

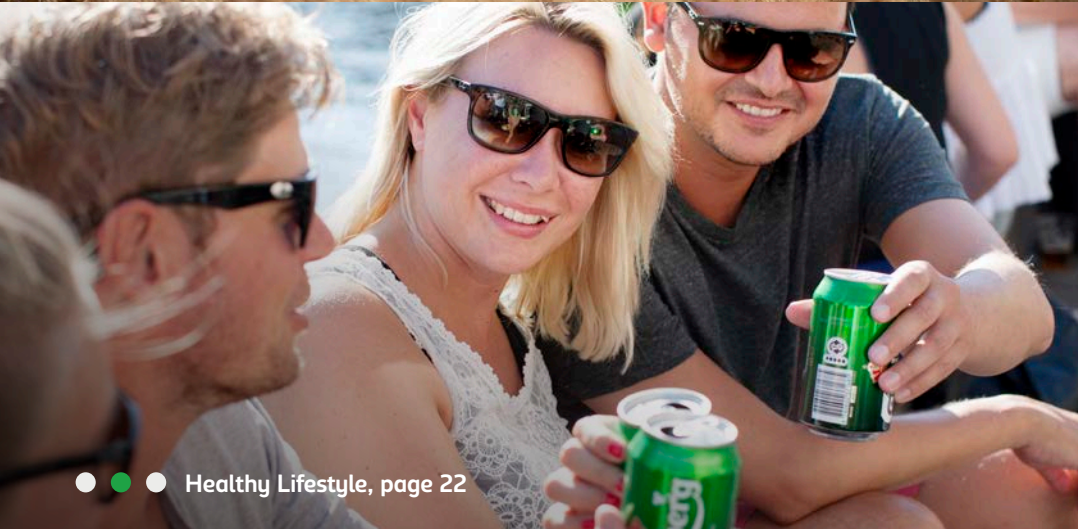
Carlsberg UK
Sustainability Report



2015



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Carlsberg UK introduction

We're part of the Carlsberg Group, the fourth largest global brewer. The UK is the oldest international market for Carlsberg brands.

1700

UK employees

982m

Pints of beer brewed in 2015

4

Out of the top 20 beer brands in the UK

290

Delivery vehicles

13m km

Travelled each year delivering to customers

WHERE WE ARE:

Operating Offices:

Northampton
Leeds

Brewery:

Northampton

Logistics & Warehousing

National Distribution Centre:

Northampton

Regional Distribution Centres:

Tingley, Leeds
Stonecross, Warrington
Gravelly Park, Birmingham
Croydon

Depots:

Alloa Nashmead
Bourne Durham
Ipswich Southampton
Torquay



Selected highlights

RESPONSIBLE DRINKING

The Carlsberg Group reached more than **1.5 million consumers** with **responsible drinking** messaging during the first Global Beer Responsibility Day.

SUSTAINABLE CROWDSOURCING

The Carlsberg Group received **162 ideas** from **35 countries** for Cheers to Green Ideas, our first crowdsourcing campaign to **make beer more sustainable**.



FLEET EFFICIENCY

We won the **Eco-driving** category at the Energy Saving Trust's **Fleet Hero Awards**.

MODERATE CONSUMPTION

We shared our **responsible drinking** messages through our association with the Premier League, which has an aggregate annual viewership of over **3 billion**.



£50,000

raised for charity including £25,000 for Prostate Cancer UK.

SUSTAINABLE INNOVATION

Our **new reverse osmosis plant** will save around 105m pints of water each year.

COMMUNITY ENGAGEMENT

120,000

visitors to The Tetley contemporary art space.

HEALTH & SAFETY

We achieved a **7% reduction** in the **total number of accidents** compared with 2014.

Foreword from Carlsberg Group CEO

In 2015, we continued to pursue our sustainability ambitions by focusing on three themes: Environment & Resources, Health & Well-being and People & Policies.

Ever since J.C. Jacobsen established the Carlsberg Foundation 140 years ago, a commitment to society has been at the heart of our business. This is nowhere more evident than in our sustainability efforts. In my short time with the Group, I have already seen significant progress in the projects that contribute to the communities in which we operate. Many also strengthen our bottom line, which is encouraging.

In 2015, we set ourselves a new ambition to be a professional, successful and attractive beer-based company in the markets in which we choose to operate. Our sustainability programme – with its strong management systems, bold targets, and spirit of collaboration and innovation – is vital in helping us achieve this aspiration.

As the new CEO, I have a great opportunity to introduce new ways of thinking. And I truly believe it makes a difference when an organisation acts as one, across markets and cultures. You could say that sustainability is all about tearing down silos and thinking in an integrated way. I have already seen

numerous examples of us working as one across the Group. I am sure that a company-wide collaborative approach will continue to deliver results in the months and years ahead.

Collaboration with external stakeholders deepens the impact of our sustainability efforts and helps us deliver tangible results. For example, as part of the Carlsberg Circular Community, we are now working with our suppliers to make our packaging more sustainable.

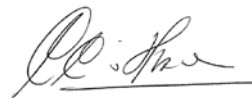
Collaboration is also the key to tackling some of the world's biggest challenges, so I was pleased to see the climate change agreement accepted at COP21 in Paris. The Carlsberg Group will continue to support the UN Global Compact and the implementation of the Ten Principles. This report serves as our annual Communication on Progress and underlines our commitment to transparency when it comes to sustainability.

