

CSR REPORT 2014

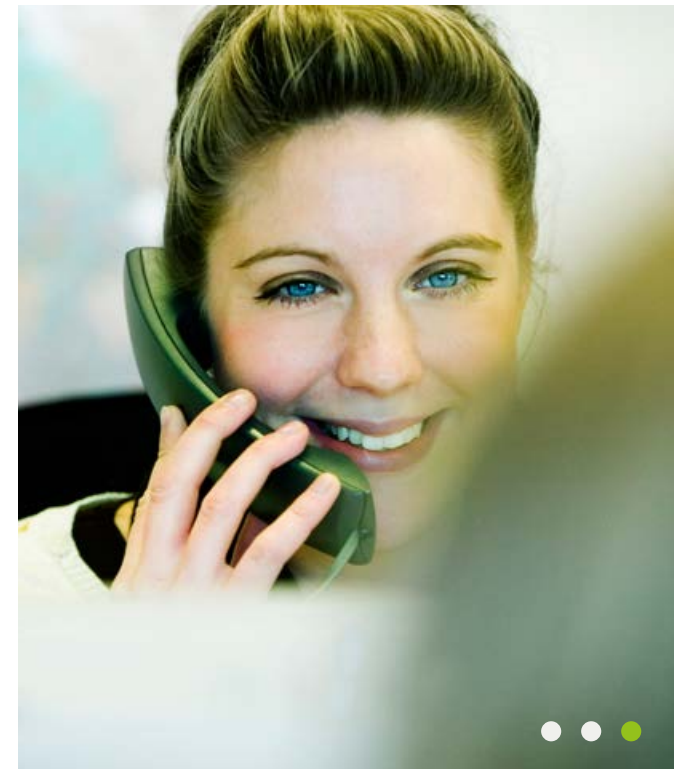
GROWING RESPONSIBLY
TOGETHER

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MESSAGE FROM OUR CEO

In 2014, we continued the pursuit of our strategic objective to integrate corporate social responsibility (CSR) throughout our business functions and Group companies.

We executed on our global priorities, implemented local projects and initiated a number of new commitments to guide our work going forward in both the short and long term for the benefit of all our stakeholders.

In the Carlsberg Group, we are committed to making decisions that have a positive impact on our business and the communities in which we operate. Our ambition is to grow responsibly while enhancing quality of life for our consumers, our employees and other stakeholders. In recent years, we have worked to make CSR an integrated part of our day-to-day business operations. As such, we create shareholder benefits through CSR improvements that have led to better risk management, increased (cost) efficiency, new business opportunities and enhanced consumer support for the category.

However, we are facing increasingly tough economic, social and environmental challenges to our business across our supply chain and in society at large. We believe that through our CSR activities we can help to overcome these challenges by collaborating with others, both within and outside our industry, to create more effective change. We are taking steps towards a more collaborative business model and have restructured our CSR priorities under three themes

to align them more closely with existing social challenges: Resources & Environment, Health & Well-being and People & Policies. We are making good progress on improving our impact related to each of these themes, but at the same time recognise that we are on a journey and that across our different regions there are areas where we need to further improve.

Resources & Environment: optimising resource effectiveness
Global challenges such as climate change, water scarcity and land degradation will increasingly require a strong, collaborative response. Increasing demand for consumer goods, combined with resource scarcity, places further demands on businesses to use materials more efficiently and to remain profitable. At Carlsberg, we want to play our role in addressing these challenges, both within our breweries and across our supply chain.

Within packaging, in particular, we have significant opportunities to reduce our environmental impact, lower our cost base and make more effective use of our materials, thereby transforming waste into value. Throughout 2014, we continued to implement our sustainable packaging programme aimed at increasing material efficiencies and obtaining cost savings. At the World Economic Forum in Davos, we launched a partnership-driven initiative called the Carlsberg Circular Community, a platform for developing the next generation of packaging products optimised for recycling, reuse and innovative upcycling. Locally, our Group companies continued to drive local sustainable packaging. In Poland, we worked with three big customers to increase shopper awareness of recycling, leading to improved

recycling rates. In a number of markets, we involved our consumers at sponsored music festivals by conducting campaigns to avoid waste from packaging.

Our environmental efficiency decreased slightly in 2014, partly as a result of integrating newly acquired breweries into the reporting scope as well as reduced production. However, I am pleased to see that many of our breweries continued to improve their overall efficiency ratios. Our environmental efficiency figures still show us to be one of the most efficient global brewing companies, but we will continue to drive further improvements in the coming years.

Outside our breweries, we continued to address environmental challenges in collaboration with key partners. Good examples were our continuing work within the partnership with UNIDO in Russia, the introduction of climate-tolerant barley in our agro projects with farmers and our collaboration with Water Benefit Partners to develop a new approach to collective action on water scarcity.

Health & Well-being: promoting responsible drinking
Beer consumed in moderation and in the right context can be part of a healthy, balanced lifestyle. We are proud that our products are associated with celebration, friendship and enjoyment of life. But there are situations in which beer is consumed irresponsibly by some groups of people, causing harm to themselves and society. In the Health & Well-being section, we outline how we continued in 2014 to drive our proactive approach to tackling the misuse of alcohol and position beer as the responsible choice. We started to deliver on



Jørgen Buhl Rasmussen

“
Our collaborative model has helped us to improve our impact, but we recognise there are areas where we need to improve further.

Jørgen Buhl Rasmussen
President & CEO

our industry-wide and company-specific commitments related to high-risk areas such as underage drinking, drinking and driving, and helping consumers to make informed choices. These commitments translate into local activities in our markets, such as the Drink with Respect campaign in Denmark.

**People & Policies:
living by our CSR policies**

We remain committed to integrating the principles of the UN Global Compact into our daily business. Our efforts to ensure that our CSR policies are globally implemented and observed are at the core of this commitment. We updated our Business Ethics Policy and initiated a Group-wide awareness campaign to manage compliance risks. While we are making progress to build a stronger compliance culture across our organisation, this remains an area where we need to continue to concentrate our efforts, as currently we operate in areas around the world where business ethics risks are common.

As we grow our business, this will impact on our footprint, but it will also provide opportunities to use our world-class knowledge to improve the performance of newly acquired businesses.

A main focus in 2014 was to improve our environmental and safety management in the acquired operations of Chongqing Brewery Group in China. We used our Group’s expertise, deploying internal experts from our local companies to conduct environmental and health & safety audits and identify areas for improvement in these new breweries. It was encouraging to see that many Group companies recorded excellent safety results; for example, in June Carlsberg India completed

a year of zero lost-time accidents. Across the Group, our lost-time accident rates improved by 9%, giving a 42% improvement over the past three years.

Highly regrettably, though, six contractors lost their lives while working for our companies. Our thoughts go to their families and we acknowledge that every accident and fatality is one too many. To underline this, we are developing more comprehensive standards in contractor management implemented as part of the Group-wide health & safety strategy.

Looking ahead, I believe we have implemented a number of initiatives, both globally and locally, that will help us to build resilience into our business, thereby preparing us for future growth in an environment of heightened global challenges. Correspondingly, we have made slight adjustments to our commitments and targets in order to better align them with our business cycle through to 2017.

In 2014, Carlsberg participated as a founding partner in the creation of the digital media platform “Collectively”. This seeks to drive conversation and action on sustainability in order to inspire and accelerate the shift towards more sustainable behaviour – which will in turn have a positive impact on our businesses. This and other collaborations will increasingly guide the way we work in the global marketplace. Moving forward, we will increasingly focus on the longer term by working more closely with our consumers and other partners.

Jørgen Buhl Rasmussen

SUSTAINABLE PACKAGING

>6.4 billion

glass bottles refilled

RESPONSIBLE DRINKING

115 global campaigns to promote responsible drinking carried out

BREWERY EFFICIENCY

5%

improvement in relative CO₂ emissions compared with 2013

CARLSBERG CIRCULAR COMMUNITY

6 partners have joined the Carlsberg Circular Community

HEALTH & SAFETY

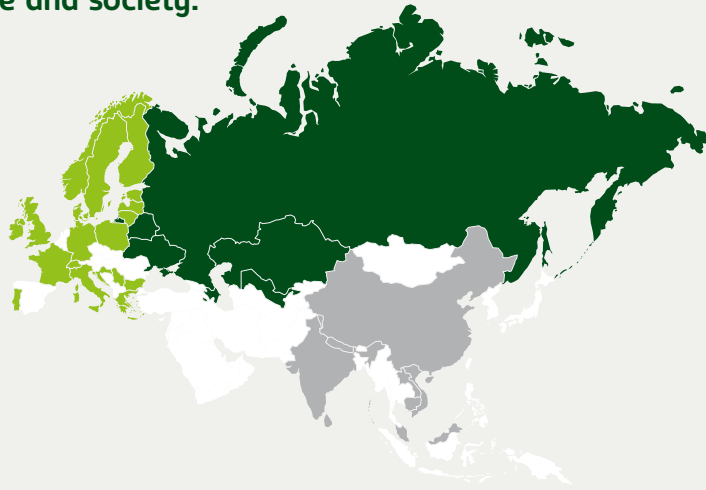
9%

improvement in lost-time accident rate across the Group

ABOUT THIS REPORT:

Growing responsibly together

Since Carlsberg was founded in 1847, our passion has been to brew quality of life for people and society.



SOCIETY & ENVIRONMENT

Globally, resources are under pressure. Companies are required to take more responsibility for the environmental impact of their operations and their supply chain, and to help find solutions to the problem of resource scarcity.

CONSUMER HEALTH

Focus on the impact of products on health and, more broadly, the related societal challenges has intensified.

ETHICS & LEADERSHIP

There is a greater demand for transparency, re-evaluation of the role of business contributions to society, and renewed attention on ethics and human rights.

Today, as one of the world's leading brewing companies, this passion is stronger than ever. However, the world is a very different place compared with 168 years ago – one that is facing global environmental and societal challenges. We are communicating our response to these challenges through this CSR report.

Thematic approach

In 2014, we carried out a materiality assessment (see page 39) to better understand the nature of the challenges we are facing in terms of their relevance to our stakeholders, our industry and the Carlsberg business. Based on the findings, we have regrouped our priorities within three global themes that our stakeholders consider to be most closely linked to our business.

Under the theme of **Resources & Environment**, we focus on the challenge of increasingly scarce resources and the need to manage the environmental impact of our operations across the supply chain while protecting the sources from which we draw our natural raw materials.

The position and impacts of our products in society, and our efforts to promote moderate consumption where beer is enjoyed as part of a healthy lifestyle, are the focus of our **Health & Well-being** theme.

In our third theme, **People & Policies**, we concentrate on our role as a growing global company that employs more people every year and has an impact on local communities. We prioritise the way we work, how we secure safe workplaces in which people can develop, how we contribute to communities, and how we can continually recognise and address areas and regions where we need to improve.

Collaboration in action

Throughout this report, we occasionally delve a little deeper into a specific topic. In these "collaboration in action" sections, we aim to provide thought leadership on how to most effectively formulate a collaborative response to a global challenge. In doing so, we open ourselves up to a broader, much-needed debate with our stakeholders.

Reporting scope

Changes to our geographical footprint in 2014 are impacting our sustainability agenda. For the first time this year, we are reporting figures from our Indian operations as well as integrating environmental and health & safety figures from the newly acquired breweries in Chongqing, China. We are continuing to use a three-year horizon for our target-setting, but have reset our baseline to 2014 (rather than 2013) to reflect the

new scope and present a more comparable overview going forward. Throughout the report, we report on the commitments we made for 2014, the actions we have planned for 2015 to ensure progress towards achieving our targets, and where we need to step up our efforts.

Methodology and assurance

We have started to transition our reporting disclosure standard to the G4 Guidelines, a process that will be continued in 2015, thereby moving towards a greater degree of transparency for our stakeholders. As in previous years, we asked KPMG to assure selected information. The assured information is indicated on the relevant pages by the text "Within KPMG's assurance scope". KPMG's conclusions can be found in the independent assurance report on page 44.

OUR CSR STRATEGY

At Carlsberg, we want to make decisions that have a positive impact on our business, our employees, our shareholders and the communities in which we operate.

Corporate social responsibility (CSR) is an integral part of the way we do business at Carlsberg. We look across our business operations and along the value chain to assess where our products, operations and people have the biggest social and environmental impact, then set out **commitments** to improve this impact. In doing this, we aim to mitigate current risks, anticipate future risks, improve the efficiency of our operations, save costs and innovate our portfolio – all while creating value for our stakeholders.

Collaboration is a cornerstone of our strategic approach. We identify relevant partners, both upstream and downstream of our operations, to improve our impact through collective actions.

Our commitments are translated into **priorities**, which are activated by establishing measurable short- and medium-term targets and year-on-year actions.

THE CARLSBERG STRATEGY WHEEL

Our strategy is illustrated by a wheel with five interconnected levers, each representing our strategic priorities.



Our strategy comes to life through our commitments, collaborations and priorities.

OUR CSR STRATEGY ELEMENTS

Our CSR strategy is divided into three elements that guide our approach to each of our CSR themes.



Articulating our commitment

We are committed to: creating our products in a way that optimises use of resources across our operations while minimising our impact on the environment; promoting responsible drinking; and living by our policies and implementing our standards in all our operations and activities. These commitments translate into individual priorities, relevant partnerships and specific priorities.



Collaborating with others

We recognise that we cannot tackle the global challenges facing our business and societies alone. Collaboration, both internally within the Group and externally with our suppliers and other stakeholders, is critical for ensuring that we can amplify our positive impacts around the world and target our efforts more effectively.



Activating our priorities

We respond to the global challenges by identifying priorities within our three CSR themes (see page 7). For each of these sets of priorities, we develop clear actions and targets to measure our progress in the short- and medium-term perspectives.

OUR CSR FRAMEWORK

We have developed a new sustainability framework that captures and explains our CSR priorities. These are now centred around three overarching themes.

Under the theme of **Resources & Environment**, our CSR activity is oriented towards addressing the societal challenge of the increasing scarcity of resources and the need to manage the environmental impact of our operations across the supply chain while protecting the sources from which we draw our natural raw materials.

The position and impacts of our products in society, and our efforts to promote moderate consumption where beer is enjoyed as part of a healthy lifestyle, are the focus of our **Health & Well-being** theme.

Our third theme, **People & Policies**, recognises our role as a growing global company that each year employs more people from different cultures used to working with different norms. At Carlsberg, we are therefore implementing universal standards for the way we work, ensuring safe workplaces where people can develop, and prioritising how we contribute to communities.

Resources & Environment

Our products depend on natural resources. As these resources are under pressure globally, we need to address the impact of our operations and products across the supply chain. We do this by *embedding circularity* in all our operations, *brewing more efficiently* and supporting *healthy ecosystems*.



