps employees better remember specific situations and expected actions."

Mariya Chernyavska,
Senior Legal Director, Carlsberg Ukraine

help us to keep pace with the rapid rise in trade sanctions globally.

MONITORING COMPLIANCE ACROSS OUR OPERATIONS

Our markets implement compliance controls locally with oversight at Group level. Each year, local members of our Legal and Compliance team assess the effectiveness of these controls and provide evidence of their implementation. In 2023, our markets assessed 1,073 compliance controls, rating 98% of them as effective and adopting 19 action plans for areas requiring improvement. Our Group Legal and Compliance team monitors implementation of these action plans throughout the year.

We review and update our compliance policies every three years and continually refine associated controls based on regulatory requirements, industry best practice, and concerns raised by our employees and others through our Speak Up channels.

We are also evaluating ways to achieve real-time data insights into the effectiveness of our controls. This year, we continued to trial an automated tool that monitors over 10,000 financial transactions a month for fraud in a high-risk market. We have strengthened local controls around expenses to government officials based on the findings of the trial and aim to expand this pilot to five further high-risk markets in 2024.

SPEAKING UP

Carlsberg encourages open communication about company culture, ethics and values. In our 2023 employee survey (see page 69), we achieved a score of 76 on the question asking employees if they feel free to speak their mind without fear of negative consequences – six points above the external benchmark based on data from nearly 1,000 companies (see page 69).

We provide several channels for our employees, contract workers and business partners to report suspected breaches of our *Code of Ethics & Conduct*, or other concerns, without fear of retaliation.

Employees can talk to their manager, or their local human resources or compliance representative. Anyone can report concerns directly to our senior managers in each market, or anonymously through our *speakup@carlsberg.com* mailbox or *Carlsberg Speak Up Line*. The 24-hour service is run by an independent operator and is available by phone or online in the local language everywhere we operate.

This year, we worked with our service provider to set up robust processes that ensure compliance with the EU Whistleblower Protection Directive, as implemented in each Member State. We will complete deployment once delayed Member States have finalised national adoption of the Directive. Our CEO also emphasised the importance of speaking up in a global video address, and we provided examples of harmful leadership in a Speak Up alert to all employees, encouraging them to report any such instances.

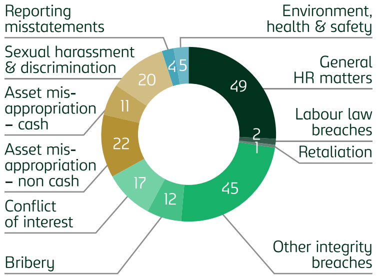
RESPONDING TO CONCERNS

We take every alleged breach of our *Code of Ethics & Conduct* seriously. Either our Group Internal Audit team or trained local representatives investigate each complaint received. Our Integrity Committee, chaired by the Chief Financial Officer, oversees and monitors the investigation of the most serious allegations.

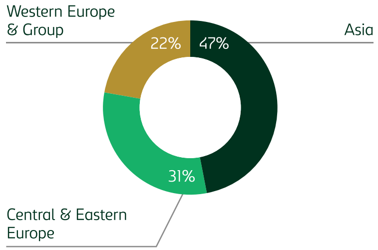
In 2023, we received reports of 188 suspected cases of misconduct across Carlsberg, up from 157 in 2022, with bribery, conflicts of interest and other integrity breaches making up the majority of cases. Of 183 cases closed in 2023, 55% were fully or partially upheld following investigation. As a result, 62 employees were dismissed, 50 received a verbal or written warning, and 30 were required to attend feedback meetings.

In response to a trend in Speak Up cases alleging sexual harassment, and in support of our DE&I agenda more broadly, this year we conducted global mandatory training to help prevent sexual harassment (see page 65).

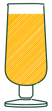
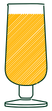
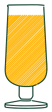
REPORTED CONCERNS BY TYPE IN 2023
(Number)



REPORTED CONCERNS BY REGION IN 2023
(Percentage)



LIVING BY OUR COMPASS: OUR PROGRESS & PLANNED ACTIONS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023
Continue to pilot automated compliance controls to facilitate real-time data insights		Continued to trial an automated fraud and risk detection tool that tracked and reviewed financial transactions in a pilot market and strengthened local compliance measures in response to the findings
Review and refresh guidance for policy owners on how to effectively guide conduct and behaviour		Shared refreshed guidance for policy owners on the minimum requirements for implementing our compliance policies and guiding employee conduct
Embed the enhanced screening process into business-as-usual activity worldwide		Embedded the enhanced anti-bribery and trade sanctions screening process across our markets for all relevant new and existing higher-risk third parties globally, having assessed more than 23,000 requests for screenings of such third parties, and screened more than 7,000 of them since October 2022

PLANNED ACTIONS FOR 2024

Consider viability of extension of automated transaction monitoring tool to facilitate real-time data insights to further selected markets at higher risk of bribery

Roll out new annual compliance training to all relevant existing employees and provide additional targeted support to individuals in high-risk roles and markets

Continue to perform key compliance controls to proactively identify emerging risks, including conflict of interest disclosures by managers and relevant employees

 Fully achieved  Partially achieved  Not achieved

RESPECTING HUMAN RIGHTS

Respect for people is one of our core values and an essential part of how we do business.

Our commitment to respect human rights applies to all our activities and relationships – with employees, contractors, suppliers, licensees and others – throughout the value chain.

The UN Guiding Principles on Business and Human Rights guide our approach. Carlsberg is a signatory to the UN Global Compact and we are committed to its Ten Principles, which include a strong focus on human rights.

8.5.1, 8.7.1, 8.8.1 & 8.8.2

10.2.1 & 10.3.1

12.6.1

16.b.1

See SDG index, page 97.

Our *Human Rights Policy*, overseen by our Executive Committee, sets our expectations for employees and business partners globally. All suppliers and licensees must also commit to our *Supplier & Licensee Code of Conduct*, which incorporates human rights.

In today's globalised and polarised world, human rights challenges are constantly evolving. Each year, we reassess the risks that are most salient to our business. In 2023, we also conducted in-depth human rights assessments in two high-risk markets in Asia.

Our first standalone *Human Rights Report* provides more detail on our due diligence approach and the actions we are taking to uphold human rights throughout our value chain. As this is a key focus area of our Together Towards ZERO and Beyond programme, a summary is provided here.

EMBEDDING HUMAN RIGHTS

We embed our commitment to respecting human rights across our operations and value chain, based on international standards. These include the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and its two Optional Protocols, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and additional ILO conventions setting standards for working hours, wages and benefits, and health and safety.

These standards are enshrined in our *Human Rights Policy*, which guides our day-to-day activities and business relationships. Our Senior Human Rights Manager oversees our approach and guides our business functions to help them put the policy into practice.

Human rights topics are also covered in our *Code of Ethics & Conduct* and accompanying training for new hires, which relevant employees globally repeat every three years (see page 71). Additional human rights training is available for all employees, and mandatory for those in certain roles, such as human resources, procurement, legal, and mergers and acquisitions. Additional relevant policies and guidance include our *Brand Promoter Manual*, which provides specific information on human rights for people working to promote our brands.

Our human rights requirements also apply to all our business partners – including distributors, vendors and other partners further down the value chain. Suppliers and licensees must comply with the requirements of our *Supplier & Licensee Code of Conduct*. Our Responsible Sourcing programme supports our efforts to identify and mitigate human rights risks in our supply chain, and we build supplier capacity through training (see page 78).

CONDUCTING DUE DILIGENCE

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

We review our salient human rights risks at least annually, considering severity (scope, scale and remediability) and likelihood. This year, our review was informed by the results of our preliminary double materiality assessment (see page 93), and reviews will also be informed by human rights assessments in high-risk markets going forward (see page 76). These inputs, together with input from relevant internal stakeholders, helped to sharpen our focus on the issues, relationships and markets related to our salient human rights risks.

The results of this process indicated areas where we might potentially have an adverse impact across the different stages of our value chain. Salient risks include working hours, wages and benefits, forced and child labour, and harassment and discrimination. We are using these results, together with the findings of the supplier audits conducted this year through our Responsible Sourcing programme, to further refine our due diligence activities.

Given the scale of our operations and supplier network, we also look for ways to collaborate on global human rights challenges. Our engagement includes membership of the UN Global Compact, the Sedex supplier management platform and AIM-Progress, a collaborative forum for fast-moving consumer goods firms (see page 95).

ASSESSING HIGH-RISK MARKETS

Some of the markets where we operate are affected by conflict and related human rights risks. In 2023, we enhanced our human rights due diligence efforts by commissioning external experts, including consultancy twentyfifty (see quote right), to assess potential adverse impacts on people working in our value chain in two high-risk countries in Asia.

Their work uncovered potential concerns about labour rights, safety conditions and grievance mechanisms, among others (see our *Human Rights Report* for more details). To address the findings of these in-depth assessments, we worked with local teams to develop and begin rolling out remediation plans. Our ESG Steering Committee will oversee implementation of these plans in 2024 and communicate any hurdles to our Executive Committee.

We plan to expand this assessment process to other high-risk countries, building on the findings to further strengthen our global human rights policies and processes where appropriate.

The ongoing war in Ukraine continued to present a high-risk operating environment, affecting our business and employees in the country. During 2023, we maintained regular wellness checks and support for our people there (see page 61) and provided further support for affected communities (see page 83).

“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

GRIEVANCE MECHANISMS AND REMEDY

We are committed to remedying, or cooperating in the remediation of, any adverse human rights impact we may have caused or contributed to.

We encourage any employee who believes that our policies have been breached to raise their concerns with their manager, their compliance or HR representative, or anonymously through our Speak Up channels (see page 73).

The *Carlsberg Speak Up Line* is run independently and available to anyone inside or outside Carlsberg concerned about human rights violations in our value chain. This year, we evaluated how to make Speak Up even more accessible, and added a further minority language to the 300 languages already available by phone. We also trained local human rights points of contact, employees who speak the local language, in several of our breweries in a high-risk market and alerted workers who to contact.

In 2023, we received 188 Speak Up reports, 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 investigations we completed during the year, 59% were fully or partially substantiated, and we addressed each of these through an agreed action plan. For more information on Speak Up concerns by type and region, see page 73.

For more details on our human rights governance and due diligence, see our *Human Rights Report*.

RESPECTING HUMAN RIGHTS: OUR PROGRESS & PLANNED ACTIONS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023	PLANNED ACTIONS FOR 2024
Monitor our human rights progress with oversight from our new ESG Steering Committee		Established a three-year human rights plan, approved by the ESG Steering Committee, Executive Committee and Supervisory Board, with progress reviews planned at least once a year	
Conduct an annual revision of our salient human rights risks		Revised our assessment of salient human rights risks, informed by the findings of our preliminary double materiality assessment (and going forward this will also be informed by in-depth human rights assessments in high-risk markets)	Publish our first Human Rights Report to enhance transparency on our due diligence approach and actions, to be updated every two years Conduct human rights assessments in two high-risk markets Review and update our *Human Rights Policy*
Roll out a new Responsible Sourcing programme to increase focus on salient human rights risks in the supply chain		Launched Responsible Sourcing programme, including supplier screening, risk assessments and audits (see page 78)	

Fully achieved | Partially achieved | Not achieved

SOURCING RESPONSIBLY

We strive to partner with suppliers who share our values and responsible approach to doing business.

The impact of our business goes well beyond our operations. 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 business running.

8.7.1, 8.8.1 & 8.8.2

10.3.1

12.6.1

16.b.1

See SDG index, page 97.

To work with us, suppliers must meet the requirements of 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, health and safety, and environmental sustainability.

This year, we rolled out an enhanced Responsible Sourcing programme to identify, assess and audit high-risk suppliers. We provided accompanying guidance sessions for our procurement teams, and sponsored external training on responsible sourcing topics to build capabilities among key suppliers in Asia.

Collaboration is at the heart of our approach. We work directly with suppliers and through the Sedex and AIM-Progress platforms to drive positive change in our supply chain and beyond. We also partner with suppliers to deliver our Together Towards ZERO and Beyond targets on carbon (see page 9), farming (see page 22) and packaging (see page 30).

ASSESSING SUPPLIER RISK

All Carlsberg suppliers and service providers are contractually obliged to follow our *Supplier & Licensee Code of Conduct*. In 2023, we launched a three-step process to assess supplier risk as part of our enhanced Responsible Sourcing programme. The process uses established tools offered by Sedex, a platform we are a member of that enables companies to manage and improve working conditions in their global supply chain.

We began the process by mapping the locations we source from, and the products and services we purchase, in order to establish where to focus further due diligence efforts. This approach enables us to determine a supplier's risk level through screening based on its country of operation and the service or product it provides, and to focus next steps on the suppliers most likely to pose risks in the areas covered by our *Supplier & Licensee Code of Conduct*. The screening process uses the Sedex Radar tool to assess a wide range of risk factors.

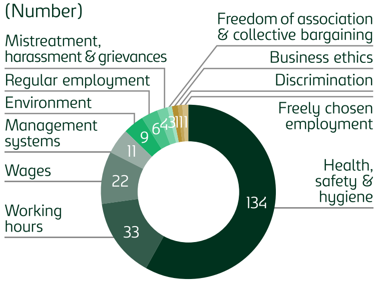
Suppliers in categories and countries identified as potentially high-risk through the initial screening process are then asked to complete the detailed Sedex self-assessment questionnaire, which generates a risk profile specific to that supplier. Those ranked as medium- or high-risk based on their self-assessment responses must next complete a rigorous four-pillar Sedex Members Ethical Trade Audit (SMETA) on labour, ethical, environmental, and health and safety risks. These audits, which include site visits, are conducted by Sedex-approved third-party auditors.

Suppliers can choose to share the results of their audits with any customer on the Sedex platform.

Through the platform, we have access to the results of 48 audits of our suppliers conducted in 2023, including eight requested by Carlsberg. Based on the audit findings, suppliers agree to corrective actions where needed, and we follow up to ensure these measures are completed. The most common findings this year relate to health, safety and hygiene, followed by working hours, wages, management systems and environmental issues (see chart below).

We will continue to roll out our three-step process to additional relevant suppliers, using the results to better understand ESG risks in our supply chain and target improvements where they are most needed. Some suppliers will be exempt from Sedex audits if they can show they have been through an alternative assessment or certification such as an SAI Platform Farm Sustainability Assessment (see page 24).

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



Depending on the supplier category and risk profile, certain suppliers are also screened for compliance risks (see page 72) or undergo quality audits (see below).

ENSURING PRODUCT QUALITY AND SAFETY

Suppliers that provide us with raw ingredients and packaging must meet food safety standards, and we monitor their compliance through regular quality audits. We also employ stringent checks and controls designed to identify and remedy any issues before products leave our premises.

Among our major breweries, all sites in Europe and 90% of those in Asia use quality management systems certified to ISO 9001. We also follow the Global Food Safety Initiative (GFSI) standards, which support continuous improvement throughout the supply chain. All our major European breweries are certified to GFSI-recognised schemes, and 90% in Asia have GFSI-equivalent qualifications. In 2023, two product recalls were required.

CASE STUDY

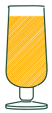
PARTNERING FOR POSITIVE SUPPLY CHAIN IMPACT

Our key suppliers face a host of ethical issues that can be hard to navigate. We are providing training to help them build capabilities through our membership of AIM-Progress – a forum of fast-moving consumer goods manufacturers and suppliers that share best practices on responsible sourcing and sustainable supply chains.

This year, we nominated three key suppliers in Malaysia and two members of our local procurement team to join a training session facilitated by AIM-Progress and expert consultants in Malaysia. The training focused on the fair and ethical treatment of foreign workers and discussed common challenges, solutions and best practices.

We also sponsored a second training programme in India that covered topics such as human rights due diligence, worker engagement, migrant labour and improving wages. We invited 14 suppliers to the event, led by expert consultancy twentyfifty.

SOURCING RESPONSIBLY: OUR PROGRESS & PLANNED ACTIONS

PLANNED ACTIONS FOR 2023	STATUS	PROGRESS IN 2023
Launch revised Responsible Sourcing programme and train relevant internal stakeholders, including procurement, HR and legal teams		Launched enhanced Responsible Sourcing programme and introduced the changes to our procurement teams in all regions, with roll-out of training sessions starting with procurement teams
Launch third-party audits, using the SMETA programme, of suppliers identified as highest-risk		Began using SMETA audits for our highest-risk suppliers, accessing findings of 48 audits of Carlsberg suppliers via the Sedex platform
Begin pre-screening of suppliers using Sedex Radar tool		Started pre-screening suppliers using the Sedex Radar tool, based on their location and the products and services they supply to us, to enable us to target further due diligence efforts, including Sedex self-assessments and audits

PLANNED ACTIONS FOR 2024

Define performance targets for our Responsible Sourcing programme

Continue to roll out supplier audits, and monitor implementation of remediation plans based on audit findings

Engage in further multi-stakeholder collaboration on responsible sourcing, including through Sedex and AIM-Progress

Fully achieved — Partially achieved — Not achieved

ENGAGING COMMUNITIES

We give back to the communities we are part of through local partnerships, brand campaigns, employee volunteering and the Foundations.

As a global business with well-known brands, we influence consumers and have an impact on people's lives wherever we operate. Our beers stand at the heart of moments that bring people together, and we extend this spirit of togetherness to our engagement with communities on the environmental and social causes they care about.

Our corporate teams and brands around the world lead local engagement initiatives designed to create positive impact for wider society.

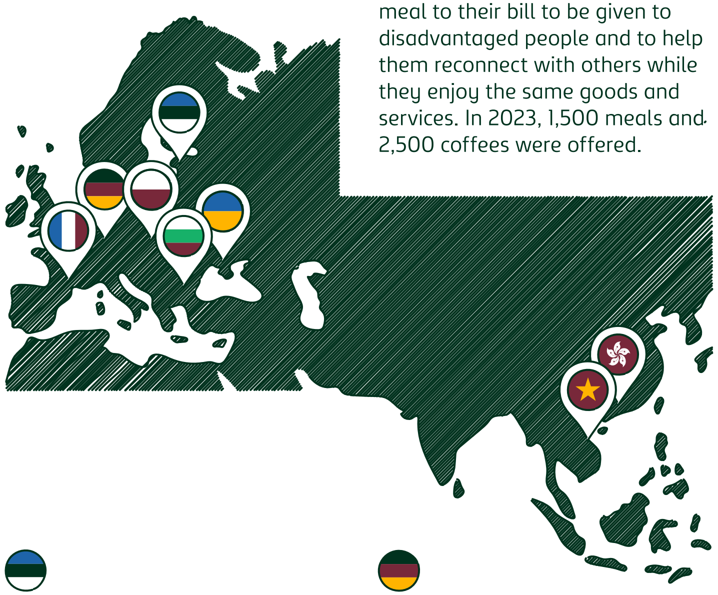
These may respond to specific local needs (see map, right) or make additional contributions to other areas of our Together Towards ZERO and Beyond programme – including support for sustainable farming and biodiversity (see pages 23 and 28), and protection of shared water sources (see page 43).

Further support for communities is provided through the three Carlsberg Foundations, with each creating benefits in different areas. The Carlsberg Foundation was established in 1876 by our founder, J.C. Jacobsen, and has supported visionary and innovative scientific research ever since. The New Carlsberg Foundation was founded by Carl Jacobsen in 1902 and supports the arts, while the Tuborg Foundation supports civil society, with a focus on youth communities.

As our principal shareholder, the Carlsberg Foundation receives almost 30% of Carlsberg Group dividends. Our unique structure (see page 89) means that the more successful our business, the more the Foundations can give back to society using Carlsberg Group dividends.

In 2023, the three Foundations donated over DKK 1bn to scientific research, the arts and civil society (see page 83).

ENGAGING LOCAL COMMUNITIES: 2023 HIGHLIGHTS



BULGARIA
More than 1,000 volunteers pitched in to clear litter from trails as part of our Pirinsko Clean Mountains campaign (see page 82).

FRANCE
Through the Kronenbourg Foundation we sponsored the Wanted Café, a unique Parisian restaurant that prioritises the rebuilding of social connectivity and solidarity. Customers can choose to add a free coffee or meal to their bill to be given to disadvantaged people and to help them reconnect with others while they enjoy the same goods and services. In 2023, 1,500 meals and 2,500 coffees were offered.

HONG KONG SAR
We continued our longstanding support for the Hong Chi Association which provides services for people with intellectual disabilities, including special education, vocational training and rehabilitation support. Employees got involved by leading creative fundraising activities and sponsoring the annual Hong Chi Climbathon.

POLAND
Employees volunteered to help create a welcoming garden with flowers, herbs, shrubs and outdoor seating for residents at a Poznań nursing home, and also tried out an old age simulator suit to better understand the residents' needs.

UKRAINE
We continued our support for colleagues and communities affected by conflict in Ukraine (see page 83).

ESTONIA
Six communities won a share of a EUR 50,000 prize fund to renovate their sports facilities in a "Refreshing Estonia" campaign run by our local Saku brand, and publicised by singer Ott Lepland, to support the country's Year of Movement.

GERMANY
Our lighthouse-inspired Lübzer brand donated EUR 10,000 to three "lighthouse projects" run by organisations focused on environmental, social and cultural causes that enhance local communities in the state of Mecklenburg-Western Pomerania.

VIETNAM
In the spirit of local Tết celebrations, our Huda brand provided care packages to 8,000 underprivileged families in nine provinces of the Central region of the country.

TOGETHER TOWARDS ZERO AND BEYOND IN ACTION: COMMUNITY ENGAGEMENT

KEEPING BULGARIA'S MOUNTAINS CLEAN

Our local brand in Bulgaria, Pirinsko, connects with consumers through a strong sense of pride and stewardship of local nature. Featuring mountain peaks on its beer labels, the brand has become synonymous with the country's great outdoors.

The Pirinsko Clean Mountains campaign, launched this year, encourages people to do their part in caring for nature while they enjoy the beautiful and wild landscape of the Pirin mountains.

For #WorldCleanUpDay in August 2023, we ran a campaign inviting consumers and mountain-goers from around the country to spend the day in the fresh air removing waste from mountain trails. Carlsberg employees took part and the local team used their annual employee volunteer day to run another clean-up event in September, again inviting members of the public to join in.

We coordinated with local municipalities and partnered with Bulgaria's leading recycling and media companies, ECOPACK and bTV Media Group, to publicise the clean-up events, which drew a huge turnout. More than 1,000 volunteers took part, picking up 500 kg of litter from the most popular trails winding through the Pirin mountains and the Kyoshkovete national park. Everyone taking part received a token of appreciation, with rewards including Pirinsko beer and reusable mugs with a mountain motif.

See Pirinsko's digital campaign here (in Bulgarian).

"Pirinsko is a purpose-driven and socially responsible brand, continuously striving to contribute to society's well-being. This year, we laid the foundations of a campaign directly focused on caring for nature. We are very happy that Pirinsko Clean Mountains gained positive feedback and support from people who participated in the events and contributed to the protection of the environment."

Andzhelika Borunova
Brand Manager, Carlsberg Bulgaria

"Great initiative, it was totally worth the time spent cleaning the mountain!"

Georgi Chobanov
Participating volunteer

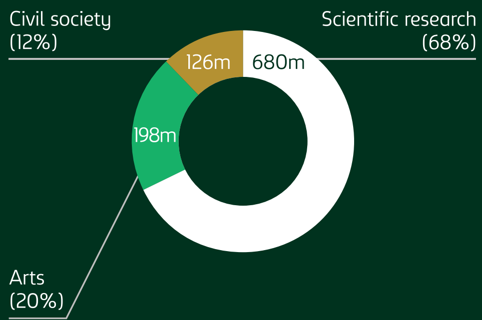
CARLSBERG FOUNDATION CONTRIBUTES DKK 1.004BN

The family of Foundations – the Carlsberg Foundation, the New Carlsberg Foundation and the Tuborg Foundation – awarded grants totalling DKK 1.004bn in 2023.

This year's grants from the Carlsberg Foundation to basic scientific research span all career stages and aim to generate new knowledge in areas of research ranging from the hormones that regulate blood sugar and digestion to insects' tolerance of heat, humans' impact on the Arctic Ocean, the universe's first black holes and the potential uses of AI to solve the mental health crisis.

Two new grant instruments for science communication were introduced by the Carlsberg Foundation this year. Grants up to DKK 3m for scientists and media outlets aim to stimulate and increase Danish public confidence in reliable scientific sources through a range of channels, from TV, radio and podcasts to festivals, exhibitions and publications.

