CARLSBERG GROUP

CLIMATE TRANSITION PLAN

Carlsberg Group BREWING TOMORROW

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

Climate change presents real risks to our business and supply chains, and addressing these risks is critical to the long-term resilience of Carlsberg. Since 2017, we have taken a science-based approach to tackling climate change through emission reductions, achieving significant carbon cuts and embedding climate action into our core business strategy.

Publishing this **Climate Transition Plan** marks a milestone in our journey towards a low-carbon future. Building on nearly a decade of progress, it sets out the next steps in our decarbonisation pathway. At its heart, the plan reinforces climate action as a fundamental business driver – embedded in governance, linked to performance and integrated into financial planning across the organisation.

The path to net zero by 2040 is uncertain and challenging. It is partly shaped by factors beyond our control, such as energy infrastructure and global policy developments. While we are taking significant steps – integrating climate targets into financial planning, proactively managing value chain risks and collaborating with partners to overcome barriers – we must recognise that global macroeconomic conditions and the pace of supplier decarbonisation, often outside our direct influence, may affect how quickly we progress towards our goals.

Nonetheless, our focus remains clear: deliver on our climate commitments to secure a sustainable future for our business, our people, our consumers and for society as a whole.

Jacob Aarup-Andersen
CEO, Carlsberg Group

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OUR NET ZERO AMBITION

Tackling climate change through a science-based approach

In 2017, we became the first brewer – and one of the first 10 companies globally – to have our emissions targets approved by the Science Based Targets initiative (SBTi). Our original 2030 goal was to cut our value chain emissions footprint (kg CO_2e per hectolitre) by 30% and achieve zero emissions from our breweries (Scope 1 and 2), all measured against a 2015 baseline.

Since then, we have delivered substantial reductions in absolute terms across our value chain emissions – most notably through strong performance in Scope 1 and 2, as well as meaningful reductions in Scope 3 – and have achieved greater data accuracy.

The data improvements, combined with recent mergers and acquisitions and updates to the SBTi requirements, led us to reset our baseline to 2022 and update our science-based targets. Our updated 2032 near-term targets, approved by the SBTi, are:

- 90% absolute reduction in Scope 1 and 2 emissions
- 31% absolute reduction in Scope 3 emissions, comprising:
  - 30% reduction in Scope 3 non-FLAG emissions[1]
  - 36% reduction in Scope 3 FLAG emissions

We are proud of our progress, but much work remains. The road ahead will be challenging, and we are committed to working closely with partners and peers to tackle emissions across our business and value chain. As environmental challenges intensify worldwide, one thing is clear: a strong commitment to sustainability is essential for the resilience and future success of our business.

1 Land-based emissions associated with Forest, Land and Agriculture.

Navigating external challenges and dependencies of the transition

Our journey to net zero is closely tied to changes across the global system. Progress depends not only on our own actions but also on efforts by our suppliers, the energy sector and policymakers. Access to renewable energy – particularly thermal – remains a significant challenge, compounded by fragmented infrastructure and regulatory gaps. This challenge is further heightened by the limited expansion of alternative thermal energy sources such as biogas and the lack of low-cost thermal energy storage solutions. Outdated utility regulations reduce incentives for electrification and renewables, while incomplete grid and system planning increases the risk of bottlenecks and stranded assets, limiting both practical and affordable solutions. We remain committed and will keep working with policymakers to remove barriers, as well as suppliers to find innovative approaches. However, global trends and economic shifts – many beyond our control – may affect how quickly we reach our goals.

Embedding climate action into how we do business

Our Climate Transition Plan ('CTP') is anchored in our sustainability programme, Brewing Tomorrow, particularly through the environmental targets outlined in the "Cutting Carbon" and "Protecting Nature" pillars. Crucially, our Environmental, Social, and Governance ('ESG') programme is fully integrated into our overarching business strategy, Accelerate SAIL. This ensures that material climate impacts, risks and opportunities are continuously considered in our business steering.

To turn our climate ambitions into reality, we have embedded our climate targets into our financial planning processes. By introducing greater financial rigour into our climate action – alongside benefits such as long-term business resilience – we can better plan the investments needed to support our climate action, as well as account for our organic growth trajectory, supported by detailed analysis and modelling of climate impacts in the regions where we aim to expand our portfolio most significantly.

Building business resilience

The impacts of climate change are already evident. Despite global efforts and collective mobilisation, the current trajectory of emissions continues to steer us towards significant global warming. This reality poses a range of challenges to our business and supply chains, notably the physical risks such as heatwaves and droughts that threaten crop yields and water availability. In response, we are adapting our business to climate change by strengthening the resilience of our value chains, safeguarding the supply of essential ingredients and water resources.

Respecting people across our operations and value chain

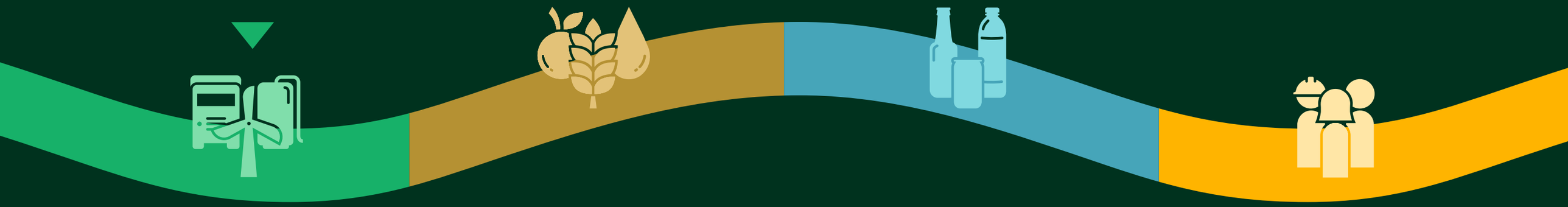
Respecting human rights is an essential element of climate action. At Carlsberg, we are committed to meeting our responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights across our global operations and value chain. This commitment is further deployed across the value chain and through our Responsible Sourcing programme, our Brand Promoter Manual and other initiatives covering different areas of the value chain.

Furthermore, as water is our most essential ingredient, we also prioritise the needs of communities in water-stressed areas where we operate. We partner with NGOs to replenish local water sources and improve access to safe water – directly benefitting communities. For example, our collaboration with Water.org in India is helping over 112,000 people gain access to safe water and sanitation through microfinance and education.

Finally, through our regenerative agriculture programmes, we support farmers with training and policy advocacy to ensure a just transition to climate-smart practices.

OUR CLIMATE ACTION IS ROOTED IN OUR ESG PROGRAMME – BREWING TOMORROW

Brewing Tomorrow is our ESG programme. Fit for the future and backed by science, it recommits our ambition to reducing our impact on the planet and people by tackling the issues that are most important to our business and to society. By cutting carbon, protecting nature, inspiring choices and empowering people, Brewing Tomorrow is our roadmap for action. Our climate action is intrinsically linked to Brewing Tomorrow by forming a core part of the Cutting Carbon pillar.



CUTTING **CARBON**

Reducing emissions and building climate resilience

PROTECTING **NATURE**

Safeguarding and restoring the ecosystems that sustain us

INSPIRING **CHOICE**

Innovating and enabling informed and mindful consumption

EMPOWERING **PEOPLE**

Creating a safe, respectful and inclusive growth culture where everyone can thrive

OUR COMMITMENT TO RESPONSIBLE BUSINESS CONDUCT

OUR NET ZERO ROADMAP TOWARDS 2040

Path to net zero emissions by 2040

··· Business as usual

Setting baseline and pathway towards net zero

In 2022, we emitted 9.6 million tonnes (mt) of CO_2e. This is the total covered by our 2040 long-term target of net zero. For our 2032 near-term targets, 80% of these emissions are included (in line with the SBTi's requirement of 2/3 coverage).

No matter how much we grow – whether in an expansion or business-as-usual scenario – we remain committed to achieving net zero based on our 2022 baseline.

9.6 mt of absolute value chain emissions (2022) included in our 2040 long-term target:

2032 near-term targets' scope	1.8 mt	Agriculture and processing
	0.6 mt	Own operations
	3.6 mt	Packaging
	0.9 mt	Transportation and distribution
	0.8 mt	Cooling
Included in 2040 long-term target	1.1 mt	Licensees, joint ventures and third-party product portfolio
	0.8 mt	Other goods and services

Delivering on our 2032 near-term targets

Agriculture
Scaling regenerative agricultural practices

Processing
Decarbonising malting and other raw materials processing

Own operations
Transitioning to renewable heat and electricity in our direct operations

Packaging
Accelerating renewable energy in our glass and aluminium supply chain, increasing collection of all packaging and recycled content in our bottles and cans

Transportation and distribution
Electrifying our fleet

Cooling
Sourcing more energy-efficient cooling solutions

Achieving our 2040 long-term target of net zero

We will focus on the emissions that were not included in our 2032 near-term targets: from licensees, joint ventures, third-party product portfolio, and other goods and services.

We will deploy permanent carbon removal solutions for any hard-to-abate emissions (<10%), in line with the SBTi Net Zero standard.

The path to 2040 remains uncertain, but the core levers mirror those for 2032 – except for emerging technologies not yet at scale. Achieving net zero demands a full transition to decarbonised value chains: 100% regenerative raw materials, electrified and alternative-fuel transport and distribution, and packaging based on bio-based and recycled materials. Our priority is delivering on 2032 near-term targets while closely monitoring new technologies that can accelerate progress towards net zero by 2040.

By 2032 we aim to reduce our:
- **Non-FLAG Scope 3 emissions by 30%**
- **FLAG Scope 3 emissions by 36%**
- **Scope 1 and 2 emissions by 90%**

BY 2040 WE WILL REACH **NET ZERO**

By 2040, we aim to reduce our emissions by 90% across all scopes

Carbon removals of any hard-to-abate emissions (<10%)

2022 | 2025 | 2032 | 2040

OUR CARBON FOOTPRINT

Our latest greenhouse gas (GHG) emissions by value chain stage are shown below.