We have also seen how collaboration helps us increase the impact of activities to encourage moderate consumption and inform consumers about the risks associated with alcohol misuse. Throughout 2015, we continued to work directly with local organisations in many markets to engage consumers and address alcohol-related risks to society,

and in September we helped to create the first ever Global Beer Responsibility Day, a worldwide effort to promote responsible beer consumption.


Looking ahead, 2016 promises to be another eventful year. We launch our new corporate strategy, SAIL'22. We are aligning our sustainability strategy with this and to ensure that sustainability is deeply embedded in the business in order to deliver more value to our stakeholders. We will also be rolling out a new Code of Ethics & Conduct to reiterate our commitment to being a responsible employer. And we will be “celebrating responsibly” at the UEFA EURO 2016™ football championships in France.

Finally, I would like to encourage my colleagues, our consumers and any other readers to tell us how you think we are doing. I strongly believe that an open dialogue is essential for increasing the value of our sustainability efforts.



Cees 't Hart
President & CEO,
Carlsberg Group



 Tell us how you think we are doing at sustainability@carlsberg.com.

In my short time with the Group, I have already seen significant progress in the projects that contribute to the communities in which we operate.



Foreword from our Carlsberg UK CEO

At Carlsberg UK we have established a strong foundation of investment and innovation in many areas of sustainability which has proved invaluable throughout the year.

It's fair to say that 2015 was a challenging year for Carlsberg at a global level. Here in the UK our business started a transformation process to create an agile organisation and deliver long-term profitability. This unfortunately resulted in a small reduction in headcount across the business. Importantly though, our culture of sustainable and responsible practices put us in a good position to tackle these challenges positively and constructively and with respect for the individuals concerned.

While we have introduced a new commercial direction for Carlsberg UK, as evidenced within this report, there is no sense in which our strategic priorities have shifted away from the things that are important to us: supporting consumers to live a healthy lifestyle, mitigating our impact on the environment, supporting the communities in which we operate, and protecting the health, safety and wellbeing of our people.

Collaboration is a key part of our philosophy and once again we have some great examples of industry leadership and collaboration in the UK, particularly in relation to responsible drinking. Together with our partners, we're making real progress in shaping our UK drinking culture towards a safer and

healthier future. It's our belief that this will lead to a more sustainable and more successful business.

I'm particularly proud to see, all across the business, our colleagues continuing to explore ways in which they can contribute to improving our environmental performance. Our implementation of new technologies and innovative training is supporting them in their efforts.

In the coming months, there will undoubtedly be further change and challenges ahead, but I feel confident we're in a strong position to move forward positively, with a continued commitment to sustainability. In my first full year as CEO of Carlsberg UK, I'm looking forward to playing my part.



Julian Momen
Chief Executive Officer
Carlsberg UK



Our key themes



Resources & Environment

We strive to minimise our impact on the environment and optimise our use of resources across our operations in an effort to help build a more sustainable future.



Healthy Lifestyle

We are committed to creating a culture of responsible drinking by promoting moderate consumption of our products and addressing alcohol-related harm in society.



People & Policies

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

Our sustainability strategy

Strategy and decision-making in the Carlsberg Group are guided by our desire to play an active role in a sustainable world.

We research and analyse our environmental and social impacts as well as our economic impacts, and use our findings to spot trends, reduce risks and maximise opportunities for the benefit of the Group and our stakeholders.

BRINGING SUSTAINABILITY TO LIFE

At a group level and here in the UK, three elements bring our sustainability strategy to life and provide the framework for managing our activities: articulating our commitment, collaborating with others and activating our priorities. Our commitment in all areas is to enhance our positive and reduce our negative impacts. We strive to amplify our positive impacts through collaboration and by forming mutually beneficial partnerships. We set both short and medium-term targets for each of our priorities, categorising them under the following themes: Resources & Environment, Healthy Lifestyle and People & Policies.

Work within these themes is driven by an ambition to create value for all our stake-

holders, both now and in the future. The Carlsberg Group has also been included in the FTSE4Good Index, following an independent assessment against the FTSE4Good entry criteria. This listing is a testament to the Group's efforts to continuously integrate sustainability into the business and throughout the value chain.

THE GLOBAL CONTEXT

The Carlsberg Group business is dependent on the availability of land, water, crops, healthy ecosystems and thriving communities. Without these, we would not be able to make and sell our products. This means that global sustainability trends and drivers, such as climate change, water scarcity, population growth, urbanisation, income inequality and resource constraints, all have a major actual and potential impact on our business. In fact, a recent trend analysis undertaken for the Carlsberg Group showed that sustainability is an overarching megatrend that has the potential to directly affect our commercial reality.

THE ELEMENTS OF OUR SUSTAINABILITY STRATEGY

Three elements provide the framework for managing our sustainability strategy:



Articulating our commitment

We are committed to: creating our products in a way that optimises the use of resources across our operations while minimising our impact on the environment; promoting responsible drinking; and adhering to our policies and standards in all our operations and activities. These commitments are brought to life through relevant partnerships and specific priorities.



Collaborating with others

We recognise that we cannot tackle the global challenges facing our business and society alone. All kinds of collaboration – both internal and external – are essential for amplifying our impact and targeting our efforts more effectively.