People & Policies

Working the Carlsberg way: We want to create *healthy and safe workplaces*, set standards for our *labour and human rights practices*, conduct business in an *ethical* manner and *engage* with communities.

Health & Well-being

We want our products to be part of a balanced lifestyle. We *promote moderate consumption*, *combat drinking and driving* and *underage drinking*, and *communicate responsibly* in our marketing.

A close-up photograph of a person's hand, wearing a dark long-sleeved shirt, gently touching a field of golden wheat. The background is a vast field of similar wheat under a bright sky. The overall tone is warm and natural.

RESOURCES & ENVIRONMENT

OUR COMMITMENT

- Optimising resource effectiveness

OUR PRIORITIES

- Carlsberg Circular Community
- Efficient brewing
- Healthy ecosystems

RESOURCES & ENVIRONMENT

Optimising resource effectiveness



ARTICULATING OUR COMMITMENT

We strive to optimise resource use across our operations and proactively address our impacts on the environment to contribute to a more sustainable future.

Globally, resources are under pressure. Resource scarcity, waste and land degradation are impacting on business and society. Sustainable, affordable and accessible resources are vital for our business if we are to drive shareholder value and benefits for the communities in which we operate. We need to use our resources optimally: both within our breweries by working efficiently and across our supply chain by preserving the ecosystems on which we depend and addressing the impact of our sourcing.



COLLABORATING WITH OTHERS

Many of the global resource challenges are upstream of our operations, along our supply chain and within the communities in which we operate.

We partner with suppliers, farmers, peers and social organisations to address these challenges. By doing so, we leverage their expertise and combine it with our own to create a stronger, collective response and make a positive contribution to the communities in which we operate.



ACTIVATING OUR PRIORITIES TARGETS FOR 2017

1. 5-10% reduction in relative consumption for CO₂, energy and water¹
2. 17 partners in the Carlsberg Circular Community
3. 3 Cradle-to-Cradle® product certifications
4. Annual consumer-facing sustainable packaging activity by all Group companies
5. Improved return rate in markets where returnable glass bottles are part of the long-term packaging strategy

¹ Compared with 2014 baseline, adjustable when relevant.



ACTIVATING OUR PRIORITIES

CARLSBERG CIRCULAR COMMUNITY

Waste should not exist. Resources and products should be viewed and used as high-quality materials optimised for reuse and recycling.

This new circular thinking is imperative for sustaining the growth rates of our business and society at large. We are increasingly applying circular strategies to our own operations and wider supply chain.

A continuous striving to minimise the environmental impact of our operations and activities across the supply chain is a good start, but it is not enough. We need to find more effective ways to decouple growth from environmental impact. Collaboration with others is essential for achieving this. To accelerate our efforts, in 2014 we took the important first step of establishing the Carlsberg Circular Community, an

innovate partnership with key packaging suppliers aimed at eliminating packaging waste. We are also exploring other circular solutions within and beyond our operations.

Sustainable packaging

Packaging contributes around 45% of our CO₂ emissions. To reduce our dependency on primary resources and preserve packaging materials, in 2013 we introduced the Sustainable Packaging Programme based on the concepts of reduce, reuse, recycle and rethink. We focus on solutions specific to the markets in which we operate by engaging our suppliers, customers and consumers in achieving our ultimate goal of eliminating the concept of waste.

Throughout 2014, we lightweighted our packaging products, thereby lowering environmental impact and increasing consumer convenience. We conducted our semi-annual packaging benchmark to identify the potential for reducing the weight

SELECTED KPIS

6

partners have joined the Carlsberg Circular Community

15

sites are capturing biogas from wastewater treatment



45

consumer-facing campaigns on sustainable packaging carried out*

* Within KPMG's assurance scope.

Ningxia Xixia Jianiang Brewery raises the bar for better bottle return practices.
Visit carlsberggroup.com/csr/stories



Making recycling relevant to our consumers
Visit carlsberggroup.com/csr/stories

and CO₂ impact of our packaging, primarily glass, PET and aluminium bottles and cans.

We will use the results to further reduce the weight and complexity of our glass bottle portfolio in 2015.

Supported by the right infrastructure, returnable glass bottles (RGBs) are the most environmentally friendly single-serve solution. In a number of markets, we are achieving return rates of 95-100%. We aim to increase return rates in high-potential markets by sharing best practices and supporting relevant local initiatives. A significant remaining challenge is those markets with limited infrastructure and a lack of systematic performance measurement.

Within the Carlsberg Circular Community, in 2014 we conducted five assessments using the Cradle-to-Cradle® methodology. We are currently working with our partners to optimise packaging materials with a view to introducing the first packaged product with Cradle-to-Cradle® certification in 2015.

Waste and by-products

Circularity is becoming a more integrated part of our brewing operations. Waste and by-products from the brewing process provide excellent opportunities for recycling. Today, many of our breweries recycle close to 100% of their total solid waste and by-products. Examples include brewer's grains sold as animal feed and the recovery of methane from the anaerobic digestion of wastewater to produce renewable energy for use at our breweries. Throughout 2014, a total of 15 breweries captured biogas from their wastewater plants. In total, 5.2% of our heating energy comes from

renewable energy sources. We are routinely investing in new technologies and solutions. For example, our subsidiary Danish Malting Group is investing in new biomass boilers powered by wood chips rather than conventional energy, which will make its heating close to CO₂-neutral in the future.

Working with consumers and customers

Building circularity across our value chain requires engagement with customers and consumers to ensure that our packaging remains in continuous material loops and does not end up in landfill or in the biosphere. While some markets, such as Denmark, have well-established systems and a strong culture of recycling, this is not the case everywhere. We therefore collaborate with retailers to support consumer recycling. In Poland, we have partnered with Tesco Polska, the Eurocash Group, KOBRA Recovery and the Our Earth Foundation to create awareness of recycling, collecting 47 tonnes of glass in 2014. In the UK, we have supported the Every Can Counts campaign, engaging consumers at three festivals to encourage can recycling on-site.

We want to inspire consumers to think more actively about circularity and broader sustainability. In 2014, we became a founding partner of the digital media platform "Collectively", which aims to drive conversation and accelerate the shift towards more sustainable behaviour.

2014 COMMITMENTS

2014 DELIVERIES

Carlsberg Circular Community

- | | |
|---|---|
| 1. Onboard at least 3 suppliers in the Community | 1. Onboarded 6 partners in the Community |
| 2. Conduct C2C assessments of at least 3 products | 2. Conducted 5 C2C assessments |
| 3. Obtain 1 C2C product certification | 3. Obtained C2C certification for Carlsberg and Somersby aluminium cans in the UK |

Consumer awareness and engagement

- | | |
|---|---|
| 1. Drive consumer awareness on recycling through campaigns and customer cooperation | 1. Ran 45 consumer-facing campaigns at 11 different companies |
|---|---|

Performance improvements

- | | |
|--|---|
| 1. Collect more refillable glass bottles (RGBs) and reduce packaging weight through increased transparency and best-practice sharing | 1. Conducted benchmark on weight and return rates of RGBs |
| | 2. Completed RGB transparency survey and launched global best-practice site |

Innovations and life cycle assessments

- | | |
|---|--|
| 1. Upgrade instant LCA tool and include liquids | 1. Delivered first draft of final tool upgrade |
|---|--|

Waste to Energy

- | | |
|---|--|
| 1. Evaluate relevant breweries (>400,000 hl capacity) on feasibility of biogas production | 1. Completed feasibility analysis |
| | 2. Developed forecast and solution model to improve energy mix and reduce CO ₂ in Asia via biogas recovery and use of biomass and natural gas |
| 2. Initiate 1 Waste to Energy pilot in each of our 3 regions | 2. Not completed due to lack of feasibility and standardisation effect |

CARLSBERG CIRCULAR COMMUNITY

Carlsberg and selected global suppliers have joined forces to rethink the design and production of packaging material and develop the next generation of packaging products that are optimised for recycling and reuse while retaining or improving their quality and value.

Read more at www.carlsberggroup.com/csr

2015 COMMITMENTS**Carlsberg Circular Community**

1. Onboard 4 new partners (total of 10)
2. Obtain 1 more C2C certification (total of 2)

Consumer awareness and engagement

1. Increase number of companies conducting consumer-facing sustainable packaging campaigns

Innovations and life cycle assessments

1. Launch 1 sustainable packaging innovation
2. Introduce updated LCA tool in relevant business functions

Wasteto Energy

1. Increase existing and evaluate new biogas recovery opportunities

COLLABORATION IN ACTION

The future belongs to companies that can deliver sustainable products to consumers.

In the future, we will see increasing pressure on natural resources due to the rising demand for consumer goods. This will mean that businesses must use materials more efficiently. However, the current efficiency approaches adopted by industry are unlikely to be sufficient to bring about long-term, sustainable change.

Reducing dependence on primary materials for the creation of consumer goods is one of the ways companies can ensure sustainable growth for their shareholders and society at large.

At Carlsberg, we have joined forces with selected partners and suppliers to rethink the design and production of packaging materials, and to develop the next generation of packaging products pre-optimised for recycling and reuse while retaining or improving their quality and value – often referred to as “upcycling”.

Using the framework created by Professor Michael Braungart and the Environmental Protection Encouragement Agency (EPEA), we are developing a roadmap to assess and optimise our products according to the Cradle-to-Cradle® design principles.

As part of this initiative, together with our founding partner Rexam, we recently received bronze Cradle-to-Cradle® certification for our Carlsberg and Somersby cans in the UK. Carlsberg’s UK customers can see their recycled cans back on the shelves in just six weeks, with a 95% energy saving compared to the production of an aluminium can from new.

Our view of the future? We want all resources to maintain their value and quality throughout endless life cycles. Our goal is for packaging to have more than a “lifetime warranty”; we want it to have an “after-life warranty”.

That’s the future we want to build, can by can.

HELLO AGAIN

”

Carlsberg and its suppliers are taking an important step on the roadmap towards creating new benefits with packaging. This cooperation is a great example of companies planning together for the future, creating solutions to the global challenges that face us all.

Professor Michael Braungart, Cradle-to-Cradle® pioneer

✚ **Join the debate at**
www.carlsberggroup.com/csr/conversations





ACTIVATING OUR PRIORITIES

EFFICIENT BREWING

Optimising resource consumption and managing environmental impact start within our own breweries and logistics operations.

By setting global standards, driving local improvements and implementing innovative solutions, we improve the efficiency of our resource use and reduce our impact.

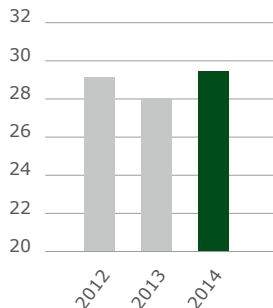
Environmental management is at the core of our operations. This starts with our Group Environment Policy, which outlines the standards that all our brewing facilities and logistics operations should meet. To continuously improve our use of resources, we have set year-on-year improvement targets for energy use, water consumption and CO₂ emissions. Global programmes and local initiatives are carried out to help us achieve these targets and create shareholder and stakeholder benefits.

In 2014, we introduced a new global resource efficiency strategy to strengthen performance across our global brewing sites over the next three years. The key elements of this strategy are: (i) developing a tailored approach for each brewery; (ii) introducing global processes for high-impact sites; and (iii) pioneering new technologies through research and partnerships.

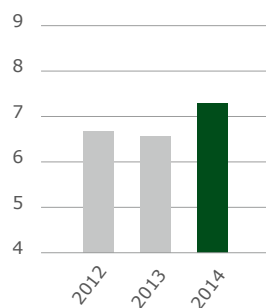
A specific focus for the year was to conduct audits of our newly acquired breweries in Chongqing, China, using internal experts. These sites have now been included in our global reporting system, which will help strengthen their environmental performance in the coming years.

SELECTED KPIs*

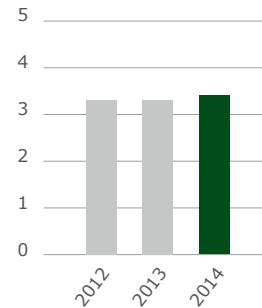
Relative energy consumption
(kWh/hl)



Relative CO₂ emissions¹
(kg CO₂/hl)



Relative water consumption
(hl/hl)



* Within KPMG's assurance scope. ¹ 2012 and 2013 figures restated.

Fredericia (Denmark) going from bottom to top performance
Visit carlsberggroup.com/csr/stories



Feldschlösschen on the road towards CO₂ neutrality
Visit carlsberggroup.com/csr/stories

Water consumption*

Water is a crucial resource for us and our communities. We are proud to be one of the world's leading brewing companies when it comes to consumption of water. New dedicated programmes, such as the introduction of the total water management concept in India, are further improving our efficiencies. We have integrated and included data from our new and existing Chinese and Indian sites into our reporting scope. Excluding these sites, our water efficiency improved slightly from 3.31 hl/hl in 2013 to 3.27 hl/hl in 2014. Including our new sites, our water efficiency decreased by 2.2% to 3.38 hl/hl. Compared with 2013, 37 sites improved their ratios, and we expect to see continued improvements in line with our year-on-year targets going forward.

Energy and CO₂ emissions*

Addressing the challenge of climate change requires reduced energy consumption and increased use of cleaner and renewable sources, thereby lowering CO₂ emissions. Our energy efficiency and CO₂ ratios are among the lowest in the industry, but we still see scope for improvement.

Our energy efficiency decreased by 4.9%, and our relative CO₂ emissions increased by 10.4%. While this was mainly caused by the inclusion of new sites in our 2014 reporting scope, we are not satisfied with this result, and driving improvements at these new sites will be our key focus in the coming years. Compared with our 2013 baseline, it is, however, satisfactory to see that our energy efficiency has improved by 2.3% to 27.4 kWh/hl, with relative CO₂ emissions from production sites decreasing by 5.0% to 6.2 kg CO₂/hl.

Sustainable logistics

Transportation of finished products to our customers contributes to our global CO₂ emissions. We are continuously improving our transportation efficiency, switching to less CO₂-intensive trucks, using rail wherever possible and collaborating to find more innovative solutions. Throughout 2014, we continued to implement our route planning/telematics and ecodriver training in six markets in Western Europe to reduce distance driven and fuel consumption. We also continued to upgrade our global fleet with more environmentally friendly trucks, such as in the UK, where we invested in 98 higher-efficiency, cleaner trucks with Euro 6 engines. Our Swiss organisation was awarded the Zurich Climate Prize for its pioneering investment in the world's first 18-tonne electric truck.

During the year, we began drawing up environmental guidelines for our warehouses, and this will continue in 2015. Getting better data quality to make the right decisions will be another priority going forward. To this end, we are working on a new management system that will allow us to better calculate the CO₂ emissions from our transportation flows. Once fully operational, this system will help us to set more specific targets for our global logistics emissions.