Emissions (2025) in scope for our 2032 near-term target: **6.6 mt CO_2e**

Emissions across our business

Agriculture
Scope 3 FLAG

11%

0.7 mt CO_2e

Growing of our raw materials

Processing
Scope 3 non-FLAG

10%

0.7 mt CO_2e

Processing of our raw materials

Own operations
Scope 1 and 2

6%

0.4 mt CO_2e

Producing our beer, other beverages and own operated logistics

Packaging
Scope 3 FLAG and non-FLAG

52%

3.4 mt CO_2e

Manufacturing and disposal of our packaging

Transportation and distribution
Scope 3 non-FLAG

13%

0.9 mt CO_2e

Third-party upstream and downstream distribution of our products

Cooling
Scope 3 non-FLAG

8%

0.6 mt CO_2e

Refrigeration of our products in bars and retail stores

OUR TARGETS

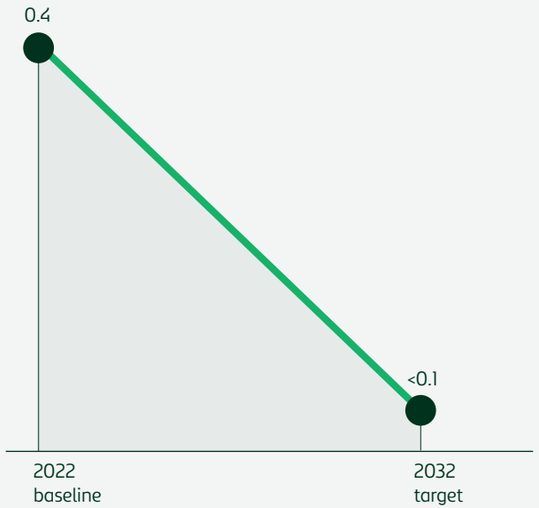
Our climate targets are fully aligned with the SBTi in terms of both level of ambition and scope.

2032 near-term targets (mt CO_2e)

Reducing Scope 1 and 2 emissions

-90%

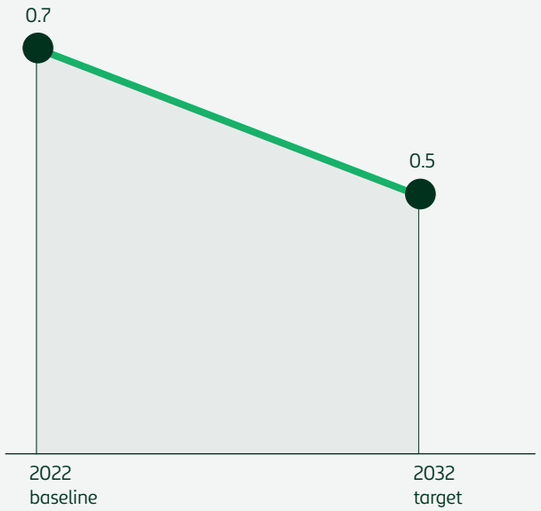
absolute reduction



Reducing Scope 3 FLAG[2] emissions

-36%

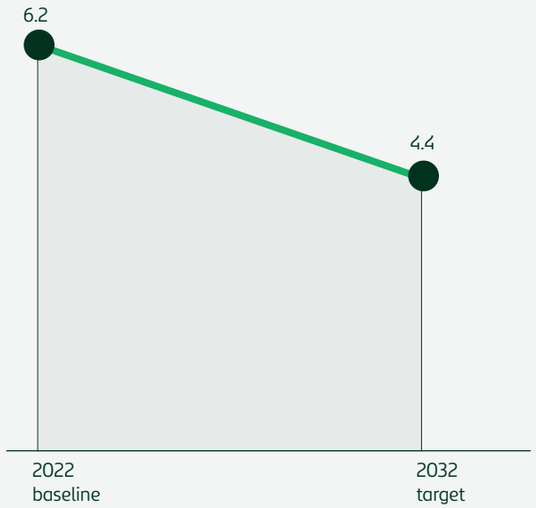
absolute reduction



Reducing Scope 3 non-FLAG[2] emissions

-30%

absolute reduction



2040 long-term target of net zero:

In 2022, we committed to achieving net zero emissions throughout our value chain by 2040.

In 2025, the SBTi validated our long-term goal of net zero by 2040 in line with current SBTi guidance.

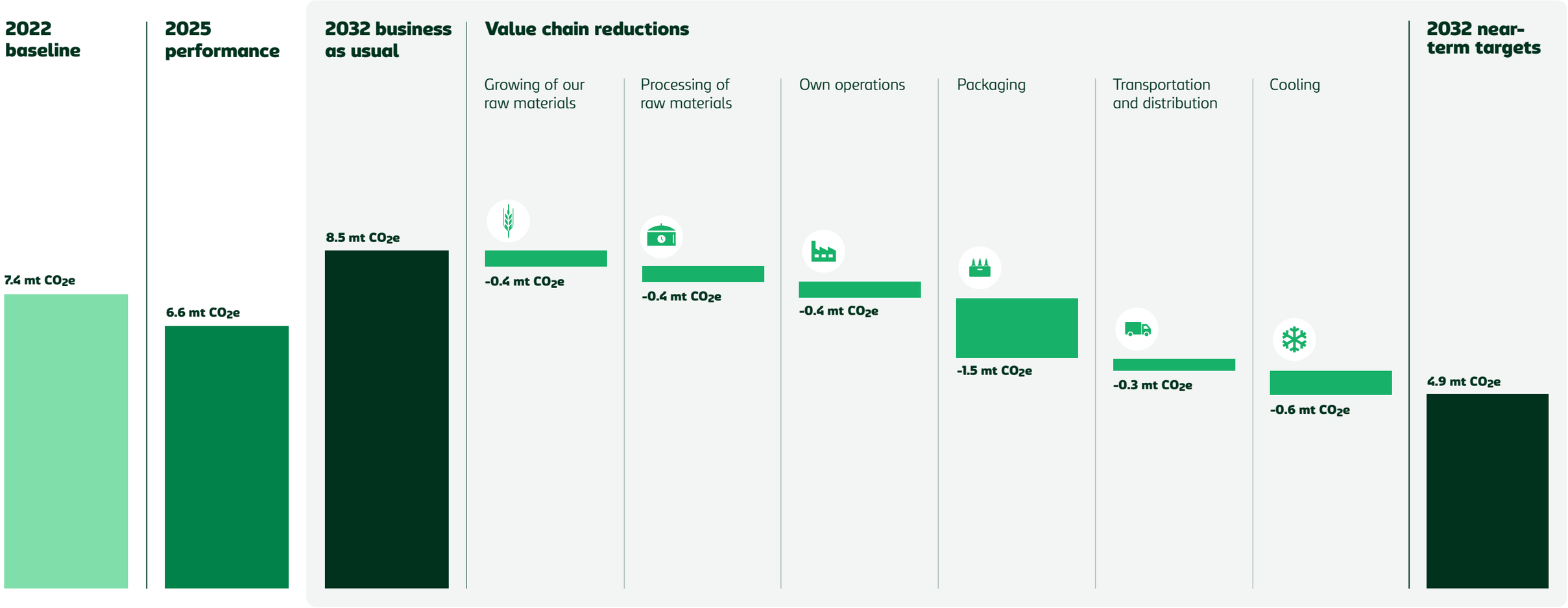
Our position on carbon credits

By 2040, we aim to reduce our emissions by 90%, with any potential residual emissions that are hard to abate, to be neutralised using permanent carbon removal options.

2 Scope 3 FLAG emissions are land-based GHG emissions associated with forest, land and agriculture. Scope 3 non-FLAG emissions include indirect GHG emissions from the operations in our value chain that we do not have operational control over, e.g. emissions of purchased goods (packaging), processing of the raw materials, upstream transportation and distribution, etc.

OUR JOURNEY TO 2032 – KEY FIGURES

To achieve our 2032 near-term targets, we will continue engaging all our value chain partners to implement solutions that drive down carbon emissions. This includes having our suppliers use renewable electricity and energy, increase the share of recycled materials and implement regenerative farming practices.



OUR KEY ACTIONS TO ACHIEVE 2032 TARGETS AND BEYOND

To deliver on our 2032 near-term targets, we will embed action across the full value chain, leverage brand influence to advance advocacy and accelerate initiatives that safeguard water and restore nature.

Using renewable energy to produce our beverages
Continuing the shift to renewable electricity and phasing out of fossil fuels for thermal energy in our direct operations

More on pages 10-12

Sourcing regeneratively grown raw materials
Scaling regenerative and low-carbon agriculture and ensuring our raw materials are not linked to land-use change

More on pages 13-15

Driving decarbonisation of raw materials processing
Collaborating with suppliers to phase out the use of fossil fuels in the malting process and processing of other raw materials

More on pages 16-17

Collaborating on packaging decarbonisation
Accelerating decarbonisation of packaging production and optimising recycled content

More on pages 18-20

Moving towards cleaner transportation and distribution
Electrifying or using bio-based fuels for our logistics and optimising routes and engine efficiencies

More on pages 21-22

Using renewables to power the refrigeration of our beverages
Moving to renewables and improving energy efficiency of the fridges

More on pages 23-24

Saving and replenishing water
Reducing the amount of water we use to make our beverages and replenishing the water we consume at our sites in high-risk areas

More on page 25

Using our voice to affect policy change
Creating a broader enabling environment to deliver change at pace and scale through climate advocacy

More on page 26

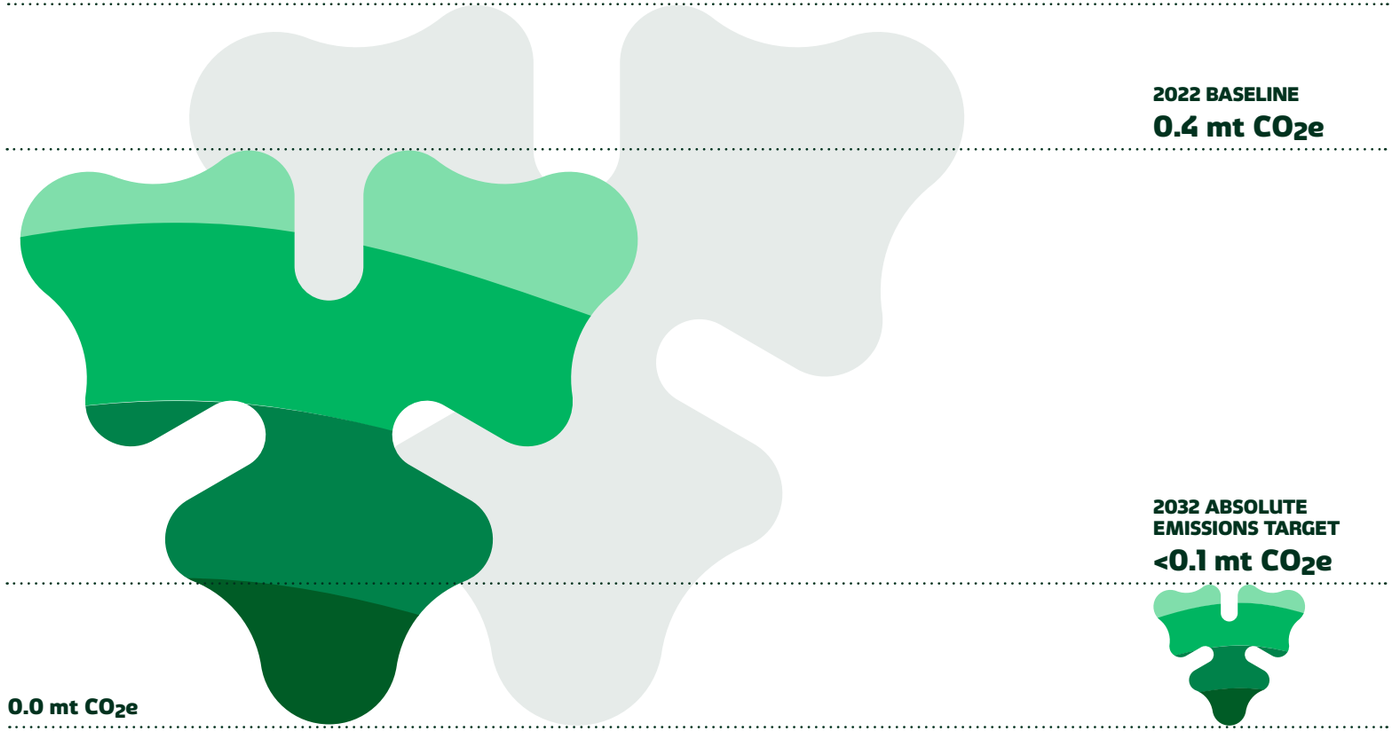
Empowering our brands to create positive impact beyond our value chain
Continuing to enable our brands to have an active role in our sustainability agenda and a positive impact on the environment and society