GIVING BY TOPIC IN 2023
(Number and percentage)



CASE STORY

SUPPORTING COLLEAGUES, COMMUNITIES AND VETERANS IN UKRAINE

Carlsberg has a long history in Ukraine, where we employ 1,300 people at three breweries. This year, we continued to support our colleagues, as well as communities and veterans across the country who are affected by ongoing conflict as a result of the war in Ukraine.

- **Support for colleagues:** We set up a housing restoration fund for employees whose homes were lost or damaged, and provided practical assistance to colleagues internally displaced by military operations. For employees who are veterans of the conflict, we provided paid leave and psychological support to help them reintegrate into society.
- **Support for communities:** We continued to use our repurposed production facilities to make bottled water, delivering supplies almost daily across the country with charity partners. With other donors, we also helped restore the bombed Makariv hospital near Kyiv, now treating patients again, and helped rebuild 11 bridges through the United24 reconstruction fund.
- **Support for veterans and their families:** We continued to support the UNBROKEN National Rehabilitation Centre providing prosthetics for people injured in the war, including a new art centre for psychological rehabilitation. Our Lvivske brand, sponsor of Ukraine’s national football team, supported a fund for fallen soldiers' families.
- **Support through sponsored sports:** We joined the national Let’s Run Together campaign this year. Carlsberg sponsored the Kyiv Unbroken Marathon and paid for 35 employees to take part. Fourteen colleagues from the Lviv brewery also ran in a half marathon to raise funds for Smart Run, an NGO that supports military service members needing physical rehabilitation.

CONTRIBUTING TO ECONOMIES

The impact of our business goes beyond bringing enjoyment to millions of consumers by making a positive contribution to economies and communities worldwide.

The jobs we create in our own operations and in related sectors, as well as the taxes we pay, make a significant difference to local and national economies. We operate across markets in three regions around the globe, supporting UN Sustainable Development Goal 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

This year our business continued to demonstrate resilience despite a challenging consumer environment, significant inflationary pressure and currency headwinds. In 2023, the economic value we generated amounted to DKK 100bn and our tax contribution amounted to DKK 40bn.

Our estimated employment contribution amounted to more than one million jobs. This accounts for the employment generated not only through beverage production but also through purchasing materials, and selling and serving Carlsberg beverages.

CREATING JOBS

We directly employed over 32,000 people (full- and part-time employees) in our majority-owned businesses around the world on 31 December 2023.

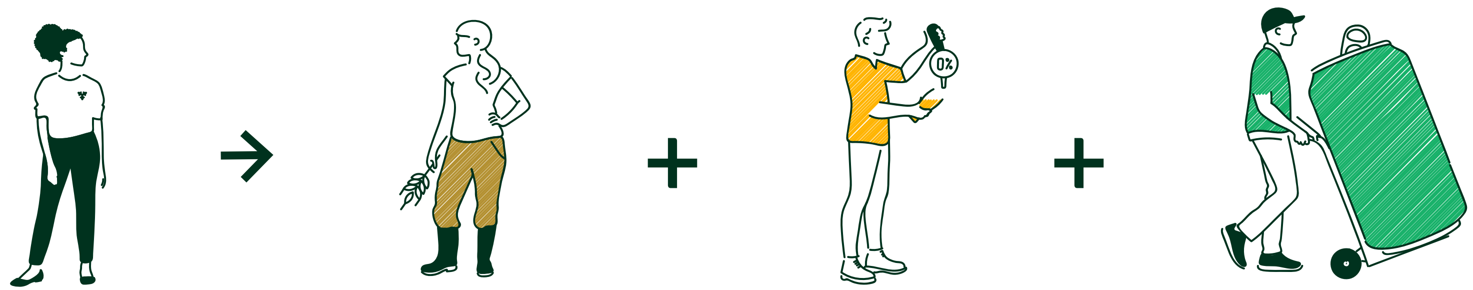
Our business also indirectly created an estimated 1.1 million more jobs – equivalent to 34 indirect jobs for each Carlsberg employee – for people involved in supplying our raw ingredients and packaging, delivering our beer to customers and serving it to consumers (see below)[1].

Many of the indirect jobs we create around the world sustain people in rural areas, where employment opportunities can be scarce, particularly through our agricultural suppliers and at breweries outside cities.

>32,000
EMPLOYEES (INCLUDING PART-TIME EMPLOYEES)

≈1.1 million
INDIRECT JOBS CREATED

INDIRECT JOBS CREATED



1 Carlsberg employee creates an additional...

4 jobs in the supply chain providing ingredients, packaging and transport for our beers (4 in 2022)

13 jobs in hospitality serving our beers in bars and restaurants (12 in 2022)

17 jobs in retail selling our beer in stores (14 in 2022)

8 DECENT WORK AND ECONOMIC GROWTH

8.1.1

See SDG index, page 97.

[1] Estimation by research consultancy Europe Economics. See page 161 for details of the methodology used.

TAX CONTRIBUTION

ADDING ECONOMIC VALUE

Our business and our beer generate substantial revenues for governments, support public services and stimulate economic growth.

We operate in Asia, Central & Eastern Europe and Western Europe. Across these three regions, our tax payments support target 8.1 of the UN Sustainable Development Goals – to sustain per capita economic growth.

In 2023, the Carlsberg Group generated DKK 100bn in total economic value[1] (see right).

We also supported business in related sectors – such as agriculture, retail and hospitality – that generated additional government revenues.

TOTAL TAX CONTRIBUTION

Our *Tax Policy* is based on good corporate practice. It sets out our commitment to fulfil our global tax obligations and contribute to the societies in which we do business.

Our total tax contribution amounted to DKK 40bn in 2023, including:

- Taxes paid directly, including corporate income tax, social security taxes and other taxes (including environmental taxes).
- Taxes collected on behalf of governments, including personal income taxes paid on behalf of our employees, VAT and excise duties.

The total Group effective tax rate was 18.9% globally this year. We recognise that shareholders and other stakeholders want to see transparency from multinational corporations on tax policies and tax payments. Since 2021, we have provided a regional breakdown of our tax contribution and effective tax rate excluding unspecified group adjustment entities (see right). We expect to continue this practice until EU Directive 2021/2101 on public country-by-country tax reporting is enacted.

METHODOLOGY AND DEFINITIONS

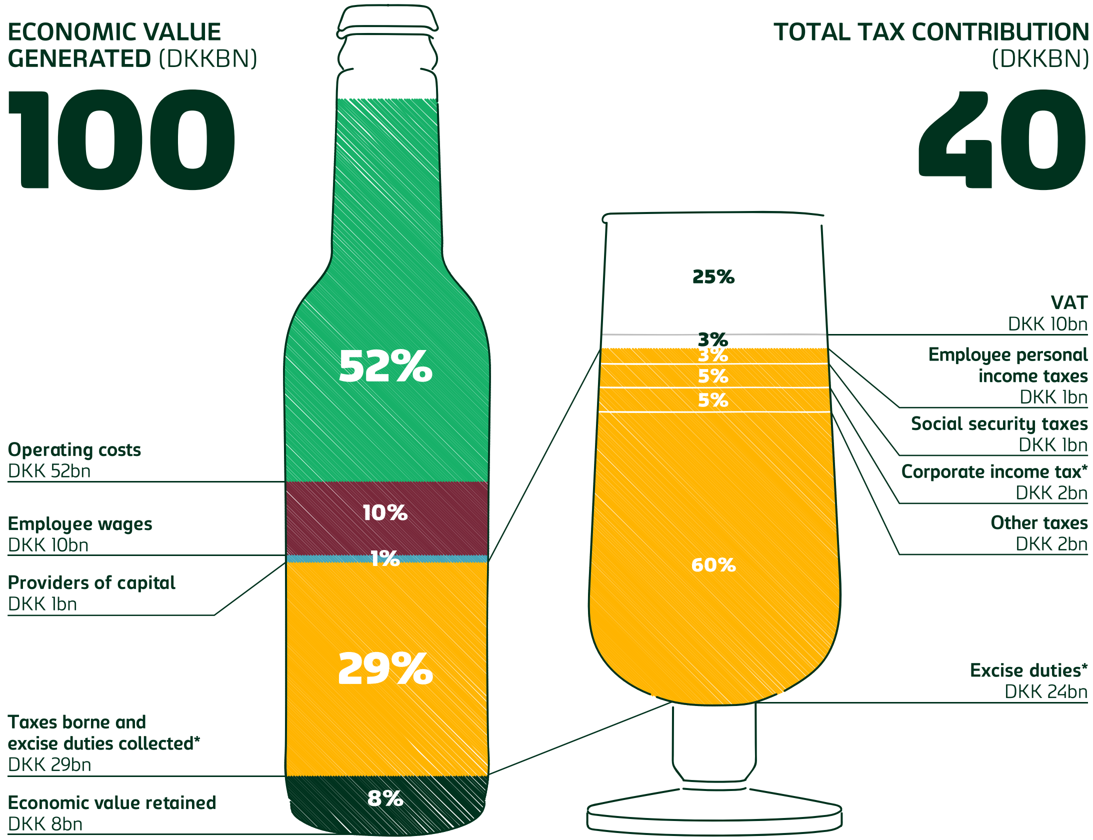
See page 158 for our tax contribution principles and page 161 for details of the methodology we use to calculate our economic contribution and definitions of the categories used.

[1] Economic value generated is a combination of gross revenue, other income, financial income and income included in special items. Numbers are rounded.

* 2023 data within PwC's assurance scope. See previous ESG and sustainability reports for assurance of data published in prior years.

	WESTERN EUROPE	ASIA	CENTRAL & EASTERN EUROPE
Tax paid (DKKm)	**21,462**	**12,936**	**4,915**
VAT	5,967	2,384	1,341
Employee taxes	1,513	446	341
Corporate income tax	705	1,161	300
Excise duties	12,480	8,537	2,608
Other taxes and duties	795	409	325
Proportion of total tax paid	**54%**	**34%**	**12%**
Proportion of total revenue	**50%**	**32%**	**18%**
Effective tax rate (ETR)	**21%**	**23%**	**17%**

Note: All figures have been rounded.



TAX GOVERNANCE

TAX INCENTIVES

We manage our tax affairs proactively and we seek to maximise shareholder value in accordance with our Group's strategy. At the same time, we contribute to society by paying the right amount of tax, at the right place and at the right time.

Tax incentives are introduced to encourage specific investments and activities. In line with our *Code of Ethics & Conduct*, we actively pursue benefits from opportunities provided by governments that are commonly available to businesses in the jurisdiction.

As an example, we make use of the possibility for increased deduction on costs related to research and development in Denmark.

TAX HAVENS

We do not undertake aggressive tax planning and we do not use so-called tax havens to avoid taxes on activities that take place elsewhere.

We use the EU list of non-cooperative jurisdictions as a reference point to define tax havens, Russia was added to this list during 2023 and Carlsberg's presence in Russia relates to the ownership of Baltika Breweries, which is locally present with active brewery business. The Russian government has issued a presidential decree temporarily transferring the management of Baltika Breweries to the Russian Federal Agency for State Property Management. According to the presidential decree, Carlsberg retains title to the shares in Baltika Breweries, but otherwise no longer has control or influence over the management of the business. The Russian business is therefore not included in the scope of our ESG reporting in 2023 (see page 120 for more detail on the reporting process and scope, and page 156 for the list of reporting sites).

GOVERNANCE AND TRANSPARENCY

Strong sustainability governance and engagement are key to achieving our Together Towards ZERO and Beyond ambitions.

We regularly review ESG risks and priority issues relevant to our business. In 2023, we conducted a preliminary double materiality assessment to confirm that our ESG programme is focused on the areas that can have most impact on society and our business – and to help us prepare for forthcoming reporting regulations.

As part of our commitment to transparent reporting, we disclose detailed ESG data, define and seek external assurance for key performance indicators, and explain the methodologies we use to measure progress.

We also report our contributions to the UN Sustainable Development Goals (see page 97), Global Compact (see page 102) and Women's Empowerment Principles (see page 103).

RECOGNITION FOR OUR ESG APPROACH AND PERFORMANCE

MSCI: AAA ESG rating – among the top-ranked in the beverage industry.

FTSE4Good: Included in the FTSE4Good Index of companies demonstrating strong ESG practices.

Nasdaq: Awarded ESG Transparency Partner 2022 badge in recognition of high level of transparency with investors on ESG topics.

CDP: A for climate and A for water, based on last year's CDP disclosure. We expect the CDP results corres-ponding to our 2023 disclosure to become available in 2024.

Financial Times-Statista list: A rating in list of Europe's Climate Leaders 2023.

Position Green ESG100: A+ rating – among the top 5% of the largest listed Scandinavian companies prepared for reporting in line with the forthcoming European Sustainability Reporting Standards.

World Benchmarking Alliance: 22nd in the 2023 Food and Agriculture Benchmark and 24th in the 2023 Nature Benchmark, demonstrating sustainability leadership among the 350 companies assessed.

ESG GOVERNANCE

Ultimate accountability for ESG at Carlsberg, including our Together Towards ZERO and Beyond (TTZAB) ESG programme, lies with our Supervisory Board. Our CEO and Executive Committee (ExCom) provide strategic guidance and approval on policies, targets and resources to support TTZAB implementation and ExCom is responsible for the programme's performance.

Leaders from across the business contribute to our decision-making on relevant topics through our ESG Steering Committee. The role of the Steering Committee is to help us overcome implementation challenges, capitalise on opportunities related to TTZAB, and accelerate our response to growing stakeholder expectations and regulatory requirements on ESG.

Ownership of our ESG focus areas – and delivery of our TTZAB targets – remains anchored within relevant business functions. External experts from the Carlsberg Sustainability Advisory Board (CSAB, see page 91) inform our approach by engaging with our CEO and ESG Steering Committee. The CSAB also includes members of Carlsberg's governing Supervisory Board.

HOW WE MANAGE TOGETHER TOWARDS ZERO AND BEYOND (TTZAB)

Supervisory Board

Executive Committee
Accountable for TTZAB performance

ESG Steering Committee
Advises the Executive Committee on TTZAB policies, implementation & performance management

Group Sustainability & ESG
Drives strategic initiatives & partnerships, supports ESG Champions

Carlsberg Sustainability Advisory Board
Provides external perspective

TTZAB Area Owners
Responsible for TTZAB implementation in their area

ZERO Carbon Footprint	**ZERO Farming Footprint**	**ZERO Packaging Waste**	**ZERO Water Waste**	**ZERO Irresponsible Drinking**	**ZERO Accidents Culture**
EVP, Integrated Supply Chain	EVP, Integrated Supply Chain	EVP, Integrated Supply Chain	EVP, Integrated Supply Chain	Chief Commercial Officer	EVP, Integrated Supply Chain

Responsible Sourcing	**Diversity, Equity & Inclusion**	**Human Rights**	**Living By Our Compass**	**Community Engagement**
EVP, Integrated Supply Chain	Chief Human Resources Officer	VP, Corporate Affairs	VP, Compliance	Local Management

Market & Function Leadership Teams
Responsible for demonstrating leadership & integrating TTZAB in their market/function

ESG Champions
Responsible for coordinating local implementation and communication

Local TTZAB Target Owners
Responsible for local implementation

EMBEDDING TTZAB IN OUR BUSINESS

TTZAB forms part of our Group nine-grid – the priorities that steer progress on our SAIL'27 strategy. ESG topics, including key elements of our TTZAB programme, are regularly discussed during meetings of our Supervisory Board, ExCom, Extended Leadership Team and Audit Committee.

In 2023, there was significant engagement on TTZAB and related ESG matters at 19 of these top management meetings, and the ESG Steering Committee met twice. Topics discussed included ESG governance, progress towards TTZAB targets and related resourcing, and regulatory developments, including new European reporting standards (see page 92).

We embed TTZAB throughout the business by integrating responsibility for specific areas of the programme and management of ESG topics into core business functions. In 2023, we introduced a new scorecard to ensure that sustainability criteria are consistently integrated in decision-making about the development of our products globally (see page 34).

Designated TTZAB target owners drive progress towards our 2030 and 2040 targets within their respective areas of responsibility. They are supported by leadership teams in our local markets and relevant functions.

Our Group Sustainability & ESG team drives strategic programmes and partnerships, and ESG Champions across the business help to coordinate local initiatives.

REVIEWING AND DRIVING PERFORMANCE

KPIs for our TTZAB programme are reported monthly to our Integrated Supply Chain management team and ExCom, and at least twice a year to our Supervisory Board. Both ExCom and the Supervisory Board review overall ESG performance and progress towards our TTZAB targets at least once a year, in addition to reviewing relevant investments and projects in line with normal business procedures.

Members of the Supervisory Board are not included in any incentive programmes, but are responsible for approving all incentive scheme structures, KPIs and targets considering the recommendations from the Remuneration Committee.

Executive remuneration is linked to ESG performance and progress on TTZAB. Previously, 20% of our short-term incentive scheme for the Executive Board was linked to ESG-related KPIs. In 2023, we expanded ESG-linked remuneration to include our global Extended Leadership Team by integrating specific targets related to TTZAB topics into our long-term incentive scheme, approved by the Supervisory Board. ESG performance now accounts for 20% of the LTI scheme for 2023-2025. This shift aims to incentivise the longer-term investments needed across the business to meet our ambitious TTZAB targets for 2030 and 2040 on topics such as carbon emissions, water efficiency and diversity, equity and inclusion. Specific metrics include our value chain carbon footprint, number of carbon-neutral breweries, brewery water usage, water replenishment in high-risk areas and share of women in senior management.

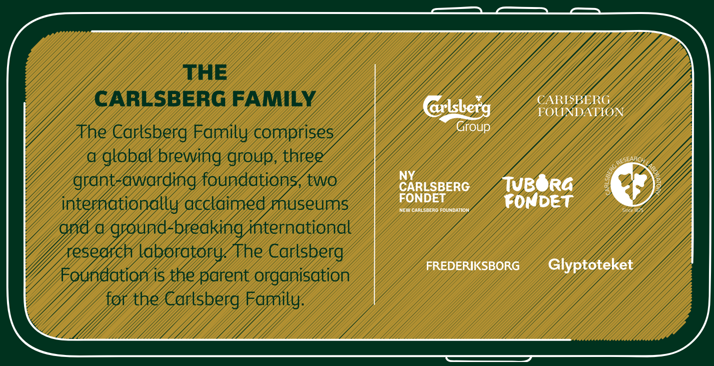
The Remuneration Committee reviews performance four times a year, and our annual *Remuneration Report 2023* includes full disclosure of the remuneration we provide to our Supervisory Board and Executive Management.

Remuneration is also linked to performance on TTZAB targets for other roles throughout our business –

ROLE OF THE CARLSBERG FOUNDATION

The Carlsberg Foundation is the company's largest shareholder. The Chair of the Carlsberg Foundation, Majken Schultz, also serves as Deputy Chair of the Carlsberg Group's governing body, the Supervisory Board. In 2023, the Foundation's representation on the Supervisory Board was reduced to two members – down from three in 2022. These changes were made in line with good corporate governance at a large global corporation to support a board composition that offers the right scope and competences for our business.

The Carlsberg Foundation receives almost 30% of the Carlsberg Group dividends and distributes this revenue to benefit society. The Foundation supports basic research within natural sciences, social sciences and humanities. It also provides funding for its three additional departments – the Carlsberg Research Laboratory, the Museum of National History at Frederiksborg and the Tuborg Foundation – as well as funding for the New Carlsberg Foundation, which is an independent foundation under the Carlsberg Foundation. The New Carlsberg Foundation supports the arts and the Ny Carlsberg Glyptotek art museum. In 2023, the three foundations collectively distributed DKK 1.004bn to support scientific research and science communications, the arts and civil society (see page 81).



including executives, brewery managers, facilities managers, and innovation, marketing and sustainability teams. Relevant KPIs range from energy and water savings to stakeholder engagement, brand engagement and reputation.

Achieving our ambitions requires partnership with others who share our vision for a more sustainable brewing industry. We include ESG criteria in supplier selection processes, collaborate with customers for collective impact, and develop partnerships to address specific issues and opportunities for positive impact.

MANAGING RISK

Our business is subject to risks and uncertainties that could have both short-term and long-term implications. The Supervisory Board is ultimately responsible for Carlsberg's risk management framework and its effectiveness, reviewing the risk matrix at least once a year and monitoring identified issues such as strategic, operational, financial and compliance risks. ExCom is responsible for reviewing the overall risk exposure associated with the Group's activities and ensuring that appropriate actions are taken.

EMERGING AND LONG-TERM RISKS IDENTIFIED IN 2023: TOP ESG RISKS

Future implementation of carbon pricing	and other regulatory ESG mechanisms leading to unfavourable changes to profitability
Physical operational interruptions	due to climate change, and notably those related to water scarcity and quality, leading to production disruptions and sales losses
Rising likelihoods of storms or flooding	due to climate change, leading to brewery and/or wider supply chain disruptions and sales losses

In 2023, we updated our risk management process to ensure timely identification and proactive management of risks and uncertainties throughout the year. Our annual assessment of double materiality from 2023 onwards (see pages 92 and 93) is aligned with the Group's overall risk management process, as well as the European Climate Risk Assessment (EUCRA) approach to assessing financially material ESG risks. The top three financially material ESG risks identified in 2023 are present in the long term (see table above).

Risks are assessed according to a two-dimensional heat map that estimates the risk's impact on operating profit or brand/image and the likelihood of the risk materialising. The identification of current and emerging risks is founded on a systematic bottom-up and top-down approach involving markets, regions and functions, complemented with external views. Local and functional risk assessment workshops follow the same principles and methodology as Group-level risk assessment and take place at least annually. ExCom assigns risk owners across the business responsible for risk management activities.

We integrate ESG risks into the assessment and management of business risks, including in relation to legal and regulatory compliance, regulatory changes and consumer action in the event of non-performance on ESG matters. Our approach integrates a focus on longer-term ESG challenges, such as an evaluation of climate-related financial risks (see page 20) that includes mapping of risks to our physical operations against the climate scenarios RCP 2.6, 4.5 and 8.5[1] (see right). In addition, we assess water risks for our breweries and key crops (see page 40) as part of our TTZAB programme, and we plan to conduct an in-depth climate- and nature-related scenario analysis in 2024.

ENHANCING THE PICTURE OF OUR PHYSICAL CLIMATE RISKS

This year, we enhanced our approach to assessing the physical risks that climate change poses to the breweries we operate. For several years we have been using a software tool to run our sites, based on their geo-codes, through an annual analysis that simulates the physical risk they are exposed to under different climate scenarios and along different time horizons. We enhanced our assessment by building longer time horizons into the model to give us a fuller picture of the physical risks, and ran simulations according to:

- **Three climate scenarios[1]:** RCP 2.6 (1.5°C), RCP 4.5 (2-3°C) and RCP 8.5 (4°C)
- **Four time horizons:** 2023 (current), 2030, 2050 and 2100

The software enables us to take a climate data-based approach to identifying where risks can emerge and to quantifying their magnitude (i.e. the financial value of total asset replacement), and through annual assessments we continuously monitor how the physical risk landscape evolves. While individual sites may be at physical risk under different simulations, currently we do not see any cluster of sites that are at physical risk(s) that would cause substantial financial impact(s).

In cases of notable site-specific risks being found, risk-mitigating actions are triggered. For example, when we found individual sites at notable risk of flooding in China and India, we engaged local authorities to better understand the public flood defences and response capabilities, and took actions to adapt our management of flood risks and enhance our flood defences at the relevant breweries. We also adapted our Capital Expenditure Manual to require that an analysis be run with the software when making investment proposals above certain investment thresholds in order to adequately consider physical risks in longer-term investment decisions.

[1] RCP scenarios refer to Representative Concentration Pathway (RCP) greenhouse gas concentration trajectories adopted by the Intergovernmental Panel on Climate Change (IPCC).

INTEGRATING EXTERNAL PERSPECTIVES

The Carlsberg Sustainability Advisory Board (CSAB) provides valuable external perspectives on ESG. Its remit is to:

- Help us stay in sync with external expectations and remain true to our founder's aspirations through our purpose, strategy and actions.
- Deliver strategic advice, critical review and feedback.
- Act as a sparring partner for our executive leadership team.