* Paragraph contains indicators and related explanations that are within KPMG's assurance scope.

2014 COMMITMENTS**2014 DELIVERIES****Utility leadership**

- | | |
|--|--|
| 1. Introduce ISO 50001 energy management system (EnMS) | 1. Introduced framework on ISO 5001 to utility experts

Initiated several national EnMS certifications |
| 2. Launch new total water management (TWM) concept | 2. Completed pilot water audit with true water pricing

Introduced water pricing methodology as standard means of pricing

Revised TWM initiative with conceptual design of water-recycling plants for 2 plants in India |

Technology pioneer

- | | |
|---|---|
| 1. Continue to develop supplier partnerships to improve and innovate efficient technologies | 1. Continued strategic partnerships with packaging and brewery processing suppliers, e.g. optimising cooling demands and electrical energy conservation for filling lines |
| 2. Design resource-efficient and sustainable flagship brewery plant | 2. Developed standard engineering design and guidelines for heating, CO ₂ recovery, compressed air and refrigeration plants |

2015 COMMITMENTS**Utility leadership**

1. Develop ISO 50001 energy management system: standards and guidance on benchmarking, monitoring and targeting in breweries, essential requirements on operation and maintenance of utility plants and major consumers of utilities
2. Improve utility benchmarking and targeting system
3. Conduct utility audits and implement improvement programmes focused on priorities in regions
4. Develop total water management (TWM) concept/true water pricing to drive water conservation
5. Analyse and plan for a low-carbon fuel strategy in Asia

Technology pioneer

1. Continue to develop efficiency solutions through supplier partnerships
2. Design resource-efficient and sustainable flagship brewery plant and standard equipment units; complete utility plant standardisation for water and wastewater
3. Increase renewable energy consumption to change the energy mix and reduce our carbon footprint in Asia



ACTIVATING OUR PRIORITIES

HEALTHY ECOSYSTEMS

Ecosystems and the services they provide are instrumental for our company's entire supply chain. We rely on healthy soil to grow the barley from which our beer is made and on clean fresh water to actually make the beer.

As we come to better understand our impact and dependency on these ecosystems, we are striving to preserve their value for business and the communities that rely on them.

Beer is a natural product, its main ingredients being water, barley, malt and hops. All these raw materials depend on healthy ecosystems to maintain their value, and we as a business depend on them. Through the various activities in our value chain, whether the growing of barley by farmers

or our use of potable water in our breweries, we impact the associated ecosystems. We are collaborating with others to better address this impact; from working with farmers to introduce new barley varieties, to global and local industrial partnerships.

Land and agriculture

Healthy, productive agriculture is necessary to produce the ingredients for our products. At the same time, a significant part of our environmental footprint is within agriculture. For many years, we have been engaging directly with the farmers who grow our barley malt to improve the sustainability of their farming practices. We do this through various agro projects in our key growing regions, including Denmark, Poland, Russia, India and China. Here, we facilitate knowledge-sharing meetings between farmers, provide technical agro support and organise audits to identify opportunities.

SELECTED KPIs

1,750

farmers introduced our null-LOX variety in 2014

25

null-LOX varieties officially approved and scaled up for large-scale commercial production

Continuing an award-winning programme to clean-up rivers banks in Russia

Visit carlsberggroup.com/csr/stories



Protecting river ecosystems around Templer's Park in Malaysia

Visit carlsberggroup.com/csr/stories

By implementing these best practices, we are reducing the negative impacts on soil quality, for example from the use of artificial fertilisers. These agro projects also play an important role in the economic development of the regions in which they are implemented. Our Russian agro projects, for instance, provide nearly 15,000 jobs.

Drawing on our world-class research expertise, we have introduced a series of revolutionary barley varieties that are more resistant to climate change and drought, generate higher yields for farmers and reduce energy consumption in the malting process. These pioneering innovations help to secure our future raw material supply.

Water in the supply chain

We operate in a number of regions around the world where water is scarce. In 2013, we conducted a water risk assessment to better understand the specific issues in those regions and identify mitigating actions.

A key regional focus for water scarcity measures is India. Due to lower-than-average rainfall in the past two years and urbanisation in the industrial town of Aurangabad, where Carlsberg India has operations, demand for water has increased. This has resulted in reduced availability of water for production and the need to procure water via tankers. In response to this challenge, we are implementing our total water management concept to reduce water consumption and ease the pressure on local water resources. We have invested in new equipment, including a pioneering water recycling plant, which will make Aurangabad one of the world's most water-efficient breweries.

Wastewater treatment remains a key element in reducing our impact on local ecosystems. Our environmental policy sets out clear standards for the treatment of our effluent.

In Russia, our Seven Rivers clean-up project, which targets ecosystems around the country's major rivers, was recognised as one of the best CSR projects in the country.

Collaborative responses

Ecosystem services is a complex and relatively new area for companies. We realise that in order to better understand our impact and create long-lasting change, we need to collaborate. We are playing a leading role in the Beverage Industry Environmental Roundtable (BIER) to develop principles for good ecosystem service stewardship. In this connection, we are consulting with a number of leading global organisations, such as the World Business Council for Sustainable Development.

In 2014, we continued our collaboration with the United Nations Industrial Development Organization (UNIDO) and implemented the first project as part of our five-year partnership. To catalyse the development of watershed projects, we take part in the public-private partnership Water Benefit Partners. This partnership is developing an innovative results-based financing mechanism to support water projects in water-scarce regions based on the issuing and sale of water benefit certificates (WBCs).

2014 COMMITMENTS

Future resources

1. Continue water source protection
2. Explore further purchase of renewable energy certificates
3. Achieve 1% improvement in renewable energy consumption

2014 DELIVERIES

1. Completed water risk analysis based on reported data and direct contact
2. Implemented renewable energy certificate scheme
3. Increased share of renewable energy to 5.2%

2015 COMMITMENTS

Future resources

1. Continue water source protection (focused on water availability and risk evaluation)
2. Asia focus: Respond to water scarcity issues through advanced water reuse and recycling focused on 2-3 sites in India and screening of sites in China

COLLABORATIVE MEMBERSHIPS



BEVERAGE INDUSTRY ENVIRONMENTAL ROUNDTABLE



WATER BENEFIT PARTNERS

COLLABORATION IN ACTION

A 20,000-year-old product needs to be reinvented to prepare for the future.

No barley, no beer. This grain is an absolute must in order for us to brew. And to brew beer that is “probably the best”, it needs to be of the highest quality. For centuries, farmers and plant breeders have been creating new varieties of barley, cross-breeding to improve yield and quality. But changes to our climate require specific, sustainability-focused initiatives and collaboration throughout the grain supply chain. And in scientific research terms, we need them fast.

In Carlsberg’s very own laboratories – the very same scientific workspace set up by our founder, J.C. Jacobsen, in 1875 – we are working on the latest series of barley varieties, which are stronger and, not least, more resilient to drought. This research is of major importance not only for Carlsberg, but for all farmers growing barley worldwide, and we are working with them to take these new varieties out of the breeding beds of our laboratories and into the fields. This requires a collaborative approach.

SECOBRA Recherches, which has been at the forefront of barley development for many years, has found a way to create a balance between agronomical and techno-

logical objectives in order to satisfy both farmers and the brewing industry. Since the mid-1970s, Carlsberg and SECOBRA Recherches have been collaborating on the breeding of malting barley.

Today, the collaboration focuses on accelerated development of new, high-yielding, disease-tolerant malting barley varieties that have special properties for brewing, are adapted to a broad geographical area and different climatic environments, and are profitable for farmers.

Originally developed by Carlsberg and now part of SECOBRA’s pipeline, null-LOX is the latest development in barley. It helps beer to stay fresher for longer and improves foam stability. More than 25 null-LOX varieties have been officially approved and scaled up for large-scale commercial production. Null-LOX barley is now being grown and tested in fields in Denmark, Sweden, Finland, Poland, France, Serbia, the Czech Republic, Belarus, Germany, the United Kingdom, Kazakhstan, Portugal, Spain, Russia, Ukraine, Australia and New Zealand – to name just a few.

As the climate changes, so should we!

GROWING TOMORROW’S BARLEY



”

Through our long-term strategic partnership with Carlsberg, we are accelerating the development of new innovative brewing traits, thereby adapting malting barley for future societal needs, providing benefits for all partners across the value chain and giving consumers an even better (Carlsberg) drinking experience.

Gilles Fouquin, Directeur Général, SECOBRA

Join the debate at
www.carlsberggroup.com/CSR/conversations

CIRCULARITY IN OUR VALUE CHAIN

We are embedding more circularity in the various links of our value chain.

AGRICULTURE

We are introducing new barley varieties that are more climate-tolerant, **use less energy and water** in malting, and produce good yields for our farmers (as well as making our Carlsberg beer taste better!)



20%

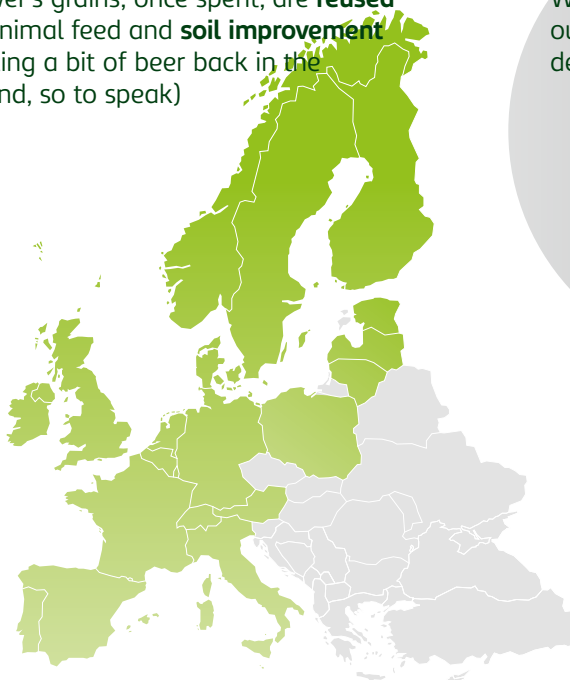
less water is used to make our beer in 2014 than back in 2007.

MALTING

Danish Malting Group will start using wood chips to make its heating close to **CO₂-neutral** in the future.

BREWING

Brewer's grains, once spent, are **reused** for animal feed and **soil improvement** (putting a bit of beer back in the ground, so to speak)



We buy **renewable power** certificates for all our Western European breweries to stimulate demand for **renewable energy**.

PACKAGING

We use the cradle-to-cradle® methodology to create the next generation packaging for upcycling.

3 Cradle-to-Cradle®

certified products by 2017

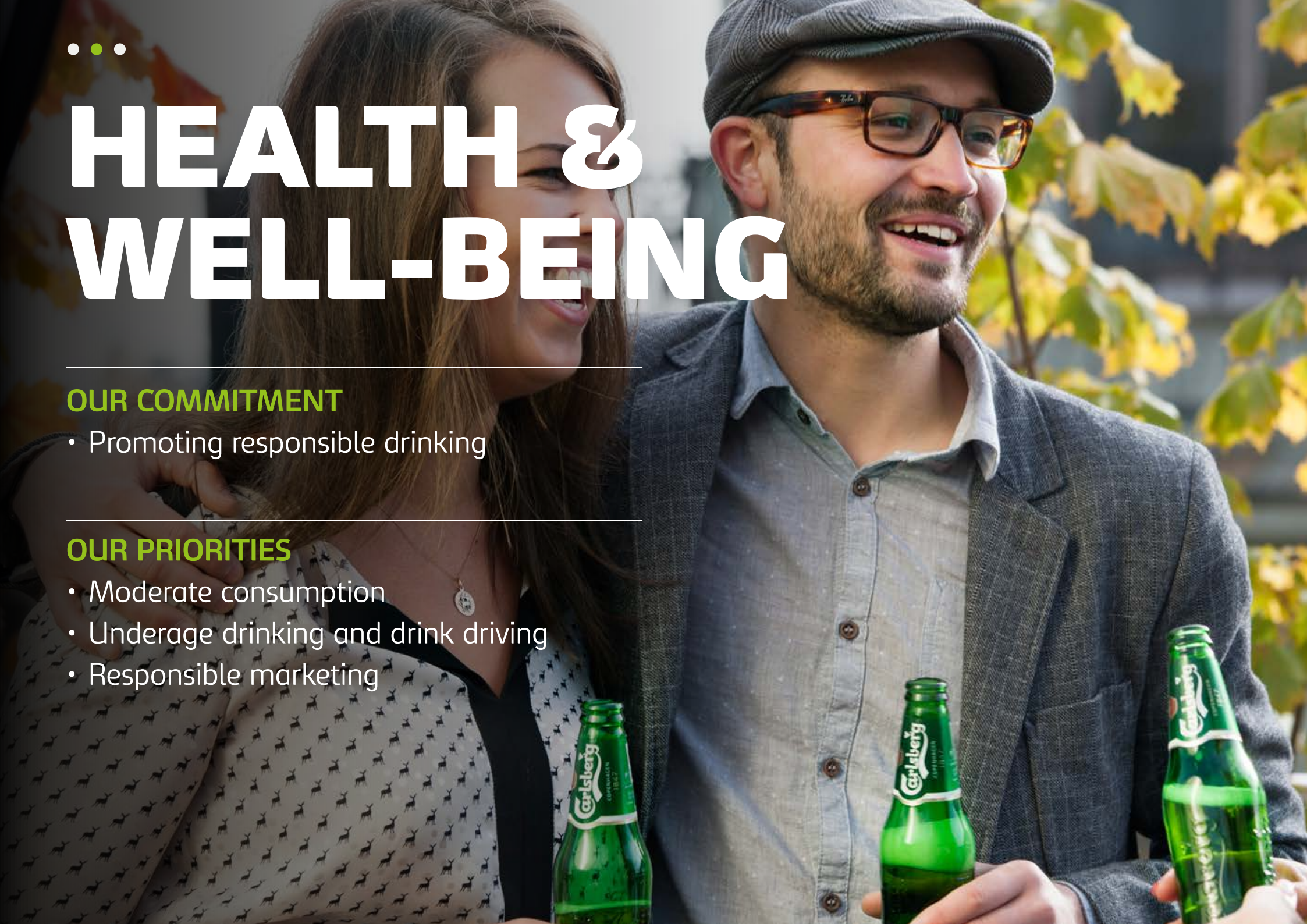
CONSUMERS



In Denmark, consumers help us to achieve a near **100%** return of glass bottles.

A beer bottle can be reused **40 times**
(but we need our consumers to help!)