More on page 30

DECARBONISING OUR OWN OPERATIONS

Scope 1 and 2 emissions from our owned sites, warehouses operations, logistics and company cars

Our target is to reduce Scope 1 and 2 emissions by 90% from a 2022 baseline



Decarbonisation levers and their reduction impact, in relation to 2032 business-as-usual emissions projections

- Renewable thermal energy from biogas and biomass **~40%**
- Renewable thermal energy from electricity **~20%**
- Production processes optimisation **~20%**
- Renewable electricity **~5%**

DECARBONISING OUR OWN OPERATIONS

Key actions to 2032

Shifting to renewable thermal fuel and electrifying: we will continue to reduce our reliance on fossil fuels through replacing fossil-based energy sources with cost-efficient use of renewable electricity and thermal fuels. We have already made significant progress in reducing our Scope 1 emissions, including installing heat recovery systems and capturing biogas at many of our own wastewater treatment plants (WWTPs). We have also begun installing biomass and electric boilers at several of our sites and will continue this expansion.

In all but four of our markets, full procurement of green electricity through Guarantees of Origin and I-Renewable Energy Certificates (RECs) has been secured, as well as operational Power Purchase Agreement (PPAs) for renewable electricity in three markets. We are also working to fully shift from certificates to PPAs, with a target for all our electricity to come from new renewable assets (e.g. via PPAs).

Finally, we operate several Combined Heat and Power (CHP) systems at different sites, largely powered by natural gas. As these are long-term contracts at the point of contract expiry, contingent on suitable solutions, the energy consumption will be switched to using renewable sources.

Production processes optimisation to improve energy efficiency: our decarbonisation strategy is to first reduce carbon emissions as much as possible through energy efficiency. Significant progress has already been made via improving equipment efficiency, applying best practices and sharing knowledge, and measuring and optimising energy consumption. These and similar energy recovery and efficiency practices are planned to be rolled out across the wider business to reduce energy consumption. Additional measures, such as energy-efficient pumps, reverse osmosis efficiencies and optimising heat recovery and air systems, will continue enhancing our energy efficiency. For example, in Sweden, we collect, purify and reuse the biogenic carbon dioxide that was previously being released during fermentation. Such recovery processes significantly reduce the reliance on externally sourced fossil-based CO_2, thus reducing our emissions.

Accelerating self-generation: self-generation of energy reduces our reliance on national grids. Onsite electricity generation from solar and/or capturing renewable thermal fuel, specifically biogas at all own-operated WWTPs, already happens at many of our sites across the globe. We will continue to expand onsite capacity wherever feasible, prioritising sites with high thermal energy demand and exposure to grid cost volatility, supported by a standardised business case framework to ensure both cost efficiency and carbon reduction impact.

DECARBONISING OUR OWN OPERATIONS

Challenges and dependencies

Availability of cost-effective thermal energy solutions and sustainably sourced biofuels: to address this dependency, we will be focusing on diversifying biomass feedstock sources, securing long-term supply agreements with certified sustainable providers and evaluating waste-to-energy and biogenic CO_2 utilisation pathways to reduce exposure to market volatility.

Availability of renewable electricity: we recognise that the maturity of renewable electricity markets varies significantly by region, hence the implementation timelines will differ accordingly.

Continued validity of market-based mechanisms for renewable energy: this includes the validity of unbundled Energy Attribute Certificates (EACs) within reporting frameworks such as the GHG Protocol for renewable electricity sourcing. As a member of RE100, we adhere to its technical criteria and advocate for quality and additionality in our renewable electricity sourcing to ensure EACs remain a legitimate route for sourcing renewable power. We strive to secure EACs by concluding PPAs wherever feasible.

Renewable electricity additionality: our journey towards decarbonisation is linked to the development of the renewable energy market. To support adding new clean energy to the grid, rather than just shifting around existing supply, we are prioritising pursuing impactful procurement methods like direct investment or long-term PPAs.

Looking to 2040

Our 2040 ambitions require a comprehensive approach, including the complete transition of all our assets to renewable electricity and renewable thermal energy sources. We are committed to ongoing research and innovation to optimise energy utilisation across all our industrial processes. Looking to our 2040 long-term target of net zero, with the 2032 near-term target of 90% reduction in Scope 1 and 2 achieved, we will be focusing on the emissions from warehouses, refrigerants and company cars, which make up the remaining of our Scope 1 and 2 emissions.

DECARBONISING GROWING OF OUR RAW MATERIALS

Scope 3 FLAG[3] emissions from input production and on-field activities, including fertiliser production and application

Our target is to reduce Scope 3 FLAG emissions by 36% from a 2022 baseline

Decarbonisation levers and their reduction impact, in relation to 2032 business-as-usual emissions projections

- Regenerative barley **25%**
- Regenerative rice **10%**
- Regenerative sugar **~5%**
- Land-use change free raw materials **~5%**

3 Land-based emissions associated with forest, land and agriculture.

DECARBONISING GROWING OF OUR RAW MATERIALS

Key actions to 2032

Sourcing regeneratively grown materials: we have been piloting regenerative agriculture projects across markets in Europe and Asia for several years. Drawing on insights from these pilots and supported by more robust procurement processes that can accommodate regeneratively grown raw materials, we are now working to scale up our efforts – prioritising our material raw ingredients, barley, rice and sugar, but the programme will not be limited to them.

Our next steps include formalising our regenerative agriculture principles, mapping supply regions and partners to implement these practices, engaging suppliers on the topic and integrating regenerative agriculture requirements into our automated procurement systems.

We anticipate emissions reductions through decreased fuel use at the farm level – due to low- or no-till practices – along with reduced fertiliser application due to healthier soils, and more stable yields over time compared to conventional farming methods.

We are collaborating across our value chains to transition away from fertilisers produced using fossil fuels and towards alternatives made with renewable energy sources. Our goal is to replace conventional fertilisers – typically derived from natural gas – with low-carbon alternatives produced using renewable electricity to generate green hydrogen. Fertiliser application itself also generates emissions, which can be reduced through the use of nitrogen inhibitors. These slow natural nitrogen-conversion processes in the soil, enabling plants to absorb more nitrogen and reducing environmental losses, thereby supporting more sustainable farming practices. Furthermore, as the science of measuring and accounting for additional soil-carbon sequestration continues to advance, we intend to apply these methodologies where robust. All of the above support our broader ambition to reduce emissions from agricultural inputs and promote more sustainable farming practices.

Sourcing land-use change free raw materials: we are committed to sourcing raw materials that are free from land-use change and deforestation. We are working with our suppliers to strengthen transparency and traceability across our value chains to ensure that no conversion or degradation of forests, peatlands, coastal areas, grasslands or other ecosystems has taken place. In addition, in our EU markets, we will ensure compliance with the EU Deforestation Regulation (EUDR) by adapting our systems and processes.

DECARBONISING GROWING OF OUR RAW MATERIALS

Challenges and dependencies

Farmer capacity and capability to implement regenerative agricultural practices: to address this, we seek to engage with our suppliers by understanding their current approach, sharing research, participating in meetings of local networks and onboarding them to our targets.

Shared understanding of regenerative agriculture principles and practices: there is an urgent need for an industry-wide, outcome-driven framework that establishes a shared understanding of regenerative agriculture principles and practices – alongside a practical approach to data management, measurement, reporting and verification.

To help address this, we have been advocating for a policy change, e.g. on Common Agricultural Policy Reform in the EU or through partnerships with Boston Consulting Group and One Planet Business for Biodiversity.

Supportive regulatory environment: an accelerated adoption of regenerative agricultural practices requires a supportive regulatory environment that mitigates risks for farmers. This includes financial incentives for farmers to transition to and maintain the practices, such as subsidies included in national policies and incentive schemes. We are working collaboratively on this in the EU and expanding to other geographies with project implementation.

Scale-up of green fertiliser production: green fertilisers, such as those produced using green ammonia (from renewable hydrogen), can drastically cut emissions in the fertiliser production process; however, the production costs compared to conventional fertilisers are higher, and the infrastructure to produce green hydrogen and ammonia is limited. We are proactively engaging with fertiliser producers to ensure the future demand and supply of green fertiliser.

Looking to 2040

Expanding regenerative agriculture pilots to other raw materials: we recognise that the approach to regenerative agriculture varies depending on geographic and climatic circumstances, as well as a specific crop. We aim to engage closely with our local teams, experts and our suppliers to understand the local regenerative agenda and opportunities to expand to other raw materials in addition to barley, sugar and rice.

Reformulating products: as our regenerative agriculture projects gain scale on the most material ingredients such as barley, rice or sugar, we will explore substituting more ingredients with the regeneratively grown ones, where it is commercially viable and available.

Achieving bigger impact through landscape-based approach: in the coming years, we are interested in piloting a landscape-based approach to regenerative agriculture that focuses on managing entire ecosystems – rather than individual farms – in a way that restores ecological health, enhances biodiversity and supports resilient communities.