Activating our priorities

We respond to global challenges by identifying priorities under our three sustainability themes (see page 6). For each set of priorities, we develop clear actions and targets to measure our progress in the short and medium term.

KEY ISSUES

The Carlsberg Group's sustainability strategy and target-setting are based on the findings of our materiality assessment, which identifies the impacts that are most important to our business, our stakeholders and society as a whole. This assessment is inspired by the principles of the Global Reporting Initiative (GRI), and set against a backdrop of international standards and agreements, such as the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) conventions, the UN Sustainable Development Goals and the UN Global Compact, of which the Carlsberg Group has been a signatory since 2008.

To help us identify our most important impacts, we actively engage with both internal and external stakeholders. For example, we conduct annual reputation surveys in our key markets, which gives us invaluable insights into the views of key stakeholder groups, including consumers, customers, employees, journalists and politicians.



DETERMINING MATERIAL ISSUES

Our decisions about what the Carlsberg Group prioritises are informed by the results of our environmental, social and economic research and analysis, and by our stakeholders' views. For instance, research revealed that packaging is the most significant contributor to our carbon footprint, while growing crops has the biggest impact on water in the value chain. In the process of determining our material issues, we take all such elements into consideration. The Carlsberg Group has been using materiality to help us set the direction of our sustainability work since 2011, and in 2015 we continued to be guided by this earlier research and analysis. It identified employee health and safety, environmental performance in the supply chain, climate change, the health impacts of our products and responsible drinking as our most important issues. As mentioned above, these are grouped under three themes in our report: Resources & Environment, Healthy Lifestyle and People & Policies.

Looking ahead, the Carlsberg Group is tracking agricultural and other trends, such as local sourcing, organic products and responsible drinking, to address their potential importance in our future sustainability work. Our identified material issues and stakeholder opinions will be integrated into the Carlsberg Group's new corporate strategy in 2016. This will create a solid platform for the Group's future business, as well as helping us contribute to a prosperous society and a healthy environment, here in the UK and globally.



Sustainability throughout the value chain



R&D

One of the ways we can continuously reduce the Carlsberg Group's environmental impact is by developing innovative solutions and using alternative raw materials and new products and processes. Barley is central to our production, but it is a niche cereal that accounts for less than 2% of global grain production. We therefore need to draw on the Group's broad research expertise to support and develop this key part of our supply chain.

PROCUREMENT

Through collaboration with our suppliers, we are ensuring adherence to the Carlsberg Group's CSR standards and our local UK standards. We strive to reduce the social and environmental impact of purchased products and services. We are also keeping abreast of developments, giving consideration to CSR issues in the supply chain, and including the Supplier and Licensee Code of Conduct in all contracts with suppliers.

BREWING AND BOTTLING

Important sustainability commitments for Carlsberg UK are to save energy and water resources, and to ensure a safe working environment for our employees. Besides being beneficial from an environmental point of view, this also helps us to reduce our brewery running costs. We are successfully reducing impacts through efficiency programmes and new technological developments. We are also making good progress with regard to our safety targets.

LOGISTICS

Thanks to our efforts to optimise our logistics operations, we are seeing more efficient use of resources as well as economic benefits. Our initiatives include the introduction of telematics, improved driver training and more efficient distribution. In addition, we are working with suppliers to raise the standard of materials and equipment used by the Carlsberg Group.

MARKETING AND COMMUNICATION

We believe that beer can be enjoyed as part of a balanced, healthy lifestyle. Our Marketing Communication Policy reflects our commitment to promoting responsible drinking and sets the standards for all consumer-facing marketing and advertisement. Employees of Carlsberg UK and relevant external partners involved in developing communication material are trained in this policy.

CONSUMERS, CUSTOMERS AND SOCIETY

Carlsberg UK is driving local initiatives to promote responsible drinking among our consumers and to address the negative impacts of alcohol misuse on individuals and society. In cooperation with our customers, we are also striving to broaden the reach and deepen the impact of our sustainability efforts. Through a wide variety of activities, we are supporting the local communities where we operate.



Resources & Environment

OUR COMMITMENT

- Optimising resource efficiency

OUR PRIORITIES

- Increasing brewing efficiency
- Operating sustainable logistics
- Building a circular mindset

Our commitment

Optimising resource efficiency



Articulating our commitment

We strive to minimise our impact on the environment and optimise our use of resources across our operations in an effort to help build a more sustainable future.

Sustainable, affordable and accessible resources are essential for our business if the Carlsberg Group is to drive shareholder value and the UK business is to benefit the communities in which we operate. However, we must face the reality of scarce resources, waste and land degradation, all of which have an impact on business and on society in general. We therefore try to reduce waste wherever possible and make optimum use of the available resources, both in our brewery operations and throughout the supply chain.



Collaborating with others

Many of the global resource challenges faced by our business are found upstream in our supply chain and in the communities in which we operate.

In order to effectively address these challenges, we form partnerships with suppliers, farmers, peers and social organisations. In this way, we are able to leverage a broader range of expertise and so generate a more powerful collective response than the Carlsberg Group would be able to achieve alone. Quite simply, by working together we can make a bigger and better contribution to improving resource efficiency.