Did you help to collect cans at one of last year's global music festivals? **Cheers for that!**

A smiling man and woman are shown from the chest up, holding green Carlsberg beer bottles. The man is wearing a grey flat cap, glasses, and a grey blazer over a light blue shirt. The woman is wearing a patterned top. They are outdoors with autumn foliage in the background. In the top left corner, there are three small circles: the first is white, the second is green, and the third is white.

HEALTH & WELL-BEING

OUR COMMITMENT

- Promoting responsible drinking

OUR PRIORITIES

- Moderate consumption
- Underage drinking and drink driving
- Responsible marketing

HEALTH & WELL-BEING

Promoting responsible drinking



ARTICULATING OUR COMMITMENT

We want our products to be associated with celebration, friendship and enjoyment of life. We have adopted a proactive approach to promoting responsible drinking.

Beer consumed in moderation and in the right context can be part of a healthy, balanced lifestyle. However, irresponsible drinking can result in harm to individuals and societies. Today, there are still too many situations in which this happens. Global commitments guide our local actions to address the negative effects of misuse and position beer as a healthy, responsible choice, contributing positively to the well-being of our consumers around the world.



COLLABORATING WITH OTHERS

Creating effective change requires partnerships and industry collaboration.

Issues leading to irresponsible drinking are complex, and there is no one-size-fits-all solution. However, we are currently working with relevant organisations and across our industry to define and implement commitments that address alcohol-related issues.



ACTIVATING OUR PRIORITIES TARGETS FOR 2017

1. All print communication above A4 and digital and TVCs to carry responsible drinking messages¹
2. All Group companies to implement at least 1 responsible drinking programme
3. 100% of packaging to carry health warnings to discourage harmful drinking¹
4. Launch responsible retail guidelines¹
5. 100% of companies to have a procedure for ensuring compliance with our Marketing Communication Policy
6. 100% of companies to include Marketing Communication Policy in agency agreements
7. 100% of relevant employees to be trained
8. Avoid producing alcoholic products with excessive amounts of added stimulants¹
9. Avoid promoting the energising or stimulant effects of additives to alcoholic products¹

¹ Part of global industry commitments for 2018.



ACTIVATING OUR PRIORITIES

MODERATE CONSUMPTION

Beer brings people together and, when enjoyed in moderation, it can be part of a healthy, balanced lifestyle. We are very conscious that overconsumption can have severe harmful effects, and we are committed to helping fight excessive drinking and supporting consumers in making responsible choices.

Our ambition is to be part of the solution to the problems caused by overconsumption. We love our beer, but we also acknowledge the risk of excessive drinking. And we take action at local, global and industry-wide levels. In 2014, we launched a new Responsible Drinking Policy to further strengthen our approach and focus our efforts. This policy reflects the com-

mitments we have made within our industry and in tandem with important health-related organisations. We are part of the World's Leading Alcohol Producers, the International Alliance for Responsible Drinking (IARD), the European Alcohol and Health Forum (EAHF) and The Brewers of Europe's Beer Pledge. Our responsible drinking commitments are activated locally by our Group companies. While we think these contributions are good, we are planning to do more by working with others in the category and within society to address specific areas that need collective solutions.

Engaging consumers

The occasions when we have direct engagement with our consumers provide the best opportunities to encourage moderation in consumption. We have drawn up new Group-wide commitments to develop campaigns that promote moderation and discourage excess. These campaigns are often built around our well-known brands, which strengthens the

SELECTED KPIs

56%

of Group companies provide responsible drinking messaging on all marketing communication (digital, print, TVCs)

62%

of Group companies implemented responsible drinking programmes

The Drink with Respect initiative in operation at Roskilde Festival

Visit carlsberggroup.com/csr/stories



Promoting responsibility at a GreenFest in China

Visit carlsberggroup.com/csr/stories

message for the consumer. A good example is our Drink with Respect campaign, implemented as part of our Tuborg brand. As part of the campaign, consumers are asked, in a fun way, to explain why they are committed to drinking with respect. At the 2014 Roskilde Festival in Denmark, the campaign reached approximately 60,000 consumers over four days.

In Sweden, we are working with our retail partner ICA to support responsible drinking by offering free water at events in order to reduce overconsumption of alcohol. Also in Sweden, Falcon Beer has supported rock festivals and developed the slogan "Rock with modesty and responsibility" around music sponsorships.

At the 2014 Future Music Festival Asia in Malaysia, we implemented a broad campaign to encourage moderation. Using flyers, drinking tips and awareness, our messages reached more than 10,000 people.

Going forward, we aim to develop standard platforms and integrate responsibility messages into our global sponsorships. As part of our renewed deal with the English Premier League in 2014, perimeter boards at all Premier League games now convey responsible drinking messages.

In total, we ran more than 115 campaigns throughout 2014, often working together with brewery associations and other stakeholders in our local markets.

Overall, the percentage of companies that conducted campaigns to promote responsible drinking went down, partially due to the acquisition of new companies in China. We

are not satisfied with this and have identified actions to improve this in 2015 and beyond.

Offering consumers an informed choice

We want to be open about the health aspects of beer, both the positive potential health benefits of moderate drinking and the negative impacts of overconsumption. Through our commitments in IARD, we are supporting the World Health Organization's global strategy to reduce the harmful use of alcohol. We support research into the health effects of beer consumption to provide a solid fact base for regulation and recommendations on responsible drinking.

In France, we commissioned and continue to provide ongoing support for an annual survey on national alcohol consumption, sharing the results with national authorities.

Our primary packaging carries relevant information on alcohol consumption, including the risks to health of excessive drinking. We have made a worldwide commitment that all our primary brands will carry health warnings by 2018. In 2014, 67% of our products carried health warnings.*

As part of our commitment to EAHF, we are expanding consumer choice by offering non-alcoholic beer. In 2014, we launched the new non-alcoholic brand Nordic in Denmark. In Sweden, we launched a new Falcon non-alcoholic brand during the peak season, underlining our commitment to this category. As of 2014, 16% of the brands in our portfolio have a non-alcoholic beer variant.

* Within KPMG's assurance scope.



In 2014, we launched a new non-alcoholic beer called **Nordic**.

2014 COMMITMENTS

Encourage responsible drinking

1. Implement moderation lines in our marketing communication for our global brands (all print above A4 and digital communication)
2. Carry out responsible drinking programmes in 90% of our companies (compared to 69% in 2013)

2014 DELIVERIES

1. Moderation lines implemented for all brands by 56.4% of companies
2. Responsible drinking campaigns conducted by 62% of Group companies either alone or in collaboration with local brewing associations

2015 COMMITMENTS

Encourage responsible drinking

1. Develop a dedicated responsible drinking programme for a flagship Carlsberg brand
2. Continue to implement our global commitments
3. Include responsible drinking messages in our marketing communication



ACTIVATING OUR PRIORITIES

UNDERAGE DRINKING AND DRINK DRIVING

Sometimes, drinking alcohol is not the right thing to do, and some people should not drink at all. We are trying to find solutions that contribute to positive standards of behaviour by addressing high-risk contexts, but we cannot do this alone.

We want our products to be consumed responsibly by adults at the right times. However, in many places around the world, underage drinking and drink driving are happening too frequently and causing harm to society. We are determined to play our part in finding solutions to these problems, and accordingly we are looking at where we can make the

biggest impact and engaging with partners in the process. Since 2013, we have made a number of commitments in the areas of underage drinking and drink driving, and in 2014 we added new commitments to the European Alcohol and Health Forum to strengthen our approach and support the EU Alcohol Strategy.

Addressing underage drinking

Beer products should be consumed as intended – by adults only and at appropriate times. For many years, we have been implementing programmes to prevent underage drinking, however more work needs to be done. This is a complex issue, and addressing root causes requires a collective approach by society that includes authorities, retailers, health organisations and parents.

SELECTED KPIs

115 responsible drinking campaigns

carried out by Group companies in 2014

67%

of fermented produced volume carried health warnings*

* Within KPMG's assurance scope.

Carlsberg helps launch the International Alliance for Responsible Drinking (IARD)
 Visit carlsberggroup.com/csr/stories



Using simulations to raise awareness about dangers of drink driving in Lithuania
 Visit carlsberggroup.com/csr/stories

In Russia, we are addressing underage drinking through Baltika Breweries' long-running Beer Patrol campaign, which involves multiple stakeholders, including local regulators, police and key opinion leaders. In 2014, a specific focus was raising awareness in point-of-sale contacts, with our employees handing out stickers and memo cards to shop assistants reminding them that the sale of alcohol to minors is prohibited.

In 2014, Carlsberg Danmark signed a collaboration agreement with bartenders' associations to promote responsible drinking in hotels and restaurants, recognising the particular risk of underage drinking in this sector. In the UK, we participate in Drinkaware's annual Parent Talk awareness campaign, which supports parents in educating children about the effects of alcohol.

Preventing drink driving

Drinking and driving do not go together. Globally, the practice is causing significant harm to society. We have a long track record of playing a proactive role in addressing this issue. At the same time, strict enforcement of drink-drive regulations by authorities is needed to improve road safety. Our response to this challenge is centred on prevention through designated-driver programmes and safe-travel programmes promoting ride shares, free taxis and public transport. In 2014, we chaired a roundtable forum in St Petersburg discussing the issue of road safety and organised a "Don't drink and drive" campaign in the city.

In Laos, we collaborated with the Ministry of Education and Sports, local police and the district office in the capital Vientiane to organise safe-driving training sessions.

In Malawi, we ran a nationwide Drive Responsibly campaign in collaboration with the local police.

Internally, we set out specific commitments to prevent drinking and driving by our employees. We have internal measures to prevent the potential harmful effects of alcohol consumption by employees in job-related situations. All Group companies are required to have a risk management plan addressing the specific risk of our salespeople driving after drinking in job-related situations. Mitigating actions need to be implemented, such as the provision of taxi vouchers to salespeople for use in connection with evening events. As part of our commitment to EAHF, in the coming years we will install alcolocks in all our newly acquired trucks in Western Europe.

These actions, highly practical in nature, are helping us in our ambition to play a role in addressing high-risk areas related to alcohol use. And while we are content with the local initiatives and the global commitments, we know that there is more work to do in 2015 and beyond.

2014 COMMITMENTS

2014 DELIVERIES

Provide consumer and customer information

- | | |
|--|---|
| 1. Expand use of responsible drinking messages and/or standardised symbols or communication to warn about irresponsible drinking | 1. Responsible drinking messages provided on all marketing materials by 56% of Group companies |
| 2. Initiate development of responsible retail guidelines | 2. Developed draft retail guidelines within the International Alliance for Responsible Drinking |

2015 COMMITMENTS

Provide consumer and customer information

1. Increase share of volume carrying health warnings
2. Continue to implement our global commitments
3. Embed responsible drinking messaging in major sponsorship deals



ACTIVATING OUR PRIORITIES

RESPONSIBLE MARKETING

Advertising beer products in the right way is important for reducing irresponsible consumption. By setting standards and making commitments for our marketing communication, we aim to contribute to positive standards of drinking behaviour and promote the enjoyment of beer socially and in moderation.

Our Marketing Communication Policy sets the standards for ensuring that our marketing, advertising and other consumer communication reflects our overall commitment to promoting responsible drinking in the right context by people of legal drinking age. The standards apply to all our Group companies as well as to our suppliers of commercial market-

ing materials, and at all points of contact with consumers in all media. Compliance with the policy is driven by continuous training, pre-production policy verification procedures and a Group-wide governance system.

Along with other alcohol-producing companies, we have signed a number of international commitments such as the European Beer Pledge, CEO Global Commitments and the World Federation of Advertisers' Responsible Marketing Pact. These commitments strengthen our marketing codes and actions to address alcohol misuse while fostering collaborative action among our peers to drive stronger improvements and results.

In 2014, we focused on delivering on these commitments while consolidating the implementation of our policy across the business. We introduced a Group-wide requirement to

SELECTED KPIs

90%

of all Group companies have a compliance procedure in place

56%

of companies carry responsible drinking messages on all their printed materials

GLOBAL COMMITMENTS AND MEMBERSHIPS



The Brewers of Europe

EUROPEAN ALCOHOL AND HEALTH FORUM

furnish our packaging with symbols or text informing about the potential harmful effects of alcohol, or alternatively links to websites with equivalent information.

Together with The Brewers of Europe, we are a founding member of European Alcohol and Health Forum, where we have introduced a number of new initiatives to support the EU Alcohol Strategy to reduce harmful consumption. These include specific targets to include responsible drinking messages in our marketing communication and at specific events such as music festivals.

Going forward, we will continue to drive the implementation of our policy across the Group and closely align this with our global actions and industry commitments to promote responsible drinking. Reflecting our increasing use of digital advertising, as part of our efforts within the World Federation of Advertisers we will update our policy next year to specifically cover digital marketing.

2014 COMMITMENTS

2014 DELIVERIES

Comply with our Marketing Communication Policy

- | | |
|---|--|
| 1. Update training materials, track execution and follow up on non-compliance incidents | 1. Tracked all global execution and took corrective action on non-compliance incidents |
| 2. 100% of companies to have procedures in place to ensure compliance with our Marketing Communication Policy in Western Europe | 2. Introduced specific procedures for all markets |
| 3. 100% of companies to include our Marketing Communication Policy in agency agreements in Western Europe | 3. Introduced Group-wide agreement to include our Marketing Communication Policy in agency agreements in all markets |

2015 COMMITMENTS

Comply with our Marketing Communication Policy

- | |
|--|
| 1. Update policy and introduce digital guidelines |
| 2. Implement actions to ensure that all print communications above A4 and digital and TVCs carry responsible drinking messages |

CELEBRATE RESPONSIBLY

(We're not here to preach – but you know what we mean)

Our view?

Honestly, we would rather sell 4 beers to a happy bunch than 5 to one irresponsible drinker.



DON'T DRINK AND DRIVE

(Think of all those iconic conversations with taxi drivers you would be missing)

Our action

115 campaigns last year to promote responsible drinking

62% of our companies are carrying out responsible drinking programmes (still some work to be done)



DRINK IN MODERATION

(Drink with respect and know your limits)

Our action

67% of our products now carry health information

56% of our companies have responsible drinking messaging in all marketing communication





PEOPLE & POLICIES

OUR COMMITMENT

- Working the Carlsberg way – everywhere

OUR PRIORITIES

- Health & safety
- Labour & human rights
- Business ethics
- Responsible sourcing
- Community engagement



PEOPLE & POLICIES

Working the Carlsberg way



ARTICULATING OUR COMMITMENT

We aim to protect, develop and engage our employees. We want to make a positive contribution to the communities in which we operate.

And we do this through the “Carlsberg way of working” – by setting the right standards in our policies and guidelines.