DECARBONISING PROCESSING OF OUR RAW MATERIALS

Scope 3 non-FLAG[4] emissions from processing of raw agricultural ingredients

Our target is to reduce Scope 3 non-FLAG emissions by 30% from a 2022 baseline

Decarbonisation levers and their reduction impact, in relation to 2032 business-as-usual emissions projections

- Barley processing decarbonisation **~20%**
- Renewable energy for other ingredients processing **~5%**
- Renewable energy for concentrate production for soft drinks **~5%**
- Thermal energy and electrification for sugar extraction **~3%**

4 Emissions from operations in the value chain that are not land-based.

DECARBONISING PROCESSING OF OUR RAW MATERIALS

Key actions to 2032

Decarbonising barley processing: our emissions accounting includes non-FLAG emissions from barley cultivation – such as fertiliser production and electricity for grain drying – as well as emissions from barley processing into malt and transport to the malting facility.

We are continuing to drive further reductions by expanding the use of a novel barley variety we developed, which lowers the energy required for both malting and brewing. This variety is already being deployed in Denmark and the UK. In parallel, we are accelerating the transition of the malting houses to renewable thermal energy sources, such as biogas and biomass.

Decarbonising processing of other ingredients: we have already started working with our suppliers to encourage the transition to renewable energy in the production of syrup, fruit juice and other key ingredients used in our beer and soft drinks. We will expand an engagement with our suppliers to understand their current energy practices and explore opportunities for renewable energy adoption. We will also explore mechanisms such as preferential sourcing, long-term contracts or co-investment opportunities to reward suppliers who commit to renewable energy.

Transitioning to renewable energy for concentrate production for soft drinks: we will continue to engage with our suppliers to accelerate their transition to renewable energy for producing concentrate for our soft drinks.

Shifting to thermal energy and electrification for sugar extraction: decarbonising sugar extraction from sugar beet and sugar cane is a complex but increasingly urgent challenge, given the energy-intensive nature of the process. We will engage our suppliers to encourage the utilisation of biomass by-products, where possible and technically feasible, electrifying the extraction process using renewable electricity and deploying other innovative solutions to transition to lower-carbon energy for sugar extraction.

Challenges and dependencies

Supplier climate action: we depend on partnerships with suppliers to decarbonise malting and other ingredients processing. To encourage these partnerships, we are evolving our procurement processes to consider environmental considerations of the suppliers' processes and to support suppliers in reducing their emissions through our Supplier and Licensee Code of Conduct.

Increased value chain transparency: our ingredient value chains are often complex, involving multiple actors and intermediaries. This complexity can limit transparency, making it more challenging to identify and address emissions hotspots.

To overcome this, we are intensifying our efforts to enhance the granularity of emissions data across our value chain. By gaining deeper insights into where emissions occur, we can better identify high-impact opportunities for supplier collaboration – enabling more targeted and effective decarbonisation strategies.

Improved infrastructure: many facilities processing our ingredients are in areas with limited access to renewable electricity or grid constraints, making full electrification difficult. We will be working with our suppliers to enable acceleration towards renewable energy adoption throughout the beverage industry supply chain.

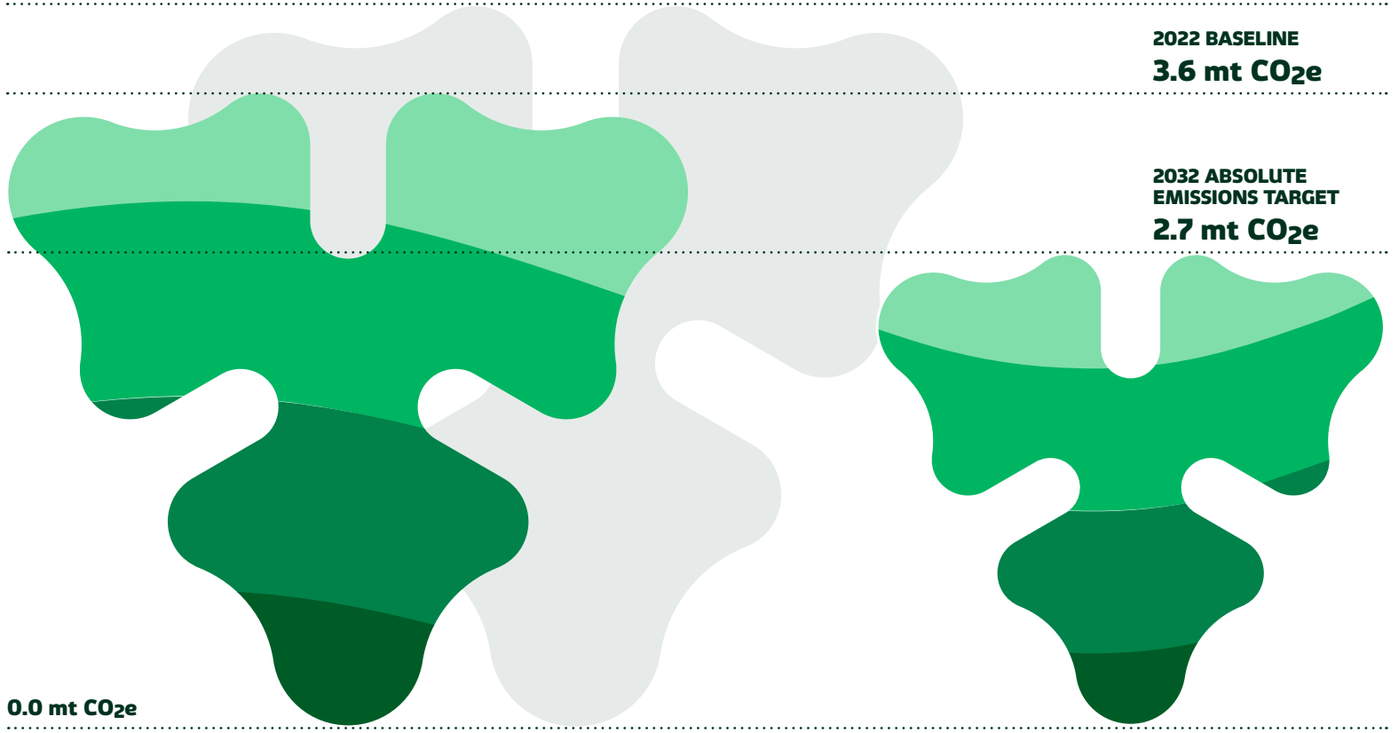
Looking to 2040

Building on the success of reusing recovered CO_2 in the carbonation process in some of our sites, and alongside our efforts to transition to renewable energy by our suppliers for ingredients processing, we plan to collaborate across our value chain to drive innovation in waste valorisation – transforming by-products such as rice, barley and wheat husks, fruit peels, seeds, pomace and pulp into bioenergy.

DECARBONISING PACKAGING

Scope 3 non-FLAG[5] emissions from the production of our packaging

Our target is to reduce Scope 3 non-FLAG emissions by 30% from a 2022 baseline



Decarbonisation levers and their reduction impact, in relation to 2032 business-as-usual emissions projections

- Renewable electricity for virgin aluminium production **~15%**
- Efficiency improvements and lower-carbon energy in glass production **~10%**
- Recycled content in glass, cans and PET bottles **~5%**
- Secondary packaging reductions **~5%**
- Recycling rate and reuse of returnable glass bottles, and lightweighting our packaging **~5%**

5 While some packaging materials contribute to FLAG emissions too, for our 2032 near-term targets, our focus is on non-FLAG emissions packaging, where we can make the most meaningful impact on reducing our carbon footprint.

DECARBONISING PACKAGING

Key actions to 2032

Switching to renewable electricity for producing virgin aluminium: to reduce the carbon footprint of our cans, we are supporting the shift to renewable electricity in virgin aluminium production – an emissions-heavy process due to its high energy demands. We continue to work with suppliers to drive this transformation.

Improving efficiency and transitioning to lower-carbon thermal energy in glass production: glass manufacturing requires significant thermal energy, traditionally generated from natural gas, making it a major source of carbon emissions. Shifting to less carbon-intensive energy sources – such as electrification, hydrogen or biogas – is technically complex and costly, requiring deep collaboration across the value chain. We have already taken steps in this direction by partnering with O-I, a leading glass producer, to create premium, sustainable glass packaging for our 1664 bottles in France. Building on this success, we aim to expand such partnerships to other brands and markets, accelerating the adoption of lower-carbon solutions in glass production.

Increasing recycled content in glass, cans and PET bottles: we have a programme to tackle the emissions associated with our packaging, which focuses on increasing recyclability and partnering with suppliers to explore ways to identify alternatives to virgin fossil-based plastic and increase recycled content in bottles, cans and PET bottles.

Reducing secondary packaging: we are actively reducing secondary packaging through a range of innovative solutions. For example, we have replaced traditional plastic rings and shrink wrap used for multipacks of beer cans with a special adhesive glue in the UK, thereby reducing emissions. We are also trialling Round Wrap, a fully recyclable, fibre-based multipack solution developed in collaboration with DS Smith.

These are just a couple of examples of how we are rethinking secondary packaging. Our efforts will continue as we explore and scale new solutions to further reduce environmental impact.

Increase in recycling rate and a reuse of our returnable glass bottles, lightweighting our packaging: our beverages reach consumers in a range of packaging formats, including glasses filled from kegs, aluminium cans and bottles made from glass or PET. The carbon footprint of each packaging type varies significantly by market, driven by factors such as recycled content levels, national recycling rates and the reuse rates of refillables. We assess these differences through detailed life cycle assessments. On average, the carbon footprint of refillable glass and PET bottles is around half that of aluminium cans – and aluminium cans have roughly half the footprint of single-use glass bottles.

We are collaborating in increasing recycling rates and creating closed loops for our highly valuable mono-material primary packaging types through further roll out of Deposit Return Systems (DRSs). For further information, see our public DRS position.

Innovating in packaging and product delivery: we are using alternative packaging solutions that reduce our environmental impact and support circular delivery systems. In our soft drinks' portfolio, a standout example is our Aqua Libra Flavour Tap, which reduces packaging waste by up to 99% compared to traditionally packaged soft drinks. The Flavour Tap system helps cut down on packaging and logistics, both of which are significant contributors to Scope 3 emissions.

DECARBONISING PACKAGING

Challenges and dependencies

Technical, economic and logistical advancements to decarbonise virgin aluminium and glass production: aluminium smelting and glass manufacturing are energy-intensive industrial processes. Decarbonising these production processes is particularly challenging because manufacturing facilities are often located in regions with limited renewable energy capacity, making the transition to low-carbon energy sources complex and costly.