Activating our priorities – targets for 2017

- **2-5% annual reduction in relative consumption for energy, water and CO₂ used in the brewing process**
- **80% of all secondary logistics drivers to have achieved a B rating or higher in driving efficiency performance**
- **17 partners in the Carlsberg Circular Community**
- **3 Cradle-to-Cradle® product certifications**

Protecting our natural resources

29%
reduction in CO₂ emissions
since 2010

53,000kgs
of CO₂e saved since 2014
through retreaded tyres



100%
of our secondary
logistics sites are
ISO 14001 certified

99.9%
of our waste is
diverted from landfill

2.85hl
of water used to brew
each hectolitre of beer





Activating our priorities Increasing brewing efficiency

As a large brewer, continuous improvement in the efficiency of our brewing operation is essential to mitigating our overall environmental impact. In 2015 we brewed more than 980 million pints of beer, showing the scale of our operation. We are proud to be one of the greenest brewers in the UK, however, we must not stand still and must continue to actively seek ways to optimise resource consumption and manage the environmental impact caused by our brewing process.

In the UK, we follow the Carlsberg Group's Environmental policy, which sets the standards for environmental management in all markets. Closely aligned to this, is Carlsberg UK's Carbon Policy, which applies specifically to the UK market – setting locally relevant standards that ensure the active management of risks and a commitment to continuous improvement. This policy is reviewed on an annual basis, and is signed by our Chief Executive Officer.

ISO 14001 is the globally recognised environmental management standard, and our Northampton brewery and 11 secondary logistics sites now hold this certification. Annual inspections conducted by ISO auditors are necessarily rigorous and this year

the feedback represents a real endorsement of our approach to environmental management. Auditors praised sites for their level of achievement and commitment, pointing out that attainment of the ISO 14001 standard is only undertaken by a limited proportion of businesses in the UK due to the high standards required.

Our engineers are constantly seeking out new and innovative solutions to minimise our environmental impact, however, we also recognise that we must continue to engage our entire workforce in contributing to this process. Improving awareness and education in this area will once again be a major focus area in 2016.

ENERGY AND CO₂ EMISSIONS

To address the challenge of global climate change, we must reduce CO₂ emissions by effectively managing our energy consumption and using cleaner energy sources. At Carlsberg UK, the setting of ambitious targets has driven us to continually refocus our efforts in improving our environmental performance despite the pressures facing our industry.

We monitor our emissions both in absolute terms - the total kilogrammes of CO₂





equivalent emitted, and in relative terms - the volume of CO₂ equivalent emitted in making each hectolitre of beer (kgCO₂e/hl).

Across the entire Carlsberg UK business, we have reduced the absolute amount of carbon emitted annually by 29%, from 65,332 tonnes of CO₂e in 2010 to 46,387 tonnes of CO₂e in 2015. This equates to an 8.1% reduction in relative terms (carbon emitted per hectolitre of beer packaged), due to falling production volumes at the brewery over this period.

In 2015, there was a 2.8% reduction in our relative carbon emissions compared to 2014, due to reductions in electricity and gas usage at our brewery, and less fuel being used by our logistics fleet. This is alongside a 5.7% reduction in packaged volumes at our brewery, which reduced efficiencies of scale and made reduction targets more challenging.

In 2010 we set ourselves the stretching 10-year target of reducing carbon emissions by 40% in relative terms. However, due to production volumes falling by 22% since 2010, we have found this target particularly challenging. This is why at the end of 2015 we took the decision to revise our CO₂ reduction target to a more achievable 2-5% year-on-year reduction from a 2014 baseline, which equates to a 2010 - 2020 absolute reduction of between 19% and 33%.

WATER

In recent years, we have worked hard to achieve, maintain and build on reductions of water consumption throughout the brewing process. In 2015 our relative water usage at the brewery has decreased 1.3% to 2.85 hl/hl.

In 2015 we upgraded our on-site water storage facilities. In the past, regulation meant that we needed to reserve around one-third

CASE STORY



Reverse osmosis

We have taken steps to improve our water usage in the brewing process, with the installation of a new reverse osmosis plant at our Northampton brewery.

Prior to the plant's installation, we used the local authority's water supply to feed cooling towers and condensers for the brewery's refrigeration plant. This method meant that water could only be used a small number of times before its quality became below our high standards for water used in cooling towers.

With the ambition of reducing the amount of water required during this process, we

worked alongside our water treatment provider to utilise the brewery's current soft water plant to feed a new reverse osmosis plant. This improves the quality of water used during this process, therefore increasing the number of cycles that each batch can be used, before needing to be replaced with a fresh supply of water. This improvement has decreased the amount of water used in the refrigeration plant by up to 50%.

As a result, we expect to save around 105 million pints of water per year.



20 Olympic sized swimming pools of water saved every year



of our stored water in case of a fire. Due to changes in our insurance requirements that is no longer the case and our storage tank outlets have been modified to access the additional capacity. This has reduced our municipal water consumption over the course of a day by around 7.5%, relieving the pressure on Anglian Water's local distribution network.

We have also installed a new reverse osmosis plant at our Northampton brewery which we expect to help us make further gains in water usage during 2016 (read more on page 14).