COLLABORATING WITH OTHERS

We are using our Group-wide network to share our expertise and best practices.

By collaborating with suppliers, we improve standards throughout our supply chain. And we work with local and global organisations to create value for society.



ACTIVATING OUR PRIORITIES

TARGETS FOR 2017

1. Increase diversity and female representation at senior leadership level
2. Reduce group-wide lost-time accidents by 40%¹
3. Train all white collar employees biennially in the Business Ethics policy
4. Employees of the Group’s companies to carry out an aggregate total of 100,000 hours of voluntary activities



The full set of targets is available at carlsberggroup.com/csr.

¹ Compared with 2014 baseline.

HEALTH & SAFETY POLICY

A safe and healthy working environment for our employees, regardless of where they are operating, is fundamental to the way we work at Carlsberg. By setting standards, implementing robust systems and focusing on responsibility and behaviour, we are instilling a dedicated zero-accident culture across our Group.

At Carlsberg, we have a simple vision – zero accidents. This ambition drives a culture of continuous improvement in our operations, making health & safety (H&S) a natural part of everything we do. To achieve our ambition, as well as using our Health & Safety Policy as a foundation, we need to implement a comprehensive H&S programme with a best-in-class mindset across the organisation. We have to change the way we think and the way we are personally committed in order to ensure that we achieve the next level of H&S performance.

2014 was a year of change in terms of H&S, and as part of the newly developed strategy we have defined our EHS Guiding Principles as well as four focus areas, each with its own key actions to strengthen our H&S

culture and performance: (i) high-risk activities; (ii) policies and systems; (iii) leadership and organisation; and (iv) communications. All of these focus areas are driven by the global EHS Best Practice community and will give us a more robust programme to drive towards a zero-accident mindset.

In 2014, we worked closely with Logistics to develop a new Traffic Standard aimed at reducing our risk in the areas of warehousing and transportation. We also collaborated with Group Quality to develop an Integrated Management System (IMS) geared towards ISO certification and combining 9001, 14001, 18001 and 22000 under one management umbrella. As part of the existing OHSAS 18001 system, nine UK logistics sites and one Ukrainian logistics site were certified. 2014 brought us new assets in China. Utilising the vast experience from across the Carlsberg Group, we conducted a series of safety and health audits, which identified opportunities that will help us reduce accidents at these breweries in the coming years.

One notable achievement was the Myanmar greenfield brewery reaching 1 million man-hours without a lost-time injury during construction, a direct result of providing more than 5,300 man-hours of safety training to the personnel working on the site. Other significant accomplishments were the elimination of foot injuries at our Nepal site, through the implementation of new PPE standards, and the achievement of one year without a lost-time accident in Croatia and India.

Although we did not meet our 2014 safety targets in Production and Logistics, we did achieve an overall Group-wide reduction of

2014 COMMITMENTS

Road to zero accidents

1. Develop and revise new safety standards
2. Continue efforts in the H&S in Logistics initiative
3. Roll out an internal safety communication programme
4. LTAR in Production: 7.8
5. LTAR in Logistics: 14.8

2014 DELIVERIES

1. Developed and implemented PPE, Traffic Standard, drafted SHAPE standard
2. Implemented a new 3-year strategy aligned with the EHS Best Practice community
3. Redesigned the EHS intranet, launched communication efforts and completed draft materials for 1st 3 months to be launched in March 2015
4. LTAR in Production: 9.1
5. LTAR in Logistics: 17.4

Policies and standards

1. Implement the 2nd phase of the coordinated certification roll-out
2. Certify 5 additional sites in Western Europe
3. Certify 1 pilot site in Ukraine
1. Implemented the 2nd phase of the roll-out
2. Certified 9 logistics sites in the UK

Leadership and organisation

1. Roll out a training programme as part of the Carlsberg Supply Chain Academy
2. Conduct at least 3 training sessions
1. Developed and implemented a programme
2. 1st session conducted in January 2015

2015 COMMITMENTS

Road to zero accidents

1. Continue implementation of the SHAPE programme

Policies and standards

1. Continue phase 3 of the OHSAS certification for Western Europe

Leadership and organisation

1. Complete phases 1 and 2 of the EHS Leadership Programme

9.9% in our lost-time accident rates. This reflects a continuing strong trend, with the Group-wide lost-time accident rate coming down by 42% in the past three years. Following the inclusion in our reporting of sites from our Indian and Chinese (Chongqing) operations, we have now set ambitious new targets for 2017, including a 40% reduction target for our Group-wide lost-time accident rate.

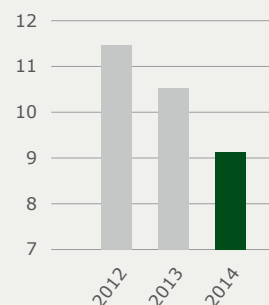
Although we had no Carlsberg employee fatalities, regrettably six contractors lost their lives at our sites and we would like to convey our deepest sympathies to the families affected. Any accident is one too many, and we are working hard in the EHS Best Practice community to develop more comprehensive contractor standards for implementation in 2015.

In 2015, our main focus will be on continuing the Zero Accident Campaign through implementation of SHAPE (Safety and Health Assessment Program Excellence), a programme that helps our sites to plan actions for continuous improvement, build awareness, and engage management and the workforce in H&S activities. Despite significant improvements, maturity levels in safety and health still vary across the Group. Through the SHAPE programme and other actions, we will address this issue while paying specific attention to high-risk areas and

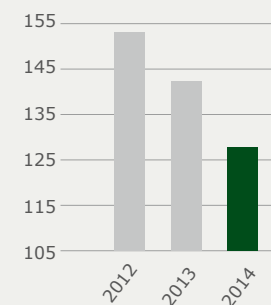
sites. We look forward to 2015 as a year of substantial change that will bring reduced risk and increased personal protection, thereby ensuring that we are offering safe and healthy working environments.

SELECTED KPIS*

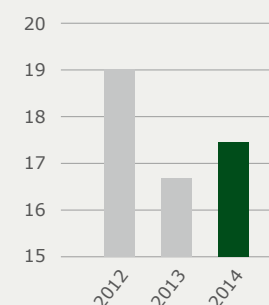
Lost-time accident rate in Production
(per 1,000 employees)



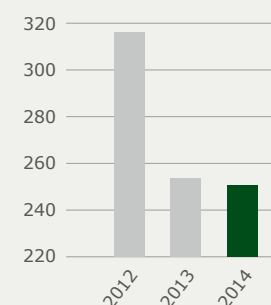
Days lost rate in Production
(per 1,000 employees)



Lost-time accident rate in Logistics
(per 1,000 employees)



Days lost rate in Logistics
(per 1,000 employees)



* Within KPMG's assurance scope.

LABOUR & HUMAN RIGHTS POLICY

Conducting business in accordance with international standards, respecting individual employees and providing a workplace in which those employees can fulfill their potential are essential to the success of a company. Clear policies, employee engagement and career development opportunities form the core of our commitment.

Carlsberg sets high standards for creating fair, respectable and safe conditions for all our employees and for those who indirectly work with us. Our global Labour & Human Rights Policy is enforced and compliance measured to safeguard those standards. As we are operating in the global marketplace, we focus in particular on those markets where local labour practices and conditions do not meet the standards we have set for ourselves across the Group. We do this through targeted actions related to the context of these specific markets.

Increasingly, we are looking at the broader scope of human rights and our impact in this area. We are providing opportunities for our employees to develop their skills and

feel engaged with the company, as well as putting actions in place to develop women for managerial positions in order to create a more balanced employee base.

During 2014, we began reviewing our policy against the UN Guiding Principles on Business and Human Rights to better understand where our activities are linked to human rights. We identified that, while our Labour Policy covers the provisions of the principles, an approach spanning several of Carlsberg’s CSR areas is needed to address broader human rights issues. Defining this approach will be a focus for 2015.

In 2014, we developed an e-learning module to make our managers even more familiar with our policy. The module has so far been introduced in two countries and will be further rolled out in 2015.

We asked the Danish Institute for Human Rights (DIHR) to identify the key human rights-related impacts of our operations across the value chain in Myanmar. The report will be made publicly available in 2015. Based on DIHR’s findings, we will design action plans to prevent potential adverse impacts. The findings are currently being completed and will be made available as part of the opening of the brewery.

In Cambodia, we and our local joint venture partner Cambrew Ltd are founding members

of the Beer Selling Industry Council (BSIC), which has introduced a number of industry-wide initiatives to address the issues relating to beer promoters in the region. In 2014, we saw improvements in the working conditions of the beer promoters, including their base salary, and awareness of a grievance policy.

Throughout 2014, we introduced a new leadership competence framework defining the abilities, attitudes and knowledge that are needed to realise our strategy. Our engagement survey showed that we are among the top employers in terms of employee engagement scores, and we are continuing to improve. However, the proportion of female managers within the Carlsberg Group did not change compared with the previous year and our focus for 2015 will be to increase the number of female managers through various gender diversity actions.

For 2015, our priority will be to strengthen our awareness and support of the UN Guiding Principles. We will further roll out our e-learning module and continue to focus on gender diversity across the Group.

MY VOICE RESULTS

79%
engagement score 2014

78%
engagement score 2013

90%
response rate 2014

88%
response rate 2013





2014 COMMITMENTS

Talent management

1. Roll out leadership competence framework

2014 DELIVERIES

1. Made leadership competences the yardstick for assessing performance and potential
2. Initiated a 360° feedback process for leaders based on leadership competences
3. Orientation to leadership competences built into and executed in global and local onboarding programmes

Diversity

1. Define at least 2 initiatives to achieve a higher degree of gender diversity in management positions

1. Amended and rolled out the Group recruitment policy to increase female applicants for senior management positions
2. Set targets (min. 33%) for intake into the leadership pipeline programme
3. Started up an executive mentoring programme

Employer branding

1. Introduce commitment to the Labour & Human Rights Policy into the Carlsberg Group Employer Brand

1. LHR Policy embedded in the Carlsberg Carlsberg Employer Branding and updated on the career site

Policies and guidelines

1. Review the LHR Policy against the UN Guiding Principles on Business and Human Rights
2. Conduct a gap analysis of our LHR Policy against the UN Guiding Principles

Training

1. Introduce new e-learning module on LHR for Group HR and line managers in 2 countries

2015 COMMITMENTS

Policies and guidelines

Use the e-learning module to create further awareness and understanding of the LHR Policy

Training

Evaluate the pilot and introduce it in other countries

Talent management

Further roll out the leadership competence framework

Diversity

Continue with and initiate further gender diversity actions

Employer branding

Carry out targeted communication of the updated Employer Branding and career site

BUSINESS ETHICS POLICY

Corruption and other unethical forms of conduct are major hindrances to sustainable development and costly for businesses. Our founder, J.C. Jacobsen, rooted Carlsberg's business practices in fair and ethical behaviour, and we strive to maintain these values in our organisation today.

We operate in a diverse, global marketplace in which we are committed to growing and developing Carlsberg's business responsibly through sound, transparent operational practices. Our Business Ethics Policy and Guidelines outline the Carlsberg Group's ethical stance, and support and guide our employees in making the right business decisions. As we grow our business, it is crucial that we have business ethics on our agenda to ensure compliance with our policy across our expanding operations. We must train our employees and foster a clear compliance culture across the Group.

In 2014, we renewed the focus on our business ethics activities in response to ongoing monitoring that indicated we were not uniformly achieving our aspirations. We therefore initiated a Group-wide awareness campaign to ensure communication and

understanding of the updated policy, with particular emphasis on the move to zero tolerance of facilitation payments. We embarked on an ongoing programme to provide face-to-face training for senior management in all high-risk markets and increase engagement with our network of individuals with responsibility for business ethics in order to reinforce a culture of compliance.

Our whistleblower system was promoted to encourage employees to speak up about potential incidents. Training remained a key priority for our business ethics network, with mandatory training for all key employees (online and/or face to face). Our e-learning tool, extended to additional markets, was further strengthened by the launch of our new legal Compliance Management System (COMS). Another focus area was third-party screening, where we updated our screening tools, promoted them to all markets and provided a number of targeted training sessions.

Business ethics remains a high priority in 2015. With the wider implementation of COMS, we will extend our e-learning tool and ensure its availability in more Group languages. We will also initiate a new business ethics risk assessment tool to make sure that we target our efforts most effectively. Building on the improved screening tools, we will maintain our emphasis on compliance with third party screening with ongoing monitoring across the Group during 2015.

2014 COMMITMENTS

Policy implementation

1. Communicate updated policy in all markets in a language that at least 90% of local employees understand, with emphasis on zero tolerance of facilitation payments

Data and documentation

1. Optimise efficiency and documentation of compliance work by implementing (COMS) Compliance Management System

Awareness and compliance training

1. Continue training with greater focus on e-learning

2014 DELIVERIES

1. Updated policy communicated in a local language in all markets

1. Rolled out COMS to Group functions, as well as Carlsberg Norway (Ringnes) and Carlsberg Denmark; provided business ethics e-learning to all key employees in these markets via COMS

1. Rolled out business ethics e-learning to additional markets

2015 COMMITMENTS

Data and documentation

1. Continue implementation of COMS to reach greater numbers of employees across the Group
2. Roll out a risk assessment in COMS

Third-party screening

1. Carry out third-party screening in all markets
2. Carry out ongoing monitoring of local market compliance with third-party screening

Awareness and compliance training

1. Roll out e-learning in more Group languages
2. Continue face-to-face training of senior managers and on-site monitoring in all high-risk markets

RESPONSIBLE SOURCING POLICY

A significant part of our social and environmental footprint comes from our supply chain. We are committed to ensuring that our suppliers uphold the same standards as our own companies.

By enforcing our policy, collaborating with others and focusing on specific high-risk and high-impact areas, we aim to improve the impact of our sourcing.

At Carlsberg, our Supplier and Licensee Code of Conduct sets standards for our suppliers that reflect our Group policies for Labour & Human Rights, Business Ethics, Environment and Health & Safety. These standards are embedded in all global contracts. As part of our Responsible Supplier Initiative, we periodically audit suppliers to ensure compliance with our code. In so doing, we focus on those suppliers that have high impact or high embedded risk.

Through our membership of the AIM-Progress forum, we collaborate with other leading fast moving consumer goods (FMCG) manufacturers to enable and promote responsible sourcing practices and sustainable supply chains. Of particular relevance in

this forum is the mutual recognition process, which aims to define common audit protocols and reduce audit fatigue. Using the SEDEX system, we share CSR audits with our industry peers and drive improvements by actively following up on any non-compliances identified during the audits.

