

Carlsberg Group Supplier and Licensee Code of Conduct

Introduction

Our commitment

The Carlsberg Group is committed to making a positive contribution to society and the environment by developing and implementing ethical business practices that allow us to deliver financial success while ensuring our business strategy and operations are conducted in a responsible manner. Carlsberg Group prides itself on being an ethical business, and we expect the suppliers/partners with whom we work to share these standards. In doing this, we seek to create value for our shareholders and our broader stakeholders, including our employees, our business partners, and the communities in which we operate.

The Carlsberg Group supports the United Nations Universal Declaration of Human Rights and is a signatory to the United Nations Global Compact, which means that we support 10 principles within the following important areas: labour and human rights; health and safety; the environment; and business ethics (including anti-corruption).

Scope

This Code applies to all Carlsberg Group suppliers and licensees (hereafter "the Supplier" or "Suppliers"). Observance of the Code is an enforced part of any agreement between the Carlsberg Group and our Suppliers.

The provisions of the Code extend to all the Supplier's employees, including those engaged informally, on short-term contracts, or on a part-time basis. It is the responsibility of Suppliers to ensure that their sub-suppliers and other third parties acting on their behalf do not violate the standards of this Code, which includes without limitation responsibility for communicating its content and ensuring that all measures are implemented accordingly.

The Carlsberg Group will periodically review the adequacy and continuing effectiveness of this Code and notify our Suppliers of any resulting revisions.

Compliance

Our Suppliers must adhere to this Code and comply with all applicable laws and regulations; in the event of any inconsistency, Suppliers must observe the more stringent requirements. The Carlsberg Group expects Suppliers to be able to provide evidence of their compliance with this Code and all applicable laws upon request.

The Carlsberg Group strives to continuously improve and strongly believes that building long-term, collaborative relationships with Suppliers is crucial for our business. We value honest and open communication and believe that transparency is vital to successful business relationships. The Carlsberg Group expects our Suppliers to comply with this Code and our Suppliers must, in the event of (i) any non-compliance, be committed to, and engaged in, remedying such non-compliance in a timely manner and (ii) any violations of this Code, inform the relevant Carlsberg top management and/or legal person. The Carlsberg Group reserves the right to verify Suppliers' compliance with this Code and the right to terminate any agreements should a Supplier repeatedly disregard this Code or decide that compliance with this Code is not possible.

1. Labour and human rights

1.1. Non-discrimination

The Supplier shall not discriminate against or between employees on any grounds and any employment-related decisions, including hiring, termination and retirement, shall be based solely on relevant and objective criteria.

1.2. Forced labour

The Supplier shall not participate in or benefit from any form of forced labour and Suppliers' employees shall be allowed to move around freely and leave their place of work when their shift ends.

The Supplier shall refrain from asking employees to submit their original identity papers or any other original official documentation or to pay a deposit as part of their conditions of employment.

Suppliers shall prevent their security guards from infringing on the liberty and security of others.

1.3. Child labour

The supplier shall not engage in or benefit from the use of child labour.

All Suppliers' full time employees shall be at least 15 years old, or the applicable legal minimum age for employment, whichever is higher (save if, in accordance with exceptions for developing countries, the applicable minimum working age is 14, in which case this lower age shall apply).

Where permitted by applicable laws, the Supplier may employ children aged 12 to 15 to perform a few hours of light work a day, provided their tasks are simple, limited, do not interfere with educational responsibilities and are not harmful to their health or development. Supplier apprenticeship programmes for children below the minimum age of employment shall be remunerated and clearly aimed at training.

The Supplier shall refrain from hiring employees under the age of 18 for positions that require hazardous work that could jeopardise their health, safety or morals.

1.4. Freedom of association and collective bargaining

The Supplier shall respect the right of employees to form and join trade unions and to negotiate collectively. Suppliers shall not attempt to influence employees' choice of trade union membership and shall not dismiss employees solely because of their affiliation to a trade union.

If there is no legally recognised union in the area of operations, or if state-authorised organisations alone are allowed, the Supplier shall facilitate alternative means for effective representation of employees' interests.

1.5. Harassment

The Supplier shall protect employees from any acts of physical, verbal, sexual or psychological harassment, abuse or threats in the workplace by their fellow employees or managers.