UTILITIES

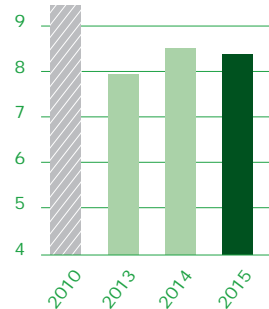
We are constantly exploring new ways to optimise our resource consumption, as gains here can go a long way towards mitigating our overall environmental impact. In 2015 a range of initiatives have helped us make significant improvements to our utility usage at our Northampton brewery.

Lighting in non-populated areas is now sensor activated and machines are being modified to automatically turn off when they're not in use. In addition, intelligent ventilation installed in the energy centre and brew houses will be extended into our packaging facilities in 2016.

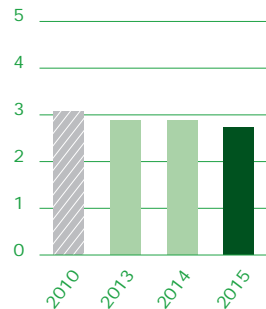
Air leaks in any cylinder-based technology can have a significant impact on electricity consumption, which is why an external pneumatics supplier has been helping us to deliver training which supports engineers and operators in uncovering leaks and inefficiencies. Work here is ongoing, though in 2015 this campaign revealed a total of 120 leaks, all of which were fixed and logged. This amounted to a saving of around 500,000 kWh. In 2016 our packaging facility will adopt the same process, which we hope will lead to further gains.

SELECTED KPIs

Relative CO₂ emissions
(kg CO₂/hl)*



Relative water consumption
(hl/hl)*



Energy and Environment Manager, Martin Northover comments on the recent change in culture: "It feels like we've turned a corner in terms of awareness and recognition. We're now realising that the simplest action of flicking an 'off' switch can make a big difference and changing our behaviours accordingly."

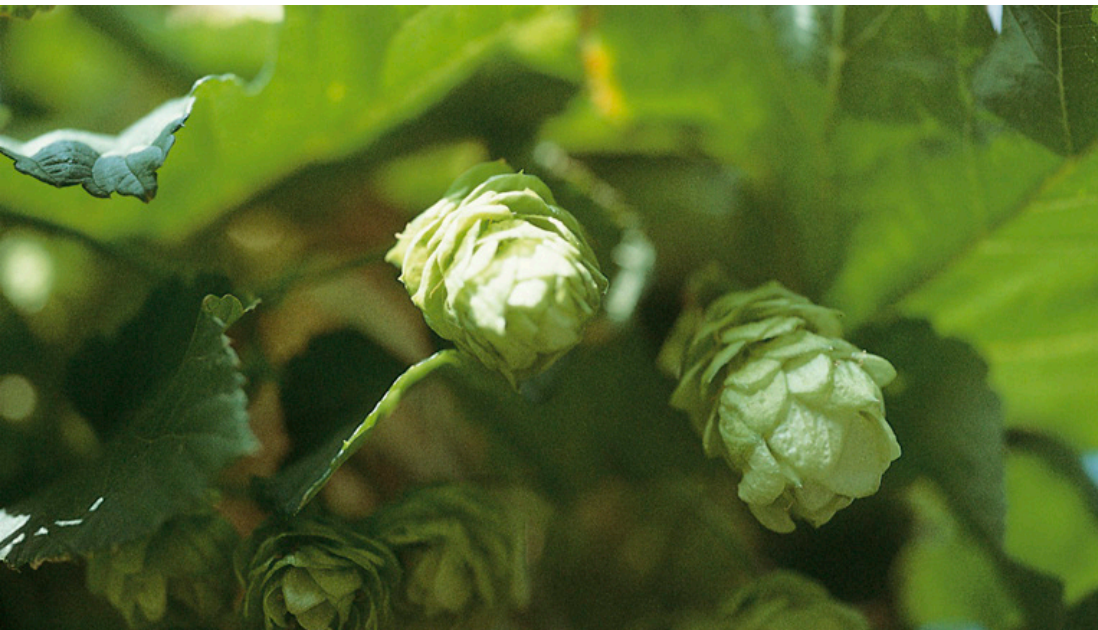
WASTE AND BY-PRODUCTS

Resource scarcity and a lack of landfill space are growing issues that require action, and are particular focus areas for the Carlsberg Group. In the UK, we have made significant progress in this area across our sites, in partnership with our waste partner, Cory Environmental Services. Achievements in recent years include better segregation of waste for recycling, and the processing of residual general waste for use as refuse

derived fuel. We are now within touching distance of our ambition for zero waste to be sent to landfill - with just two of our sites 1% short of hitting our 100% target.

We also use different methods during the brewing process to get additional value from our raw materials that are not only good for the environment, but also often provide a source of income. Our used yeast is sent to be reused in either the food industry, or in animal feed, while our used grains are also used for the latter.

Our achievements in waste management have led to much external recognition over the past three years, and in 2015 we were named as a finalist at the Awards for Excellence in Recycling and Waste Management.





Activating our priorities Operating sustainable logistics

At Carlsberg UK we do not just brew great beer, but we also deliver our beverages and third-party products to our customers. Our fleet is made up of 290 heavy goods vehicles that travelled just under 13 million kilometres during 2015 - so it is essential that we manage the environmental impact of our logistics operation. We are doing this through training, better planning, measurement and control and switching to less CO₂-intensive vehicles.