External members of the CSAB (listed below) engage directly with our ExCom and ESG Steering Committee. Our CEO chairs the CSAB and the senior director of our Group Sustainability & ESG function facilitates the meetings.

In 2023, topics discussed by the CSAB included TTZAB performance, ESG governance, human rights, regenerative agriculture and forthcoming regulations on reporting.

CARLSBERG SUSTAINABILITY ADVISORY BOARD (CSAB): EXTERNAL MEMBERS

- **Magdi Batato,** Executive Vice President and Head of Operations, Nestlé, and member of the Carlsberg Group's Supervisory Board.
- **Knut Haanaes,** Professor and Lundin Sustainability Chair, Institute for Management Development (IMD), Lausanne.
- **Acacia Leroy,** Innovation Design Lead, Deloitte SEA Greenhouse.
- **Frank van Ooijen,** Independent sustainability and corporate communications consultant.
- **Majken Schultz,** Professor of Management and Organisation Studies, Copenhagen Business School, Chair of the Carlsberg Foundation's Board of Directors and Deputy Chair of the Carlsberg Group's Supervisory Board.

ENGAGING OUR PEOPLE ON TTZAB

We want our people to be guided by our purpose and get involved in the TTZAB programme – at global and local level – to help us drive progress towards our targets.

In our 2023 employee survey, 77% of respondents agreed that working for Carlsberg gives them a sense that they are part of something with a larger purpose, and 88% agreed that Carlsberg is environmentally responsible. Scores on social topics such as diversity, equity and inclusion also continued to improve (see page 69).

We ran an engagement campaign this year to foster greater understanding and a deeper connection to our purpose of brewing for a better today and tomorrow. We encouraged employees to reflect on and share what our purpose means to them in a short video clip, and many employee submissions focused on the links between our purpose and our TTZAB programme. We then shared a film compilation of these clips with all employees at a virtual fireside chat with the ExCom, where employees could directly ask questions to ExCom members about various topics, including our progress, plans and challenges regarding TTZAB.

A series of new online learning modules introduces employees across the business to specific TTZAB focus areas. These are hosted on a TTZAB online hub, together with additional guidance. Our CEO and other leaders communicate regularly on TTZAB topics through townhall meetings, videos and Q&A sessions.

This year, local teams ran campaigns raising awareness of actions employees can take to make a difference to the environment, such as an internal engagement in Malaysia that introduced video explainers and new recycling points in the workplace to encourage people to become a ZERO HERO by correctly and consistently segregating waste. Employees also got involved in initiatives to promote responsible drinking (see page 51) and support their local communities (see page 81).

REPORTING IN LINE WITH RECOGNISED FRAMEWORKS

We look for opportunities to align our reporting with recognised frameworks and meet growing demand for specific disclosures from investors, regulators and other stakeholders. These include:

- **CDP:** We share detailed information on our carbon and water management and performance through our CDP disclosures.
- **EU Corporate Sustainability Reporting Directive (CSRD):** We have begun preparations to report in line with CSRD requirements, including conducting a preliminary double materiality assessment aligned with the CSRD (see right).
- **Danish Financial Statements Act:** This report serves as our statutory statement on corporate social responsibility in accordance with sections 99a, 99d and 107d of the Danish Financial Statements Act.
- **EU Taxonomy:** Our reporting in line with the EU Taxonomy includes an eligibility and alignment assessment of our activities under all six objectives (see page 106).
- **Greenhouse Gas Protocol:** We report emissions in accordance with the Greenhouse Gas Protocol for Scope 1, 2 and 3. Notably, our logistics emissions are not included in our Scope 1 brewery emissions but are included in our value chain emissions. See Indicator Definitions (page 122) and Value Chain Carbon Emissions Methodology (page 160) for more details.
- **Science-Based Targets initiative (SBTi):** Our GHG inventory and progress against our science-based targets are reported annually through our ESG reporting, as required by the SBTi.
- **Task Force on Climate-related Financial Disclosures (TCFD):** We report in line with TCFD recommendations (see page 20 and our *Annual Report*).
- **UN Global Compact:** This report serves as the basis for our 2023 Communication on Progress to the UN Global Compact, which will be submitted in 2024. We include an index of reporting against the Global Compact's Ten Principles on page 102.
- **UN Sustainable Development Goals (SDGs):** We signpost relevant SDGs throughout this report and include a summary of our contributions to specific SDG targets on page 97.
- **UN Women's Empowerment Principles:** We include an index of our support for each of the UN Women's Empowerment Principles on page 103.

GETTING READY TO REPORT IN LINE WITH THE CSRD[1]

NEW REPORTING REQUIREMENTS

From 2024, we will align our ESG reporting with the requirements set out by the EU Corporate Sustainability Reporting Directive (CSRD). The CSRD increases the breadth and granularity of ESG disclosures to enhance transparency. It provides a standardised framework designed to make it easier for investors and other stakeholders to understand and compare different companies' approaches and performance on ESG topics.

We remain committed to transparency by reporting our approach and performance on our most material ESG topics. We have disclosed our material topics since 2008 and this year we have aligned our latest materiality assessment with the CSRD requirements (see below and page 93).

ALIGNING WITH THE ESRS FRAMEWORK

The European Sustainability Reporting Standards (ESRS), which form part of the CSRD, provide a detailed reporting framework. They define general requirements and disclosures, as well as ten specific ESG topics each with their own sub-topics and datapoints. Each reporting company is required to disclose the topics, sub-topics and datapoints that are material to its business, based on a double materiality assessment that identifies material business impacts and financially material risks and opportunities.

CONDUCTING OUR PRELIMINARY DOUBLE MATERIALITY ASSESSMENT

This year, we conducted a preliminary double materiality assessment, aligning our methodology with the CSRD requirements and ESRS framework (as were available by October 2023). We are voluntarily disclosing a summary of the findings (see page 93), ahead of mandatory reporting next year. We will revisit the assessment in 2024 with an enhanced set of inputs, including further analyses and additional interviews, and will also capture any stakeholder feedback and EU guidance. Going forward, we will conduct annual materiality assessments, adjusting our approach in line with evolving requirements and emerging best practices.

PREPARING FOR CSRD-ALIGNED REPORTING IN 2024

We are using the findings of our preliminary double materiality assessment to support preparations for reporting in line with CSRD requirements. Our preparations include further analyses, changes to our systems and new ways of working to capture additional ESG data and to integrate new and existing processes. Preparations will continue throughout the initial phase-in period allowed for by the CSRD.

Our CSRD-compliant ESG disclosures for the 2024 reporting year will be presented in the Sustainability Statement in our next Annual Report, to be published in early 2025.

[1] The preliminary double materiality assessment and our broader work in preparation for the CSRD, as presented in this report, are not subject to assurance in 2023.

IDENTIFYING OUR PRIORITIES

We aim to ensure that our work remains focused on the ESG topics that are most significant to our business and our stakeholders – our most material topics.

FOCUSING ON OUR MOST MATERIAL TOPICS

Our TTZAB programme was informed by our 2020 materiality assessment, which identified where we can have the most positive economic, environmental and social impact.

In 2023, we conducted a preliminary double materiality assessment in line with the CSRD requirements and the ESRS framework as part of our preparations towards CSRD-aligned reporting (see page 92). We are voluntarily disclosing a summary of the preliminary results this year (see below), and plan to disclose the results of our next assessment, to be conducted in 2024 (the first year in which we must comply with the CSRD), in more detail.

The preliminary assessment this year confirmed that our TTZAB programme focuses our actions and commitments in the areas that are most material for our business and our stakeholders. A simplified mapping of ESG topics – as defined by the ESRS framework – against our TTZAB focus areas illustrates how our programme helps us to address material impacts, mitigate material risks and capture material opportunities (see page 94).

ASSESSING DOUBLE MATERIALITY

A double materiality assessment considers the materiality of each ESRS topic, sub-topic and sub-sub-topic based on the impact our business can have on people and the environment, and on the financial risks and opportunities to our business stemming from these same topics.

Our preliminary double materiality assessment identified material impacts within all ten ESRS topics, and financially material medium- and long-term risks and opportunities within three of them. Using this as a starting point, we will conduct deep-dive analyses into these material impacts, risks and opportunities to enhance inputs to our 2024 assessment.

The table below summarises the materiality of each of the ten ESRS topics. We will disclose further detail on sub-topics and datapoints, structured according to the ESRS framework, in our reporting for 2024 based on our next materiality assessment with enhanced inputs.

OUR ASSESSMENT PROCESS

We set up a steering committee that included senior leaders from our Group Finance, Risk Management and ESG functions to oversee our materiality process. We also engaged an external consultancy to support us in ensuring our methodology aligns with the CSRD requirements and to conduct the assessment as an objective third party, in line with the agreed methodology and based on the various inputs gathered.

We ran a series of workshops to gather input from more than 40 relevant experts and senior leaders in the business, conducted together with external subject matter experts. We also conducted 12 interviews with external stakeholders representing our value chain (such as suppliers and customers), investors and civil society. In addition to the inputs gathered from internal and external stakeholders, we took into account a wide range of internal and external inputs, including relevant publications by expert institutions

PRELIMINARY DOUBLE MATERIALITY ASSESSMENT 2023: SUMMARY OF RESULTS

	IMPACT MATERIALTY			FINANCIAL MATERIALITY		
EUROPEAN SUSTAINABILITY REPORTING STANDARDS	**Material impact(s) affecting people and the environment** [Yes/no]	**If yes, type of material impact(s) identified** [Positive and/or negative]	**If yes, impact time horizon(s)** [Short-term: 12-18 mos; medium-term: 18 mos – 7 yrs; long-term: 7+ yrs]	**Material financial effects(s) affecting Carlsberg's ability to create value** [Yes/no]	**If yes, type of material financial effect(s) identified** [Risk and/or opportunity]	**If yes, effect time horizon(s)** [Short-term: 12-18 mos; medium-term: 18 mos – 7 yrs; long-term: 7+ yrs]
E1: Climate change	Yes	Positive & negative	Short-, medium- & long-term	Yes	Risk	Long-term
E2: Pollution	Yes	Negative	Short-, medium- & long-term	No	-	-
E3: Water & marine resources	Yes	Positive & negative	Short-term	No	-	-
E4: Biodiversity & ecosystems	Yes	Positive & negative	Short-, medium- & long-term	No	-	-
E5: Resource use & circular economy	Yes	Positive & negative	Short-, medium- & long-term	Yes	Opportunity	Long-term
S1: Own workforce	Yes	Positive & negative	Short-, medium- & long-term	No	-	-
S2: Workers in the value chain	Yes	Positive & negative	Short- & medium-term	No	-	-
S3: Affected communities	Yes	Positive & negative	Short-, medium- & long-term	No	-	-
S4: Consumers & end-users	Yes	Positive & negative	Short-, medium- & long-term	Yes	Risk & opportunity	Medium- & long-term
G1: Business conduct	Yes	Positive & negative	Short-term	No	-	-

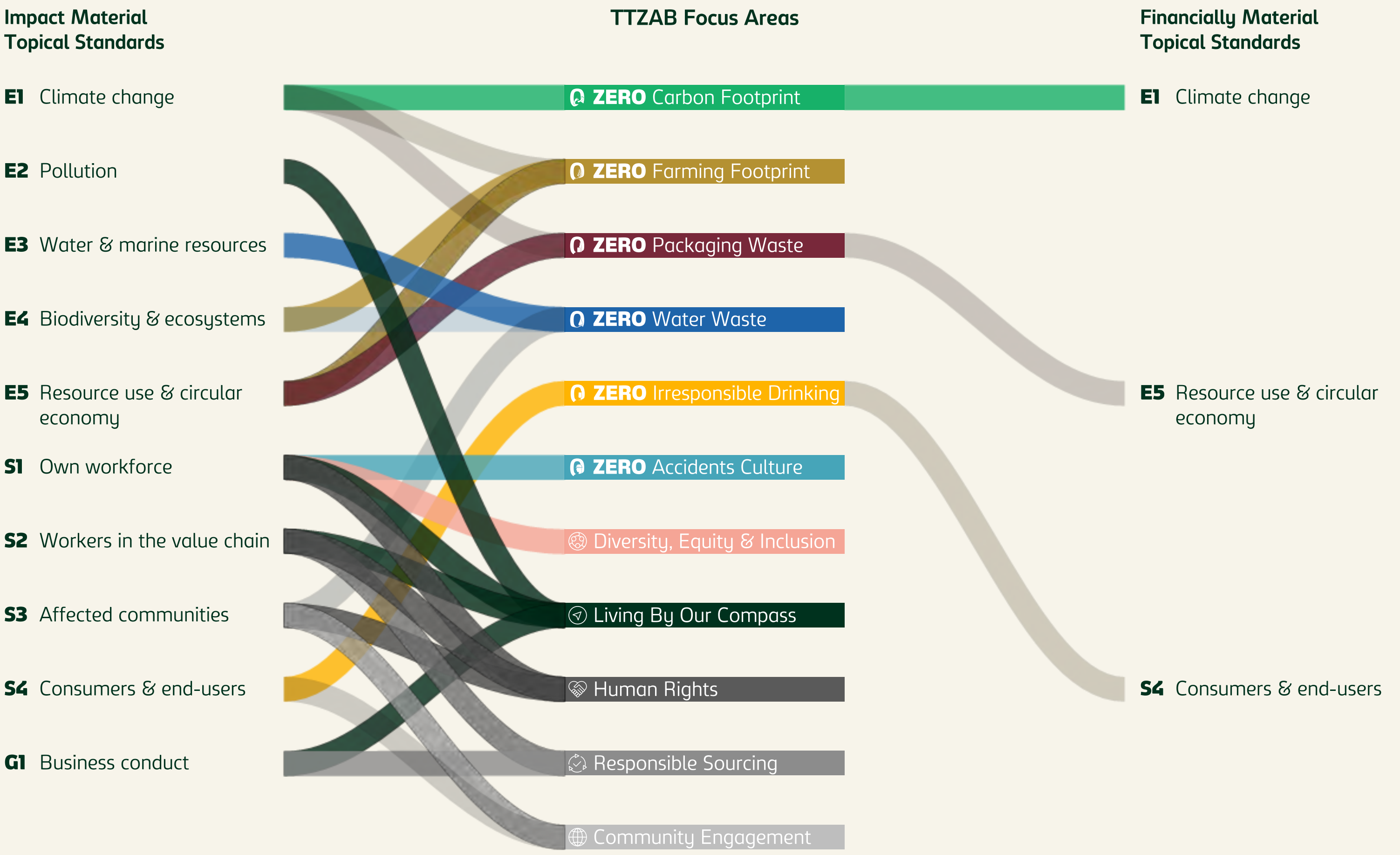
and stakeholders, such as analyses by WWF and Bernstein. We strived to use primary inputs where available, and supplemented these with secondary inputs.

Going forward, we will conduct double materiality assessments annually to monitor how our material impacts, risks and opportunities evolve over time, and to take into account the mitigating effects of our TTZAB ESG programme as we continue to make progress towards our TTZAB targets and live up to our commitments.

We will evolve our approach to assessing materiality in line with further regulatory requirements, guidance and best practices as they emerge, including any that will be specific for our sector. Outputs of our materiality assessments will also be refined over time as the availability and quality of data improve, and as we expand the range of primary inputs that are more specific to our business than secondary inputs.

ADDRESSING OUR MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

How our Together Towards ZERO and Beyond (TTZAB) programme links to the European Sustainability Reporting Standards (ESRS) framework and helps us to address material topical standards*



*This mapping is for illustrative purposes only. It serves to underline the relevance of our TTZAB programme in addressing our material impacts, risks and opportunities that we have identified across the topical standards. Connections between our TTZAB focus areas and the topical standards are drawn where our TTZAB activities are considered relevant in creating positive impacts, mitigating negative impacts, capturing opportunities and mitigating risks in one or more instances within a given topical standard. The basis for these considerations is our latest double materiality assessment, therefore these considerations and the resulting mapping may evolve over time on the basis of our future double materiality assessments. The mapping does not capture the full complexity of our latest double materiality assessment.

ENGAGING STAKEHOLDERS

Dialogue with stakeholders helps us understand what matters most to them and respond accordingly. This is essential for fostering open communications and building trust. Input from stakeholders helps us define and prioritise our sustainability efforts, and our partnerships enable us to drive progress Together Towards ZERO and Beyond.

How we engage with stakeholders on sustainability topics

STAKEHOLDER	HOW WE ENGAGE	TOPICS OF INTEREST	OUR RESPONSE
Consumers	Marketing campaigns Social media Local websites Responsible drinking initiatives Purpose-driven brand campaigns	Consumer demand for healthier and more sustainable options is growing. More sustainable packaging is the most tangible aspect of sustainable products for consumers.	We are developing products and packaging that are more sustainable for the planet through our TTZAB targets on carbon (see page 9), farming (see page 22), packaging (see page 30) and water (see page 38). We use the power of our brands to engage consumers on key environmental and social issues such as climate change, water scarcity, responsible drinking, and diversity, equity and inclusion. Carlsberg is a signatory to the World Federation of Advertisers' (WFA) Planet Pledge and our Marketing Communication Policy and Environmental Claims guidance inform our approach to responsible marketing with input from the WFA, the EU and Denmark's Consumer Ombudsman. Our marketing also encourages consumers to enjoy our beer responsibly. We include product labelling to support responsible choices, and are aiming for 35% of all brews we sell to be no- or low-alcohol by 2030. Our companies and brands connect directly with consumers through local partnerships to promote responsible drinking (see page 51).
Customers	Sales and marketing channels Responsible drinking partnerships Customers' supplier requirements, questionnaires and audits Customer satisfaction surveys	Customers want to know how we can help them reduce risks in their supply chain, achieve their own sustainability goals, and meet consumer demand for healthier and more sustainable options.	In addition to our own response to consumers (see above), we partner with customers, including festivals, bars and retailers, on ESG-related campaigns such as Global Beer Responsibility Day (see page 51). By doing business responsibly, mitigating ESG-related risks and capturing ESG-related opportunities, we help customers reduce risks and capture opportunities in their own supply chain. We also work with customers on shared sustainability initiatives such as developing and testing sustainable innovations that can lead to wider market uptake. For example, in Switzerland we teamed up with Arboloom this year to trial locally made wooden cups at music festivals that sell our beer (see page 35).
Employees	Annual employee survey Ongoing dialogue and feedback Twice-yearly performance reviews Formal consultation with employee representatives	In 2023, we included questions on diversity, equity and inclusion for the first time in our global survey, eliciting positive feedback about our efforts to nurture a welcoming and inclusive workplace environment. Employees felt we could still do more on inclusivity and how managers support team members. Our overall employee engagement index was 82 – seven points above the external survey benchmark.	In 2023, we continued to offer locally tailored wellbeing initiatives and to empower employees to adopt flexible working practices (see page 67). We further strengthened our focus on diversity, equity and inclusion with a new Global Parental Leave policy, more steps to remove bias from our hiring processes, a global sponsorship programme for women leaders and mandatory training to prevent sexual harassment (see page 63).
Industry	Engagement through industry organisations such as the International Alliance for Responsible Drinking (IARD), the Worldwide Brewing Alliance (WBA), Brewers of Europe, Beverage Industry Environmental Roundtable (BIER), the World Federation of Advertisers (WFA), the Sustainable Agriculture Initiative Platform (SAI Platform), AIM-Progress, Suppliers Ethical data Exchange (SEDEX) and national trade associations Engagement with peers on initiatives to drive sustainable innovation	Working together with industry peers amplifies the reach and impact of efforts to address societal challenges and support responsible consumption. We work together to share non-competitive information related to ESG frameworks, interpret legislation, encourage global action on critical issues like climate change and protect the reputation of brewing companies and the wider drinks industry.	In collaboration with PepsiCo and The Coca-Cola Company, we hosted members of the European Parliament at our Kronenbourg brewery in France to discuss the proposed new EU Packaging Waste Regulation. At the annual Climate Week in New York, we co-hosted a session with Food Nation Denmark and the Danish Consulate General on regenerative agriculture's role in decarbonising the food and drinks industry. With 26 other Danish companies, we also reaffirmed our commitment to the UN Global Compact Network, the SDGs and the principles of the Paris Agreement. In Cambodia, we worked with industry peers under the umbrella of the IARD to support the government's plans for a legal minimum alcohol purchasing age of 18. Globally, we worked through the Sedex platform and the AIM-Progress forum to implement our new Responsible Sourcing programme and drive improvements in shared supply chains (see page 78). Through the SAI Platform, we also engaged

STAKEHOLDER	HOW WE ENGAGE	TOPICS OF INTEREST	OUR RESPONSE
			with our peers and collaborated with others along the agriculture value chain to develop common standards and best practices for regenerative agriculture (see page 26).
Investors	Annual Report Annual General Meeting Investor roadshows Individual meetings Investor questionnaires	Investors want to know that we are committed to ESG and meet related requirements. They want to understand how investments in ESG and our TTZAB programme will support our business goals and help deliver sustainable financial returns in the long term.	We respond to investor questionnaires to demonstrate compliance with ESG requirements, and we explain the business case for our TTZAB programme. Our strong scores in ratings such as CDP and MSCI demonstrate that our business is low-risk for investors. This year, our investor engagement included a virtual ESG roadshow that featured a fireside chat between our Senior Director of Sustainability & ESG and leading financial analysts. See our *Annual Report* and investor information at *https://www.carlsberggroup.com/investor-relations/investor-home/*.
Journalists	Individual meetings and calls Direct engagement by e-mail	Journalists' questions give us an insight into wider trends across and beyond the industry. Recently, their interest has been on a wide range of ESG issues, with a particular focus on carbon emissions, renewable energy and human rights due diligence.	We always seek constructive and fact-based dialogue with the media and value open discussion with journalists on detailed subjects to ensure that our approach and communication are well understood and accurately reflected.
Suppliers	Supplier & Licensee Code of Conduct Integrated quality audits Partnerships and training sessions to support progress on our TTZAB targets and Responsible Sourcing programme	Suppliers want to know what our priorities are in relation to ESG so they can play their part in helping us achieve our targets and meet our ESG criteria to secure access to business opportunities with us.	We communicate our requirements on ESG through our Supplier & Licensee Code of Conduct, and monitor compliance through audits, including new third-party SMETA audits for our highest-risk suppliers introduced this year (see page 78). We encourage suppliers to switch to renewable electricity, report their carbon emissions and set science-based targets, support them to navigate human rights issues and collaborate on farming and packaging innovation. For example, this year we continued to work with Ball to cut the weight of our cans in ten European markets (see page 31), and we invited key suppliers in Malaysia and India to expert-led training sessions on human rights topics (see page 79).
Sustainability experts	Carlsberg Sustainability Advisory Board (CSAB) Consultations and partnerships with NGOs and issue experts	Sustainability experts want to understand how our TTZAB programme aligns with our business strategy and responds to global challenges. They want to see ambitious targets, strong performance and transparent reporting. Sustainability experts also provide valuable input into the development of our TTZAB programme and our approach to specific issues across our 11 focus areas.	We amplify our efforts on climate change by working with the Science Based Targets initiative (SBTi) and as members of RE100 and the World Economic Forum's Alliance of CEO Climate Leaders. We have strategic partnerships with WWF, TapEffect, WaterAid and other NGOs, that we collaborate with on water risk in high-risk countries including India, China, Cambodia and Laos (see page 43). On carbon reduction and removal, we work with leading experts such as the Carbon Trust, which advised on our 2023 global carbon emissions assessment (see page 14). On regenerative agriculture, we are pioneering a protocol on growing regenerative barley for participating UK farmers with consultancy Ceres Rural (see page 23). Experts also support our work on responsible sourcing and human rights. This year we worked with consultancy twentyfifty to assess potential adverse human rights impacts related to our value chain in two markets in Asia (see page 76).
Policymakers and regulators	Engagement through trade associations, such as the IARD, the WBA and industry organisations in our local markets High-level public events, such as the World Economic Forum's annual Davos meeting and other conferences where government officials are present	Governments are interested to learn about the jobs we create locally and our contributions to the societies in which we operate. They also want to understand how we support their strategies on sustainability and public health.	Our Public & Government Affairs Manual sets out clear guidance on how we engage with governments globally. We have controls in place to ensure compliance with applicable laws (see page 71), and report our total economic contribution, including taxes generated and jobs created, every year (see page 84). We also engage with governments indirectly on sustainability and public health issues through industry associations such as the IARD and the WBA.
Communities	Local community engagement initiatives	Communities near our operations want us to be a responsible neighbour and to understand how we can support them.	Our business creates jobs through direct employment and in related sectors, including in rural communities with fewer job opportunities (see page 84). Our majority shareholder, the Carlsberg Foundation, uses the dividends it generates for wide societal benefit by supporting scientific research, arts, culture and civil society (see pages 81 and 83). We support communities where we operate through both brand-led initiatives, such as Pirinsko engaging volunteers to clean up mountain trails in Bulgaria, and corporate-led initiatives such as our continuing support for people in Ukraine (see page 83).

CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT GOALS

In 2023 we conducted a new assessment as to where and how our Together Towards ZERO and Beyond (TTZAB) programme supports and/or will support the UN Sustainable Development Goals (SDGs) as we proceed to implement TTZAB and take actions in line with our targets towards 2030 and 2040. Our assessment maps our 11 TTZAB focus areas – representing the underlying targets and our ongoing or planned activities within these areas – and our economic contribution against the SDGs at indicator level (see column three in the tables below).

Mappings have been carried out to the indicator level in order to make sharper conclusions as to which SDG targets we support. Accordingly, we arrive at a revised set of supported SDGs, now including additional targets under SDGs 2, 14 and 15, and revised sets of targets under the remaining SDGs that were supported with the preceding Together Towards ZERO (TTZ) programme and that continue to be supported with our new TTZAB programme. For concrete examples of how we are supporting the indicators, we point to those that are described in the body text and those that are highlighted as case stories in the preceding chapters.

SDG	TARGET	INDICATOR	FOCUS AREA(S)	PAGE
	**2.3** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	**2.3.1** Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size.	ZERO Farming Footprint	22
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.	**2.4.1** Proportion of agricultural area under productive and sustainable agriculture.	ZERO Farming Footprint	22
	**3.5** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.	**3.5.2** Alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol.	ZERO Irresponsible Drinking	46
	3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.	**3.6.1** Death rate due to road traffic injuries.	ZERO Irresponsible Drinking	46
	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	**3.9.1** Mortality rate attributed to household and ambient air pollution.	ZERO Carbon Footprint	9
		3.9.2 Mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene (exposure to unsafe Water, Sanitation and Hygiene for All (WASH) services).	ZERO Water Waste	38

SDG	TARGET	INDICATOR	FOCUS AREA(S)	PAGE
	**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	**5.5.2** Proportion of women in managerial positions.	Promoting Diversity, Equity and Inclusion	63
	**6.1** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.	**6.1.1** Proportion of population using safely managed drinking water services.	ZERO Water Waste	38
	6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.	**6.2.1** Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water.	ZERO Water Waste	38
	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	**6.3.1** Proportion of domestic and industrial wastewater flows safely treated.	ZERO Water Waste	38
		6.3.2 Proportion of bodies of water with good ambient water quality.	ZERO Water Waste	38
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	**6.4.1** Change in water-use efficiency over time.	ZERO Water Waste	38
		6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources.	ZERO Water Waste	38
	6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.	**6.5.1** Degree of integrated water resources management.	ZERO Water Waste	38
	6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.	**6.6.1** Change in the extent of water-related ecosystems over time.	ZERO Water Waste	38

SDG	TARGET	INDICATOR	FOCUS AREA(S)	PAGE
7 AFFORDABLE AND CLEAN ENERGY	**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix.	**7.2.1** Renewable energy share in the total final energy consumption.	ZERO Carbon Footprint	9
	7.3 By 2030, double the global rate of improvement in energy efficiency.	**7.3.1** Energy intensity measured in terms of primary energy and GDP.	ZERO Carbon Footprint	9
	7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.	**7.b.1** Installed renewable energy-generating capacity in developing countries (in watts per capita).	ZERO Carbon Footprint	9
8 DECENT WORK AND ECONOMIC GROWTH	**8.1** Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.	**8.1.1** Annual growth rate of real GDP per capita.	Contributing To Economies[1]	84
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	**8.5.1** Average hourly earnings of female and male employees, by occupation, age and persons with disabilities.	Promoting Diversity, Equity and Inclusion Respecting Human Rights	63 75
	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.	**8.7.1** Proportion and number of children aged 5-17 years engaged in child labour, by sex and age.	Respecting Human Rights Sourcing Responsibly	75 78
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	**8.8.1** Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status.	ZERO Accidents Culture Respecting Human Rights Sourcing Responsibly	54 75 78
		8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status.	Respecting Human Rights Sourcing Responsibly	75 78

[1] Economic value generated is a combination of gross revenue, other income, financial income and income included in special items.

SDG	TARGET	INDICATOR	FOCUS AREA(S)	PAGE
10 REDUCED INEQUALITIES	**10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	**10.2.1** Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities.	Promoting Diversity, Equity and Inclusion Respecting Human Rights	63 75
	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	**10.3.1** Proportion of population reporting having personally felt discriminated against or harassed within the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law.	Promoting Diversity, Equity and Inclusion Respecting Human Rights Sourcing Responsibly	63 75 78
11 SUSTAINABLE CITIES AND COMMUNITIES	**11.5** By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.	**11.5.1** Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population. **11.5.2** Direct economic loss attributed to disasters in relation to global gross domestic product (GDP). **11.5.3** (a) Damage to critical infrastructure and (b) number of disruptions to basic services, attributed to disasters.	ZERO Water Waste	38
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources.	**12.2.1** Material footprint, material footprint per capita, and material footprint per GDP.	ZERO Carbon Footprint ZERO Farming Footprint ZERO Packaging Waste ZERO Water Waste	9 22 30 38
		12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP.	ZERO Carbon Footprint ZERO Farming Footprint ZERO Packaging Waste ZERO Water Waste	9 22 30 38
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	**12.5.1** National recycling rate, tons of material recycled.	ZERO Packaging Waste	30
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	**12.6.1** Number of companies publishing sustainability reports.	Through our TTZAB programme, we are implementing and enhancing our sustainable practices, and report progress on our TTZAB focus areas annually. Through our ESG programme and reporting, we encourage other companies to also adopt sustainable practices – both indirectly through our example and disclosures, and directly through, for instance, our supplier and partner engagements as we implement TTZAB. We consider our ESG programme as a whole and our ESG reports as our contributions to this target and indicator.	7
	12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.	**12.a.1** Installed renewable energy-generating capacity in developing countries (in watts per capita).	ZERO Carbon Footprint	9

SDG	TARGET	INDICATOR	FOCUS AREA(S)	PAGE
13 CLIMATE ACTION	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	**13.1.1** Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population.	ZERO Carbon Footprint ZERO Farming Footprint ZERO Water Waste	9 22 38
15 LIFE ON LAND	**14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	**14.1.1** (a) Index of coastal eutrophication; and (b) plastic debris density.	ZERO Farming Footprint ZERO Packaging Waste	22 30
15 LIFE ON LAND	**15.3** By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.	**15.3.1** Proportion of land that is degraded over total land area.	ZERO Farming Footprint ZERO Water Waste	22 38
	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	**15.5.1** Red List Index.	ZERO Farming Footprint ZERO Water Waste	22 38
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.5** Substantially reduce corruption and bribery in all their forms.	**16.5.2** Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months.	Living By Our Compass	71
	16.b Promote and enforce non-discriminatory laws and policies for sustainable development.	**16.b.1** Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law.	Promoting Diversity, Equity and Inclusion Respecting Human Rights Sourcing Responsibly	63 75 78
17 PARTNERSHIPS FOR THE GOALS	**17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	**17.17.1** Amount in United States dollars committed to public-private partnerships for infrastructure.	ZERO Carbon Footprint ZERO Water Waste Engaging Communities	9 38 81

UN GLOBAL COMPACT INDEX

United Nations Global Compact

We support the UN Global Compact and its Ten Principles, and this report serves as the basis for our 2023 Communication on Progress to the UN Global Compact, which will be submitted in 2024 in line with new requirements. The index below sets out where to find information on our approach and performance in relation to each principle.

GLOBAL COMPACT PRINCIPLE	OUR APPROACH
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Respecting Human Rights, page 75.
Principle 2: Businesses should make sure that they are not complicit in human rights abuses	Respecting Human Rights, page 75. Sourcing Responsibly, page 78.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Promoting Diversity, Equity and Inclusion, page 63.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	Respecting Human Rights, page 75. Sourcing Responsibly, page 78.
Principle 5: Businesses should uphold the effective abolition of child labour	Respecting Human Rights, page 75. Sourcing Responsibly, page 78.
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Promoting Diversity, Equity and Inclusion, page 63. Living By Our Compass, page 71. Respecting Human Rights, page 75. Sourcing Responsibly, page 78.
Principle 7: Businesses should support a precautionary approach to environmental challenges	ZERO Carbon Footprint, page 9. ZERO Farming Footprint, page 22. ZERO Packaging Waste, page 30. ZERO Water Waste, page 38.
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	ZERO Carbon Footprint, page 9. ZERO Farming Footprint, page 22. ZERO Packaging Waste, page 30. ZERO Water Waste, page 38.
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	ZERO Carbon Footprint, page 9. ZERO Farming Footprint, page 22. ZERO Packaging Waste, page 30. ZERO Water Waste, page 38.
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Living By Our Compass, page 71.

UN WOMEN'S EMPOWERMENT PRINCIPLES

The examples below are illustrative examples from 2023 and are not exhaustive of all actions taken globally to promote and support gender equity and women's empowerment.

PRINCIPLE	SUGGESTED ACTIONS	OUR APPROACH
1. High-level corporate leadership	Embed values of gender equality into your business values, business plan and overall organizational culture.	Our commitment to gender equity is at the core of our business strategy, SAIL'27, and is embedded across the business. We actively promote inclusivity under our "Welcome You" engagement campaign and have instigated inclusive leadership training for all market leaders and specific training under the DE&I programme for all employees.
	Establish company-wide goals and targets for gender equality and women's empowerment and measure progress through clear performance indicators.	We have set a company-wide target for women's share in senior leadership positions (director level and above) of minimum 40% by 2030, with minimum interim goals of 30% by the end of 2024 and 35% by 2027. Encouragingly, we are on track, with our 2023 share at 30.1%.
	Make managers at all levels accountable for results against these goals and targets through their performance reviews.	The target for the share of women in senior leadership positions is incorporated into short-term incentives for human resources leadership and long-term incentives for the company's executive leadership, ensuring tangible accountability through performance reviews.
	Engage and consult internal and external stakeholders in the development of company policies, programmes and implementation plans.	We prioritise inclusive decision-making by involving both internal and external stakeholders. In 2023, our new partnership with the Employers Network for Equality & Inclusion (ENEI) led to a comprehensive review of people policies, encompassing human rights, parental leave, our *Code of Ethics & Conduct* and our *DE&I Policy*, underscoring our commitment to DE&I principles. We will act on the ENEI's findings in 2024. Our DE&I Council comprises cross-business leaders who act as global ambassadors for DE&I, representing the views and voices of colleagues across the company.
	Ensure that existing policies are gender-sensitive – identifying factors that impact women and men differently – and that corporate culture advances equality and inclusion.	We embed gender sensitivity in our policies through an internal language review and a comprehensive equal pay and gender pay review. Our strategic goals emphasise equity rather than equality, reflecting our commitment to a corporate culture that advances equality and inclusion. Equal pay for equal work is a key part of our Total Rewards Philosophy on compensation.
	Review the requirements for board membership, and other governance bodies and committees, to remove any discrimination or bias against women.	We actively address gender bias by instituting a mandatory target for women's representation on our governing Supervisory Board, currently 38%. DE&I Council membership also has a representation requirement that ensures a diverse and inclusive governance structure free from discrimination.
2. Treat all women and men fairly at work without discrimination	Pay equal remuneration, including benefits and bonuses, for work of equal value and ensure at a minimum a living wage for all women and men employees.	We actively monitor and achieve pay equity across genders through regular equal pay and gender pay reviews.
	Foster an inclusive workplace culture and remove gender-based discrimination from all policies and practices.	We actively foster an inclusive workplace culture by debiasing our people policies and processes. For example, in 2023 we began using an inclusive technology to eliminate gender-based and other discriminatory language in job advertisements and internal and external communications. We also disseminated inclusive language guidance, in English, to all employees globally. The ENEI has conducted a comprehensive review of our people policies against best practice (see above).
	Implement gender-sensitive recruitment and retention practices and proactively recruit and appoint women to managerial and executive positions and to the corporate board of directors.	Our recruitment guidelines are structured to include gender-sensitive/inclusive shortlisting requirements and the application of debiasing tools across all positions, including executive roles. We assemble diverse interview panels, train our recruiters and hiring managers in unconscious bias awareness and provide a

		behavioural interview guide. Moreover, our company branding emphasises inclusion and our dedication to proactively recruiting and appointing women to managerial, executive and board positions.
	Offer flexible working arrangements, leave and re-entry opportunities to positions of equal pay and status.	We globally implement flexible work guidelines to accommodate various working arrangements, fostering a mutual agreement between employees and the business.
	Support women and men's access to child and dependent care through services, resources and information.	We address the need for child and dependent care through a comprehensive global Parental Leave Policy, which supports parents in balancing their responsibilities at home and at work. The policy entitles a global minimum of 16 weeks for the primary carer and two weeks for the secondary carer.
3. Employee health, well-being and safety	Establish internal policies and procedures preventing all forms of violence and sexual harassment at work.	Our robust *Code of Ethics & Conduct* explicitly protects against discrimination and harassment, including sexual harassment, and we provide global mandatory anti-sexual harassment training for employees. Our *Brand Promoter Manual* provides very specific requirements to prevent all forms of harassment and sexual harassment for our most at-risk group, the employees and contractors who promote our products.
	Ensure all employees' equal access to health insurance, including part-time workers, and to support services for survivors of violence and harassment.	We are actively working to ensure equal access to health insurance. At this stage, these services are established at market level to reflect the varying local contexts.
	Respect women and men workers' rights to time off for medical care and counseling for themselves and their dependents.	Not globally applicable at this stage.
	Provide safe working conditions and protection from exposure to hazardous materials and disclose potential risks, including to reproductive health.	We prioritise the health and safety of all employees through our robust health and safety management system. Our *Health & Safety Policy* includes an occupational health standard and a risk assessment standard, ensuring that our sites meet the necessary requirements for safe working conditions for employees, contractors and visitors. We conduct hazard assessments that consider specific populations, such as those with respiratory conditions or pregnant women, tailoring exposure limits to ensure comprehensive protection.
	Address safety and security issues, including traveling to/from work and business trips, and train security staff and managers to recognize signs of violence against women, human trafficking, labour and sexual exploitation.	Our *Brand Promoter Manual* is in place to protect our most at-risk group, the employees and contractors who promote our products. Our broader commitment to safety is encompassed in our *Health & Safety Policy*. We conduct risk assessments and empower brand promoters to voice concerns and challenge unsafe conditions. Our manual rejects all forms of harassment, describes reporting mechanisms, sets strict guidelines on responsible drinking and transparent employment contracts, and aligns with labour rights to enable the wellbeing of our brand promoters. Uniform standards, safe transport provisions and regular training further fortify our commitment to a secure and supportive workplace.
4. Education and training for career advancement	Invest in workplace policies and programmes that open avenues for women's advancement at all levels and across all business areas.	We have launched a Women's Sponsorship Programme as a strategic investment to advance talented women managers with the potential to take on executive roles through mentoring and access to senior sponsors and networks.
	Encourage women to enter nontraditional job fields and revenue generating roles.	We actively promote gender diversity in non-traditional job fields through initiatives like our 2023 collaboration with Pink Boots Society in Norway, which fosters the careers of women professionals in the brewing industry through grants for training and research. Half the brewmasters at Ringnes, our Norwegian business, are women.
	Ensure equal access to and participation in all company-supported education and training programmes.	To reinforce our commitment to equal access and participation, we have implemented mandatory sexual harassment training and optional unconscious bias training across markets. We actively promote our internal education and training programmes and ensure that they are inclusive and accessible to all employees.
	Provide equal opportunities for formal and informal networking and mentoring programmes.	Our Women's Sponsorship Programme (see above) is a formal sponsoring initiative that promotes equal opportunities. Our central office in Denmark launched an Employee Resource Group (ERG) on gender equity, fostering networking opportunities that contribute to the professional growth and advancement of all employees.

	Conduct sexual harassment and unconscious bias training and awareness raising on the corporate gender equality policy and action plan.	In 2023, we achieved a completion rate of 98.5% for our mandatory sexual harassment and optional unconscious bias training. We will maintain these programmes to ensure continual awareness and understanding of our corporate gender equality policy and action plan among our workforce.
5. Enterprise development, supply chain and marketing practices	Require business partners, contractors and suppliers to adopt the WEPs.	Not globally applicable at this stage.
	Establish supplier diversity programmes that actively seek to expand business relationships with women-owned enterprises and support them in access.	Not globally applicable at this stage.
	Support gender-sensitive solutions to women's barriers to accessing financial products and services.	Not globally applicable at this stage.
	Ensure that company products, services and facilities are not used for human trafficking and/or labour or sexual exploitation.	Our *Brand Promoter Manual* protects our most at-risk group and our *Human Rights Policy* protects all employees from labour exploitation and salient human rights risks. To help ensure a healthy and safe working environment, we also conduct risk assessments and empower employees to voice concerns and challenge unsafe conditions. These policies, along with our *Code of Ethics & Conduct*, reject all forms of harassment, with reporting mechanisms in place.
	Remove harmful gender-based stereotypes in all media and advertising and systematically depict women and men as empowered actors with progressive, intelligent and multi-dimensional personalities.	We actively remove harmful gender-based stereotypes in our media and advertising through our *Marketing Communication Policy*, which complements our *Diversity, Equity & Inclusion Policy*. It includes specific provisions for communicating respectfully, championing social inclusion and ensuring the active promotion of diversity and inclusion in marketing campaigns, casting and materials.
6. Community initiatives and advocacy	Lead by example by showcasing concrete actions to advance gender equality and women's empowerment.	We proactively illustrate and communicate our actions towards gender equity through the People of Carlsberg video series and quarterly updates (including on our gender equity targets) during our financial townhall meetings, broadcast to all employees.
	Leverage influence, alone or in partnership, to advance gender equality and collaborate with business partners, suppliers and community leaders to achieve results.	We actively leverage our influence, both independently and in strategic partnerships, with network organisations such as the ENEI and the Business Disability Forum (BDF) to advance gender equality, taking an intersectional approach.
	Work with community stakeholders and officials to eliminate discrimination and exploitation and to open opportunities for women and girls.	Not globally applicable at this stage.
	Promote and recognize women's leadership in, and contributions to, their communities and ensure their active participation in community consultation.	We proactively illustrate and communicate stories of women leadership and excellence. During global events, and on panels, including International Women's Day panels, and in our People of Carlsberg video series, we recognise women employees and leaders, their career journeys and their accomplishments.
	Use philanthropy and grants programmes to support community initiatives.	The Carlsberg Foundation offers grants that support community initiatives and research that benefits society – totalling DKK1.004 billion in 2023.
7. Measurement and reporting	Take the WEPs Gap Analysis Tool to establish a baseline for WEPs implementation.	Not globally applicable at this stage but planned for 2024.
	Develop incentives and accountability mechanisms to accelerate WEPs implementation.	Not globally applicable at this stage but planned for 2024.
	Collect, analyse and use gender statistics and sex-disaggregated data and benchmarks to measure and report results at all levels.	In 2021, we introduced DE&I metrics that track various key performance indicators, disaggregated by gender, enabling us to collect, analyse and utilise gender statistics and benchmarks at all levels. This data-driven approach ensures a comprehensive understanding of our progress and facilitates transparent reporting of results in our ongoing pursuit of gender equity.
	Report annually on progress in the implementation of the Women's Empowerment Principles.	This annex to our annual ESG Report represents our annual reporting on progress in WEP implementation. Public reporting in March 2024 (one year after re-signing).
	Share lessons learned and good practices in the implementation of the WEPs and publish them on the WEPs website.	As above. Public reporting in March 2024 (one year after re-signing).

EU TAXONOMY

The EU Taxonomy is a regulation which is continuously being developed by the EU to drive sustainable investments by classifying economic activities based on their potential to positively contribute to the environment.

The EU Taxonomy establishes a common language for sustainable finance and a basis for the EU to achieve its climate and environmental objectives, as outlined in the Paris Agreement. The regulation helps investors identify environmentally sustainable economic activities and promotes the transition to a low-carbon and climate-resilient economy. As such, the regulation is designed to encourage investment in an environmentally sustainable economy.

What is an economic activity?
An economic activity is understood as a "business activity" performed by a company. These are classified under the EU's NACE-code framework, allowing each economic activity to have a unique identifier.

According to the NACE-code framework, Carlsberg is considered under the economic activity "Manufacture of beverages", which is associated with NACE-code C11. An economic activity is considered eligible if it is described in the delegated acts, irrespective of whether the activity meets any of the technical screening criteria.

In turn, an economic activity is considered aligned if it substantially contributes to one or more of the environmental objectives, does no significant harm to any of the other objectives, and is carried out in compliance with minimum safeguards.

Under the EU Taxonomy, companies are required to disclose the scope of their eligible economic activities and the extent to which these are in alignment with the technical screening criteria.

ELIGIBILITY AT CARLSBERG IN 2023

This is the second year that Carlsberg has reported against the EU Taxonomy. In 2022, we disclosed on a voluntary basis our eligibility against "Manufacture of beverages". However, in April 2023, the EU delayed the adoption of this economic activity, which means our previous-year eligibility of 90% turnover, 90% capital expenditure (CapEx) and 97% operational expenditure (OpEx) are no longer applicable. Consequently, this means we now report 0% eligibility and alignment of turnover against the two climate-related objectives, as well as against the four non-climate environmental objectives.

In 2023, we performed an eligibility assessment regarding our CapEx and OpEx, where we were able to ascertain that one of the non-climate environmental objectives is relevant for Carlsberg, i.e. circular economy. This specifically relates to capital expenditure in construction projects for new buildings, as well as both OpEx and CapEx in projects associated with renovation of our existing buildings:

KPI	Economic activities	Status
Turnover	Manufacture of beverages	*Non-eligible*
CapEx	CCM 7.1 / CE 3.1 Construction of new buildings	Eligible
	CCM 7.2 / CE 3.2 Renovation of existing buildings	
OpEx	CCM 7.2 / CE 3.2 Renovation of existing buildings	Eligible

These two economic activities have the potential to substantially contribute to circular economy through the use of secondary raw materials, in addition to the substantial contribution to climate change mitigation, which means they have the potential to contribute to multiple environmental objectives. In avoiding double-counting, we have assigned climate change mitigation as the most relevant objective for these economic activities.

Moreover, Carlsberg is eligible to report against 12 other economic activities under the climate change mitigation objective. These are mainly anchored in our CapEx KPI, but to some extent also in our OpEx KPI, and have the potential to substantially contribute via improvements in energy efficiency and our progress towards net zero carbon emissions.

An assessment of our CapEx recognises an eligibility of 20.5%, or DKK 1,092m. Our current assessment of our operational expenditure indicates that less than 5% of OpEx follows the OpEx definition of the taxonomy, of which 20.3%, or DKK 594m, is eligible.

TOWARDS TAXONOMY ALIGNMENT

To substantiate alignment against the technical screening criteria, the assessment should follow a three-layered approach:

1. The activity must substantially contribute to one of the environmental objectives, which is stipulated based on the eligible economic activity.
2. The activity must do no significant harm (DNSH) to the other environmental objectives.
3. The activity must comply with the minimum safeguards covering social and governance standards.

This means conducting a robust assessment considering the extent of our capital and operational expenditure and their potential to contribute to climate change mitigation and circular economy.

We report 0% alignment in 2023 as our eligible capital and operational expenditure mostly relates to purchased outputs from third parties. The taxonomy alignment assessment requires a thorough review of the criteria related to substantial contribution, DNSH and the minimum safeguards, but in our engagements with suppliers we have not been able to obtain conclusive evidence regarding their alignment performance. However, throughout 2024 we will work towards implementing the Taxonomy requirements in our capital project approval process as a means to establish a framework for aligned investments.

TURNOVER

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		mdkk	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		73,585	100%																
TOTAL		**73,585***	**100%**																

* See the Consolidated Financial Statements in the *Annual Report*.