Effective DRSs: we need to transform the packaging economy from a linear to a circular and low-carbon model. However, voluntary action by individual companies is not sufficient to achieve such a circular economy. It is only one part of the solution. We are experiencing systemic barriers that are slowing down our efforts and must be overcome, including underdeveloped collection and recycling infrastructure, scarcity of high-quality recycled content and challenges with closed-loop packaging systems. To overcome these barriers, we have been advocating for effective DRSs.

Value chain decarbonisation: our packaging value chains are complex and involve multiple partners with whom our direct influence is limited. To address this, we are accelerating engagement and collaboration with suppliers to drive decarbonisation efforts.

We are setting specific emissions reduction targets, starting with our most carbon-intensive can and glass suppliers. In parallel, we are advancing supplier data exchange – this improved data quality helps us and suppliers take more measurable steps towards decarbonisation.

Furthermore, our ultimate goal is net zero, which means we cannot focus solely on large suppliers or major packaging emission categories. Our supplier decarbonisation program is designed to foster carbon-conscious practices across all suppliers, regardless of their starting point. While individual contributions may seem small – depending on size, location or capability – collectively they matter. We believe that by developing scalable solutions, we can capture both significant and incremental opportunities. Internally, this requires systematically building decarbonisation expertise within procurement, ensuring that sustainability is embedded in every sourcing decision.

Looking to 2040

To achieve net zero, we will need to fully decarbonise our entire value chain, including not only the production of our packaging materials but also the emissions of the raw materials that are being used for packaging. This will be a significant focus area after achieving our 2032 near-term targets.

We will also be exploring our expertise in producing drink concentrates to reduce packaging waste, as they require less packaging per serving compared to ready-to-drink formats. Furthermore, they lower transport emissions as they are lighter and more compact, reducing the carbon footprint of distribution.

DECARBONISING TRANSPORTATION AND DISTRIBUTION

Scope 3 non-FLAG emissions from third-party upstream and downstream transportation of our materials and products

Our target is to reduce Scope 3 non-FLAG emissions by 30% from a 2022 baseline

Decarbonisation levers and their reduction impact, in relation to 2032 business-as-usual emissions projections

Fleet electrification and biofuel usage
~15%

Route optimisation and engine efficiency improvements
~10%

Shifting from road to rail
~5%

DECARBONISING TRANSPORTATION AND DISTRIBUTION

Key actions to 2032

Electrification of our fleet and biofuels usage: we have already begun deploying battery electric trucks for shuttle movements between our Falkenberg brewery in Sweden and other facilities in the area. In Ireland, Denmark and other markets, where freight transport is predominantly road-based with diesel-fuelled vehicles, a trial using hydrogenated vegetable oil presents exciting opportunities for carbon savings. We will be building on the learnings and successes of these projects to decarbonise the logistics further.

Moving to rail: we have been optimising our logistics network to include more sustainable transport modes, including rail where feasible. In Switzerland, we have been a leader in using electric trucks and rail to distribute beer with minimal emissions. We plan to accelerate these efforts and expand into other markets.

Route optimisation and engine efficiency improvements: we will be optimising our delivery routes to reduce fuel consumption and carbon emissions, minimise empty runs and improve load efficiency. We are working on engine energy efficiency improvements through our Integrated Supply Chain (ISC) strategy, which includes logistics optimisation and decarbonisation of transport. We plan to use digital fleet management tools to monitor engine performance and fuel consumption, identify inefficient driving patterns and enable predictive maintenance to keep engines running optimally.

Supplier partnerships and engagement: we continue to build carbon reduction criteria into supplier tenders for logistics equipment and distribution services, including increased commitments from our suppliers to use sustainable fuels. For example, during the current contract period, our logistics provider in Finland, Posti, has committed to a 30% emissions reduction target by October 2028.

Challenges and dependencies

Accelerated decarbonisation of the transport sector, including an improved availability of alternative fuels, electric vehicles (especially heavy-duty vehicles) and recharging infrastructure: deep emissions reductions are only possible when electricity generation supporting electrified transport modes is renewable and the network capacity is sufficient to charge the vehicles. In many cases, we are reliant on governments in the markets in which we operate supporting the acceleration and scale of clean technology adoption. Although these changes will take time, we do our bit by continuing to collaborate with industry groups and logistics providers to promote low-carbon transport solutions across the sector.

Advancements in rail infrastructure: compared to road freight, which is often powered by diesel, rail emits significantly less GHGs. To scale the shift to rail and to reduce the reliance on heavy goods vehicles, we need further improvements to rail infrastructure, including rail access, intermodal facilities and freight corridors.

Looking to 2040

Looking beyond our 2032 near-term targets, we expect to have by then achieved a full electrification of our transportation and distribution on road and rail. Biofuels for sea transport are also expected to be commercially and technologically viable. Furthermore, as we explore growing the concentrates business, this in turn will support any carbon footprint reductions of distribution.

DECARBONISING COOLING

Scope 3 non-FLAG emissions from the refrigeration of our drinks in bars and shops

Our target is to reduce Scope 3 non-FLAG emissions by 30% from a 2022 baseline

Decarbonisation levers and their reduction impact, in relation to 2032 business-as-usual emissions projections

Energy-efficiency gains from new fridges procured
~30%

Renewable energy procurement for our fridges plugged in at the customer
~15%

Renewable energy procurement of customers for third-party fridges with our products in them
~10%

Decarbonisation of national electricity grids
~10%

DECARBONISING COOLING

Key actions to 2032

Procuring renewable energy to cool our products: cooling our products in bars, restaurants and retail outlets accounts for approximately 8% of our total value chain emissions. The equipment used for cooling is either procured by Carlsberg or by our customers themselves. To power the fridges owned by our customers, we will be gradually encouraging and sometimes offering joint PPAs to customers, enabling them to switch to renewable electricity.

Decarbonisation of national electricity grids: where no dedicated renewable electricity is sourced, national grids are used. As national electricity grids transition to renewable energy sources, the carbon intensity of electricity decreases. This means that the energy used to power fridges and coolers – whether in bars, restaurants or retail outlets – will result in lower emissions over time. Consequently, we expect the carbon footprint of cooling our products to decline as electricity becomes cleaner.

Nobody likes a warm beer: through consolidating and streamlining fridge and cooler procurement across the business, we are continuously seeking to improve the energy performance of the fridges we deliver to our customers. We are also progressively including technology to monitor usage and temperature, with the goal of reducing energy usage and making the best use of the equipment, including internal lighting, as per recently updated sector standards. In recent years, all of these factors combined gave us an advantage when purchasing more energy-efficient fridges and coolers. The energy-efficiency gain of newly purchased fridges between 2022 and 2025 was over 35%.

Challenges and dependencies

Strong partnerships to align sustainability goals: not all fridges and coolers are procured by Carlsberg. For situations in which they belong to our customers, in addition to offering renewable energy PPAs, we are co-leading a Beverage Industry Environmental Roundtable (BIER) Coalition working group. It specifically aims to address emissions challenges in the cooling and refrigeration parts of the value chain. Created in 2022, it has become the world's largest forum in refrigeration for the beverage industry, with over 50% market share of equipment and key beverage producers.

Energy transition: we assume that national electricity grids will continue to shift towards renewables in line with current projections, and we will continue to support this change through advocacy and engagement through various membership bodies.

Monitoring the cooling sector developments: the intensified rivalry among our equipment suppliers and the continuous technological progress in the sector has pushed energy efficiency up across the board. We monitor these developments and try to make the best of the opportunities available to Carlsberg and its customers. We have gradually increased the deployment of energy class B equipment, with markets such as Poland and the Scandinavian countries having a noteworthy performance.

Looking to 2040

We recognise that it will be instrumental to strengthen our engagement with bars, restaurants and retailers to promote the use of energy-efficient cooling equipment, whether provided by Carlsberg or not, together with encouraging the use of renewable electricity to power them. Training and awareness on sustainable cooling practices is key, while making sure to stay on the cutting edge of available technology and being a strong voice for the entire sector to advocate together for national grid transition.

PROTECTING AND RESPECTING NATURE AND PEOPLE IN OUR VALUE CHAIN AND BEYOND

Respecting nature and biodiversity

Climate change, nature and biodiversity are deeply interconnected, requiring integrated action. Growing evidence of how climate change accelerates biodiversity loss underscores the urgency to act. In response, we have assessed the key impacts of our operations on nature to better understand and mitigate our role in ecosystem degradation.

For both upstream and direct operations, we conducted a nature-related Dependencies, Impacts, Risks and Opportunities (DIRO) analysis aligned with the European Sustainability Reporting Standards E2–E5, Corporate Sustainability Due Diligence Directive and the Taskforce on Nature-related Financial Disclosures. A key finding is that the most significant nature-related risks originate in our upstream value chain in selected countries, posing potential material risks to supply security and cost stability. Next steps include deeper risk assessments and actions aligned with our growing demand for raw materials produced through regenerative practices.

Leveraging regenerative agriculture will be central to strengthening nature resilience in our upstream value chain. Building on several years of pilots across Europe and Asia, we are scaling regenerative practices for our key raw materials, including barley, rice and sugar. These practices focus on restoring soil health, enhancing biodiversity, reducing fertiliser use and improving climate resilience, while supporting farmers' long-term livelihoods.

For our direct operations, no critical risks were identified. However, water quality degradation, water scarcity, emerging regulatory pressures and limited water basin collaboration are areas of concern. These will be further assessed at sites with the highest risk profiles.

Following this science-based, actionable nature analysis in relation to our upstream and direct operations, we are now working on a nature resilience plan and concrete projects that will be implemented to address key areas of concern.

Replenishing water

Our Environmental Policy sets the foundation of our ambition to use water with maximum efficiency and engage with local communities in water management, particularly in areas of high risk. We continue to reduce the amount of water we use to make our beverages, building on the efficiencies we have achieved since setting our baseline in 2015. But our water action goes beyond our production sites. We have been undertaking projects to replenish the water we consume at our sites in water-stressed areas, including replenishment and community projects at high-risk locations in China, India, Laos, Cambodia, Nepal and the UK.

Water replenishment projects contribute to increased groundwater levels, reduced agricultural water demand, protected and restored ecosystems, and strengthened resilience against climate-related hazards for local communities. With a focus on 18 sites across the six previously mentioned high-risk countries the primary stakeholders affected by our activities are the communities that will benefit from the work to protect and restore natural water resources. Similarly, we are a corporate partner to The Rivers Trust's water stewardship programme, working together to improve river health and water quality near our sites in the UK.