FUEL EFFICIENCY

We have continued to make positive progress in the area of fuel efficiency during 2015, achieving a reduction of 8.8% in absolute fuel usage. In relative terms, we achieved a 0.5% increase in kilometers travelled per litre of fuel used (KM/L), compared to 2014.

At Carlsberg UK, we use a telematics system which gives us performance visibility of our trucks and our drivers and has led to continuous improvements to the fuel economy of our fleet. This tool allows us to detect fuel-inefficient habits such as harsh braking and accelerating, idling and speeding, enabling us to analyse our driving performance and tailor the driver skills training we deliver.

We use data generated from telematics to measure and track our driving performance against an A-G scoring system. The system is based on a number of parameters. Incentivising positive driving-style alongside introducing an element of competition between drivers has helped to inspire them to continuously improve. Since installing the telematics system in 2010, it has helped us achieve carbon emissions savings of just under 9.6%.

Our work in this area was recognised at the Energy Saving Trust's Fleet Hero Awards in 2015, as we won the Eco-Driving award for our commitment to reducing the environmental impact of logistics services through improved fuel efficiency. Judges commented on our "consistent and rigorous approach to the analysis of driving performance data", as contributing to success.

Recent updates to journey management software will extend our analysis and control of fleet performance and we expect this to yield further fuel and carbon savings in 2016.

TRAINING

We know that our ambition to increase fuel economy is, for the main part, in our drivers' hands, so supporting our employees to



operate their vehicles in the most efficient way possible remains an ongoing focus.

All HGV drivers undergo seven hours of compulsory Driver Certificate of Professional Competence (DCPC) training each year, rotating through five modules of training every five years. In 2015, to cover the Safe and Fuel Efficient Driving module, our in-house training team created and delivered our bespoke EcoDriver programme. Our UK fleet already performs well on safety and fuel economy, so EcoDriver was designed to support marginal changes in driving style that will deliver continuous improvement. By using data gathered from the telematics system, we were able to identify these opportunities for improvement across our fleet, and tailor the programme to have the biggest impact.

Following roll out of the module throughout 2015, we're anticipating further positive results in both fuel efficiency and safety performance throughout 2016.

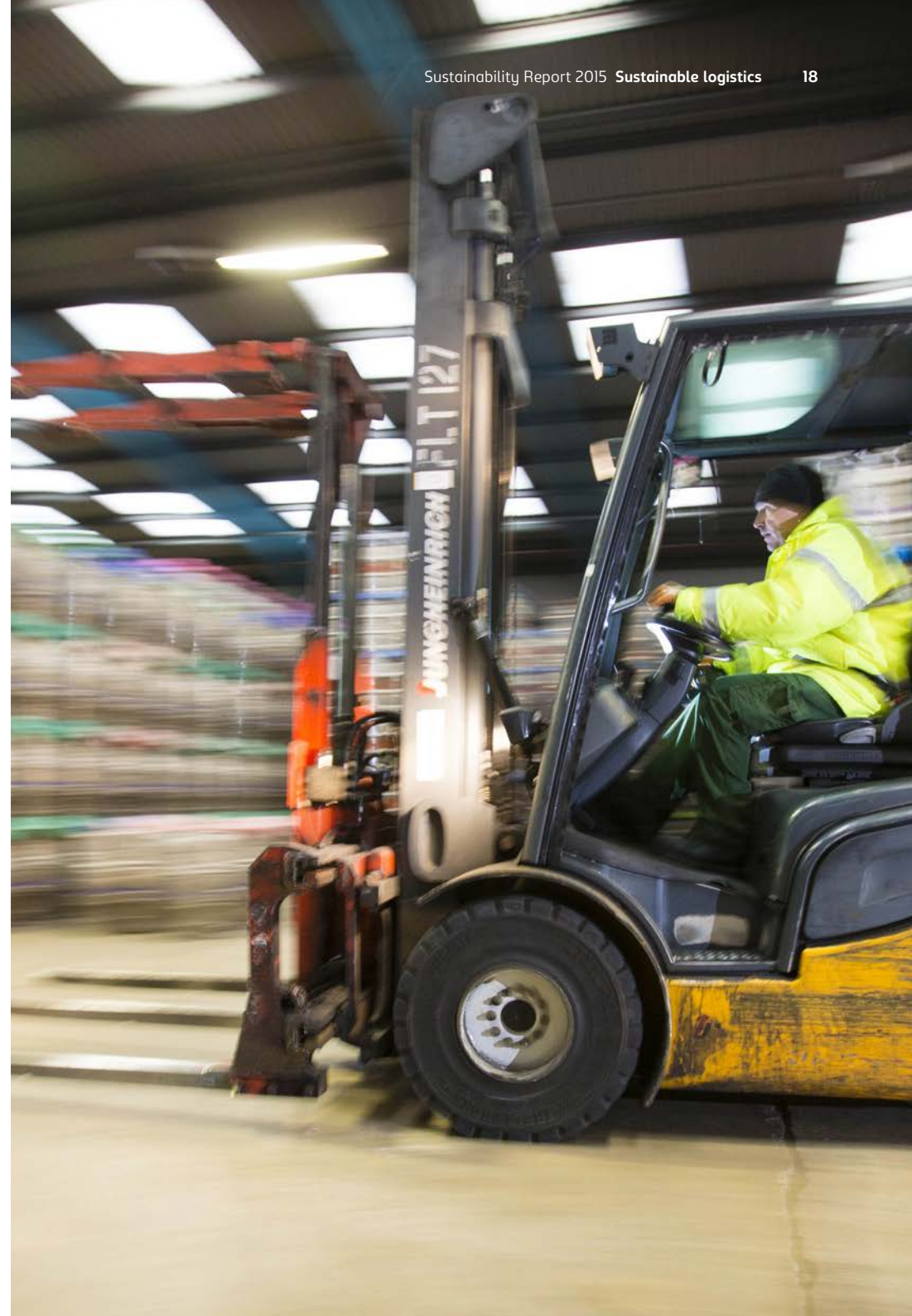
Steve Hammond, a driver from our Torquay depot, commented: "With what I have learnt from our EcoDriver programme, I now save fuel in my own car. Training has helped me improve my driving style so that I save fuel for the company every day that I drive."