CAPEX

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		mdkk	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Cogeneration of heat/cool and power from geothermal energy	CCM 4.18	0.5	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	3.5	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	9.5	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of wastewater collection and treatment	CCM 5.3	23.7	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	177.6	3.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Freight transport services by road	CCM 6.6	163.2	3.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings	**CCM 7.1** / CE 3.1	44.6	0.8%	EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Renovation of existing buildings	**CCM 7.2** / CE 3.2	100.4	1.9%	EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	327.3	6.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1.6	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	8.4	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	8.8	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	177.9	3.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Data processing, hosting and related activities	CCM 8.1	45.3	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,092**	**20.5%**	100%	0%	0%	0%	0%	0%								0%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**1,092**	**20.5%**	100%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		4,244	79.5%																
TOTAL		**5,337***	**100%**																

* See Section 2.3 of the Consolidated Financial Statements in the *Annual Report*.

OPEX

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		mdkk	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	107.6	3.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Freight transport services by road	CCM 6.6	93.4	3.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	**CCM 7.2** / CE 3.2	135.6	4.6%	EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	159.6	5.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	67.6	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Data processing, hosting and related activities	CCM 8.1	30.7	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		594	**20.3%**	100%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		594	**20.3%**	100%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**2,340**	**79.7%**																
TOTAL		**2,934**	**100%**																

ACCOUNTING PRACTICE

The EU Taxonomy is still evolving and remains subject to interpretation. For 2023, Carlsberg's EU Taxonomy reporting follows a systematic process to identify economic activities in scope for reporting and the respective financial KPIs.

Taxonomy eligibility is expressed as a share of these KPIs and the scope of each of these measures is defined by the Regulation. The reporting scope covers the entire Carlsberg Group.

TURNOVER

The Turnover measure comprises the net revenue line from the consolidated income statement. All of our revenue is derived from our beverage production, including sale of beer, energy drinks and other carbonated drinks. These revenue streams are currently non-eligible according to the Taxonomy Regulation.

CAPEX

The CapEx measure comprises additions to intangible assets and property, plant and equipment, including right-of-use assets. The Taxonomy Regulation defines three CapEx categories in allocating eligible and aligned expenditures:
CapEx that is associated with Taxonomy-aligned activities;
CapEx that is part of a plan to upgrade an eligible Taxonomy activity to render it aligned or to expand already aligned Taxonomy activities;
CapEx related to the purchase of output of Taxonomy-aligned activities and individual measures enabling target activities to become low-carbon or lead to greenhouse gas reductions.

A smaller proportion of our eligible CapEx is recognised under "category a", but the majority of expenditure is placed in "category c", which includes purchases of assets or services from third parties that are operational and implemented within 18 months.

Amounts reported under CCM 4.18 and 4.20 therefore represent additions to property, plant and equipment associated with heat/cool and power generated from geothermal and bioenergy. These are classified under NACE-codes D35.11 and D35.30. Similarly, eligible CapEx under CCM 5.1 and 5.3 also include additions to property, plant and equipment related to water and wastewater treatment at our breweries, represented by NACE-codes E36 and E37.

CapEx under CCM 6.5 and 6.6 represents our additions to both purchased and leased right-of-use assets, including company cars, light commercial vehicles and heavier vehicles, such as trucks. These are classified under NACE-codes N77.11 and N77.12, respectively.

Under CCM 7.1 / CE 3.1, we have allocated expenditure associated with assets under construction that is related to construction projects for new buildings (new breweries and administrative buildings), as well as development of land. The NACE-codes F41.1 and F41.2 represent these economic activities. A similar exercise was performed to allocate CapEx to CCM 7.2 / CE 3.2 for major renovation projects of our existing buildings, classified by NACE-codes F41 and F43.

A majority of CapEx for the economic activity CCM 7.3 is accounted for by purchases of commercial coolers and fridges from third parties, representing investments in support of customer acquisitions. The NACE-code C28.25 characterises such purchases of refrigeration and cooling equipment. The remainder of eligible CapEx under CCM 7.3 relates to installation, replacement and maintenance of energy efficiency equipment, such as insulation materials, doors, windows, light sources, heating, ventilation and air-conditioning and water heating systems, etc.

For CCM 7.4, capital expenditure has been allocated relating to projects for the installation of electric car charging stations attached to buildings. Under CCM 7.5 we have assigned specific installation and maintenance costs of energy performance and management systems in our buildings, such as smart meters for gas, heat, cool and electricity, as well as devices controlling motion and light control. For CapEx allocated regarding CCM 7.6, we have assessed expenditures related to installation of solar photovoltaic technologies, which are listed under NACE-code F42.

CCM 7.7 comprises amounts related to additions associated with ownership, including leases under right-of-use assets, of buildings and land, represented by NACE-code L68. Finally, CCM 8.1 accounts for technology-related investments such as IT systems, data centres and upgrades to network infrastructure, which are classified under NACE-code J63.11.

The non-eligible part of our CapEx is composed of purchases and leases under right-of-use assets of plant, machinery and equipment associated with our beverage production, as well as small amounts of commercial CapEx and admin-related expenditures.

OPEX

The Taxonomy's OpEx definition is narrow and includes only direct non-capitalised costs related to R&D, maintenance, short-term leases and building renovation measures. It also includes other direct expenditure relating to the day-to-day servicing of assets of property, plant and equipment, but not cost of goods sold. Under CCM 6.5 and 6.6, we have allocated repair, maintenance and fleet management costs related to assets associated with light and heavy motor vehicles.

Amounts under CCM 7.2 / CE 3.2 consist of day-to-day running costs associated with building renovation projects, including repair and maintenance.

CCM 7.3 represents refurbishment, repair and maintenance of our commercial coolers and fridges, which are leased, sold or given free of charge to our customers in on- and off-trade locations. Lastly, CCM 7.7 is linked to short-term leases of buildings and CCM 8.1 is dedicated maintenance for data centres and network infrastructure.

The non-eligible proportion of OpEx consists of repair and maintenance and R&D associated with our beverage production, as well as other administrative operating costs.

UPHOLDING DATA ETHICS*

The Carlsberg Group is committed to earning and keeping the trust of our consumers, business partners, employees and other stakeholders as we strive to brew for a better today and tomorrow.

As explained in our corporate *Data Ethics Policy*, which can be found on *carlsberggroup.com*, one way in which we live up to this commitment – within a globalised and digitised business environment – is to only use personal data consistently with our four ethical pillars:

1. **Keeping data safe**
   We take measures to ensure that any data shared and used – whether personal or business data – is protected through robust security features, effective processes for their implementation, and reliable IT applications and providers. Through these actions, we protect the digital wellbeing of our many stakeholders by safeguarding all of their data in our care, including in our information systems, from the exponentially growing risks of illegal and damaging conduct by individuals or groups acting either carelessly or intentionally for financial gain or other pernicious reasons.

2. **Complying with data protection laws**
   The Carlsberg Group has effective and meaningful privacy and data protection standards in place, not only to comply with the many evolving regulatory requirements across our global markets, but also to promote the trust of those countries' citizens, leaders and business communities. To comply with local requirements, the Carlsberg Group directs that all personal data, however and wherever used in our business operations, must be handled in strict accordance with the data protection standards set out in our internal policies.

3. **Using data respectfully**
   The Carlsberg Group respects individual privacy as part of our greater commitment to ethical business conduct and stakeholder dignity. For our workers, our commitment to a fair, respectful, safe and non-discriminatory workplace includes the lawful, fair and limited handling of their data as part of our working relationship. When collecting and using consumer data to better produce and market our products, the Carlsberg Group does so ethically, for example by not acting in any way to promote drinking to minors, by enabling consumers' autonomy over how their data is processed through transparent privacy notifications, and by reducing the privacy impact of digital technologies that we use.

4. **Embedding data ethics in the organisation**
   Our *Data Ethics Policy* is approved by the Carlsberg Group executive management team. In addition to top management being committed to prioritising data ethics, it is also embedded throughout the organisation in various polices and manuals, which detail Carlsberg's high standards of data ethics and integrity. These ethical standards are promoted and safeguarded by subject matter experts in various relevant functions, such as Group Integrated Information Technology and Group Legal & Compliance, and are embedded throughout the organisation through, for example, regular employee training, communications and evolving best practices.

* The information contained in this appendix constitutes our compliance with section 99d of the Danish Financial Statements Act.

TTZAB PERFORMANCE OVERVIEW

PERFORMANCE AGAINST OUR QUANTITATIVE TTZAB TARGETS SINCE THE LAUNCH OF THE PROGRAMME IN AUGUST 2022

	TARGET	UNIT	BASELINE	2022	2023
ZERO Carbon Footprint	ZERO carbon emissions at our breweries by 2030	**thousand tonnes CO_2e,** absolute carbon emissions	2015: 697	321	301*
	All renewable electricity must come from new assets (e.g. via power purchase agreements) by 2030	**%,** additional renewable electricity consumption relative to total electricity consumption in kWh	2021 (operational): 1%	Contracted: 4% Operational: 1%	Contracted: 5% Operational: 1%
	30% reduction in value chain carbon emissions by 2030	**kg CO_2e/hl,** relative carbon emissions	2015: 56	47	To be disclosed for 2024 at the beginning of 2025
	Net ZERO value chain by 2040	**thousand tonnes CO_2e,** absolute carbon emissions	2015: 5,210	5,190	
ZERO Farming Footprint	30% of raw materials from regenerative agricultural practices by 2030; 100% by 2040	**%,** total weight of regeneratively grown raw materials purchased relative to total weight of raw materials purchased	2021: 0%	-	<1%
	30% of raw materials sustainably sourced by 2040; 100% by 2040	**%,** total weight of sustainably sourced raw materials purchased relative to total weight of raw materials purchased	2021: 0%	-	To be disclosed for 2024 at the beginning of 2025
ZERO Packaging Waste	100% recyclable, reusable or renewable packaging by 2030	**%,** absolute volume sold in recyclable, reusable or renewable packaging in relation to total volume sold	To be disclosed from 2024	-	To be disclosed for 2024 at the beginning of 2025
	90% collection and recycling rate for bottles and cans by 2030	**%,** absolute volume sold in bottles and cans in relation to recycling rate for bottles and cans	2019: 72%	74%	
	50% recycled content in bottles and cans by 2030	**%,** absolute volume sold in bottles and cans in relation to recycled content for bottles and cans	2019: 29%	34%	
	50% reduction in virgin fossil-based plastic by 2030	**thousand tonnes,** absolute virgin plastic use	2019: 60	58	
ZERO Water Waste	Water usage efficiency of 2.0 hl/hl globally and 1.7 hl/hl at breweries in high-risk areas by 2030	**hl/hl,** hectolitre of water usage per hectolitre of beverage produced	2015 (global): 3.6 2015 (high-risk): 4.0	Global: 2.5 High-risk: 2.3	Global: 2.5* High-risk: 2.2
	100% replenishment of water consumed at breweries in high-risk areas by 2030	**%,** water replenished through offsite projects relative to water consumed at breweries in areas of high water risk	2021: 0%	-	<1%
ZERO Irresponsible Drinking	35% of our brews globally are low-alcohol or alcohol-free by 2030	**%,** volume of beer, cider, kvas and malt-based brews with <3.5% ABV sold relative to total volume of beverages sold	2021: 27%	26%	28.5%
	100% availability of alcohol-free brews by 2030	**%,** share of markets with AFB products included in pricelists to customers	2021: 58%	90%	90%
	100% responsible drinking messaging through packaging and brand activations by 2030	**%,** share of primary packaging for volume with >0.5% ABV sold for each of the following set of five mandatory on-pack elements: 1. **Ingredient information,** with URL to more information as optional (but preferable) 2. **Nutrition information,** with URL to more information as optional, with information on all 7 nutrition values as optional (but preferable) 3. **Legal age restriction,** mandatory for both alcoholic (alc.) and alcohol-free brews (AFBs) 4. **Consumer warning,** about drinking while driving or about drinking while pregnant, with URL to more information as optional (but preferable) 5. **Responsible drinking (RD) message,** with an associated responsible drinking campaign, by the #1 or #2 brand in the market, with URL to a brand webpage as optional (but preferable)	2021: Ingredient info: 98% Nutrition info: 58% Legal age (alc.): 41% 2023: Legal age (AFB): 28% Warning: 77% 2021: RD message: 26%	Ingredient info: 98% Nutrition info: 60% Legal age (alc.): 40% Legal age (AFB): - Warning: - RD message: 50%	Ingredient info: 99%* Nutrition info: 59%* Legal age (alc.): 50%* Legal age (AFB): 28% Warning: 77% RD message: 59%
	100% of our markets run partnerships to support responsible consumption by 2030	**%,** share of companies running ≥1 responsible drinking partnerships, including external partners and campaigns/activities that are measurable and long-running	2021:68%	94%	88%
ZERO Accidents Culture	Reduction in accident rate year on year towards 2030	**LTAR,** rate of lost-time accidents (LTAs) relative to number of FTEs	2015: 7.7	4.8	3.6*
	ZERO lost-time accidents by 2030	**LTA,** number of accidents causing a person's inability to work for ≥1 day	2015: 302	147	110*
Diversity, Equity & Inclusion	30% women in senior leadership roles by 2024	**%,** number of women in senior leadership roles relative to the total number of employees in senior leadership roles	2020: 27.7%	28.3%	30.1%*
	35% women in senior leadership roles by 2027				
	Minimum of 40% women in senior leadership roles by 2030				

* 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

DATA SUMMARY TABLE

ENERGY, CARBON AND WATER	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
General production figures									
Number of reporting sites	110	92	85	85	82	88	96	84	83
Beer production (million hl)	105.4	100.9	97.9	102.2	101.4	100.2	109.4	90.2	88.9
Soft drinks production (million hl)	13.9	14.3	14.2	15.6	16.1	16.5	18.7	17.9	17.9
Total production of beer and soft drinks (million hl)•	119.3	115.2	112.1	117.8	117.5	116.7	128.1	108.1	106.8
Malting (kt)	547.2	311.5	301.3	314.1	307.5	295.9	296.9	0	0
Environmental performance data (beer, soft drinks and malt production)									
Total thermal energy consumption (GWh)•	2,943	2,481	2,326	2,341	2,340	2,193	2,374	1,566	1,516
Total electricity consumption (GWh)•	988	914	869	885	870	857	938	744	729
Total CO_2e emissions (from direct and indirect fuel consumption) (kt)• (market-based) ✧	953	781	707	709	634	562	603	321	301
Total CO_2e emissions (from direct and indirect fuel consumption) (kt)• (location-based) ✧		896	822	804	773	735	798	575	539
Total SO_2 emissions (tonnes)	1,695	815	731	509	446	422	411	400	362
Total NO_x emissions (tonnes)	1,562	1,163	1,075	1,027	1,419	1,288	1281	703	550
Municipal water (million m^3)	19.7	17.9	17.4	18.7	18.5	17.2	17.9	14.7	14.7
Own boreholes (million m^3)	17.5	17.9	16.7	17.1	15.9	13.2	14.1	9.6	8.6
Surface water (million m^3)	4.3	2.7	2.0	2.2	2.2	3.2	3.1	3.1	3.1
Water sold to third parties (million m^3)	0.3	0.8	0.5	0.5	0.7	0.5	0.4	0.1	0.2
Total water use (million m^3)•	41.2	37.7	35.6	37.5	35.9	33.1	34,6	27.3	26.2
Total wastewater discharged (million m^3)	26.6	24.2	23.0	23.8	23.3	19.5	20.3	15.7	15,2
Total water consumption (million m^3)[1]	14.6	13.5	12.6	13.7	12.6	13.6	14.3	11.6	11.0
Solid waste & by-products									
Incinerated (kt)	8.7	5.7	5.1	9.2	6.0	6.8	6.3	5.5	5.5
To sanitary landfill (kt)	68.6	56.9	68.6	60.9	82.5	54.9	57.2	58.8	65,0
Special waste (kt)	0.7	1.4	0.7	0.4	1.1	0.6	0.8	1.5	1,6
Recycled (kt)	189.2	225.5	222.0	162.6	172.9	219.3	191.3	160.5	160.9
Disposed of for land applications (kt)	165.9	127.4	117.4	125.1	115.2	104.0	39.1	40.9	36,5
Total solid waste (kt)	433.1	416.9	413.8	358.3	377.6	385.6	294.7	267.2	269,5
Brewer's grain and brewer's yeast utilised (kt)	1,348.9	1,265.0	1,236.0	1,372.8	1,501.3	1,464.4	1,569.9	1292.3	1372

✧ Carbon emissions have been restated from CO_2 to CO_2e for 2015-2023.

[1] Total water consumption = Total water use – Total wastewater discharged.

* 2022-2023 data excludes Russia; 2015-2021 data includes Russia.

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Relative figures for beer and soft drinks production									
Thermal energy (kWh/hl)•	21.2	20.0	19.3	18.3	18.0	16.9	16.8	14.5	14.2
Electricity (kWh/hl)•	7.8	7.7	7.6	7.3	7.1	7.1	7.1	6.9	6.8
Combined energy (thermal and electricity) (kWh/hl)•	29.0	27.7	26.9	25.6	25.1	24.0	23.9	21.4	21.0
CO_2e emissions (kg CO_2e/hl)• ✧	7.1	6.4	6.0	5.6	4.9	4.3	4.3	3.0	2.8
Water (hl/hl)•	3.4	3.2	3.1	3.1	3.0	2.8	2.7	2.5	2,5
Relative figures for malt production									
Thermal energy (kWh/tonne)	692.2	489.3	457.9	436.4	430.7	446.4	473.5	0	0
Electricity (kWh/tonne)	84.1	73.2	67.1	65.6	64.7	67.8	74.7	0	0
Combined energy (thermal and electricity) (kWh/tonne)	776.3	562.5	525.0	501.9	495.4	514.1	548.3	0	0
CO_2e emissions (tonnes CO_2e/tonne)	0.18	0.13	0.12	0.11	0.11	0.11	0.12	0	0
Water (m^3/tonne)	2.2	1.6	1.5	1.4	1.3	1.5	1.8	0	0
Other figures									
Complaints	33	36	32	9	13	16	13	15	8
Number of ISO 14001-certified sites	74	66	70	76	79	79	79	71	71
Number of ISO 50001-certified sites	3	4	18	20	20	19	22	12	12
Water source split									
Municipal water	48%	46%	48%	49%	52%	51%	51%	54%	56%
Own boreholes	42%	47%	46%	45%	42%	39%	40%	35%	32%
Surface water	10%	7%	6%	6%	6%	10%	9%	11%	12%
Wastewater destination									
Public sewer with wastewater treatment	67%	66%	66%	69%	73%	72%	73%	69%	69%
On-site treatment, followed by public sewer without wastewater treatment	3%	2%	2%	1%	0%	0%	0%	0%	0%
On-site treatment, followed by discharge to river/lake	28%	28%	28%	26%	24%	24%	23%	28%	28%
Other	2%	4%	4%	4%	3%	4%	4%	3%	3%
Thermal energy mix									
Natural gas	66.1%	71.9%	69.1%	72.9%	75.4%	76.6%	77.6%	65.9%	62.8%
Coal	15.6%	7.0%	5.9%	3.5%	1.8%	0.6%	0.6%	1.1%	0%
District heating	6.4%	7.1%	7.6%	7.4%	6.8%	4.3%	3.2%	6.0%	4.7%
District heating from renewable energy						2.0%	3.0%	3.7%	5.2%
Heavy fuel	2.8%	3.1%	3.6%	3.0%	3.0%	2.8%	2.6%	4.9%	5.1%
Renewable energy	6.9%	8.2%	9.8%	11.8%	12.3%	11.4%	9.9%	10.9%	12.0%
Light fuel	1.2%	1.4%	3.0%	1.4%	0.8%	3.3%	3.1%	5.8%	7.7%
Other	1.0%	1.3%	1.0%	0%	0%	0%	0%	1.7%	2.5%

✧ Carbon emissions have been restated from CO_2 to CO_2e for 2015-2023.

* 2022-2023 data excludes Russia; 2015-2021 data includes Russia.

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Packaging mix									
Cans	26.6%	27.4%	28.6%	29.9%	30.6%	32.4%	33.1%	33.2%	33.5%
RGB	33.7%	31.5%	29.8%	28%	29.2%	27.0%	25.8%	31.2%	30.5%
NRGB	9.2%	9.5%	11.6%	12.3%	11.9%	13.2%	14.2%	12.1%	12.3%
PET	23.0%	23.0%	20.8%	20.3%	19.8%	22.0%	21.1%	15.9%	16,0%
Kegs	6.4%	7.6%	7.8%	7.7%	6.8%	4.4%	4.6%	5.9%	6.2%
Bulk	1.0%	0.9%	1.2%	1.4%	1.4%	0.7%	0.6%	1.3%	1.1%
Other	0.1%	0.1%	0.2%	0.4%	0.4%	0.3%	0.6%	0.4%	0.4%
Emissions from HFC-based refrigerants									
Total CO_2 emissions from refrigerants (kt CO_2)•	14.9	9.8	6.8	2.9	12.3	8.7	5.3	6.5	7.7
Together Towards ZERO and Beyond brewery target									
Scope 1 – Absolute CO_2e emissions (excl. Logistics) (kt CO_2e)• ✧					473	421	457	278	261
Scope 2 – Absolute CO_2e emissions. Market-based. (kt CO_2e)• ✧					178	149	151	49	47
Scope 1+2 – Absolute emissions (Together Towards ZERO 2015 baseline) (kt CO_2e)• ✧	854	790	714	712	651	570	608	327	308
Renewable electricity									
Percentage of electricity from renewable sources•	41	43	45	46	56	64	65	92	92
Sites using coal									
Number of sites using coal•	31	17	12	6	5	2	1	1	0
Together Towards ZERO and Beyond value chain target**									
Total value chain emissions – Absolute CO_2e emissions (kt CO_2e)	7,141				6,766			5,190	
Total value chain emissions – Relative CO_2e emissions (kg CO_2e/hl)	60.8				56.4			47	
Agriculture & Processing (GHG Protocol*** Scope 3 category: 1. Purchased goods and services; and Scope 1, 2, 3 of owned malt plants)	23%				25%			24%	
Breweries (GHG Protocol: Scope 1, Scope 2 market-based, and Scope 3 categories: 1. Purchased goods and services 3. Fuel & energy related activities, 5. Waste generated in operations)	16%				13%			11%	
Packaging (incl. end-of-life treatment) (GHG Protocol Scope 3 categories: 1. Purchased goods and services, 12. End-of-life treatment of sold products)	38%				41%			45%	
Transportation & Distribution (GHG Protocol Scope 3 categories: 4. Upstream transportation and distribution, 6. Business travel (aviation), 9. Downstream transportation and distribution)	13%				12%			10%	
Cooling (GHG Protocol Scope 3 category: 9. Downstream transportation and distribution)	10%				9%			10%	

✧ Carbon emissions have been restated from CO_2 to CO_2e for 2015-2023.

* 2022-2023 data excludes Russia; 2015-2021 data includes Russia.

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

** Methodology on page 160.

*** All Greenhouse Gas Protocol categories are quantified by Carlsberg, but not all are part of the value chain target.

Please see the annual CDP climate assessment for the remaining categories (<25% of total impact) not part of the value chain target.

HEALTH AND SAFETY

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Figures for Production***									
Number of lost-time accidents•	114	105	73	59	53	52	52	55	47
Lost-time accident rate•	6.2	7.0	5.1	4.5	4.1	4.1	4.0	5.2	4.3
Figures for Logistics***									
Number of lost-time accidents•	140	109	62	48	40	27	76	83	43
Lost-time accident rate•	15.5	13.8	8.2	7.5	6.3	4.4	10.9	15.9	8.0
Figures for Sales & Marketing***									
Number of lost-time accidents•	52	95	43	58	46	36	37	8	18
Lost-time accident rate•	3.3	6.2	2.5	3.5	2.7	2.2	2.3	0.7	1.6
Figures for Administration***									
Number of lost-time accidents•	6	2	5	4	7	1	3	1	2
Lost-time accident rate•	1.4	0.6	1.4	1.2	2.0	0.3	0.9	0.4	0.7
Figures for the Group***									
Number of lost-time accidents•	312	311	183	169	146	116	168	147	110
Lost-time accident rate•	6.6	7.4	4.3	4.3	3.7	3.0	4.3	4.8	3.6
Fatalities (Carlsberg Group employees on and off site, contractors and members of the public on site)	5	5	1	3	0	1	2	0	0
Number of lost-time accidents, contractors•				42	54	39	40	30	35
Number of lost-time accidents, members of the public•				0	0	0	0	0	0
Lost-time accidents – department split									
Percentage in Production	37	34	40	35	34	45	31	37	43
Percentage in Logistics	45	35	34	28	35	23	45	57	39
Percentage in Sales & Marketing and Administration	19	31	26	37	32	32	24	6	18

* 2022-2023 data excludes Russia; 2015-2021 data includes Russia.
• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.
*** Carlsberg Group employees.