Respecting people

At Carlsberg, respect for people is an essential part of how we do business, as set out in our Human Rights Policy. We are committed to meeting our responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights (UNGP) across our global operations and value chain. Our commitments are enshrined in our Human Rights Policy and based on internationally recognised human rights. In line with the UNGP, we have a risk-based approach to human rights due diligence, which includes supplier audits, internal human rights audits and impact assessments, covering different areas of the value chain. As part of this work, we partner with external experts to support improvements in the working conditions of informal waste workers.

ADVOCACY AGENDA IN SUPPORT OF PRIORITY ACTION AREAS

Driving systemic change

We are a proud and active member of the World Economic Forum's Alliance of CEO Climate Leaders – a dedicated community of CEOs working together to accelerate the net zero transition by engaging in climate policy advocacy to drive systemic change across industries and global value chains.

Supporting grid decarbonisation

We aim to go beyond "green consumption" and actively contribute to the creation of new renewable energy capacity. Instead of just buying existing green electricity, we are helping to build more of it – so the whole grid gets cleaner, not just our own operations. Our PPAs do not just shift our electricity source – they enable the construction of new solar parks. For example, our deal helped fund the Fraugde Solar Park, which adds 81 GWh of clean energy to the Danish grid annually. We are further strengthening our commitment to sourcing all our electricity from new renewable assets with the three new PPAs across the Nordics: Norway (Ringnes), Sweden (Carlsberg Sverige) and Finland (Sinebrychoff).

Rolling out industry-driven non-profit DRSs

We are strong advocates for industry-driven, non-profit Deposit Return Systems (DRSs) to boost recycling rates and reduce packaging waste. We advocate for DRSs that are harmonised across beverage cans and bottles (plastic and glass), and easy for consumers to use. Their goal is to make returning containers as convenient as buying them. The separate collection of the mono-materials through the DRS results in recycled material streams of high food-grade quality, thereby increasing overall resource efficiency and minimising environmental impacts. We also advocate for a "right of first refusal" for beverage producers to access the high-quality, food-grade recycled materials collected, as this ensures closed-loop recycling and reduces downcycling. For more information, see our position on DRSs.

Scaling adoption of regenerative agriculture practices

We have partnered with BCG to launch Sowing Change, a report outlining six actionable recommendations to transform European agriculture and secure a more sustainable future, including creating a unified definition, standardising measurement and linking subsidies to environmental outcomes. And we are leading by example: in Denmark, the UK and Finland, we are already sourcing barley grown using regenerative methods – like minimal tillage, crop rotation and reduced synthetic inputs.

Through the World Economic Forum's First Movers Coalition for Food, we are engaging with other leading food system companies to accelerate the adoption of low-emission, nature-positive agricultural commodities, such as rice.

Direct policy engagement on priority areas

On the issues that are most material to our business, including regenerative agriculture, packaging, emissions accounting, etc., we regularly engage national and EU ministers directly. We also contribute to relevant consultation responses through the representative bodies like the Beverage Industry Environmental Roundtable (BIER), Brewers of Europe or local trade associations.

Educating communities on water

In water-stressed regions like India, Cambodia, China, Nepal and Laos, we are not only undertaking projects to replenish the water we consume at our sites, but we are also running local awareness and education campaigns on efficient and sustainable use of water. The most recent example of such collaboration is with Water.org in India's Ganges River Basin. We are also piloting water reuse and replenishment projects to demonstrate scalable solutions.

OUR ENGAGEMENT WITH CIVIL SOCIETY AND INDUSTRY ASSOCIATIONS

We are working together with industry peers to drive improvements in environmental and social business practices, keep pace with evolving legislation and hold ourselves to recognised standards.

Cross-disciplinary platforms

We are members of several industry organisations to learn, share and drive best practices. Examples include:

- **UNESDA** – EU trade association for the non-alcoholic beverages sector. Among other industry interests, it supports sustainable practices and environmental responsibility.
- **BIER** – a coalition of leading global beverage companies working together to advance environmental sustainability across the sector.
- **UN Global Compact** – through which we report annually on our commitment to the UN's Ten Principles on human rights, labour, environment and anti-corruption.
- **Brewers of Europe** – which provides us with the Product Environmental Footprint Category Rules (PEFCR) methodology for assessing the environmental footprint of different beers.
- **SEDEX** – supports us in building socially and environmentally sustainable supply chains by enhancing transparency, due diligence and continuous improvement.

Climate-related organisations

- **Climate Group's RE100** – we are a member of the Climate Group's RE100 initiative – a global coalition of influential companies committed to sourcing 100% renewable electricity.
- **SBTi** – we follow science in approaching our emissions reductions and have updated our targets in line with the latest standards.
- **World Economic Forum's Alliance of CEO Climate Leaders** – our CEO has joined other global leaders in signing open letters urging governments to adopt bold climate policies.
- **BIER Coolition** – we are collaborating with industry peers and manufacturers to reduce the environmental impact of commercial refrigeration through standardised efficiency regulations, circularity practices and innovation.
- **Sustainable Agriculture Initiative (SAI)** – we have been using SAI's Farm Sustainability Assessment (FSA) tool to evaluate whether our raw materials are sustainably sourced. We are also working to incorporate SAI's Regenerating Together framework into our supplier requirements and raw materials sustainability strategy.

OUR ENGAGEMENT WITH CIVIL SOCIETY AND INDUSTRY ASSOCIATIONS

Engagement with NGOs, social enterprises and charitable causes

Global partnerships:

- **WWF** – we have been teaming up with WWF on several sustainability initiatives, with a strong focus on water replenishment and ecosystem restoration, including projects in China, Laos and Nepal to restore wetlands and replenish water resources for the benefit of local communities and nature. In Azerbaijan, we are working with WWF on a gazelle protection project, as well as looking to collaborate further on water replenishment projects, wider environmental protection and support for local communities.
- **WaterAid** – we have been partnering with WaterAid India to conserve water and improve access to safe water and sanitation. The collaboration focuses on water-stressed regions, implementing community-led solutions that promote long-term sustainability and resilience.
- **Water.org** – through a partnership with Water.org, we have been bringing safe water to communities across the Ganges River Basin in India. This initiative aims to provide affordable financing for household water and sanitation solutions, improving health and livelihoods in areas facing severe water scarcity.
- **TapEffect** – we have been partnering with this social enterprise to bring safe, piped drinking water to rural communities in Cambodia.

Examples of local initiatives:

- **Baltic Sea Action Group (BSAG)** – Sinebrychoff's partnership with the BSAG in Finland is a long-standing and deeply integrated collaboration focused on regenerative agriculture, water stewardship and carbon neutrality in the brewing industry.
- **FareShare** – we have been supporting this anti-food-waste charity in the UK through volunteering and product donations. Supporting causes like this helps reduce carbon emissions from food waste and helps communities in need.
- **The Rivers Trust** – we have been partnering with the Rivers Trust to deliver impactful water stewardship projects in the UK.
- **Oxfam** – we have collaborated with Oxfam's local branch in Laos to conduct a baseline assessment to better understand the social and environmental impacts of post-consumer packaging in Laos. This assessment produced recommendations, and we have extended our collaboration to take these on, with an initial focus on supporting informal waste workers.

POSITIVE IMPACT BEYOND OUR VALUE CHAIN

Supporting independent basic research

The Carlsberg Foundation is our largest shareholder, and it receives almost 30% of the Carlsberg Group dividends and distributes this revenue to benefit society. The Foundation is a long-term, value-oriented shareholder, supporting the Group in creating sustainable value growth through the execution of its strategy and adherence to the company's capital allocation priorities. The dividends from Carlsberg A/S are given back to society by granting funds to support basic research within natural sciences, the humanities and social sciences, and for cultural and socially beneficial purposes. The Foundation also grants funds to the Carlsberg Research Laboratory.

Innovating in support of climate action

Founded in 1875, the Carlsberg Research Laboratory has continuously pushed the boundaries of science – from purifying yeast and inventing the pH scale to pioneering the development of climate-tolerant crops. Today, our research stands at the forefront of sustainable innovation, driving climate-friendly barley farming and beyond. Our long-term exploratory research is dedicated to addressing some of the world's most pressing challenges – climate change, food security, sustainable agriculture and resilient beverage production.

Recently, the Carlsberg Research Laboratory has achieved a scientific breakthrough by identifying how genetic diversity in the MKK3 gene can improve seed dormancy and resilience in barley, helping to prevent pre-harvest sprouting caused by climate change. By sharing these findings globally, Carlsberg is enabling breeders and farmers to develop more climate-resilient crops, supporting food security and sustainable agriculture in the face of increasingly unpredictable weather.

Advancing regenerative agriculture beyond our immediate value chain

Through strategic partnerships with agricultural cooperatives and maltsters, farmer engagement, product innovation and EU-wide advocacy to transform European agriculture, we are extending our impact beyond our own operations to accelerate the adoption of regenerative practices across industries.

Championing circular packaging

By promoting industry-driven non-profit DRSs, we are helping maintain the high value of clean mono-materials in a closed recycling loop for beer and beverage packaging.

CARLSBERG FOUNDATION

Carlsberg Group | CARLSBERG RESEARCH LABORATORY Since 1875

OUR BRANDS TAKING THE LEAD

One of our strongest advantages is our portfolio of familiar, trusted brands. Each of these brands has a role to play in our transition to net zero. Below are some examples of the brand action to date.

Beerlao: growing rice more sustainably

With our keen focus on regeneratively grown raw materials, in Laos we are making great progress with a project on growing rice using farming methods that are striving to meet the classification of "regenerative". The project is aimed at reducing the use of chemical fertilisers and promotes the practice of alternative wetting and drying of rice paddies.

Kronenbourg 1664 Blonde: promoting traceable, responsible agricultural value chains

In France, 100% of the barley malt used in 1664 Blonde will be sourced from a traceable, responsible agricultural value chain by 2026. This involves over 250 partner farmers cultivating 5,000 hectares of barley using regenerative and sustainable practices. The barley is traceable via blockchain technology, offering transparency from field to bottle – the beer packaging includes a QR code that allows consumers to track the barley's journey and learn about the brewing process, enhancing consumer engagement with sustainability.

Carlsberg Danish Pilsner: brewing process innovations that reduce energy use

Brewed using regeneratively grown barley from Danish and UK farms, Carlsberg Danish Pilsner also benefits from brewing process innovations that reduce energy use and emissions.

Imsdal: optimising recyclability

Our Norwegian bottled water brand, Imsdal, discovered that bottles made from 100% recycled plastic (rPET) had limited recyclability – they could only withstand a certain number of recycling cycles before degrading. To address this, Imsdal adjusted its formula to use 80% rPET and 20% virgin plastic, allowing the bottles to be recycled indefinitely without compromising quality. All Imsdal plastic bottles have comprised the optimal blend since 2023.