1.6. Working hours, benefits and wages

The Supplier shall adhere to the strictest applicable laws and/or industry standards relating to wages, working hours, overtime and benefits. Employees shall not be required to work more than 48 hours a week. Overtime shall be voluntary, not exceed 12 hours a week (or the maximum allowed under applicable laws and regulations), be remunerated at a higher rate than the hourly rate and shall be paid in legal tender on a regular basis.

Suppliers' employees shall be entitled to at least one day off in every seven, and shall be given reasonable breaks while working and sufficient rest periods between shifts.

Wage deductions as a disciplinary measure shall not be permitted without the express permission of the relevant employee, unless provided for by national law.

1.7. Paid leave

The Supplier shall grant all employees the right to sick leave and annual holiday, as well as parental leave for relevant employees with a newborn or newly adopted child, as provided by applicable legislation. Employees who take parental leave shall not face dismissal or threat of dismissal and shall be able to return to their former employment at the same rate of pay and with the same benefits.

1.8. Employee contracts

The Supplier shall provide all employees with a written, understandable and legally binding labour contract. Provisions for non-permanent and seasonal employees shall be no less favourable than those applicable to permanent workers.

2. Health and safety

The Supplier shall ensure that it provides for its employees a safe and healthy working environment and the protective equipment and training necessary to perform their tasks safely. The supplier shall formulate and maintain health and safety plans that clearly set out measures to safeguard employees and others affected by its activities. In addition, Suppliers shall actively identify and eliminate or control hazards that present a risk to employees and other persons present on its sites and to the environment.

2.1. Systems, documentation and accidents

The Supplier shall, in accordance with applicable legislation, develop and maintain effective systems for informing and consulting employees on relevant health and safety matters and keeping accurate records of accidents, injuries and known exposure to health and safety risks at work.

2.2. Sanitary infrastructure

The Supplier shall provide a suitable, clean and sanitary infrastructure, which meets the needs of its employees and is adequate for its employee numbers. Such sanitary infrastructure is applicable to both the workplace and any accommodation provided by Supplier, and shall include access to toilets, potable water and if appropriate sanitary facilities for storage of food.

2.3. Accidents and health emergencies

The Supplier shall establish and maintain procedures designed to prevent accidents and emergency procedures to effectively respond to all health emergencies and industrial incidents affecting the surrounding community.

3. Environment

The Supplier shall comply with and maintain awareness of, all current and applicable legislation and requirements relevant to the environmental impacts of its activities, products and services. Suppliers shall proactively ensure compliance with environmental regulations through ongoing training of all relevant employees and effective operational control and monitoring across their business activities.

3.1. Management of environmental issues

The Supplier shall strive to prevent, and shall operate effective systems to minimise, remedy and report, any adverse environmental impact from its activities, products and services. The Supplier shall ensure continuous improvements in its overall environmental performance and shall be committed to working with its own suppliers to enhance environmental performance throughout the product supply chain.

3.2. Air, noise and water pollution

The Supplier shall ensure compliance with applicable laws and regulations in connection with air emissions, noise pollution and ground and water discharges.

3.3. Waste and Chemicals

The Supplier shall establish and maintain (i) a list of hazardous and non-hazardous waste materials in order to monitor the types and amounts of waste materials it generates and (ii) procedures for safe handling, transportation and disposal of waste.

Hazardous waste shall not be placed in landfill sites or incinerated on site unless authorised and approved by the applicable authorities. If non-hazardous waste is placed in landfill sites or incinerated on site, all relevant legal requirements shall be fulfilled.

The Supplier shall maintain written procedures, together with clear guidelines, for the procurement, storage, handling and use of chemical substances, with specific emphasis on hazardous materials.

4. Business ethics

4.1. Corruption and bribery

The Supplier shall comply with all applicable anti-corruption laws in relation to its business activities, and in particular, it shall not (i) try to gain undue advantage (i.e. an advantage to which it is not entitled) by promising, offering or giving anything of value, directly or indirectly, to any public official, business partner or any other third party or (ii) engage in any other form of corruption, extortion, embezzlement, or fraud which seeks to unjustly obtain improper advantages or otherwise influence the outcome of its business dealings. Suppliers must ensure that all relevant employees and third parties have knowledge of and comply with applicable anti-corruption laws.

4.2. Gifts and entertainment

The Supplier shall refrain from offering funding, donations, lavish gifts and extravagant entertainment or hospitality to any employees of, or other counterparts in, the Carlsberg Group in an attempt to influence business decisions. The Supplier shall ensure that any and all gifts and entertainment proffered to Carlsberg employees are transparent and have a justifiable business rationale.