RESPONSIBLE DRINKING AND MARKETING COMMUNICATION

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Percentage of companies implementing responsible drinking initiatives	78	75	90	76	97	71	69	94	88
Percentage of fermented produced volume that carries legal age-restriction symbol or equivalent text•						50	53	40	50
Percentage of fermented produced volume that lists nutritional information•				65	65	67	67	60	59
Percentage of fermented produced volume that lists ingredient information•				85	90	99	99	98	99
Number of responsible drinking campaigns	239	194	248	159	162	81	83	123	150

LIVING BY OUR COMPASS

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Total number of employees trained in the Code of Ethics & Conduct		4,336	34,500	2,911	4,700	4,511	12,485	6,359	8,780
Number of incidents reported through our Speak Up system	87	55	53	95	168	180**	157	157	188

* 2022-2023 data excludes Russia; 2015-2021 data includes Russia.
• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.
** Restated.

LABOUR, HUMAN RIGHTS, DIVERSITY, EQUITY AND INCLUSION

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Total workforce (FTEs, continuing operations)	47,464	42,062	41,430	40,837	41,248	40,010	39,375	30,835	31,044
% women in senior leadership roles•						27.7	27.8	28.3	30.1
Percentage of employees by employment contract									
Permanent employees	88	86	89	86	87	89	89	87	93
Temporary employees	12	14	11	14	13	11	11	13	7
Percentage of employees by employment type									
Full-time	98	93	93	94	91	93	93	91	92
Part-time	2	7	7	6	9	7	7	9	8
Percentage of employees by employment category									
Total presidents + top managers	1.5	1.5	1.4	1.8	1.9	2	2	2	2
Total managers	12.3	12.6	13.2	13.5	14	13	13	14	14
Total specialists	39.9	36.7	36.9	38.5	39	36	37	40	40
Total workers	46.3	49.2	48.5	46.2	46	49	48	44	44
Percentage of employees by gender									
Men	72	69	71	68	67	68	69	69	69
Women	28	31	29	32	33	32	31	31	31
Percentage of senior leadership roles level by gender									
Men	78	77	76	75	73	72	72	72	70
Women	22	23	24	25	27	28	28	28	30
Percentage of employees by age									
Younger than 18	0.19	0.11	0.13	0.02	0.03	0.02	0,03	0.05	0.05
19-29	22	23	25	23	19	18	16	17	17
30-39	33	33	35	35	38	39	39	38	37
40-49	29	27	25	26	26	26	26	26	26
50 or older	16	17	15	16	17	17	19	19	20

* 2022-2023 data excludes Russia; 2015-2021 data includes Russia.
• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Employee turnover									
Employee turnover percentage	19	21	24	19	17	17	18	16	15
Employee turnover percentage by age									
Younger than 18	-	-	-	-	-	-	-	-	-
19-29	32	31	31	36	35	33	31	33	33
30-39	33	34	38	35	37	36	38	34	33
40-49	20	20	18	16	15	16	16	16	16
50 or older	15	15	15	13	13	14	15	17	18
Employee turnover percentage by gender									
Men	71	69	63	70	73	69	70	70	71
Women	29	31	37	30	27	31	30	30	29
Hours of training per employee									
Average for the Group	15	15	15	16	18	15	13	16	18
Collective bargaining									
Percentage of employees covered by collective bargaining agreements	73	74	74	72	72	67	65	58	59

RESPONSIBLE SOURCING

	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Number of integrated quality audits	171	182	154	166	197	53	121	147	149

* 2022-2023 data excludes Russia; 2015-2021 data includes Russia.

REPORTING PROCESS AND SCOPE

REPORTING APPROACH AND CRITERIA

SCOPE OF THE ESG REPORTING

This report covers the relevant and significant social, ethical and environmental issues for the financial year 1 January to 31 December 2023. It gives our stakeholders an overview of our performance in these areas, complementing our *Annual Report*, which primarily covers our financial and economic performance.

For many years, we have been using the standards of the Global Reporting Initiative (GRI) as guidance for our sustainability work. For this 2023 report, the GRI G4 Sustainability Reporting Guidelines were applied in preparing the underlying data and framing our reporting principles; however, the Carlsberg Group does not apply GRI-specific disclosures in accordance with the standard.

We routinely analyse global megatrends, take part in industry initiatives and assess the activities of our competitors. We also receive recommendations on our sustainability activities and reporting from our assurance provider, PwC. This ensures that we fully understand the key issues and keep up to date.

The report focuses on the topics that we consider most important to our business and society. It is based on a range of inputs from our stakeholders, including, but not restricted to, the materiality assessment updated in 2023, water risk assessments undertaken with WWF, the UN's Sustainable Development Goals (SDGs), carbon footprinting analyses undertaken with the Carbon Trust and guidance from the Carlsberg Sustainability Advisory Board.

BOUNDARY SETTING

Entities included in this report's performance data include majority-owned subsidiaries, which are defined as: companies with continued operations, that the Carlsberg Group directly or indirectly owns, in which it controls more than 50% of the voting rights or that it otherwise controls.

Joint ventures and companies over which the Carlsberg Group does not have the opportunity to exercise management control are not covered. However, we work with our partners routinely to ensure ongoing focus on sustainability issues. If a majority-owned entity is acquired during the financial year, it will be included in the following year's report.

COMMENTS ON BOUNDARY SETTING

Compared to the 2022 reporting scope, the companies and sites named below are included in the 2023 reporting scope:

China:
- Company: Central Business Unit
- Site: Foshan Brewery (H&S data only)

Denmark:
- Company: Visit Carlsberg
- Site: Jacobsen

Compared to the 2022 reporting scope, the company and sites named below are excluded from the 2023 reporting scope because they have been closed or sold:

Czechia:
- Company: Zatecky Pivovar
- Site: Zatec

UK:
- Site: Eagle Brewery
- Site: Jennings Brewery

ENSURING DATA QUALITY

In gathering information about our sustainability performance, we applied the widely used principles of balance, clarity, accuracy, reliability, timeliness and comparability. Please find additional information on each of the topics below:

BALANCE

We are committed to communicating honestly and openly about our performance, both when it has improved and when it has not. Our aim is to provide our stakeholders with sufficient information about our company for them to form their own judgements concerning the Carlsberg Group's position and role in the societies in which we operate.

CLARITY

We strive to make our ESG reporting accessible and easy to read for anyone, but we are always open to feedback about the way we communicate on our material issues.

ACCURACY AND RELIABILITY

Since 2009, our dedicated ESG reporting system has helped us collect data from local sites and consolidate this at Group level. Every year, we have improved the indicator definitions for our performance indicators in order to help our entities report accurately and reliably.

However, it is a challenge to obtain a complete and fully aligned overview of all our data that, at the same time, takes into account local procedures for data gathering. For this reason, we are continuously working on improving data accuracy.

Since 2009, we have been using an international provider of sustainability software solutions to systematise and collect our data. This gives us a higher degree of control over the data-gathering process, helps local companies compare data year on year, and enables instant consistency checks during the data-gathering phase. As well as the system, we use internal data management systems to collect information such as employee headcounts. An additional tool used to improve our sustainability data is the Carlsberg Operational Manual (COM), which sets out details regarding processes and best practices.

PwC has been appointed to obtain independent assurance regarding selected social, environmental and safety indicators. In each section of the report, we indicate which data has been assured. For further details, see pages 113-119.

TIMELINESS

Internally, we report our sustainability data with varying degrees of frequency, depending on the nature of the data. Where necessary, we revise the reporting frequency in order to strike the right balance between obtaining the correct data and observing appropriate time intervals for reporting on them. Annual data gathering and external reporting are aligned with financial data collection, following the calendar year.

COMPARABILITY

We have restated the 2021 data and baseline data used for our targets to exclude Russia, to enable like-for-like comparison with 2022 and 2023 and assess progress in the body text, bar charts and illustrations in this report, unless noted otherwise. All detailed performance data published previously, for the years up to and including 2021, continues to include Russia, and is maintained in the data tables on pages 113-119. We include eight-year data in these data tables.

On pages 122-159, we have included definitions for all indicators that we use to track and report on our ESG progress, and have noted which of these indicators were subject to independent assurance by PwC in 2023.

TARGETS

We communicate through actions and targets:

- Planned actions towards ZERO and Beyond for the reporting year and subsequent year
- 2030 targets
- 2040 targets

These have been developed by each of the area owners in cooperation with Group Sustainability & ESG and may be adjusted following significant changes in the business, such as major acquisitions and divestments. To the degree possible, we take such changes into account when setting targets and developing roadmaps to meet them.

INDICATOR DEFINITIONS

In the following, we explain the indicators we use to measure our sustainability performance. We define them and clarify their scope and any relevant assumptions we have made when collecting data globally.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
General production figures		
Number of reporting sites	**Definition:** Beer and soft drinks production sites as defined on page 3. **Scope:** All majority-owned companies and production sites as defined on page 3.	#
Beer production (million hl)	**Definition:** Volume of fermented products produced. Production output that has passed through the production process on the company's own premises is included. Output is defined as approved packaged product to warehouse, plus volume of bulk beer. **Scope:** Beer and soft drinks production sites as defined on page 3.	Million hl
Soft drinks production (million hl)	**Definition:** Volume of non-fermented products produced. Production output that has passed through the production process on the company's own premises is included. Output is defined as approved packaged product to warehouse, plus volume of bulk non-fermented products. **Scope:** Beer and soft drinks production sites as defined on page 3.	Million hl

INDICATOR NAME	INDICATOR DEFINITION	UNIT
General production figures		
Total production of beer and soft drinks•	**Definition:** Volume of fermented and non-fermented products produced. Production output that has passed through the production process on the company's own premises is included. Output is defined as approved packaged product to warehouse, plus volume of bulk beer and volume of bulk non-fermented products. **Scope:** Beer and soft drinks production sites as defined on page 3.	Million hl
Malting (kt)	**Definition:** Total weight in tonnes of malt leaving the malting plant in the year. **Scope:** Malting sites as defined on page 3.	kt
Environmental performance data (beer, soft drinks and malt production)		
Total thermal energy consumption•	**Definition:** Total thermal energy consumption used for beer, soft drinks and malt production. Thermal energy originates from different energy sources such as light fuel oil, heavy fuel oil, natural gas, town gas, biogas from wastewater treatment plants, coal, biomass, district heating, grid electricity and biogas with renewable certificates (documented and traceable). **Scope:** Beer, soft drinks and malt production sites as defined on page 3. Consumption for non-production-site activities is included. **Assumptions:** Thermal energy sold to third parties, fuels for on-site logistics and fuels used for electricity production from on-site combined heat and power (CHP) plants are excluded from "Total thermal energy consumption". Losses from CHPs are included.	GWh

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Environmental performance data (beer, soft drinks and malt production)		
Total electricity consumption•	**Definition:** Total electricity consumption for beer, soft drinks and malt production. Electricity originates from different sources such as renewable electricity generated on site (solar, wind), electricity bought with renewable certificates (e.g. Guarantees Of Origin, Renewable Energy Guarantees of Origin – REGO), electricity from the grid and electricity from on-site combined heat and power (CHP) plants. **Scope:** Beer, soft drinks and malt production sites as defined on page 3. Consumption for non-production-site activities is included. **Assumptions:** Electricity sold to third parties is excluded from "Total electricity consumption".	GWh
Total CO_2e emissions (from direct and indirect fuel consumption) (kt)• (market-based)	**Definition:** Total fossil fuel carbon dioxide equivalent emissions (direct and indirect). Direct emissions are from the combustion of fuels for thermal energy and indirect emissions are from purchased electricity and district heating. CO_2e emission factors used for fossil fuels and electricity are in accordance with the UK Government GHG Conversion Factors for Company Reporting and International Energy Agency statistics. Fossil fuel and electricity grid emission factors are updated annually. For market-based emissions, an electricity market-specific CO_2e emission factor is used, which is linked to the actual electricity purchased. **Scope:** Beer, soft drinks and malt production sites as defined on page 3. **Assumptions:** CO_2e emissions related to sold thermal energy and electricity are not deducted from "Total CO_2e emissions".	kt

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Environmental performance data (beer, soft drinks and malt production)		
Total CO_2e emissions (from direct and indirect fuel consumption) (kt)• (location-based)	**Definition:** Total fossil fuel carbon dioxide equivalent emissions (direct and indirect). Direct emissions are from the combustion of fuels for thermal energy and indirect emissions are from purchased electricity and district heating. CO_2e emission factors used for fossil fuels and electricity are in accordance with the UK Government GHG Conversion Factors for Company Reporting and International Energy Agency statistics. Fossil fuel and electricity grid emission factors are updated annually. For location-based emissions, a country-specific CO_2e emission factor is used for electricity purchased. **Scope:** Beer, soft drinks and malt production sites as defined on page 3. **Assumptions:** CO_2e emissions related to sold thermal energy and electricity are not deducted from "Total CO_2e emissions".	Kt
Total SO_2 emissions (tonnes)	**Definition:** SO_2 emissions from the combustion of fuels on site. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	T
Total NO_x emissions (tonnes)	**Definition:** NO_x emissions from the combustion of fuels on site. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	t
Municipal water (million m^3)	**Definition:** The total amount of water received at the site from a municipal water supply, **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	million m^3

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Environmental performance data (beer, soft drinks and malt production)		
Own boreholes (million m³)	**Definition:** The total amount of water received at the site from own boreholes. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	million m³
Surface water (million m³)	**Definition:** The total amount of water received at the site from surface water. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	million m³
Water sold to third parties (million m³)	**Definition:** Total quantity of raw water sold to third parties for use either on site or off site. Third-party use on site: When an external company rents buildings at the brewery and purchases water from the brewery intake. Third-party use off site: When Carlsberg distributes and sells raw water to an external company off site or to the public water supply. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	million m³
Total water use•	**Definition:** Total water use for beer, soft drinks and malt production. Water originates from water withdrawal from own boreholes, the municipal water supply, surface water or other sources. **Scope:** Beer, soft drinks and malt production sites as defined on page 3. Consumption for non-production-site activities is included. **Assumptions:** Water intake to brewery sold to third parties is excluded from “Total water use”.	million m³

• 2023 data within PwC’s assurance scope (see PwC’s Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Environmental performance data (beer, soft drinks and malt production)		
Total wastewater discharged	**Definition:** Total volume of wastewater leaving the site. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	Million m³
Total water consumption	**Definition:** "Total water use" – "Total wastewater discharged". **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	million m³
% of water replenished	**Definition:** Water consumed at breweries in high-risk areas is defined as "Water intake" minus "Raw water sold to third parties" minus "Wastewater discharge" and breweries in high-risk areas are identified by conducting a detailed water risk assessment using a recognised assessment tool like the Water Risk Filter from WWF. Replenishment of the water consumed by breweries in high-risk areas must be carried out through off-site projects and must follow the definitions described in the Volumetric Water Benefit Accounting (VWBA) method by WRI. The off-site replenishment projects must be in the river basin the brewery belongs to, and several breweries in high-risk areas can be connected to the same off-site replenishment project if they are based in the same river basin. If an off-site replenishment project is co-financed with other partners, Carlsberg will claim the portion of the total water replenished by the project, equivalent to Carlsberg's cost share for the entire project. An off-site water replenishment project will be taken into consideration as long as the project is active. However, a project can as a maximum last for 15 years. % of water replenished is calculated as "Amount of water replenished through off-site projects" relative to "Water consumed at breweries in high-risk areas". **Scope:** All majority-owned production sites as defined on page 3 situated in high-risk areas.	

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Solid waste & by-products		
Incinerated	**Definition:** Solid waste incinerated in a publicly controlled incinerator off site or on site. List of materials that may be incinerated (not exhaustive): spent grains, spent yeast, spent kieselguhr, wastewater sludge, general brewery waste. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	kt
To sanitary landfill	**Definition:** Solid waste disposed of to a publicly controlled sanitary landfill. List of materials that may be disposed of to sanitary landfill (not exhaustive): spent grains, spent yeast, spent kieselguhr, wastewater sludge, general brewery waste. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	kt
Special waste	**Definition:** Waste that cannot be sent to incineration/sanitary landfill but instead should be sent for authorised handling, e.g. used oils and chemicals, lamps and batteries. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	Kt
Recycled	**Definition:** List of materials that may be recycled at a recycling facility (not exhaustive): - Metal - Glass - Paper and plastics - Spent kieselguhr, used for bricks - Spent yeast, used as a component in other industries Materials that are used for composting or energy recovery (biofuels or biogas) are not to be considered as recycled. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	kt
Disposed of for land applications (kt)	**Definition:** Solid waste or by-products disposed of by spreading on farmland, into own or controlled dumps etc. List of materials that may be spread on farmland (not exhaustive): spent grains, spent yeast, spent kieselguhr, wastewater sludge.	kt

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Solid waste & by-products		
	Scope: Beer, soft drinks and malt production sites as defined on page 3.	
Total solid waste	**Definition:** Total sum of solid waste categories: incinerated, sent to sanitary landfill, special waste, recycled, disposed of for land applications. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	kt
Brewer's grain and brewer's yeast utilised (kt)	**Definition:** Spent grains or surplus yeast utilised for animal fodder or in other products. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	kt
Relative figures for beer and soft drinks production		
Thermal energy•	**Definition:** Thermal energy needed to produce 1 hectolitre of beer and soft drinks. "Total thermal energy consumption" / "Total production of beer and soft drinks". **Scope:** Beer and soft drinks production sites as defined on page 3. Consumption for non-production-site activities is included. **Assumptions:** Thermal energy used for malting or other extraordinary site activities is deducted from "Total thermal energy consumption".	kWh/hl
Electricity consumption•	**Definition:** Electricity needed to produce 1 hectolitre of beer and soft drinks. "Total electricity consumption" / "Total production of beer and soft drinks". **Scope:** Beer and soft drinks production sites as defined on page 3. Consumption for non-production-site activities is included. **Assumptions:** Electricity used for malting or other extraordinary site activities is deducted from "Total electricity consumption".	kWh/hl

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Relative figures for beer and soft drinks production		
Combined energy (thermal and electricity)•	**Definition:** Electricity and thermal energy needed to produce 1 hectolitre of beer and soft drinks. "Total electricity consumption" + "Total thermal energy consumption" / "Total production of beer and soft drinks". **Scope:** Beer and soft drinks production sites as defined on page 3.	kWh/hl
CO_2e emissions•	**Definition:** Fossil fuel carbon dioxide equivalent emissions (direct and indirect) emitted from energy used to produce 1 hectolitre of beer and soft drinks. "Total CO_2e emissions (from direct and indirect fuel consumption)" / "Total production of beer and soft drinks". **Scope:** Beer and soft drinks production sites as defined on page 3. **Assumptions:** CO_2e emissions related to malting or other extraordinary site activities are deducted from "Total CO_2e emissions (from direct and indirect fuel consumption)".	kg CO_2/hl
Water use•	**Definition:** Water needed to produce 1 hectolitre of beer and soft drinks. "Total water use" / "Total production of beer and soft drinks". **Scope:** Beer and soft drinks production sites as defined on page 3. Consumption for non-production-site activities is included. **Assumptions:** Water used for malting or other extraordinary site activities is deducted from "Total water use".	hl/hl

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Relative figures for malt production		
Thermal energy	**Definition:** Thermal energy needed to produce 1 tonne of malt. "Total thermal energy consumption malting" / "Total malt production". **Scope:** Malting sites.	kWh/tonne
Electricity	**Definition:** Electricity needed to produce 1 tonne of malt. "Total electricity consumption malting" / "Total malt production". **Scope:** Malting sites.	kWh/tonne
Combined energy (thermal and electricity)	**Definition:** Thermal energy and electricity needed to produce 1 tonne of malt. "Total electricity consumption malting" + "Total thermal energy malting" / "Total malt production". **Scope:** Malting sites.	kWh/tonne
CO_2e emissions	**Definition:** Fossil fuel carbon dioxide equivalent emissions (direct and indirect) emitted from energy used to produce 1 tonne of malt. "Total CO_2e emissions (from direct and indirect fuel consumption) malting" / "Total malt production". **Scope:** Malting sites.	tonnes CO_2/tonne

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Relative figures for malt production		
Water	**Definition:** Water needed to produce 1 tonne of malt. "Total water use malting" / "Total malt production". **Scope:** Malting sites.	m^3/tonne
Other figures		
Complaints	**Definition:** Number of complaints from neighbours, authorities or others registered last year. A complaint has to be registered on every application to the site. A complaint can be related to noise, air emissions, odour, wastewater, solid waste or other environmental complaints. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	#
Number of ISO 14001-certified sites	**Definition:** Number of approved and verified ISO 14001-certified sites. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	#
Number of ISO 50001-certified sites	**Definition:** Number of approved and verified ISO 50001-certified sites. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	#

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Water source split		
Municipal water	**Definition:** Share of the total amount of water received at the site from the municipal water supply relative to the total amount of water received at the site. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Own boreholes	**Definition:** Share of the total amount of water received at the site from own boreholes relative to the total amount of water received at the site. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Surface water	**Definition:** Share of the total amount of water received at the site from surface water relative to the total amount of water received at the site. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Wastewater destination		
Public sewer with wastewater treatment	**Definition:** Share of wastewater that is emitted to public sewer with wastewater treatment. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
On-site treatment, followed by public sewer without wastewater treatment	**Definition:** Share of wastewater that is emitted to on-site treatment, followed by public sewer without wastewater treatment. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Wastewater destination		
On-site treatment, followed by discharge to river/lake	**Definition:** Share of wastewater that is emitted to on-site treatment, followed by discharge to river/lake. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Other	**Definition:** Share of wastewater that is emitted to other applications, for example soil. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Thermal energy mix		
Natural gas	**Definition:** Share of thermal energy intake from natural gas. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Coal	**Definition:** Share of thermal energy intake from coal. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
District heating	**Definition:** Share of thermal energy intake from district heating. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Thermal energy mix		
District heating from renewable energy	**Definition:** Share of thermal energy intake from district heating originating from renewable energy sources. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Heavy fuel	**Definition:** Share of thermal energy intake from heavy fuel oil. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Renewable energy	**Definition:** Share of thermal energy intake from renewable energy sources such as biogas generated from our wastewater treatment plants and from biomass. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Light fuel	**Definition:** Share of thermal energy intake from light fuel oil. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%
Other	**Definition:** Share of thermal energy intake from other energy sources. **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Packaging mix		
Cans	**Definition:** Share of total production volume of beer and soft drinks packed in cans. **Scope:** Beer and soft drinks production sites as defined on page 3.	%
RGB	**Definition:** Share of total production volume of beer and soft drinks packed in RGBs (refillable glass bottles). **Scope:** Beer and soft drinks production sites as defined on page 3.	%
NRGB	**Definition:** Share of total production volume of beer and soft drinks packed in NRGBs (non-refillable glass bottles). **Scope:** Beer and soft drinks production sites as defined on page 3.	%
PET	**Definition:** Share of total production volume of beer and soft drinks packed in PET bottles. **Scope:** Beer and soft drinks production sites as defined on page 3.	%
Kegs	**Definition:** Share of total production volume of beer and soft drinks packed in kegs (steel, aluminium or plastic). **Scope:** Beer and soft drinks production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Packaging mix		
Bulk	**Definition:** Share of total production volume of beer and soft drinks delivered to customers and consumers in bulk (tankers or containers). **Scope:** Beer and soft drinks production sites as defined on page 3.	%
Other	**Definition:** Share of total production volume of beer and soft drinks packed in other packaging types. **Scope:** Beer and soft drinks production sites as defined on page 3.	%
% of recyclable, reusable or renewable packaging	To be disclosed from 2024	%
% of collected and recycled bottles and cans	**Definition:** Global weighted aggregate of national hl sold in bottles and cans relative to the primary packaging type-specific collection rate in the sales country. For reusable glass bottles, the share of the bottles reused is associated with 100% collection and “recycling”/reuse, and the share of the reusable bottles lost in the market is associated with the standard recycling rate of glass bottles in the country, as used for one-way glass bottles. Included are bottles made from glass and plastic, both reusable and one-way, aluminium and steel cans, polymer and steel-based kegs, as well as potential future novel bottle or can materials. Excluded are closures and labels. For all volume (hl) related packaging targets, all own sales volumes in countries where we produce are in scope (aligned with the scope of our ESG report). **Scope:** All majority-owned companies and production sites as defined on page 3. Volumes not in scope: “co-manufactured volumes”, “third-party finished products” and “licensee volumes”. Product types included are “locally produced” and “2PP” (SKU produced within Carlsberg-owned production sites located outside the selling market). Products not in scope: “bought-in exclusive”, “bought-in non-exclusive” and “co-manufactured”.	%
% of recycled content in bottles and cans	**Definition:** Includes all primary packaging. Primary packaging is in direct contact with the beverage and includes bottles (glass and plastic), cans (aluminium and steel), single-use polymer kegs and potential future novel materials.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Packaging mix		
	The sales volume specifications for all volume (hl) related packaging targets apply also to this target. Global weighted aggregate of national hl sold in bottles and cans relative to the recycled content per packaging type per supplier. Recycled content counting towards this target excludes pre-consumer material, and only includes post-consumer recycled material, as defined in ISO 14021. Post-consumer recycled material is material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain. It excludes pre-consumer material (e.g. production scrap). **Scope:** All majority-owned companies and production sites as defined on page 3.	
% reduction in absolute virgin plastic use	**Definition:** The use of virgin fossil-based plastic is to be reduced or replaced, which can happen through various mechanisms that include but in the future are not limited to usage of post-consumer recycled material, enhanced recycling, renewable plastics, lightweighting, replacement of plastic with renewable fibre or reusable alternatives. For primary packaging, this includes plastic bottles, kegs and cups. For secondary packaging, this includes shrink film, carry handles and hi-cones. **Scope:** All majority-owned companies and production sites as defined on page 3. All single-use plastic usage in primary and secondary packaging.	kt
Emissions from HFC-based refrigerants		
Total CO_2e emissions from refrigerants•	**Definition:** CO_2e emissions caused by refrigerant losses from on-site refrigerant systems. Emission factors for refrigerants are obtained from a range of publicly available sources and UK Government GHG Conversion Factors for Company Reporting where possible. **Scope:** Beer and soft drinks and malt production sites as defined on page 3.	kt
Brewery carbon emissions		
Scope 1 - Absolute CO_2e emissions (excl. Logistics) (kt CO_2e)•	**Definition:** Sum of "Total CO_2e emissions (from direct fuel consumption)" and "Total CO_2e emissions from refrigerants". **Scope:** Beer and soft drinks and malt production sites as defined on page 3.	kt