Throughout 2014, we continued to onboard suppliers in our Responsible Supplier Initiative while focusing our audit efforts on Asian suppliers with regard to our packaging and point-of-sale materials, which are categories that generally represent a higher risk of non-compliances. We added 53 suppliers to SEDEX, which means that a total of 65 suppliers and 113 different supplier sites are now registered in the system. During the year, we supported our suppliers in closing all non-compliances arising from 2013 audits. We also conducted 101 quality audits incorporating a dedicated CSR element.

For 2015, we will continue our Responsible Supplier Initiative to close non-compliances arising from the audits conducted in 2014. We will continue to support industry collaboration on responsible supplier standards through our membership of AIM-Progress.

2014 COMMITMENTS

Responsible Supplier Initiative

1. Close non-compliance incidents according to findings from pilot in 2013
2. Continue to onboard suppliers in the Responsible Supplier Initiative

2014 DELIVERIES

1. Closed all non-compliances from 2013
1. Initiated wave 2 in April 2014 with 17 suppliers
2. Initiated wave 3 in September 2014 with 36 suppliers
1. Completed or initiated 5 audits

2015 COMMITMENTS

Responsible Supplier Initiative

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Close non-compliances 2. Industry collaboration | <ol style="list-style-type: none"> 1. Follow up on and close non-compliances arising from 2014 audits 1. Continue our membership of AIM-Progress |
|---|--|

COMMUNITY ENGAGEMENT POLICY

Businesses are so much more than just producers of goods and services. They are a nexus point in society, connecting people and communities. At Carlsberg, we are committed to making a positive impact on the communities in which we operate, and we have almost 170 years' experience of doing precisely that.

We operate in around 140 markets around the world, with a brewery presence in over 40. We employ over 45,000 people, and we sell our products to millions of consumers. We contribute to the creation of employment, thereby contributing, both directly and indirectly, to the development of healthy, sustainable communities.

Carlsberg has a long-standing tradition of community engagement. Our founder, J.C. Jacobsen, was a pioneer in sharing knowledge and supporting society. Today, his legacy lives on through the Carlsberg Foundation (see also "Collaboration in action", page 38). A key focus of our community engagement is the involvement of our own employees in this work.

Our local companies engage closely with the communities in which they operate, and

many of them have a long track record of doing so. Their community initiatives focus on the global themes we address as a group, such as responsible drinking and sustainable packaging, as well as more specific local issues.

In France, Brasseries Kronenbourg's foundation has supported more than 500 projects and contributed almost EUR 4m since 1996. In 2014, the foundation supported a wide variety of projects in the areas of culture, nature and solidarity, granting EUR 281,000 to projects run by nearly 40 social organisations. Around 265 Brasseries Kronenbourg employees were involved in the foundation throughout the year.

In Russia, Baltika Breweries is investing broadly in community initiatives across the country. We continued our award-winning Seven Rivers project aimed at cleaning up river-banks nationwide. Across the country, as part of our "Make the difference for your city" project, Baltika has set up more than 1,000 collection points to improve the collection of glass bottles and avoid waste. As a result of this and other projects, in 2014 alone we recycled nearly 200 million bottles.

We have set an ambitious target for 2017 to reach 1.2 million people below the legal drinking age through engagement in point-of-sale and education programmes between 2015 and 2017. We made a good start in 2014 and made this a high priority for scale markets. But there is more work to be done, and partnering with local and international organisations to accelerate our progress will be a core focus in 2015.

2014 COMMITMENTS

2014 DELIVERIES

Employee engagement – sustainable packaging

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Introduce sustainable packaging initiatives in at least 3 markets | <ol style="list-style-type: none"> 1. Sustainable packaging initiatives conducted by 9 Group companies with the involvement of employees |
|--|---|

Employee engagement – responsible drinking

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Develop global educational campaign for implementation in selected markets in 2015-2016 | <ol style="list-style-type: none"> 1. Internal communication platform launched for exchanging experiences and sharing best practices 2. Both education- and retail-oriented youth drinking prevention programmes conducted in 5 out of 44 markets |
|--|---|

Employee volunteering

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Improve our engagement score through employee volunteering, reaching 40,000 hours of voluntary employee activity | <ol style="list-style-type: none"> 1. 17,648 hours spent by employees of Carlsberg Group companies on volunteering |
|---|---|

2015 COMMITMENTS

Employee engagement – sustainable packaging

1. Execute different forms of sustainable packaging/recycling programme with employee involvement in at least 50% of Group companies

Employee engagement – responsible drinking

1. Implement youth drinking prevention programmes in Group companies and reach 500,000 people below legal drinking age

Employee volunteering

1. Group company employees to spend at least 40,000 hours on voluntary activities

COLLABORATION IN ACTION

The business of business is far more than business. As initiated by our founder, we use a unique foundation model to leverage our business for the benefit of society. After more than 100 years of successful projects in Denmark, we are now ready to make our foundation concept global. First stop: Malaysia.

The J.C. Jacobsen Foundation is a charity outreach organisation in Malaysia set up by Carlsberg in June 2014 to expand the brewery's philanthropy and sustainability efforts for the benefit of Malaysian society at large.

The Foundation was named after Carlsberg's founder, J.C. Jacobsen, as a reflection of his passion for philanthropy and brewing. True to the "golden words" of J.C. Jacobsen, the Foundation aims to enhance the quality of life of Malaysians by supporting charitable and non-governmental organisations (NGOs) within the focus areas of education and environment. The Foundation believes that quality education is the key to a society's success, while quality environment is essential to the long-term viability of a nation.

In its inaugural year, the Malaysian Foundation used a collaborative model to create societal benefits, partnering with NGOs to create nationwide recycling campaigns and to protect ecosystems and biodiversity.

In 2015, the Foundation aspires to further extend its reach by exploring new educational projects and by continuing its water conservation efforts. Ultimately, the Malaysian Foundation is committed to showcasing the philanthropic spirit of J.C. Jacobsen in Malaysian society, making a lasting impact on those who are in need of support.

EXPORTING A 100-YEAR-OLD TRADITION

”

By working together with the J.C. Jacobsen Foundation in Malaysia, we can preserve the important ecosystems that exist in and around the Selangor Waterfall.

Herbert Wong, Chairman of the Association of Selangor Waterfall Supporters

Join the debate at www.carlsberggroup.com/CSR/conversations



Section I

MATERIALITY ASSESSMENT

Listening to our stakeholders

At Carlsberg, we are committed to addressing the issues that are most relevant for both our business and our stakeholders as well as reporting the progress we are making on our CSR programme. This gives our stakeholders transparency on our actions and ensures we live up to our responsibilities as a global citizen.

In 2011, two years after Carlsberg introduced its new global CSR approach, we conducted a materiality assessment to determine whether the issues on which we had chosen to report matched those deemed a priority by our stakeholders. The input from this initial materiality assessment has since guided us in our CSR work and in setting our three-year targets.

During the second half of 2014, we began adjusting our CSR approach, building on our existing collaborative approach. While our stakeholders tell us that the issues we are addressing are still relevant to them, we conducted an exercise to find out whether the way we communicated about them, and the issues that we particularly focused on, corresponded with the expectations society has of us. We recognise increasingly, when it comes to these issues, discussions are taking place and perceptions are being formed

in the digital sphere. So for this reason we conducted our materiality assessment through a comprehensive “social listening” analysis of online content and communications in order to understand what our key stakeholders are saying.

Our materiality assessment comprised three phases

Firstly, we analysed online content generated by our stakeholders to identify the issues that they were talking about, and therefore considered relevant, rather than asking them to rank a predetermined list of issues. In this way, we were able to capture issues that could be of importance to Carlsberg, but are not currently on our radar.

Secondly, we examined the “share of voice” given to different issues and the various subtopics within particular issues. This revealed how much particular issues dominated conversation, thereby providing insight into the priority issues and themes for stakeholders. In addition, we analysed the language and terminology being used, which was instrumental in informing us how we could better shape our CSR communications to meet the needs and expectations of our stakeholders.

In the third and final phase, we ran a series of workshops with relevant internal stakeholders to get their input on the main issues and themes that had been identified. The ultimate aim was to obtain a “sense check” and justification for the new sustainability framework narrative and associated messaging on these issues.

The key findings from both the external social listening and the internal workshops revealed a need for us to emphasise more strongly the connectivity between our operational impacts and our CSR activities, and to show how this enables us to respond to broader societal issues and megatrends.

Based on the findings from these external and internal analyses, we have developed a new sustainability framework that captures and explains our CSR priorities. These are centred around three overarching themes.

Under the theme of **Resources & Environment**, our CSR activity is oriented towards addressing the societal challenge of increasingly scarce resources and the need to manage the environmental impact of our operations across the supply chain while protecting the sources from which we draw our natural raw materials. The position

and impacts of our products in society, and our efforts to promote moderate consumption where beer is enjoyed as part of a healthy lifestyle, are the focus of our **Health & Well-being** theme. Our third theme, **People & Policies**, recognises our role as a growing global company that employs more people every year and has an impact on local communities in many different regions around the world. For Carlsberg, the way we work, the ensuring of safe workplaces where people can develop, and contribution to communities are therefore priorities.

Making progress in these three focus areas requires us to collaborate with our partners and stakeholders across our business and throughout our supply chain. In this way, we can best achieve change at local level while helping to respond to global challenges.

By introducing this new framework, we aim to reaffirm the position that our founder, J.C. Jacobsen, envisioned for the Carlsberg Group as a company that brews high-quality beers but at the same time uses the knowledge and reach of the organisation to contribute to society.

Section 2

DATA SUMMARY TABLE

ENVIRONMENTAL DATA

General production figures	2010	2011	2012	2013	2014
Number of reporting sites	74	75	76	75	101
Beer production (million hl)	99.4	99.1	100.7	100.3	107.0
Soft drink production (million hl)	10.1	11.7	12.2	13.0	13.6
Beer and soft drink production (million hl)*	109.5	110.8	112.9	113.3	120.6
Malting (kt)	464.8	410.1	467.0	459.9	492.0

Environmental performance data (beer, soft drink and malt production)

Total thermal energy (GWh)*	3,012	2,735	2,808	2,671	2,970
Total electricity (GWh)*	1,016	949	966	954	1,012
Total CO ₂ emissions (kt)*	1,085 ¹	996 ¹	882 ¹	848 ¹	982
Total SO ₂ emissions (tonnes)	3,222	1,376	1,440	1,249	1,651
Total NO _x emissions (tonnes)	3,098	1,568	1,483	1,387	1,586
Total water consumption (million m ³)*	40.1	38.0	38.7	38.7	42.1
Total wastewater discharged (million m ³)	26.4	24.9	25.2	24.4	27.2
Total organic load (COD) before treatment (kt)	88.2	79.8	73.6	74.8	75.5

Solid waste

Incinerated (kt)	4.4	6.6	7.1	7.3	9.3
To sanitary landfill (kt)	41.0	43.5	45.1	73.4	64.6
Special waste (kt)	0.43	0.79	0.32	0.4	0.7
Recycled (kt)	151.5	135.2	147.5	141.3	164.8
Disposed of for land applications (kt)	284	209	244.5	174.1	173.7
Other (kt)	0.8	0.8	8.3	6.2	21.0
Total solid waste (kt)	483	396	452.8	403	434.1
Brewer's grains and brewer's yeast (kt)	1,299	1,341	1,317	1,379	1,409

Relative figures for beer and soft drink production

	2010	2011	2012	2013	2014
Thermal energy (kWh/hl)*	23.5	21.1	21.0	20.0	21.4
Electricity (kWh/hl)*	8.8	8.1	8.1	8.0	8.0
Combined energy (thermal and electricity) (kWh/hl)*	32.3	29.2	29.1	28.0	29.4
CO ₂ emissions (kg CO ₂ /hl)*	8.8 ¹	8.0 ¹	6.7 ¹	6.6 ¹	7.3
Water (hl/hl)*	3.5	3.3	3.3	3.3	3.4

Relative figures for malt production

Thermal energy (kWh/tonne)	749.2	760.1	712.1	703.9	694.1
Electricity (kWh/tonne)	101.6	103.0	97.2	94.4	87.1
Combined energy (thermal and electricity) (kWh/tonne)	850.8	863.1	809.3	798.3	781.1
CO ₂ emissions (tonnes CO ₂ /tonne)	0.27	0.24	0.22	0.20	0.19
Water (m ³ /tonne)	2.8	2.5	2.1	2.0	2.3

Other figures

Complaints	55	47	42	38	93
Number of sites that are ISO 14001-certified	47	60	60	60	69

Water source split

Municipal water	54%	49%	51%	50%	49%
Own boreholes	40%	45%	43%	43%	43%
Surface water	5%	6%	6%	7%	8%
Other	1%	0%	0%	0%	0%

* Within KPMG's assurance scope (see KPMG's Assurance Report, p. 44).

ENVIRONMENTAL DATA – CONTINUED

Wastewater destination	2010	2011	2012	2013	2014
Public sewer with wastewater treatment	72%	71%	68%	68%	66%
Public sewer without wastewater treatment	3%	5%	3%	4%	3%
On-site treatment, followed by discharge to river/lake	24%	24%	28%	27%	30%
Other	0%	0%	1%	1%	1%
Thermal energy mix					
Natural gas	73.2%	71.1%	69.7%	71.8%	68.0%
Coal	11.8%	12.7%	12.3%	11.0%	14.9%
District heating	8.3%	8.4%	7.9%	7.2%	6.8%
Heavy fuel	3.2%	2.6%	4.7%	4.4%	3.4%
Renewable energy	1.6%	3.1%	3.5%	3.7%	5.2%
Light fuel	1.5%	1.5%	1.2%	1.2%	1.1%
Other	0.4%	0.6%	0.6%	0.7%	0.6%
CO₂ emissions from refrigerants					
HFC-based refrigerants (kt CO ₂)	N/A	N/A	N/A	11.3*	12.9*
Sustainable packaging					
Percentage of companies carrying out consumer-facing sustainable packaging campaigns	N/A	N/A	N/A	26	28
Number of consumer-facing sustainable packaging campaigns	N/A	N/A	N/A	N/A	45*
Packaging mix					
Cans	23.1%	23.8%	24.8%	26.7%	26.1%
RGB	29.4%	28.9%	29.2%	29.1%	33.7%
NRGB	8.0%	8.6%	8.2%	8.1%	8.2%
R-PET	1.6%	1.6%	2.2%	1.5%	1.0%
PET	27.9%	27.4%	26.3%	25.7%	22.5%
Kegs	8.0%	7.4%	7.4%	7.1%	6.6%
Bulk	1.4%	1.8%	1.4%	1.2%	1.3%
Other	0.6%	0.5%	0.5%	0.6%	0.4%

HEALTH & SAFETY

Figures for Production	2010	2011	2012	2013	2014
Number of lost-time accidents	233	195*	171*	145*	156*
Lost-time accident rate	16.7	13.6*	11.4*	10.3*	9.1*
Number of lost days	3,608	2,559*	2,306*	2,010*	2,207*
Days lost rate	258	178*	153*	142*	129*
Figures for Logistics					
Number of lost-time accidents	230	180	148	136*	150*
Lost-time accident rate	27.2	21.6	19.0	16.7*	17.4*
Number of lost days	4,810	2,991	2,457	2,087*	2,201*
Days lost rate	568	359	316	256*	254.8*
Figures for the Group					
Number of lost-time accidents	540	457	367	326	352
Lost-time accident rate	14.9	12.3	9.9	8.7	7.9
Number of lost days	9,761	6,831	5,489	4,830	5,118
Days lost rate	270	184	147	129	115
Fatalities	2	2	0	4	0
Lost-time accidents by function					
Percentage in Production	43	43	47	44	44
Percentage in Logistics	43	39	40	42	43
Percentage in Sales & Marketing and Administration	14	18	13	14	13

* Within KPMG's assurance scope (see KPMG's Assurance Report, p. 44).