KOFF Christmas Beer: brewed using barley from regenerative farms in Finland

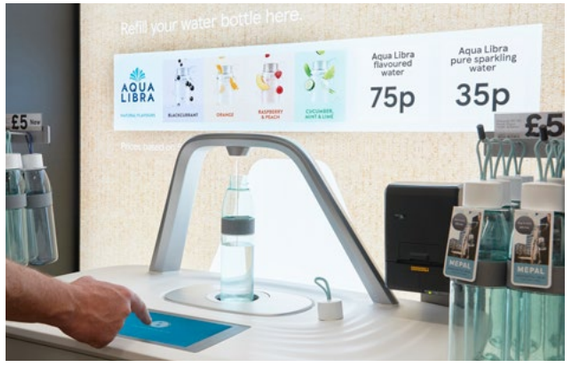
Since 2022, KOFF Christmas Beer has been crafted using barley from regenerative farms in Finland. The beer is brewed at the Sinebrychoff Brewery, which operates on carbon-neutral energy.

Ramlösa: giving access to clean water

In Sweden, Ramlösa and the Swedish Red Cross have been operating the Ramlösa Water Fund, which donates one litre of clean water for every litre of Ramlösa sold, aiding water-scarce regions. This initiative has now surpassed a major milestone: over 1 billion litres of clean water have been donated to vulnerable communities worldwide.

Aqua Libra: thinking beyond conventional packaging

Recognised as a pioneering innovation, the Aqua Libra Flavour Tap, currently available in the UK and Ireland, is ideal for workplaces, hospitality and retail, using state-of-the-art technology to dispense still, sparkling and flavoured water with zero calories. Critically, the Flavour Tap reduces packaging waste by 99% compared with 500ml bottled soft drinks. Aqua Libra is the UK's fastest-growing infused water brand.



OUR ESG GOVERNANCE

Ultimate accountability for ESG, including our climate action, at Carlsberg lies with our Supervisory Board. Our CEO and the Executive Committee (ExCom) provide strategic guidance and approval on policies, targets and resources to support the implementation of our climate agenda. Leaders from across the business contribute to our decision-making on relevant topics through our ESG Steering Committee (ESG SteerCo). The role of the ESG SteerCo is to help us overcome implementation challenges, capitalise on ESG opportunities, including those related to climate action, and accelerate our response to growing stakeholder expectations and regulatory requirements on climate and ESG more broadly.

Creating this CTP has been a collaborative effort, led by our Group Sustainability and ESG function and approved according to the Carlsberg governance model.

Supervisory Board
Responsible for oversight of ESG at Carlsberg, including climate targets and initiatives
Discusses relevant impacts, risks and opportunities related to our ESG programme “Brewing Tomorrow”
Responsible for approving the ESG strategy and annually reviewing overall ESG performance and progress

Board committees’ oversight of ESG
Board committees meet regularly to assist the Supervisory Board with oversight duties
ESG-relevant committees and focus areas are:
Audit Committee (ESG reporting and risk management)
Remuneration Committee (ESG-linked incentives)
People & Culture Committee (diversity, equity and inclusion)

Executive committee (ExCom)
Holds accountability to the Supervisory Board for the effective management of ESG, including climate commitments
Approves ESG strategy, key roles, policies, targets and resource allocation
Responsible for annually reviewing ESG performance and progress towards targets

ESG Steering committee (ESG SteerCo)
Analyses material ESG topics and ESG strategy implementation in more depth, and makes recommendations to ExCom
Comprises a subset of ExCom members, with ESG-relevant leaders brought in as necessary

Brewing Tomorrow area owners
Every target has an ExCom sponsor responsible for its delivery
These sponsors delegate responsibility to senior leaders – Brewing Tomorrow target owners and roadmap owners, who ensure each target has a fully costed plan for timely delivery

OUR ESG GOVERNANCE

Linking executive remuneration to ESG performance

Our executive remuneration is linked to our ESG objectives and performance. We include ESG targets in the long-term incentives designed to encourage the executive directors to deliver on long-term business objectives. For the period 2024–2026, we are using a performance share scheme based on five metrics, including our ESG targets on carbon, water and diversity in leadership. See our latest remuneration report for more details.

Implementing and measuring progress against our climate action

We measure progress towards the targets set out in our climate action, with our 2032 near-term targets being key performance indicators (KPIs).

Multiple data inputs covering Scope 1, 2 and 3 emissions are needed to track our full value chain footprint, and we conduct a comprehensive value chain emissions assessment annually to consolidate all data inputs and determine the status. These annual assessments are reported to the Supervisory Board and the ExCom at least yearly, with deeper dives reported to the ESG SteerCo at least quarterly.

Sub-KPIs that ensure delivery of our 2032 KPIs are defined in various decarbonisation roadmaps by respective roadmap owners – subject-matter experts based in global functions and responsible for defining the strategic approach to implementation. These roadmap owners liaise internally to embed roadmaps into organisational plans and budgets and track internal progress against the sub-KPIs.

The ExCom and Supervisory Board are ultimately responsible for reviewing overall decarbonisation performance each year and approving relevant projects and investments for the next year(s) through regular business planning processes.

Our culture and people

By integrating sustainability into our organisation, we not only seek to achieve our climate targets but also create a culture shift in which sustainability is prioritised and championed in both formal decision-making processes and everyday behaviours. We are dedicated to supporting the communities we work in – not only the people in them but improving the local environment too. We do this through a series of initiatives – from funding wetland restoration projects to volunteering to collect waste, clean up coasts, clear rivers or mountains and plant trees.

We also regularly publish articles and videos about our climate journey, plans, goals and progress in our internal newsletters and newsfeeds. We have employee groups in our markets dedicated to climate and environmental issues. These groups support information sharing with external stakeholders, including suppliers, and encourage discussion and action on climate issues both at work and at home.

SKILLS AND TRAINING

Supervisory Board and ExCom climate skills and experience

Our Supervisory Board and ExCom bring a diverse set of skills and experiences, not least in areas related to ESG. The Supervisory Board members have extensive board-level experience in overseeing execution and strategy development for targets, mitigation initiatives and decarbonisation programmes across value chains. They also have a subject-matter expertise ranging from academic to operational in leading carbon reduction roadmaps and corporate actions to address climate change. The ExCom collectively possesses a strong understanding of our operations, environmental and carbon reduction initiatives and a wealth of experience in this space.

Furthermore, given that several of the ESG SteerCo members are also members of the ExCom, their participation in the ESG SteerCo deep-dive discussions on ESG topics also raises the awareness and competence level of the ExCom.

Training on environmental impacts in the innovation process

Innovation, in partnership with our suppliers, will be key in achieving our climate targets. Our Sustainability Scorecard ensures that environmental criteria are considered in the development of all new products – and their packaging – across our markets. We regularly train our Innovation Board, which oversees the company's innovation pipeline and resource allocation, 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. It also enables the Innovation Board to halt a development project if sustainability criteria are not met.

Enhancing climate knowledge through our ESG Champions network

Our network of ESG Champions from all markets meets every two months to share best practice and learnings, and upskill on key internal and external climate and sustainability-related developments. The ESG Champions are instrumental in helping coordinate local initiatives in line with our global sustainability programme, including cutting carbon.

Expertise embedded in the delivery of our climate targets

Our climate targets form the backbone of our climate action. Each target is sponsored by an ExCom member, who holds ultimate accountability while delegating delivery to the senior leaders responsible for the respective roadmaps. These roadmap owners bring deep expertise across key areas such as supply chain, packaging and carbon management, ensuring that actions are both strategic and impactful. They also ensure that every target is underpinned by a fully costed implementation plan.

Business-wide staff training

Our updated Environmental Policy training is being rolled out and is mandatory for all employees. We intend to give a foundational understanding of our Environmental Policy to the whole company. We have also developed a range of training materials for staff to raise awareness of the key sustainability areas for our business, including on carbon emissions, packaging waste, responsible sourcing, purchasing renewable energy, etc.

SUPPORTING POLICIES

The implementation of our climate action is supported by several Carlsberg policies, which are publicly available online and published on our company intranet.

Environmental Policy

This policy summarises our approach to energy, climate change and resilience, water and wastewater, waste and by-products, packaging, raw materials and agriculture, and investments and purchases. The policy applies globally to all employees, contractors and visitors of the Carlsberg Group, and to situations where the Group's employees are working at external locations. Our policy includes our commitment to no deforestation across the primary deforestation-linked raw materials we purchase. Although the policy does not apply to suppliers directly, it informs our requirements in a number of associated documents, including the Supplier and Licensee Code of Conduct.

Supplier and Licensee Code of Conduct (SLCOC)

This includes a section addressing environmental concerns as they relate to our downstream supply chain, specifically the management of environmental issues, carbon emissions, water and waste. Our SLCOC applies to all suppliers and details the minimum requirements we expect them to adhere to regarding these topics, based on both regulatory requirements and our own commitment to reduce environmental impacts. The SLCOC also states that suppliers must proactively work to understand and reduce their direct and indirect carbon footprint throughout their supply chains.

Human Rights Policy

This policy articulates our commitment to respect human rights. It outlines our continuous human rights due diligence and rightsholder engagement, including the provision of grievance channels. It also describes our human rights governance and how we provide and cooperate in remediation where appropriate.

Code of Ethics and Conduct

This code embeds environmental responsibility into our corporate values and reinforces our commitment to climate action. By aligning ethical conduct with sustainability objectives, we ensure that decarbonisation efforts are integrated into everyday decision-making across the business.

FINANCIAL PLANNING FOR THE TRANSITION

Sustainability spending is integrated in our financial planning and reporting

We report on our capital expenditures (CapEx) and operational expenditures (OpEx) invested in reducing carbon emissions in our annual report as a part of the compliance reporting. With regards to the total CapEx, we maintain CapEx, including sustainability upgrades, at 6–7% of revenue.

The investments that support our climate action are integrated within and funded by our business-as-usual financial planning processes, including a three-year planning cycle. To ensure we deliver on our commitments, we continue to follow up on investments and track performance against our targets.

Some of the more notable CapEx investments that support our climate action have been in relation to water efficiency improvements and decarbonising our breweries.

The most significant operational expenditures has related to:

- **Sourcing regeneratively grown raw materials:** we have been investing in pilots to support the transition to regeneratively grown ingredients, including paying a premium to farmers who adopt regenerative practices. Such investments help secure sustainable supply of ingredients in the long run and reduce our climate impact. Longer term, as regenerative agriculture achieves more scale, we expect the price premium to decrease.
- **rPET procurement:** the purchasing of recycled packaging materials, primarily rPET, has required business investment in our OpEx.