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Brewery carbon emissions		
Scope 2 - Absolute CO_2e emissions. Market-based (kt CO_2e)•	**Definition:** Sum of "Total CO_2e emissions (from indirect fuel consumption)". **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	kt
Scope 1+2 - Absolute CO_2e emissions (Together Towards ZERO and Beyond brewery target) (kt CO_2e)•	**Definition:** Sum of "Total CO_2e emissions (from direct and indirect fuel consumption)" and "Total CO_2e emissions from refrigerants". **Scope:** Beer, soft drinks and malt production sites as defined on page 3.	kt
Renewable electricity		
Percentage of electricity from renewable sources•	**Definition:** Share of electricity from renewable sources. Renewable sources can be on-site renewable electricity generation or electricity supplied with Guarantees of Origin, Renewable Energy Guarantees Origin or similar standards. RE100 requirements provide the guiding principles for how renewable electricity is reported. "Total renewable electricity intake" / "Total electricity intake". **Scope:** Beer, soft drinks and malt production sites as defined on page 3. **Assumptions:** Electricity generated from on-site combined heat and power (CHP) plants is not included in "Total electricity intake".	%

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Renewable electricity		
% of electricity with additionality	**Definition:** "Total additional renewable electricity consumption" / "Total electricity consumption" [kWh/kWh] New/additional installations means; (a) a new renewable generation installation that was not under construction at the date of Carlsberg's purchase and/or investment, or (b) an existing renewable generation installation that is going to be repowered (modernisation and/or upgrade) after the date of Carlsberg's purchase and/or investment, unless market conditions do not allow for PPA from new installations, in which case electricity purchases including the renewable attribute from existing installations will serve as fallback. Additional renewable sources can be on-site renewable electricity generation or procured through power purchase agreements (PPAs), or generation otherwise owned or procured by Carlsberg. The target requires that 100% RE has been committed contractually by 2030, i.e. the installations do not all have to be operational in FY 2030 for the target to be considered reached. Therefore, the KPI is reported both as "contracted" and "operational" as a percentage of total electricity consumption. **Scope:** All majority-owned companies and production sites as defined on page 3. All operations on site are included: offices, production, warehousing, cogeneration, and extraordinary site activities, e.g. drying and malting. Electricity sold from the brewery to a third party is included in the target. Assumptions: Electricity generated from on-site combined heat and power (CHP) plants is not included in "Total electricity intake".	%
Sites using coal		
Number of sites using coal•	**Definition:** Number of breweries that used coal as the primary thermal energy source during the reporting period. **Scope:** Beer, soft drinks and malt production sites as defined on page 3. **Assumptions:** The brewery does not use coal on site to generate thermal energy.	Number of sites

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Value chain carbon emissions		
Total value chain emissions – Absolute CO_2e emissions	**Definition:** Total CO_2e emissions is the sum of Scope 1, Scope 2 – market-based – and Scope 3 emissions in scope. Value chain footprint analysis in accordance with the Greenhouse Gas Protocol for Scope 1, 2 and 3 emissions, the European Commission's Product Environmental Footprint guidelines, including the category rules for beer, and the Beverage Industry Greenhouse Gas Emissions Sector Guidance. Read more about our methodology on page 160. **Scope:** All majority-owned companies and production sites as defined on page 3. For 2030, near-term SBT: Scope 1, 2 and 3 emissions for total beer, soft drinks and malt production as defined on page 3. Material Scope 3 emissions (>75% of the total value chain emissions, exceeding the GHG Protocol requirement to cover more than two thirds of total Scope 3 emissions) as defined on page 160. For 2040, long-term SBT, net ZERO: Scope 1, 2 and 3 emissions for all beverages and all Scope 3 categories, for example emissions related to licensees' volume or third-party products are to be included. In the disclosures to the CDP, the emissions "not in scope" of the near-term target are reported.	kt CO_2e
Total value chain emissions – Relative CO_2e emissions	**Definition:** Sum of reported Scope 1, Scope 2 – market-based – and Scope 3 emissions in scope related to 1 hectolitre of beer and soft drinks produced. "Absolute CO_2e emissions" / "Total production of beer and soft drinks". Value chain footprint analysis in accordance with the Greenhouse Gas Protocol for Scope 1, 2 and 3 emissions, the European Commission's Product Environmental Footprint guidelines, including the category rules for beer, and the Beverage Industry Greenhouse Gas Emissions Sector Guidance. Read more about our methodology on page 160. **Scope:** Scope 1, 2 and 3 emissions for total beer, soft drinks and malt production as defined on page 3. Material Scope 3 emissions (>75% of the total value chain emissions) as defined on page 160. CO_2e emissions related to licensees' volume or third-party products are deducted from "Total value chain emissions – Absolute CO2e emissions (kt CO_2e)" as the 75% in scope exceeds the GHG Protocol requirement to cover more than two thirds of total Scope 3 emissions. In the disclosures to the CDP, the emissions not in scope of the reduction target are also transparently reported.	kg CO_2e/hl

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Agricultural raw materials		
% share of raw materials from regenerative agricultural practices	**Definition:** For raw materials to be considered grown with regenerative practices the following principles should be applied year on year on a field level. **Mandatory requirements (barley, wheat)*:** • No/minimal soil disturbance: A field is considered to have had no/minimal soil disturbance if the machinery used does not exceed a depth of 10 cm. • Cover crops: Soil must be covered at least 95% of the year (347 days). • Crop rotation: A minimum of four different crops on the same plot over four harvest seasons. • Minimal chemical inputs (synthetic fertilisers and pesticides): Use of fertilisers and pesticides must not exceed field and crop demand. • Documentation of practices used at farms and full chain traceability. **Optional requirements:** • Fields have borders/areas for bees/beneficial insects for improving biodiversity. • Restore soil with compost/organic manure. • Integrate livestock (if possible). * For all mandatory requirements local field and climatic conditions may justify different regenerative farming demands and practices. This may mean that exemptions from mandatory requirements can be given. Mandatory regenerative farming requirements for sugar, rice, corn and hops to be agreed with suppliers to the Carlsberg Group. % share of raw materials from regenerative agricultural practices is calculated as "Total weight of raw materials purchased from regenerative agricultural practices" relative to "Total weight of raw materials purchased" where "Total weight of raw materials purchased" is the contracted and delivered weight. **Scope:** Raw materials (barley, wheat, rice, sugar, corn, hops) purchased by the Carlsberg Group for production of our products at our majority-owned production sites as defined on page 3.	%
% share of our raw materials sustainably sourced	**Definition:** Raw materials are considered sustainably sourced when they are produced at farms which have undergone an externally certified FSA (Farm Sustainability Assessment) at minimum bronze level. The FSA is developed by the SAI Platform. Raw materials from certification schemes covering the same scope as an FSA bronze assessment can also be considered as raw materials which are sustainably sourced. Sustainably sourced raw materials are produced in a manner which ensures safe, high-quality raw materials and which protects and improves the natural environment and the social and economic conditions of farmers and their communities.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Agricultural raw materials		
	% share of our raw materials sustainably sourced is calculated as "Total weight of purchased raw materials that are sustainably sourced" relative to "Total weight of raw materials purchased" where "Total weight of raw materials purchased" is the contracted and delivered weight. **Scope:** Raw materials (barley, wheat, rice, sugar, corn, hops) purchased by the Carlsberg Group for production of our products at our majority-owned production sites as defined on page 3.	
HEALTH & SAFETY		
Figures for Production, Logistics, Sales & Marketing, Administration, & for the Group		
Lost-time accidents (LTAs) in Production, Logistics, Sales & Marketing and Administration•	**Definition:** Any wound or damage to the body, resulting from a brief single event or exposure, causing lost time. Lost time occurs when the injured/ill person is medically considered unable to work. It includes time away from work for rest, recovery or treatment. "Accident" and "injury" are used interchangeably. **Scope:** All majority-owned companies and production sites as defined on page 3.	LTA
Full-time equivalents (FTEs) in Production, Logistics, Sales & Marketing and Administration•	**Definition:** Full-time equivalents (FTEs) is equal to the average number of employees on the payroll. Part-time employees are converted into FTEs proportionally. **Scope:** All majority-owned companies and production sites as defined on page 3.	FTE
Lost-time accident rate (LTAR) in Production, Logistics, Sales & Marketing and Administration•	**Definition** Number of lost-time accidents (LTAs) x 1,000 / Number of full-time equivalents (FTEs). **Scope:** All majority-owned companies and production sites as defined on page 3.	LTAR

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Figures for Production, Logistics, Sales & Marketing, Administration, & for the Group		
Lost-time accidents (LTAs), contractors on Carlsberg site•	**Definition:** Any wound or damage to the body, resulting from a brief single event or exposure, causing lost time. Lost time occurs when the injured/ill person is medically considered unable to work. It includes time away from work for rest, recovery or treatment. Contractor: any individual who works for a service provider (or who is self-employed) and performs an outsourced activity for Carlsberg (including individuals who work for subcontractors). Carlsberg site: any site managed by Carlsberg, or where construction work is being carried out on our behalf, including greenfield and brownfield project sites. “Accident” and “injury” are used interchangeably. **Scope:** All majority-owned companies and production sites as defined on page 3.	LTA
Lost-time accidents (LTAs), members of the public on Carlsberg site•	**Definition:** Any wound or damage to the body, resulting from a brief single event or exposure, causing lost time. Lost time occurs when the injured/ill person is medically considered unable to work. It includes time away from work for rest, recovery or treatment. Member of the public: any individual who does not correspond to the definitions of regular employee, temporary employee or contractor (e.g. visitors, delivery personnel, suppliers, consultants, students, family members). Carlsberg site: any site managed by Carlsberg, or where construction work is being carried out on our behalf, including greenfield and brownfield project sites. "Accident" and "injury" are used interchangeably. **Scope:** All majority-owned companies and production sites as defined on page 3.	LTA

• 2023 data within PwC's assurance scope (see PwC’s Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Figures for Production, Logistics, Sales & Marketing, Administration, & for the Group		
Fatalities (Carlsberg Group employees on and off site, contractors and members of the public on site)	**Definition:** Fatalities among Carlsberg Group employees on and off site, contractors and members of the public on site. **Scope:** All majority-owned companies and production sites as defined on page 3.	#
Lost-time accidents – department split		
Percentage in Production	**Definition:** Share of lost-time accidents occurring in Production. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Percentage in Logistics	**Definition:** Share of lost-time accidents occurring in Logistics. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Percentage in Sales & Marketing and Administration	**Definition:** Share of lost-time accidents occurring in Sales & Marketing and Administration. **Scope:** All majority-owned companies and production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
RESPONSIBLE DRINKING AND MARKETING COMMUNICATION		
Percentage of companies implementing responsible drinking initiatives	**Definition:** Share of Carlsberg companies implementing responsible drinking initiatives. Responsible drinking initiatives can be linked to brands, partnerships, customers and consumers, and cover areas like binge drinking, pregnancy or drink-driving. **Scope:** All majority-owned companies as defined on page 3. **Assumption:** All majority-owned companies that only have microbrewery operations are exempted from implementing responsible drinking initiatives but will rely on activities from other Carlsberg companies, typically in the same country.	%
Percentage of fermented produced volume carrying responsible drinking guiding symbols and/or equivalent text	**Definition:** "Volume of packed fermented products carrying a don't drink and drive symbol or equivalent text, or a don't drink when pregnant symbol or equivalent text (on primary packaging, excluding kegs and alcohol-free brews)" / "Total packed fermented production volume x 100%". **Scope:** All majority-owned companies and production sites as defined on page 3, excluding companies without production and/or direct sales activities.	%
Percentage of fermented produced volume carrying a legal age-restriction symbol or equivalent text•	**Definition:** "Volume of packed fermented products carrying a legal age-restriction symbol or equivalent text (on primary packaging, excluding kegs and alcohol-free brews)" / "Total packed fermented production volume x 100%". **Scope:** All majority-owned companies and production sites as defined on page 3, excluding companies without production and/or direct sales activities.	%

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
RESPONSIBLE DRINKING AND MARKETING COMMUNICATION		
Percentage of fermented produced volume that lists nutritional information•	**Definition:** "Volume of packed fermented products that list nutritional information (on primary packaging, excluding kegs and alcohol-free brews)" / "Total packed fermented production volume x 100%". Nutritional declaration: nutrition declared on consumer-facing primary packaging. Minimum requirement is to present energy in linear form (e.g. "Energy: 190 kJ/46 kcal per 100 ml"). **Scope:** All majority-owned companies and production sites as defined on page 3, excluding companies without production and/or direct sales activities.	%
Percentage of fermented produced volume that lists ingredient information•	**Definition:** "Volume of packed fermented products that list ingredient information (on primary packaging, excluding kegs and alcohol-free brews)" / "Total packed fermented production volume x 100%". Ingredient declaration: ingredients presented on consumer-facing primary packaging in linear form (e.g. "Water, barley malt, hops"). **Scope:** All majority-owned companies and production sites as defined on page 3, excluding companies without production and/or direct sales activities.	%
Number of responsible drinking campaigns	**Definition:** Share of Carlsberg companies implementing responsible drinking campaigns. A responsible drinking campaign is a series of messages sharing a single idea and theme around responsible drinking that make up an integrated marketing communication. Campaigns or initiatives can appear in different media (digital, traditional, ABT, BTL) across a specific timeframe. **Scope:** All majority-owned companies as defined on page 3. **Assumption:** All majority-owned companies that only have microbrewery operations are exempted from implementing responsible drinking campaigns but will rely on campaigns from other Carlsberg companies, typically in the same country.	#
% share of total beer, cider, kvas and malt-based brew portfolio between 0.0 and 3.5% alcohol.	**Definition:** By 2030 35% of our beers will have an alcohol level between 0.0 and 3.5%. Beers, ciders, kvas and malt beverage products in our portfolio with an alcoholic level of 0.0-0.5% and 0.6-3.5% are included in this target.	%

• 2023 data within PwC's assurance scope (see PwC's Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
RESPONSIBLE DRINKING AND MARKETING COMMUNICATION		
	Scope: All majority-owned companies and production sites as defined on page 3, as well as co-manufactured volumes. Bought-in contracts where we only distribute are excluded.	
% alcohol free beers available to customers in markets with an operating company	**Definition:** All Carlsberg on-trade or off-trade customers across our markets will by 2030 be able to order alcohol-free brews from our pricelist. **Scope:** All majority-owned companies and production sites as defined on page 3. For this indicator, one market equals one country.	%
% of packaging of all consumer-facing alcoholic products carrying: • Ingredient information • Nutrition information • Age restriction • Consumer warning • Responsible drinking message	**Definition:** All primary packaging for all consumer-facing alcoholic products will carry: **1. Ingredient information** a. A list of ingredients in decreasing order by weight. b. A full ingredients list on-pack and a direct URL on-pack to ingredient information (optional but preferable). **2. Nutrition information** a. Nutrition information on-pack will include as a minimum the energy content (xx kJ/kcal per 100 ml). b. A direct URL on-pack to full nutrition values (optional but preferable). c. Full nutrition information, i.e. the energy content (kJ/kcal per 100 ml) plus the amounts (g/100 ml) of fat, saturates, carbohydrates, sugars, protein and salt (mandatory for AFB, optional for other products). **3. Age restriction** All alcoholic products and alcohol-free extensions must carry age-restriction or equivalent text (IARD commitment deadline end of 2024). **4. Consumer warning** a. All alcoholic products must carry an age-restriction symbol on all alcohol brands plus additionally either a warning against drinking while pregnant or a warning against driving while intoxicated or equivalent text (IARD commitment deadline end of 2024). b. A direct URL on-pack with risks related to irresponsible drinking (optional but preferable, for example: www.carlsberg.com/health). **5. Responsible drinking message, where number 1 or 2 brand** a. Incorporates a responsible drinking tagline/slogan/message and b. Runs an annual responsible drinking campaign on the brand c. An on-pack URL to a branded webpage for more information (optional but preferable).	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
RESPONSIBLE DRINKING AND MARKETING COMMUNICATION		
	Scope: All majority-owned companies and production sites as defined on page 3. Total volume of alcoholic products above 0.5% ABV sold by Carlsberg.	
LIVING BY OUR COMPASS		
Total number of employees trained in the Code of Ethics & Conduct	**Definition:** Total number of employees trained in the Code of Ethics & Conduct. Training can be online and/or in classroom settings, and employees are Carlsberg employees. **Scope:** All new or relevant existing employees with an active directory account at all majority-owned companies and production sites as defined on page 3.	#
Number of incidents reported through our Speak Up system	**Definition:** Number of incidents reported through our Speak Up system. Incidents/concerns that can be raised via Speak Up include: • corruption and bribery, • violations of various laws (including competition law, insider trading, trade sanctions, export control, and data protection and privacy laws), • accounting manipulation, • conflict of interest, • discrimination, • (sexual) harassment, • asset misappropriation (including theft, improper use of company resources), • disclosure of confidential information, • environmental issues, • health and safety issues, • retaliation. The number presented is the total number of suspected cases of misconduct reported in the Speak Up system. **Scope:** Everybody is invited to speak up, both employees and external parties. Our Speak Up system is available to anyone who wishes to raise a concern about possible misconduct within Carlsberg.	#

INDICATOR NAME	INDICATOR DEFINITION	UNIT
LABOUR, HUMAN RIGHTS, DIVERSITY, EQUITY AND INCLUSION		
Total workforce		
Total number of FTEs	**Definition:** Full-time equivalents (FTEs) is equal to the average number of employees on the payroll. Part-time employees are converted into FTEs proportionally. **Scope:** All majority-owned companies and production sites as defined on page 3.	#
Percentage of women in senior leadership roles		
Percentage of women in senior leadership roles•	**Definition:** Percentage of women in senior leadership roles is calculated by dividing the number of women in senior leadership roles by the total number of employees in senior leadership roles. Senior leadership roles are defined as all employees in band 7+ (Director, Senior Director, VP, MD, SVP, EVP, CFO, CEO). Performance is measured at year-end. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Percentage of employees by employment contract		
Permanent employees	**Definition:** Number of employees in Employee Group = “Permanent” relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Temporary employees	**Definition:** Number of employees in Employee Group = “Temporary” relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%

• 2023 data within PwC's assurance scope (see PwC’s Assurance Report, pages 163-164). See previous ESG and sustainability reports for assurance of data published in prior years.