COMMUNITY ENGAGEMENT

	2010	2011	2012	2013	2014
Total cash and in-kind donations (DKKm)	36	52	38	47	35
Number of cause-related marketing partnerships	N/A	16	16	34	31
Percentage of companies investing in community engagement initiatives	78 ^{2a}	86 ²	85 ³	85 ⁴	82 ⁵
Number of community engagement activities	788	1,504	1,731	1,599	987

Distribution of activities

Environment	22%	22%	23%	22%	17%
Sports	10%	13%	15%	14%	16%
Responsible drinking	10%	10%	11%	12%	12%
Education and culture	24%	22%	25%	28%	21%
Support of vulnerable groups	21%	10%	11%	11%	12%
Health and care	5%	7%	8%	6%	8%
Natural disaster relief	4%	4%	3%	3%	5%
Other	14%	12%	4%	4%	9%
Number of employees involved in community engagement activities	N/A	3,527	4,146	7,432	9,232
Number of hours spent	22,590	29,465	32,104	23,162	17,648
Percentage of companies with voluntary employee involvement in sustainable packaging/recycling initiatives	N/A	N/A	N/A	N/A	20%
Number of underage people reached through local education and sales restriction campaigns addressing underage drinking	N/A	N/A	N/A	N/A	176,000

MARKETING COMMUNICATION

	2010	2011	2012	2013	2014
Percentage of companies with a procedure in place to track consumer complaints	94 ^{6a}	94 ⁶	97 ⁷	97 ⁸	98 ⁹
Number of reported incidents of non-compliance with Marketing Communication Policy	10	7	5	4	6
Number of sales, marketing and innovation employees trained through the marketing communication e-learning tool	N/A	235	251	251	490

RESPONSIBLE DRINKING

	2010	2011	2012	2013	2014
Percentage of companies implementing responsible drinking initiatives	N/A	80 ¹⁰	78 ¹¹	69 ¹²	62 ¹³
Percentage of fermented produced volume with health warnings	N/A	N/A	N/A	73 ¹⁴	67 [*]
Responsible drinking campaigns	N/A	N/A	N/A	N/A	115

BUSINESS ETHICS

	2010	2011	2012	2013	2014
Number of face-to-face training sessions held on the Business Ethics Policy	118	184	184	184	144
Total number of employees trained in the Business Ethics Policy ^{**}	6,234	6,653	3,795	5,798	5,674
Percentage of companies with mechanisms in place to avoid business ethics incidents	78 ^{15a}	84 ¹⁵	83 ¹⁶	88 ¹⁷	86 ¹⁸
Number of markets that held business ethics training sessions	22	24	24	29	33
Percentage of companies that have implemented third-party screening procedures	N/A	N/A	35 ¹⁹	60 ²⁰	68 ²¹

LABOUR AND HUMAN RIGHTS

	2010	2011	2012	2013	2014
Total workforce	41,402	42,670	41,708	40,435	46,097

Percentage of employees by employment contract

Permanent employees	93	93	93	90	82
Temporary employees	7	7	7	10	18

Percentage of employees by employment type

Full-time	94	94	93	92	94
Part-time	6	6	7	8	6

* Within KPMG's assurance scope (see KPMG Assurance Report, p44).

** Under the Policy, white-collar employees must be trained every second year.

LABOUR AND HUMAN RIGHTS – CONTINUED
Percentage of employees by employment category

	2010	2011	2012	2013	2014
Total presidents and senior managers	2	2	2	2	2
Total managers	10	11	11	11	11
Total specialists	36	39	39	40	41
Total workers	52	48	48	47	46

Percentage of employees by gender

Male	74	74	73	74	72
Female	26	26	27	26	28

Percentage of management level by gender

Male	76	76	77	76	76
Female	24	24	23	24	24

Percentage of employees by age

Younger than 18	0.05	0.03	0.03	0.00	0.02
19-29	24	23	23	23	23
30-39	35	35	35	34	34
40-49	26	26	26	26	27
50 or older	15	16	16	17	16

Employee turnover

Employee turnover percentage	12	16.5	14	15	15
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Employee turnover percentage by age

Younger than 18	0	0	0	0	0
19-29	41	43	41	37	36
30-39	30	32	32	31	31
40-49	15	14	15	19	18
50 or older	15	11	12	13	15

Employee turnover percentage by gender

	2010	2011	2012	2013	2014
Male	76	75	71	70	72
Female	24	25	29	30	28

Hours of training

Average for the Group	18	17	13	33	15
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Collective bargaining

Percentage of employees covered by collective bargaining agreements	69	68	71	71	71
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Policy implementation status

Percentage of labour and human rights procedures and processes implemented as average for the Group	87	89	93	95	94
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RESPONSIBLE SOURCING

	2010	2011	2012	2013	2014
Number of integrated quality audits	54	76	121	142	101

¹ CO₂ emissions are restated with updated emission factors for 2010-2013. Source: CO₂ Emissions from Fuel Combustion – 2013 edition, OECD/IEA.

² 32 out of 37 companies.

³ 34 out of 40 companies.

⁴ 34 out of 40 companies.

⁵ 36 out of 44 companies.

⁶ 34 out of 36 companies.

⁷ 37 out of 38 companies.

⁸ 38 out of 39 companies, restated.

⁹ 42 out of 43 companies.

¹⁰ 28 out of 35 companies.

¹¹ 29 out of 37 companies.

¹² 24 out of 35 companies.

¹³ 24 out of 39 companies.

¹⁴ Restated.

¹⁵ 32 out of 38 companies.

¹⁶ 33 out of 40 companies.

¹⁷ 35 out of 40 companies.

¹⁸ 38 out of 44 companies.

¹⁹ 14 out of 40 companies.

²⁰ 24 out of 40 companies.

²¹ 30 out of 44 companies.

^{2a} 28 out of 36 companies.

^{6a} 34 out of 36 companies.

^{15a} 28 out of 38 companies.

²² Restated.

Section 3

INDEPENDENT ASSURANCE REPORT

To the readers of the 2014 CSR Report

We were engaged by the Executive Board of Carlsberg A/S ("Carlsberg") to provide assurance on selected information in the Carlsberg Group CSR Report 2014 ("the Report"). The Executive Board is responsible for the preparation of the Report, including the identification of material issues. Our responsibility is to issue an assurance report based on the engagement outlined below.

Scope

Our engagement was designed to obtain limited assurance on whether the following information is presented, in all material respects, in accordance with the reporting criteria:

- In the section "Carlsberg Circular Community"; data on "Number of consumer-facing campaigns on sustainable packaging" (pp. 10-12 and 41).
- In the section "Efficient brewing"; data on "Energy consumption", "CO₂ emissions", "Water consumption" and "HFCs" and related explanations (pp. 14-15, 40 and 41).
- In the section "Underage drinking and drink driving"; data on "Percentage of fermented produced volume with health warnings" (pp. 24-25 and 42).

- In the section "Health & Safety Policy"; data on "Lost-time accident rate" in Production and Logistics respectively, and "Days lost rate" in Production and Logistics respectively (pp. 31-32 and 41).

We do not provide any assurance on the achievability of Carlsberg's objectives, targets and expectations.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those to obtain a reasonable level of assurance.

Reporting criteria and assurance standard

For the information covered by our engagement scope, Carlsberg applies criteria as detailed in section 5, Reporting Process and Scope, section 6, Definitions, and section 7, List of Reporting Sites. It is important to view the assured information in the context of these criteria. We believe that these criteria are suitable in view of the purpose of our assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: As-

urance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This Standard requires, amongst other things, that the assurance team possesses the specific knowledge, skills and professional competences needed to provide assurance on sustainability information, and that it complies with the requirements of the Code of Ethics for Professional Accounts of the International Federation of Accountants to ensure their independence.

Work undertaken

Our procedures included the following:

- A risk analysis, including a media search, to identify relevant issues within the assurance scope for Carlsberg during the reporting period.
- Reviewing the suitability of the reporting criteria.
- Evaluating the design and implementation of the systems and processes for the collection, processing and control of the selected information.
- Interviews with the relevant staff at corporate level responsible for collecting, consolidating and carrying out internal control procedures on the selected information.

- Visits to three production sites in Norway, Russia and Vietnam to review data and the design and implementation of validation procedures at local level.
- An analytical review of the data for the selected indicators within the assurance scope submitted by all production sites for consolidation at corporate level.
- Evaluating relevant internal and external documentation, based on sampling, to determine whether the selected information is supported by sufficient evidence.

Conclusion

Based on the procedures performed, as described above, nothing came to our attention to indicate that the selected information is not presented, in all material respects, in accordance with the reporting criteria.

Amsterdam,
2 March 2015
KPMG Advisory, part
of KPMG Advisory N.V.

Wim Bartels
Partner

Copenhagen,
2 March 2015
KPMG Statsautoriseret
Revisionspartnerselskab

Henrik O. Larsen
State Authorised Public
Accountant

Section 4

GLOBAL REPORTING INITIATIVE TABLE

The Carlsberg Group uses the G4 Guidelines without meeting the “in accordance” criteria to produce an overview of our CSR progress. The framework provides organisations with principles and indicators to measure and report their economic, environmental and social performance.

The following GRI table shows how we started to transition our CSR progress data from 2014 to the new G4 Guidelines – while recognising the need to further develop our suite of performance indicators to meet the

“in accordance” criteria (www.globalreporting.org).

This is our sixth year reporting in accordance with the GRI. KPMG provided assurance on selected environmental and safety indicators based on the International Standard for Assurance Engagements (ISAE) 3000.

To increase the transparency and comprehensibility of the table, we indicate whether our level of disclosure covers the GRI requirements fully or partially. In addition,

every profile or performance indicator we apply is linked to a specific section of either our Annual Report (AR), our company website (www.carlsberggroup.com), our Economic Contribution to Society (ECS) report or the CSR section on our company website.

In total, we report on 63 indicators. In order to simplify the table, we have included only the indicators for which we provide either full or partial data.

The GRI G4 Guidelines encourage disaggregation of information where feasible, but acknowledge that the level of disaggregation may vary by indicator. We will continue to develop the maturity of our reporting systems and procedures so we can improve the level of disaggregation in the future with a view to meeting the core criteria in our next report.

GENERAL STANDARD DISCLOSURES: GRI PROFILE

Profile	Description	Location and comments	Level of reporting	UNGC principle
Strategy and Analysis				
G4-1	Statement from the CEO and Supervisory Board	CSR 3-4; AR 11-13	●	
Organizational Profile				
G4-3	Name of the organization	Back page	●	
G4-4	Primary brands, products, and services	www.carlsberggroup.com/brands	●	
G4-5	Location of headquarters	Back page	●	
G4-6	Countries where the organization operates	www.carlsberggroup.com/markets	●	

GENERAL STANDARD DISCLOSURES: GRI PROFILE

Profile	Description	Location and comments	Level of reporting	UNGC principle
G4-7	Nature of ownership and legal form	AR 42-50; http://www.carlsberggroup.com/investor/shareholders/Pages/Shareholders.aspx	●	
G4-8	Markets served	www.carlsberggroup.com/markets	●	
G4-9	Scale of the organization	CSR 43-44, 54 AR 6-10	●	
G4-10	Workforce breakdown (contract, type, gender)	CSR 43	◻	
G4-11	Coverage of collective bargaining agreements	CSR 43	●	
G4-12	Description of supply chain	AR 31; http://www.carlsberggroup.com/Company/organisation/Corporate_functions/Organisation_CSC/Pages/default.aspx	◻	
G4-13	Significant changes during the reporting period	CSR 51	◻	
G4-14	Addressing the precautionary approach or principle	CSR 3-4, 14-17	◻	
G4-15	External charters, principles, or other initiatives endorsed	CSR 4, 11, 17, 22, 26 AR 12-13	●	
G4-16	Memberships of associations	CSR 4, 11, 17, 22, 26	●	
Identified Material Aspects and Boundaries				
G4-17	Report coverage of the entities in the consolidated financial statements	AR 16-24	●	
G4-18	Process for defining the report content and the Aspect Boundaries	CSR 39	◻	
G4-19	Material Aspects identified	CSR 7, 39	◻	
G4-20	Aspect Boundary within the organization	CSR 7, 39	◻	
G4-21	Aspect Boundary outside the organization	CSR 7, 39	◻	
G4-22	The effect of any restatements of information provided in previous reports	CSR 5, 14, 43	●	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	CSR 4, 14, 31	◻	

GENERAL STANDARD DISCLOSURES: GRI PROFILE

Profile	Description	Location and comments	Level of reporting	UNGC principle
Stakeholder Engagement				
G4-24	List of stakeholder groups engaged	CSR 17: UNIDO, BIER, Water Benefit Partners; CSR 22: IARD, EAHF; CSR 26: WFA, ICAP, Brewers of Europe	●	
G4-25	Basis for identification and selection of stakeholders	CSR 9, 21, 30	▶	
G4-26	Approach to stakeholder engagement	CSR 39	●	
G4-27	Response to key topics and concerns raised	CSR 39; www.carlsberggroup.com/csr	▶	
Report Profile				
G4-28	Reporting period	The report covers the 2014 calendar year	●	
G4-29	Date of most recent previous report	CSR Report 2013 published on 28 February 2014	●	
G4-30	Reporting cycle	Annually, quarterly	●	
G4-31	Contact point for questions	csr@carlsberg.com	●	
G4-32	'In accordance' option, GRI Content Index and External Assurance Report	Use GRI 4 Guidelines without meeting the 'in accordance' criteria	▶	
G4-33	Policy and current practice with regard to seeking external assurance	CSR 44	●	
Governance				
G4-34	Governance structure	AR 42-50	●	
Ethics and Integrity				
G4-56	Values, principles, standards, code of conduct and code of ethics	CSR 35-36	●	
Generic Disclosures on Management Approach				
G4-DMA	Disclosures on Management Approach	CSR 39	▶	