UPCYCLING

Rather than purchasing brand new tyres, all Carlsberg UK forklifts now use retreads. Retreading delivers significant environmental benefits, reducing carbon emissions in both the production process and in fuel efficiency. Compared to a new tyre a single, retreaded tyre can equate to a saving of 68 litres of oil and 44kg of rubber compound. Total savings to date stand at 11 tonnes of rubber, amounting to an impressive 53,000kgs of CO₂e.

Meanwhile, at two of our secondary logistics depots we have introduced a new kind of flooring made entirely from recycled tyres. This not only reduces landfill and delivers a cost saving, but has also led to a reduction in reported near miss accidents of 90%, due to its ability to absorb impact, helping to control containers when they're dropped onto the deck for pre-loading.

David Bodily, Head of Property, Facilities and Security is happy with the results: "This new product has delivered a safe, sustainable solution for our people to meet operational needs for at least the next 20 years. As other sites arrive at the point where they need replacement flooring we'd definitely be keen to roll out the crumb rubber matting. It's reducing landfill and ultimately it really works."





Activating our priorities Building a circular mindset

Resources and products should be designed and used in continuous resource loops. The only long-term sustainable answer to waste is to reduce and, ultimately, eliminate it.

The first step towards achieving improvements in this area is to strive to minimise waste, along with all the other environmental impacts of our operations and activities throughout the supply chain. However, this alone is not sufficient. We also need to find effective ways to decouple growth from impact. With this in mind, the Carlsberg Group is working with the concept of circularity and striving to introduce it into the way we run our breweries as well as into the wider supply chain.