Building resilience in our packaging value chain

By promoting industry-driven non-profit DRSs, we are creating a higher level of resilience in our packaging value chain. High return rates can reduce the risk of environmental fees on our packaging and maintain the high value of clean mono-materials in a closed recycling loop for beer and beverage packaging. This creation of circular material flows also contributes to a future-proofed business model in a world with increasing materials scarcity.

Mitigating financial risks around carbon pricing

Given that our operations result in GHG emissions throughout the value chain, we have identified a material financial risk to our business from potential carbon pricing, which could increase the costs of purchased goods and the costs of our own operations. We have been working to mitigate and reduce our risk exposure to the carbon pricing on our own operations and purchased goods through the fulfilment of our decarbonisation targets.

Integrating climate into our supplier contracts

We are working on integrating sustainability contract clauses into existing supplier agreements.

ABOUT THIS REPORT

How this CTP was prepared

This CTP has been prepared following the guidance of the Transition Plan Taskforce (TPT) Disclosure Framework, The Net Zero Investment Framework 2.0 and CDP requirements for reporting on climate transition plans. The document outlines the actions and milestones that define our transition pathway, the governance and oversight structures guiding our efforts.

The actual reporting on annual performance against these metrics will be disclosed in our annual Integrated Report issued early each year.

The CTP builds on our GHG inventory, double materiality assessments and the climate-related scenario analysis. It was developed by the Group Sustainability and ESG team in close collaboration with Integrated Supply Chain and Procurement colleagues, and with wider support from local ESG colleagues in the markets. The plan was approved by the members of ExCom and the Supervisory Board.

Identifying our impact on climate

The process of assessing our climate-related impacts starts with our GHG inventory, covering Scope 1, 2 and 3 emissions. Analysis of the GHG inventory provides a starting point for understanding key challenges and identifying key levers. The impacts on climate are then identified as part of our double materiality assessment. Its methodology is described in more detail in the IRO-1 section of our annual reports.

Assessing climate impact on our business

Building on the understanding of our impact on climate, we expand our assessment of how we, as a global business, can be affected by external factors related to climate change. We begin by identifying relevant and plausible risks and opportunities in the short, medium and long term, and assess them at a high level to narrow down the risks and opportunities to be analysed in more detail. Using the Task Force on Climate-related Financial Disclosures (TCFD) framework, we apply a low-emissions scenario (RCP 2.6/SSP1 and NGFS CGAM 6.0 Below 2°C), an intermediate emissions scenario (RCP 4.5/SSP2), and a very high emissions scenario (RCP 8.5/SSP5). The scenario analysis sheds light on plausible risks and opportunities that we could face and leads to discussions on where we might need to take action.

Dependencies set out in this CTP

Dependencies are considered when assessing the levers to be deployed to reduce emissions in the areas where our climate-related impacts are the highest. For example, we rely on the availability of technology and a wider grid decarbonisation to support our transition from fossil-based to green energy sources where we operate. Or, to achieve the emission reductions from growing our ingredients through a scale-up of adoption of regenerative agricultural practices, we rely on a supportive regulatory environment and government financial incentives for farmers to transition to and maintain the practices.

These dependencies were identified based on the expertise, knowledge and experience of our internal subject-matter experts.

How this CTP will be updated

We will be providing an update on our progress against the climate targets in Carlsberg Group's annual Integrated Report and offer concrete examples in a range of case studies and market stories, available on Sustainability » Our ambitions « Carlsberg Group.

We intend to review and update our CTP periodically to ensure continued relevance.

For more details on our full climate risk and opportunity disclosures, please see the Environment section in our latest annual report, which can be found here.

MEASURING OUR CARBON FOOTPRINT

To monitor our impact on the climate, we annually measure and report on GHG emissions across our entire value chain. Reliable data is essential to track our progress and set reduction plans for the future. That is why we continuously work on improving the quality and availability of our data. Our emissions are calculated in accordance with the methodology set out by the GHG Protocol and further detailed by the Beverage Industry Environmental Roundtable (BIER) for our industry, and given limited assurance by an independent third party in accordance with ISAE 3000 standards. Our 2032 near-term targets are approved, and our progress towards them is monitored on the following scopes:

- **Scope 1 and 2:** Scope 1 GHG emissions include direct emissions from energy consumption, purchased CO_2 and the use of refrigerants in own operations. Energy consumption includes all direct energy sources (natural gas, oil and bioenergy) at owned sites and vehicles (including leased vehicles). Emissions are calculated as energy consumption multiplied by relevant emission factors. Scope 2 GHG emissions include indirect emissions from the generation of electricity, heat and steam purchased and consumed. Location-based GHG emissions are calculated by multiplying the amount of energy purchased by country-specific emission factors. Market-based emissions take into account renewable electricity purchased through PPAs, or with RECs or Guarantees of Origin.
- **Scope 3 FLAG:** the SBTi defines FLAG emissions as land-based GHG emissions and removals associated with Forest, Land and Agriculture, including emissions from deforestation, land-use change and agricultural practices (e.g. fertilizer use, manure management, forest harvesting). For Carlsberg, Scope 3 FLAG includes emissions from purchased agricultural ingredients such as barley, sugar, rice, fruit juices and others that are used to make our drinks. It also includes FLAG emissions from fibre-based packaging materials, e.g. cardboard, and from biomass used as thermal fuel in our production process.
- **Scope 3 non-FLAG:** this includes indirect GHG emissions in the value chain, covering both upstream and downstream activities that we do not have operational control over. It includes emissions of purchased goods (packaging), processing of raw materials, upstream transportation, treatment of waste generated in our operations, downstream distribution and cooling our products in trade. Scope 3 GHG emissions are calculated following the GHG Protocol Corporate Value Chain (Scope 3) Standard, the BIER Guidance and the Product Environmental Footprint Category Rules for Beer.

Our 2032 near-term targets include 75% of our gross emissions, which is above the two-thirds requirement by the GHG Protocol. Our 2040 long-term target of net zero covers all gross emissions, which are in addition to the FLAG and non-FLAG emissions from licensee and joint venture volumes, co-manufacturing and third-party product volumes, capital goods, employee commuting, business travel and non-product purchases (advertising, services, etc.).

TPT DISCLOSURE FRAMEWORK'S FOOD AND BEVERAGE SECTOR GUIDANCE INDEX

Foundation		Location in Carlsberg's CTP
1.1 Strategic ambition	An entity shall disclose the Strategic Ambition of its transition plan. This shall comprise the entity's objectives and priorities for responding and contributing to the transition towards a low-GHG emissions, climate resilient economy, and set out whether and how the entity is pursuing these objectives and priorities in a manner that captures opportunities, avoids adverse impacts for stakeholders and society, and safeguards the natural environment.	Our net zero ambition; Our net zero roadmap towards 2040
1.2 Business model and value chain	An entity shall disclose a description of the current and anticipated implications of the entity's Strategic Ambition on its business model and value chain.	Our key actions to achieve 2032 targets and beyond
1.3 Key assumptions and external factors	An entity shall disclose key assumptions that it has made and external factors on which it depends in order to achieve the Strategic Ambition of its transition plan.	About this report; "Challenges and dependencies" sub-sections in decarbonisation levers sections on pages 12, 15, 17, 20, 22 and 24
2.1 Business operations	An entity shall disclose information about the short-, medium- and long-term actions it is taking or plans to take in its business operations in order to achieve the Strategic Ambition of its transition plan.	Our key actions to achieve 2032 targets and beyond; Our own operations; Growing of our raw materials; Processing of our raw materials; Packaging; Transportation and distribution; Cooling
2.2 Products and Services	An entity shall disclose information about short-, medium- and long-term actions it is taking or plans to take to change its portfolio of products and services in order to achieve the Strategic Ambition of its transition plan.	Growing of our raw materials; Packaging; Our brands taking the lead
2.3 Policies and Conditions	An entity shall disclose information about any policies and conditions that it uses or plans to use in order to achieve the Strategic Ambition of its transition plan.	Supporting policies
2.4 Financial planning	An entity shall, to the extent the financial effects of its transition plan are separately identifiable, disclose information about the effects of its transition plan on its financial position, financial performance and cash flows over the short, medium and long term, including information about how it is resourcing or plans to resource its activities in order to achieve the Strategic Ambition of its transition plan.	Financial planning for the transition
3.1 Engagement with value chain	An entity shall disclose information about any engagement activities with other entities in its value chain that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Growing of our raw materials; Processing of our raw materials; Packaging; Transportation and distribution; Cooling; Financial planning for the transition
3.2 Engagement with industry	An entity shall disclose information about any engagement and collaborative activities with industry counterparts (and other relevant initiatives or entities) that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Advocacy agenda in support of priority action areas; Our engagement with civil society and industry associations
3.3 Engagement with government, public sector and civil society	An entity shall disclose information about any direct and indirect engagement activities with the government, regulators, public sector organisations, communities and civil society that it is undertaking or plans to undertake in order to achieve the Strategic Ambition of its transition plan.	Our engagement with civil society and industry associations; Positive impact beyond our value chain
4.1 Governance, engagement, business and operational metrics and targets	An entity shall disclose information about the governance, engagement, business and operational metrics and targets that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Governance; Our targets; About this report
4.2 Financial metrics and targets	An entity shall disclose information about any financial metrics and targets, relevant to its business, sector and strategy, that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	We do not set financial metrics and targets. For other financial planning related to CTP see Financial planning for the transition
4.3 GHG metrics and targets	An entity shall disclose information about the GHG emissions and removals metrics and targets that it uses in order to drive and monitor progress towards the Strategic Ambition of its transition plan, and report against these metrics and targets on at least an annual basis.	Our carbon footprint; Our targets
4.4 Carbon credits	An entity shall disclose information about how it uses or plans to use carbon credits to achieve the Strategic Ambition of its transition plan, and report on the use of carbon credits on at least an annual basis.	Our targets
5.1 Board oversight and reporting	An entity shall disclose information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of the transition plan.	Governance
5.2 Roles, responsibility and accountability	An entity shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee the transition plan, as well as how it is embedded within the entity's wider control, review and accountability mechanisms.	Governance
5.3 Culture	An entity shall disclose information about how it aligns or plans to align its culture with the Strategic Ambition of its transition plan.	Governance
5.4 Incentives and remuneration	An entity shall disclose information about how it aligns or plans to align its incentive and remuneration structures with the Strategic Ambition of its transition plan.	Governance
5.5 Skills, competencies and training	An entity shall disclose information about actions it is taking or plans to take to assess, maintain and build the appropriate skills, competencies and knowledge across the organisation in order to achieve the Strategic Ambition of its transition plan.	Skills and training

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