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Percentage of employees by employment type		
Full-time	**Definition:** Number of employees in Employment Type = "Full-time" relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Part-time	**Definition:** Number of employees in Employment Type = "Part-time" relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Percentage of employees by employment category		
Total presidents and top managers	**Definition:** Number of employees in Employment Subgroup = "Top Management" or "VP/Directors" relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Total managers	**Definition:** Number of employees in Employment Subgroup = "Managers" relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Total specialists	**Definition:** Number of employees in Employment Subgroup = "Specialists" relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Total workers	**Definition:** Number of employees in Employment Subgroup = "Workers" relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Percentage of employees by age		
Younger than 18	**Definition:** Number of employees, age =<18 relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
18-29	**Definition:** Number of employees, age =≥18 and <30 relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
30-39	**Definition:** Number of employees, age =≥30 and <40 relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
40-49	**Definition:** Number of employees, age =≥40 and <50 relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
50 or older	**Definition:** Number of employees, age =≥50 relative to the total number of employees in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Employee turnover		
Employee turnover percentage	**Definition:** Number of leavers relative to the total number of employees in Carlsberg. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
INDICATOR NAME	INDICATOR DEFINITION	UNIT
Employee turnover percentage by age		
Younger than 18	**Definition:** Number of leavers, age = <18 relative to the total number of leavers. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
19-29	**Definition:** Number of leavers, age = >18 and <30 relative to the total number of leavers. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
30-39	**Definition:** Number of leavers, age =>30 and <40 relative to the total number of leavers. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
40-49	**Definition:** Number of leavers, age =>40 and <50 relative to the total number of leavers. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
50 or older	**Definition:** Number of leavers, age =>50 relative to the total number of leavers. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Employee turnover percentage by gender		
Men	**Definition:** Number of men leavers relative to the total number of leavers. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Women	**Definition:** Number of women leavers relative to the total number of leavers. Leavers = employees ending their employment with Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Hours of training per employee		
Average for the Group	**Definition:** Average hours of training per employee is defined as total hours of training relative to the number of FTEs. Training is defined as all types of vocational training and instruction; paid educational leave provided by the reporting organisation for its employees; training or education pursued externally and paid for in whole or in part by the reporting organisation; and training on specific topics such as health and safety. **Scope:** All majority-owned companies and production sites as defined on page 3.	#
Collective bargaining		
Percentage of employees covered by collective bargaining agreements	**Definition:** Number of Carlsberg employees covered by collective bargaining agreements relative to the total number of headcounts in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3 plus binding collective bargaining agreements signed by the Carlsberg Group or any of its entities or agreements signed by an employer organisation of which the Carlsberg Group or any of its entities is a member.	%

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Percentage of employees by gender		
Men	**Definition:** Number of men employees relative to the total number of headcounts in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Women	**Definition:** Number of women employees relative to the total number of headcounts in Carlsberg. **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Percentage of senior leadership roles level by gender		
Men	**Definition:** Number of men employees in senior leadership roles relative to the total number of employees in senior leadership roles. Senior leadership roles are defined as all employees in band 7+ (Director, Senior Director, VP, MD, SVP, EVP, CFO, CEO). **Scope:** All majority-owned companies and production sites as defined on page 3.	%
Women	**Definition:** Number of women employees in senior leadership roles relative to the total number of employees in senior leadership roles. Senior leadership roles are defined as all employees in band 7+ (Director, Senior Director, VP, MD, SVP, EVP, CFO, CEO). **Scope:** All majority-owned companies and production sites as defined on page 3.	%
RESPONSIBLE SOURCING		
Number of integrated quality audits	**Definition:** Number of integrated quality audits conducted by the internal auditing team. **Scope:** All majority-owned companies and production sites as defined on page 3.	#

LIST OF REPORTING SITES

MARKET	COMPANY	SITES
WESTERN EUROPE		
Belgium	Grimbergen Abbey Brewery (Company)	Grimbergen Abbey Brewery
Denmark	Carlsberg Danmark	Saltum, Carlsberg Fredericia
	Carlsberg Breweries	No production sites
	Visit Carlsberg	Jacobsen
Finland	Sinebrychoff	Kerava
France	Kronenbourg	Kronenbourg Obernai
Germany	Carlsberg Deutschland	Hamburg Hausbruch, Mecklenburgische Brauerei Lübz, Wernesgrüner Brauerei
Norway	Ringnes	Farris, Gjelleråsen, Imsdal
	E.C. Dahls Bryggeri	E.C. Dahls Trondheim
Poland	Carlsberg Polska Carlsberg Shared Services (CSS)	Okocim Brewery Brzesko, Kasztelan Brewery, Szczecin Brewery No production sites
Sweden	Carlsberg Sverige	Falkenberg, Ramlösa Sverige
	Nya Carnegiebryggeriet	Nya Carnegiebryggeriet
Switzerland	Feldschlösschen	Rhäzüns, S Rheinfeld, Sion
	Carlsberg Supply Company	No production sites
UK	Carlsberg CMBC	Northampton, Banks's Park Brewery, Marston's Brewery, Ringwood Brewery, Wychwood Brewery

MARKET	COMPANY	SITES
CENTRAL & EASTERN EUROPE		
Azerbaijan	Carlsberg Azerbaijan	Baku
Belarus	Alivaria	Alivaria
Bulgaria	Carlsberg Bulgaria	Pirinsko, Shumensko
Croatia	Carlsberg Croatia	Koprivnica
Estonia	Saku Õlletehase as	Saku
Greece	Olympic Brewery S.A.	Thessaloniki, Ritsona Brewery
Italy	Carlsberg Italia	Varese
Kazakhstan	Carlsberg Kazakhstan	Carlsberg Kazakhstan (brewery site)
Latvia	Aldaris	Aldaris Riga
Lithuania	Svyturys Utenos Alus	Utena, Klaipeda
Serbia	Carlsberg Srbija	Carlsberg Srbija – Celarevo
Ukraine	Carlsberg Ukraine	Lvivska Brewery Lviv, Slavutich Zaporozhye, Slavutich Kiev
ASIA		
Cambodia	Cambrew LTD	Brewery Sihanouk Ville
China	Xinjiang Group	Akesu Brewery, Urumqi No. 2 Brewery, Wusu Brewery, Yining Brewery, Korle Brewery
	CIB & TMH (business unit)	Carlsberg Brewery Guangdong (Huizhou), Changzhou Tianmuhu Beer Co. Ltd, Anhui Tiandao Beer Co. Ltd, Yanchen Brewery, Foshan Brewery (H&S data only)
	Central Business Unit	No production sites
	Ningxia	Ningxia Xixia Jianiang Brewery
	Yunnan Group	Kunming Huashi Brewery Yunnan, Dali Beer Co. Ltd
	Chongqing Brewery	Mawangxiang Brewery, Dazhulin Brewery, Hechuan Brewery, Liangping Brewery, Wanzhou Brewery, Fuling Brewery, Panzhihua Brewery, Xichang Brewery, Boke Brewery, Shizhu Brewery, Yibin Brewery, Guoren Lixian Brewery, Guoren Yongzhou Brewery
	Guangzhou Carlsberg Consultancy and Management Services Co., Ltd	No production sites
	Carlsberg Brewery Hong Kong	No production sites
India	Carlsberg India	Kolkatta, Alwar, Aurangabad, Paonta Sahib, Hyderabad, Dharuhera, Mysuru Karnataka Brewery
Laos	Lao Brewery	Pepsi Plant Vientiane, Lao Brewery Pakse, Lao Brewery Vientiane
Malaysia	Carlsberg Brewery Malaysia Berhad	Carlsberg Kuala Lumpur
Singapore	Carlsberg Singapore	No production sites
Vietnam	Carlsberg Vietnam	Phu Bai

TAX CONTRIBUTION PRINCIPLES

BASIS OF PREPARATION

GENERAL COMMENTS

This Basis of Preparation presents the scope and methodology of the collection and reporting of the data on tax payments used in the Contributing to economies section ("the Section").

The Section aims to provide readers with an overview of the total tax contribution to society that the Carlsberg Group (excluding associates) has generated during the year. The total tax contribution is defined as taxes borne and taxes collected by the Carlsberg Group.

It is the responsibility of the management of the Carlsberg Group to ensure that appropriate procedures are in place to prepare reporting in line with this Basis of Preparation.

All data, unless otherwise stated, has been prepared for the year from 1 January 2023 to 31 December 2023.

Data is collected for consolidated entities that are part of continuing activities in the Carlsberg Group (for more on the reporting scope, see page 120).

Companies over which the Carlsberg Group exercises a significant influence, but which it does not consolidate, are considered to be associates. Data for associates is not part of the Carlsberg Group tax contribution.

Entities acquired or formed during the year are recognised in the Section from the date of acquisition or formation. Entities that are disposed of or wound up are recognised in the consolidated income statement up to the date of disposal or winding-up.

The data includes a degree of estimation, as tax per entity is not reported in detail if a type of tax is below DKK 100,000 per year. Instead, taxes below DKK 50,000 are not reported, and taxes above DKK 50,000 but below DKK 100,000 are reported as DKK 50,000. The data is reported by the entity in local currency in multiples of 1,000.

SCOPE OF REPORTING AND DEFINITION OF KEY TERMS

"Tax" in this Section means any amount of money required to be paid to, or collected and subsequently remitted to, a government.

Terms defined in the Carlsberg Group's *Annual Report 2023* are not described below.

Taxes borne and taxes collected are the taxes due in respect of an accounting period as defined in IFRS, as adopted by the EU.

KEY TERM DEFINITIONS

Economic value generated
Economic value generated comprises gross revenue, other income, financial income and income included in special items, and share of profit after tax in associates and joint ventures. Income recognised in other comprehensive income is not included.

Total tax contribution
Total tax contribution is the sum of borne and collected taxes paid to governments for the period from 1 January to 31 December. Amounts are included as paid when cash is released from or received by the Carlsberg Group.

Operating costs
Include cost of sales, sales and distribution expenses, administrative expenses and other operating expenses, but exclude employee wages.

Effective tax rate
Effective tax rate is calculated as corporate income taxes in proportion to profit before tax.

Employee wages
Include wages to employees, excluding social security costs.

Providers of capital
Include financial expenses recognised in the income statement, but exclude financial expenses recognised in other comprehensive income.

Economic value retained
Consolidated profit after tax.

Employee taxes
Include personal income taxes and social contribution for employees (collected).

Government
Any government body or nation, state, region or district.

SCOPE OF REPORTING

1. TAXES BORNE

These are the taxes that the Carlsberg Group is obliged to pay to a government on its own behalf, or taxes that the Group is obliged to pay to a third party and that cannot be recovered from a government.

Corporate income tax
Corporate income tax comprises any tax on the business calculated on the basis of its profits, income or capital gains. Typically, these taxes would be reflected in corporate income tax returns made to governments and tend to become payable, and are paid, either in the year the profits were made or up to one year later, depending on the local tax rules as to timing of payments.

Energy taxes (net, non-refundable)
Energy taxes comprise environmental taxes levied on the consumption of energy borne by companies' own supply of energy. Such taxes may include taxes on the

consumption of electricity, oil, gas or coal.

Environmental fees
Environmental fees comprise additional environmental taxes that may apply depending on company operations. Such taxes may include other taxes and duties on the supply of goods and services that are potentially harmful to the environment and have not been included in the energy taxes.

VAT (non-deductible)
Non-deductible VAT is the part of the input VAT that cannot be recovered, e.g. VAT on gifts or entertainment.

Real estate taxes
Real estate taxes comprise any property-related taxes, including property, land and estate tax (other than stamp duty, which is shown below). Typically, these taxes tend to become payable, and are paid, to governments throughout the year.

Withholding taxes on dividends, royalties, interest and professional fees
Withholding taxes comprise the final tax burden on payment of dividends, interest etc. after possible tax relief.

Transportation taxes
Transportation taxes comprise flight tax, petrol tax, registration duties and other taxes levied on the mobility of goods and employees.

Social contribution for employees
Social contribution for employees comprises the social security contributions levied on and borne by the employing company. Such contributions may include the employer's national insurance contributions, employment insurance tax, employees' provident fund, and old-age, survivors' and disability insurance tax.

Stamp duties
Stamp duties comprise taxes that arise on transfers of assets or capital. Typically, these taxes would be reflected in stamp duty returns made to governments and tend to become payable, and are paid, to governments shortly after the capital or assets have been transferred.

Other taxes
This category comprises all taxes paid that are not included in the above categories.

2. TAXES COLLECTED, INCLUDING EXCISE DUTIES
These are taxes not finally borne by the Carlsberg Group, but for which the Group bears an administrative burden of collection. These taxes are, however, indirectly generated from the Group's business activities and are therefore part of the Group's total tax contribution.

Excise duties (beer and soft drinks etc.)
Excise duties are indirect taxes on the consumption of alcoholic beverages etc.

Excise duties are generally imposed by the tax authorities and are collected by the Group on behalf of the authorities when the goods are transferred to the customers and are thereby ready for consumption.

Personal income taxes
These comprise employee taxes withheld from employee wages and paid to governments, i.e. tax collected and remitted to governments on behalf of employees.

Social contribution withheld by the company
This comprises social contributions payable by employees to social security, and private funded and unfunded schemes. Generally, the employment of staff requires the employing company to administer employees' social security contributions by deducting these from wages and salaries.

VAT/GST
VAT is a broadly based consumption tax assessed on the value added to goods and services. It applies more or less to all goods and services that are bought and sold for use or consumption.

VAT is assessed and collected at each point in the manufacturing–distribution–sales process of a good or supply of a service.

Like VAT, the Goods and Service Tax (GST) is a value-added tax assessed on most goods and services bought and sold for consumption.

VALUE CHAIN CARBON EMISSIONS METHODOLOGY

Our value chain carbon footprint includes Scope 1, 2 and 3 emissions as set out in the Greenhouse Gas (GHG) Protocol.

Our 2030 target, approved by the Science Based Targets initiative (SBTi) in 2017, is to cut our relative value chain footprint (kg CO_2e/hl) by 30% (from our 2015 baseline). In 2023, we completed an analysis of our 2022 footprint, which showed a 16% improvement from the 2015 baseline.

In 2024, we will review our carbon targets in line with updated guidance from the SBTi.

We worked with the Carbon Trust to build a value chain model that enables us to measure and track reductions in our value chain footprint.

MODELLING AND USING STANDARDS

To calculate a value chain carbon footprint requires extensive data on emissions at every stage of the value chain. While we have a good understanding of our own operational emissions (Scope 1 and 2), visibility of Scope 3 emissions is often more limited.

Calculating footprints requires a combination of measurement and modelling, which includes an inherent level of uncertainty. We limit this uncertainty by following and supporting the development of industry-leading standards – and we encourage others to adopt these standards to support consistency and credibility in reporting across the industry.

The standards we follow are:

- GHG Protocol (including the Corporate Value Chain (Scope 3) Accounting and Reporting Standard Supplement)
- Beverage Industry GHG Emissions Sector Guidance (Version 4.1), developed by the Beverage Industry Environmental Round Table
- Specific Product Environmental Footprint Category Rules (PEFCR) developed for the beer industry in cooperation with the European Commission (while this standard is for product lifecycle analysis, much of it is also applicable to value chain analysis).

DATA QUALITY

We use the most robust data available to model our value chain emissions.

Our 2022 performance data included primary data from suppliers accounting for more than 50% of our direct spend – most related to packaging, which accounts for the largest portion of our value chain emissions. Collecting raw data directly from suppliers helps to ensure the quality and comparability of data sets. We apply the standardised Circular Footprint Formula, part of the PEFCR, for all packaging types supplied to us. Where primary data is not available, we use the same data sources as applied for the PEFCR's country-specific emission factors.

MATERIAL SCOPE 3 EMISSIONS

We focus our efforts and our value chain footprint targets on the Scope 3 emissions where we have the greatest influence: the value chain associated with our own production volume. An analysis showed that more than 75% of the total value chain emissions relate to our own production volume, and the remainder to licensees, third-party products and joint ventures or associates, as well as Scope 3 categories currently not in scope. The 75% exceeds the Science Based Targets initiative's requirement to cover more than two thirds of total Scope 3 emissions.

Our value chain footprint includes emissions from each stage of the value chain:

Agriculture & Processing: includes all upstream emissions (such as fertiliser and seed production), farming and processing of agricultural raw materials used at all Carlsberg breweries – modelled using data specific to each country and type of grain where available.

Breweries: includes emissions from electricity, thermal fuels, waste leaving breweries, water treatment, procured CO_2 for carbonation, and refrigerant leakage at all majority-owned breweries within the Carlsberg Group's management control. Excludes emissions from off-site warehouses.

Packaging: includes production and end-of-life treatment (recycling, incinerating or landfill) for all primary, secondary, tertiary and quaternary packaging (incorporating all minor components, such as labels, glues and caps).

Transportation & Distribution: includes inbound transport of raw materials and outbound transport of finished products – based on fuel used and mode of transport (road, rail, sea) – as well as flights for business travel.

Cooling: includes chilling of products by customers (retail and hospitality). Excludes home cooling, as this is beyond our influence and beverages account for only a small proportion of home refrigeration.

Engagement within the organisation

The results of our value chain footprint analysis, as well as priorities to support reductions at each stage of the value chain, are discussed and approved by our Executive Committee. In 2023, we ran sessions with the majority of our local management teams to present market-specific developments and identify local actions. Engagement of the remaining local management teams will be completed in early 2024.

ECONOMIC CONTRIBUTION METHODOLOGY

Estimates of the total jobs we indirectly support throughout the value chain were calculated by the research consultancy Europe Economics using a well-established methodology.

The methodology uses data collected from the Carlsberg Group Export & License department from 27 different companies across the world owned by Carlsberg A/S, including data on:

- employment (number of people in each market)
- production, exports and imports (in hectolitres)
- representative prices in retail and hospitality sectors
- value of purchases and estimated purchases breakdown across supplying sectors (estimates surveyed from Carlsberg's companies).

Data is complemented with productivity indicators sourced from various national statistics offices. Russia, Hungary and Nepal are not included in this year's calculations. Belgium is not included due to lack of data (production was very low in this country in 2023).

Our results have undergone auditing and sense-checking, and, in cases where the impacts were judged as unreasonable, these were corrected using median statistics from similar markets in the same geographic regions.

Results use the best available data for this exercise. However, our figures should be treated as estimates or approximations of the overall impact (recognising that values of the impacts at different levels of disaggregation are likely to be imprecise).

UPSTREAM INDIRECT EMPLOYMENT

Our upstream indirect impacts include impacts in the supply chain for the raw ingredients, products and services we purchase. These were calculated using data on the shares of upstream domestic purchases for production in the following sectors: agriculture; utilities; packaging and bottling; transportation and storage; equipment and other industrial activities; media, marketing and communication; and other goods and services.

The value of purchases has been estimated using production volumes and the purchases provided in 2019 (except for a minority of countries where budgeted 2023 purchases were provided). The split between the upstream sectors is obtained from information on sectors' shares collected from the respective countries in 2019.

Upstream indirect employment was calculated using ratios of turnover per person employed. For European countries, these ratios were sourced from national statistical offices and Eurostat, the statistical office of the European Union, using the European Classification of Economic Activities (NACE) Rev. 2 sector classifications. For non-European countries, we used ratios calculated using World Bank data (available for the agriculture, industry and services sectors only).

For all countries, the productivity ratios are linked to 2019 data as this is the most recent year available that is not affected by the economic impact of COVID-19. All data has been updated using countries' inflation rates, sourced from the International Monetary Fund (IMF).

DOWNSTREAM INDIRECT EMPLOYMENT

Our downstream indirect impacts include those impacts in the hospitality (on-trade) and retail (off-trade) sectors. These were calculated using data on prices and shares of Carlsberg Group sales in on- and off-trade markets collected at the end of 2023.

Calculations start with the total consumption values in on- and off-trade markets, which are calculated based on three components:

- Domestic 2023 sales in each country (domestic production plus imports less exports, in hectolitres)
- Estimated split between on- and off-trade markets in 2023 in each country
- Prices of the products sold in each country (estimated from 2019 price data and uplifted for inflation).

The market values are then converted to pre-tax values by removing the VAT (excise duties are not removed as the productivity ratios used from statistical sources include these duties).

Downstream indirect employment was finally calculated using ratios of turnover per person employed (for year 2019, uplifted for inflation). For European countries, we used data from national statistical offices and Eurostat for the NACE Rev. 2 sectors of retail sale of beverages in specialised stores and beverage-serving activities. For non-European countries, we used World Bank data for the services sector.

MANAGEMENT STATEMENT

The Supervisory Board and Executive Board have today considered and approved the 2023 ESG Report of the Carlsberg Group for the reporting period 1 January to 31 December 2023.

The 2023 ESG Report has been prepared in accordance with the stated ESG accounting principles and the Greenhouse Gas Protocol guidelines regarding our carbon footprint.

In our opinion, the 2023 ESG Report gives a fair presentation of the Group's ESG activities and results of our ESG efforts in the reporting period as well as a balanced presentation of our ESG performance in accordance with the stated accounting principles and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

Copenhagen, 7 February 2024

Executive Board of Carlsberg A/S

Jacob Aarup-Andersen
Group CEO

Ulrica Fearn
CFO

Supervisory Board of Carlsberg A/S

Henrik Poulsen
Chair

Majken Schultz
Deputy Chair

Mikael Aro

Magdi Batato

Lilian Fossum Biner

Richard Burrows

Eva Vilstrup Decker

Punita Lal

Erik Lund

Ivan Nielsen

Olayide Oladokun

Søren-Peter Fuchs Olesen

Tenna Skov Thorsted

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED ESG DATA

TO THE STAKEHOLDERS OF CARLSBERG A/S

Carlsberg A/S engaged us to provide limited assurance on the selected ESG data for the period 1 January – 31 December 2023 described below and included in the Carlsberg Group Environmental, Social and Governance (ESG) Report (“Carlsberg Group ESG Report”) on pages 85 and 113-118.

OUR CONCLUSION

Based on the procedures we performed and the evidence we obtained, nothing has come to our attention that causes us to believe that the selected data in scope for our limited assurance engagement included in the Carlsberg Group ESG Report in the sections “Tax contribution” and “Data summary table” on pages 85 and 113-118 for the period 1 January - 31 December 2023 has not been prepared, in all material respects, in accordance with the accounting policies developed by Carlsberg A/S, as stated in the sections “Reporting process and scope” (pages 120-121), “Indicator definitions” (pages 122-155), “List of reporting sites” (pages 156-157) and “Tax contribution principles” (pages 158-159) of the Carlsberg Group ESG Report for the period 1 January – 31 December 2023 (“selected ESG data”). This conclusion is to be read in the context of what we say in the remainder of our report.

SELECTED ESG DATA IN SCOPE

The scope of our work was limited to assurance on selected data in the Carlsberg Group ESG Report for the period 1 January – 31 December 2023, in the sections “Tax contribution” and “Data summary table” (page 85 and pages 113-118), which include:

Tax contribution (page 85)
Corporate income tax (DKK bn); Taxes borne, and excise duties collected (DKK bn); Excise duties (DKK bn).

Energy, carbon and water (pages 113-115)
Total production of beer and soft drinks (million hl); Total thermal energy consumption (GWh); Total electricity consumption (GWh); Total CO2 emissions (from direct and indirect fuel consumption) (market-based) (kt); Total CO2 emissions (from direct and indirect fuel consumption) (location-based) (kt); Total water use (million m3); Total CO2 emissions from refrigerants (kt CO2); Scope 1 – Absolute CO2 emissions (excl. Logistics) (kt CO2); Scope 2 – Absolute CO2 emissions (kt CO2) – Market-based; Scope 1+2 – Absolute emissions (Together Towards ZERO 2015 baseline) (kt CO2); Percentage of electricity from renewable sources (%); Number of sites using coal (number).

Relative figures for beer and soft drinks production (page 114)
Thermal energy (kWh/hl); Electricity (kWh/hl); Combined energy (thermal and electricity) (kWh/hl); CO2 emission (kg CO2/hl); Water (hl/hl).

Health and safety (page 116)
Number of lost-time accidents (Production) (number); Lost-time accident rate (Production) (number); Number of lost-time accidents (Logistics) (number); Lost-time accident rate (Logistics) (number); Number of lost-time accidents (Sales & Marketing) (number); Lost-time accident rate (Sales & Marketing) (number); Number of lost-time accidents (Administration) (number); Lost-time accident rate (Administration) (number); Number of lost-time accidents (Carlsberg Group) (number); Lost-time accident rate (Carlsberg Group) (number); Number of lost-time accidents, contractors (number); Number of lost-time accidents, members of the public (number).

Responsible drinking and marketing communication (page 117)
Percentage of fermented produced volume that carry legal age-restriction symbol or equivalent text (%); Percentage of fermented produced volume that lists nutritional information (%); Percentage of fermented produced volume that lists ingredient information (%).

Labour, human rights, diversity, equity and inclusion (page 118)
Percentage of women in senior leadership roles (%).

We do not provide any assurance on the achievability of the Carlsberg Group's objectives, targets and expectations.

We express limited assurance in our conclusion.

PROFESSIONAL STANDARDS APPLIED AND LEVEL OF ASSURANCE

We performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ and, in respect of the greenhouse gas emissions stated on pages 113-115, in accordance with International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’, issued by the International Auditing and Assurance

Standards Board. Greenhouse Gas emissions quantification is subject to inherent uncertainty as a result of incomplete scientific knowledge used to determine emission factors and the values and methods needed to combine emissions of different gases.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark. PricewaterhouseCoopers is subject to the International Standard on Quality Management 1, ISMQ 1, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent, multidisciplinary team with experience in sustainability reporting and assurance.

UNDERSTANDING REPORTING AND MEASUREMENT METHODOLOGIES

The selected ESG data need to be read, and understood, together with the accounting policies ("Reporting process and scope" (pages 120-121), "Indicator definitions" (pages 122-155), "List of reporting sites" (pages 156-157) and "Tax contribution principles" (pages 158-159), which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw on, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities over time.

The accounting policies used for the reporting of selected data are for the 2023 reporting year for Carlsberg's continuing operations.

WORK PERFORMED

We are required to plan and perform our work in order to consider the risk of material misstatement of the data. In doing so, and based on our professional judgement, we:

- evaluated the appropriateness of the accounting policies used, their consistent application and related disclosures
- made enquiries of relevant Carlsberg Management;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the selected indicators, to understand the key processes and controls for the reporting of site specific performance data;
- conducted analytical reviews of the selected indicators submitted by all production sites and subsidiaries;
- performed limited substantive testing on the selected ESG data to check that:
  (i) data had been appropriately measured, recorded, collated and reported; and
  (ii) activities set out by management are appropriately evidenced and reported;
- reconciled selected tax information with the audited consolidated financial statements of Carlsberg A/S;
- assessed the disclosure and presentation of the selected indicators; and
- evaluated the obtained evidence.

CARLSBERG'S RESPONSIBILITIES

Management of Carlsberg A/S is responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of data in the Carlsberg Group ESG Report that is free from material misstatement, whether due to fraud or error;
- establishing objective accounting policies for preparing data;
- measuring and reporting data in the Carlsberg Group ESG Report based on the accounting policies; and
- the content of the Carlsberg Group ESG Report for the period 1 January – 31 December 2023.

OUR RESPONSIBILITIES

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether selected data in the 2023 Carlsberg Group ESG Report is free from material misstatement, and has been prepared, in all material respects, in accordance with the accounting policies developed by Carlsberg;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the stakeholders of Carlsberg A/S.

Hellerup, 7 February 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
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