SPECIFIC STANDARD DISCLOSURES: MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

Profile	Description	Location and comments	Level of reporting	UNGC principle
Economic				
<i>Economic Performance</i>				
G4-EC1	Direct economic value generated and distributed	ECS report 6	●	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	CSR 18	◐	7
<i>Indirect Economic Impacts</i>				
G4-EC7	Development and impact of infrastructure investments and services supported	CSR 37-38,42ECS 3,5,7	◐	
Environmental				
<i>Energy</i>				
G4-EN3	Energy consumption within the organization	CSR 15, 40	◐	8
G4-EN6	Reduction of energy consumption	CSR 15, 40	◐	8-9
G4-EN7	Reductions in energy requirements of products and services	CSR 14-15	◐	8-9
<i>Water</i>				
G4-EN8	Total water withdrawal by source	CSR 40	●	8
<i>Emissions</i>				
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	CSR 14-15, 40	◐	8
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CSR 14-15, 40	◐	8
G4-EN19	Reduction of greenhouse gas (GHG) emissions	CSR 15, 40	●	7-9
G4-EN21	NO _x , SO _x , and other significant air emissions	CSR 40	●	8
<i>Effluents and Waste</i>				
G4-EN22	Total water discharge by quality and destination	CSR 41	◐	8
G4-EN23	Total weight of waste by type and disposal method	CSR 40	●	8
<i>Products and Services</i>				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	CSR 4, 10-13	●	7-9

SPECIFIC STANDARD DISCLOSURES: MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

Profile	Description	Location and comments	Level of reporting	UNGC principle
Social				
Labor Practices and Decent Work				
Employment				
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	CSR 43	▶	6
Occupational Health and Safety				
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender	CSR 31-32, 41	▶	1
Training and Education				
G4-LA9	Average hours of training per year per employee by gender, and by employee category	CSR 43	▶	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	www.carlsberggroup.com/careers	▶	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	CSR 33	●	
Diversity and Equal Opportunity				
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	CSR 43 AR 44, 57-58, 159-162	▶	6
Supplier Assessment for Labor Practices				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	CSR 36	▶	1-6
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	CSR 33	●	1-6
Human Rights				
Investment				
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	CSR 33	▶	1-6

SPECIFIC STANDARD DISCLOSURES: MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

Profile	Description	Location and comments	Level of reporting	UNGC principle
Assessment				
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	CSR 33		1-6
Society				
Local Communities				
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	CSR 42		
Product Responsibility				
Customer Health and Safety				
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	CSR 24		1,2
Product and Service Labeling				
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	CSR 24		
Marketing Communications				
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	CSR 42		

Section 5

REPORTING PROCESS AND SCOPE¹

Reporting approach and criteria

Scope of the CSR reporting

We have started to transition to the G4 Guidelines. Thus far, we have applied these principles without meeting the “in accordance” criteria to produce an overview of our CSR progress. In this document we cover the relevant and significant social, ethical and environmental issues for the financial year 1 January to 31 December 2014. Our GRI table includes references to our Annual Report and the report Economic Contribution to Society, which cover our financial and economic performance. Together, this information supplies our stakeholders with an overview of our social, environmental and economic performance.

We receive recommendations on our CSR activities and reporting from our assurance provider, KPMG, and continuously analyse competitors’ and industry initiatives.

Boundary setting

Entities included in the performance data include majority-owned subsidiaries, defined as companies that the Carlsberg Group directly or indirectly owns, in which it con-

trols more than 50% of the voting rights or that it otherwise controls.

Joint ventures and companies over which Carlsberg does not have the opportunity to exercise management control are not included in the reported data. However, we work constantly with our partners to ensure a continuous focus on CSR issues.

If a majority-owned entity is acquired during the financial year, the entity will be included in the reporting for the following year.

Comments on boundary setting:

- The following sites have been closed/sold since 2012 and have therefore been excluded from 2014 reporting: Huocheng Brewery, China (June 2013), Hami Brewery, China (Dec. 2013).
- The following site is not included even though it is majority-owned: Qitai Malt-ing (China).
- The following Chinese companies have become majority-owned during 2013: Chongqing Brewery Co.; Chongqing Jianiang Beer Co., Ltd.; Chongqing Brewery Guoren Co., Ltd. These three companies with a total of 22 production sites

have been included in the 2014 reporting scope.

- Carlsberg India, covering six production sites, has been included in this year’s reporting scope.

Ensuring data quality

In gathering information about our CSR performance, we have applied the widely used principles of balance, clarity, accuracy, reliability, timeliness and comparability.

Please find additional information on each of the topics below:

Balance

We are committed to communicating honestly and openly about our performance, both when it has improved and when it has not. Our aim is to provide our stakeholders with sufficient information about our company so that they are able to make their own judgements concerning the Carlsberg Group’s position and role in the societies where we do business.

Clarity

We strive to make our CSR reporting accessible and easy to read. We have worked with usability and web experts to ensure that the performance data and reporting content are understandable and well communicated on our corporate website.

Accuracy and reliability

Since 2009, we have used a dedicated CSR reporting system to help us collect data from local sites and consolidate this at Group level. Every year since 2009, we have improved the definitions of our performance indicators in order to help our entities report accurate and reliable data. However, we also recognise that there is still a challenge ahead in order to obtain a complete and fully aligned overview of all our CSR data, especially when it comes to local procedures for data gathering. Our reporting system has been developed by Enablon, an international provider of CSR software solutions. The system gives us a high degree of control over the data-gathering process, helps local companies to compare data year on year, and also allows instant consistency checks during the data-gathering phase.

¹The scope and boundary described in this section mainly relate to CSR data gathered primarily through our CSR reporting and management system.

We have appointed KPMG to provide independent assurance regarding selected economic, environmental and safety indicators. In the various sections, we indicate which data has been assured. For further details, see p. 44.

Timeliness

Internally, we report our CSR data with varying degrees of frequency, determined by the nature of the data. Where necessary, we revise the reporting frequency in order to strike the right balance and obtain the right data at the right frequency. Our annual data gathering and external reporting are aligned with the financial data gathering using the calendar year.

Comparability

Our reporting criteria and indicators are inspired by the G4 Guidelines – but do not meet the “in accordance” criteria. We will continue to switch our reporting indicators to the new G4 framework during 2015. In the GRI table (section 4, pp. 45-50), we have listed whether our reporting is fully or partially in line with the GRI indicator definitions.

We include three- or five-year data, as recommended by GRI, for all data for which a comparable three-year or five-year history is available.

Definitions

Some differences in the interpretation of some indicators at site level were identified during the reporting process. However, we do not believe these differences are material for the validity of the reported data.

Within the environmental data, any reference to “production site” or “site” refers to sites where we produce beer, soft drinks or malt, as well as combinations of these, and the consumption at these sites.

The term “production site” does not include off-site consumption such as logistics and off-site administration.

Definitions for environmental indicators and health & safety are available in section 6, p. 53.

Targets

We communicate two different kinds of plans and targets:

- One-year short-term commitments.
- Three-year targets and objectives.

These have been developed by each of the functional owners of the CSR focus areas.

These targets may be adjusted according to significant changes in the business, such as major acquisitions and divestments, when these are made before the target date. To the extent possible, we include such changes by applying scenario planning to our target-setting process.



Section 6

DEFINITIONS

DEFINITIONS

Indicator name	Indicator definition	Unit
Total thermal energy consumption	Total thermal energy consumption for beer, soft drink and malt production	GWh
Total electricity consumption	Total electricity consumption for beer, soft drink and malt production	GWh
Total water consumption	Total water consumption for beer, soft drink and malt production	m ³
Total production of beer and soft drinks	Total fermented and non-fermented products produced	hl
Total CO ₂ emissions	Total fossil carbon dioxide emissions ¹ (direct and indirect emissions) emitted due to energy used for beer, soft drink and malt production	kt CO ₂
Specific thermal energy consumption	Thermal energy needed to produce one hectolitre of beer and soft drinks	kWh/hl
Specific electricity consumption	Electricity needed to produce one hectolitre of beer and soft drinks	kWh/hl
Specific water consumption	Water needed to produce one hectolitre of beer and soft drinks	hl/hl
Specific CO ₂ emissions	Fossil carbon dioxide emissions (direct and indirect emissions) emitted from the energy used to produce one hectolitre of beer and soft drinks	kg CO ₂ /hl
CO ₂ emissions from refrigerants	Impact from refrigerants refilled or recharged in any system at a brewery or malting site. Expressed in CO ₂ -equivalents	kt CO ₂
Lost-time accidents (LTA) in Production and Logistics	Occupational accidents that result in employees being unable to perform the full range of their normal duties for at least one day, excluding the day of the accident	Number (LTA)
Lost-time accident rate (LTAR) in Production and Logistics	Number of LTAs x 1,000 / number of FTEs	Rate (LTAR)
Days lost (DL) in Production and Logistics	Days absent from work (excluding the day of the accident) due to lost-time accidents	Number (DL)
Days lost rate (DLR) in Production and Logistics	Number of DLs x 1,000 / number of FTEs	Rate (DLR)
Full-time equivalents (FTE) in Production and Logistics	Number of employees on payroll, where part-time workers are converted into FTEs by an equivalent proportion and one person counts as maximum 1 FTE	Number (FTE)
Number of customer-facing sustainable packaging campaigns	Campaigns towards consumers with the purpose of reducing the environmental impact of packaging by, for example, encouraging correct disposal of used packaging through recycling messages	Number
Percentage of fermented produced volume with health warnings	Volume of packed fermented products that carry health warning symbols and/or equivalent text and/or an address of a website containing equivalent information divided by total fermented production volume x 100%	Percentage

¹ CO₂ emissions are restated with updated emission factors for 2010-2013. Source: CO₂ Emissions from Fuel Combustion – 2013 edition, OECD/IEA.

Section 7

LIST OF REPORTING SITES¹

COUNTRY	COMPANY	SITES
Western Europe		
Bulgaria	Carlsberg Bulgaria	Pirinsko, Shumensko
Croatia	Carlsberg Croatia	Koprivnica
Denmark	Carlsberg Danmark	Jacobsen Brewhouse, Saltum, Carlsberg Fredericia
	Carlsberg Breweries	Not a production site
	Danish Malting Group	DMG Denmark
Estonia	Saku Õlletehase	Saku
Finland	Sinebrychoff	Kerava
France	Brasseries Kronenbourg	Kronenbourg Obernai
Germany	Carlsberg Deutschland	Holsten-Brauerei AG (Hamburg), Mecklenburgische Brauerei Lübz
Greece	Mythos Brewery	Thessaloniki
Italy	Carlsberg Italia	Varese
Latvia	Aldaris	Aldaris Riga
Lithuania	Svyturys-Utenos Alus	Utena, Klaipeda
Norway	Ringnes	E.C. Dahls Bryggeri, Trondheim, Farris, Gjelleråsen, Imsdal
Poland	Carlsberg Polska	Okocim Brewery, Brzesko, Kasztelan Brewery, Szczecin Brewery
	Danish Malting Group – Polska	Danish Malting Group Polska Sp. z o.o., Slodownia Strzegom Sp. z o.o.
Serbia	Carlsberg Srbija	Carlsberg Srbija, Celarevo
Sweden	Carlsberg Sverige	Falkenberg, Ramlösa Sverige
Switzerland	Feldschlösschen	Rhözüns, Rheinfelden, Sion
	Carlsberg Supply Company	Not a production site
UK	Carlsberg UK	Northampton

¹ The reporting sites described in this section relate to CSR data gathered primarily through our CSR reporting and management system.

COUNTRY	COMPANY	SITES
Eastern Europe		
Azerbaijan	Baltika Baku	Baku Brewery
Belarus	Olivaria	Olivaria
Kazakhstan	Carlsberg Kazakhstan	Derbes Brewery (Almaty)
Russia	Baltika Breweries	Baltika Brewery St Petersburg, Baltika Don Brewery Rostov-Na-Don, Baltika Khabarovsk, Baltika Novosibirsk, Baltika Samara, Baltika Tula, Pikra Brewery Krasnoyarsk, Vena Chelyabinsk, Yarpivo Brewery Yaroslavl, Yarpivo Voronezh
Ukraine	Carlsberg Ukraine	Lvivska Brewery (Lviv), Slavutich Zaporozhye, Slavutich Kiev
Uzbekistan	Carlsberg Uzbekistan	Tashkent
Asia		
China	Xinjiang Wusu Group	Akesu Brewery, Kashi Brewery, Urumqi No. 2 Brewery, Wusu Brewery, Korle Brewery, Yining Brewery
	Carlsberg Brewery Guangdong	Carlsberg Brewery, Guangdong (Huizhou)
	Ningxia Group	Ningxia Xixia Jianiang Brewery
	Yunnan Group	Kunming Huashi Brewery Yunnan Dali Beer Co. Ltd
	Carlsberg Brewery Hong Kong	Not a production site
	Carlsberg Hong Kong	Not a production site
	Chongqing Brewery Co.	Mawangxiang Brewery, Dazhulin Brewery, Hechuan Brewery, Liangping Brewery, Wanzhou Brewery, Yongchuan Brewery, Qianjiang Brewery, Fuling Brewery, Daliangshan Brewery, Jiuhuashan Brewery, Bozhou Brewery, Gansu Jinshan Malting Plant
	Chongqing Jianiang Beer Co., Ltd.	Liuzhou Brewery, Liupanshui Brewery, Panzhihua Brewery, Xichang Brewery, Boke Brewery, Shizhu Brewery, Yibin Brewery
	Chongqing Brewery Guoren Co., Ltd.	Guoren Lixian Brewery, Guoren Changde Brewery, Guoren Yongzhou Brewery
India	Carlsberg India	Kolkatta, Alwar, Aurangabad, Paonta Sahib, Hyderabad, Dharuhera
Laos	Lao Brewery	Lao Softdrink Company Vientiane (Pepsi), Lao Brewery Vientiane, Lao Brewery Pakse
Malawi	Carlsberg Malawi	Carlsberg Malawi Brewery Ltd. (CMBL), SOBO Blantyre, SOBO Lilongwe, MDL, SOBO Mzuzu

COUNTRY	COMPANY	SITES
Asia – continued		
Malaysia	Carlsberg Malaysia	Carlsberg Kuala Lumpur
Nepal	Gorkha Brewery	Gorkha Brewery
Singapore	Carlsberg Singapore	Not a production site
Vietnam	SEAB (South East Asia Brewery)	SEAB Hanoi
	Hue Vietnam	Hue Brewery (Hue), Hue Brewery (Phu Bai)

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