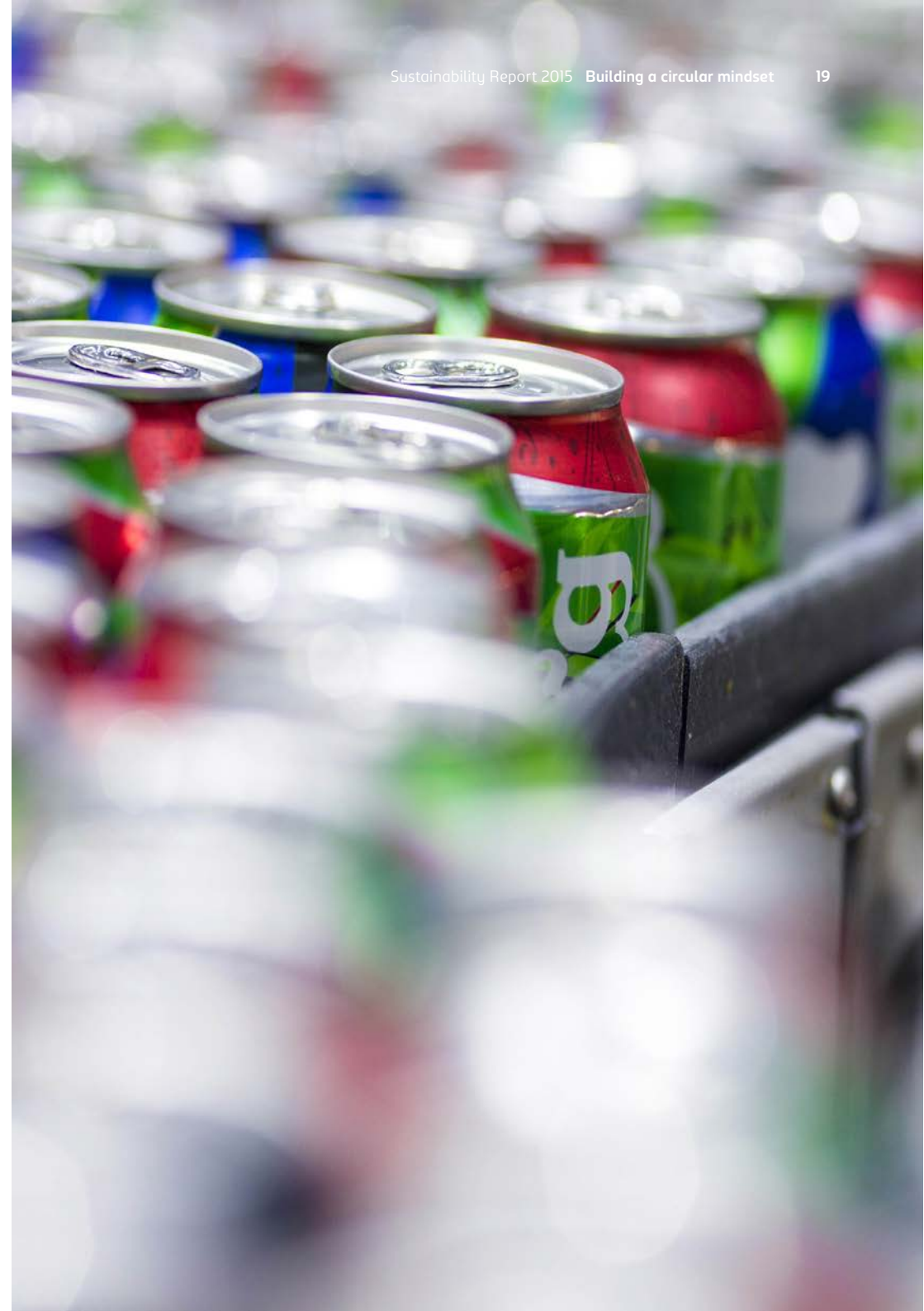
SUSTAINABLE PACKAGING

Our packages perform many useful functions. First and foremost, they maintain the high quality of our products and protect them during transport, whether we are using returnable glass bottles, cans, kegs or PET bottles. We cannot do away with packaging, as it is such an essential part of our products. Instead, we look to improve its sustainable credentials.

The Carlsberg Group adopts the 4 R's approach to sustainable packaging: reduce, reuse, recycle and rethink.

In our efforts to reduce the amount of material used in our packaging, we implemented our 'right-weighting' programme, which is all about reducing the weight of glass in our packaging portfolio. We have made great progress here in recent years, by working with suppliers that possess the latest technologies for reducing weight without compromising on quality.

Through our Carlsberg Circular Community (CCC), the Carlsberg Group works with a group of partners to pursue a circular, zero-waste economy using the Cradle-to-Cradle® (C2C®) framework for developing and marketing new products. In 2015 the CCC expanded from six to eight with the addition of two new partners. Crispin Porter + Bogusky (CP+B) will be working with us on communication around sustainability, while our partnership with EcoXpac is all about developing the world's first fully biodegradable and bio-based wood-fibre bottle, of which more details can be found on page 21. In 2016 the aim is to launch a new sustainable packaging innovation.



In 2014 we received the first C2C® certification for a beverage can, having achieved Bronze accreditation for our Carlsberg and Somersby cans produced by Rexam in the UK market. The Carlsberg Group is expecting to achieve a second certification in the first half of 2016. Feedback on other C2C® assessments will help us to work with our partners in developing materials with a higher end-of-life value.

ENGAGING CONSUMERS IN RECYCLING

As a Group, we also continue to run campaigns to encourage more widespread and efficient recycling among consumers. In 2015 we invited consumers to pitch their own ideas on how to make beer more sustainable. There was a fantastic response

to our 'Cheers to Green Ideas' campaign, which included a finalist from the UK.

OUR COMMITMENT

The last few years have seen a significant increase in interest in the circular economy across business, civil society and academia. We are delighted to be pioneers in delivering some of the first concrete results of circular thinking. Our approach is based both on the circular initiatives that we have been implementing for many years, such as returnable glass bottles, and on breakthrough innovations such as the Green Fiber Bottle. We have received an overwhelmingly positive response to our efforts and look forward to inspiring others to make a real difference as we continue to make progress ourselves.

SUSTAINABLE PACKAGING

- Reduce weight or change to packaging with lower environmental impact.
- Increase reuse of packaging materials, with the main focus on glass bottles.
- Encourage consumers to recycle packaging and increase the amount of recycled content in new packaging.
- Rethink packaging and waste, for example recycling of packaging materials by channelling the material into other products.



COLLABORATION IN ACTION 

Cheers to Green Ideas

In the Carlsberg Group, we pride ourselves on our brewing expertise. But in pursuit of our aim to integrate sustainability throughout the value chain, we also recognise that we have much to gain by cooperating with and learning from others operating outside our traditional sphere. There are myriad solutions being implemented in other businesses around the world, and many of these could be adapted and used to help us advance our own sustainability ambitions. The question is, how to find them?

In September 2015, in partnership with Copenhagen-based think tank Sustainia, we launched Cheers to Green Ideas, a crowdsourcing campaign and competition. Organisations, companies and members of the public were invited to get engaged and tell us how to make Carlsberg beer more sustainable. The ideas could relate to any aspect of beer production, from raw materials and the brewing process to transport and packaging. They also needed to inspire positive change in consumer behaviour to help drive a more sustainable future.

There were two awards and winners were chosen from six finalists, selected from 162 ideas submitted in 33 countries. The jury included Carlsberg Group representatives from research & development, marketing, sustainability, innovation and supply chain.

The Cheers to Green Ideas Award, aimed primarily at established companies or entrepreneurs with a viable sustainability concept, went to Guillermo Luque Consuegra and Michael Malott, who proposed using microalgae in, for example, wastewater treatment or the creation of biomass at the Group's breweries.

The J.C. Jacobsen Special Award, mainly for consumers to present fun and engaging ideas that could lead to behavioural change, went to Søren Højland Boesen. He submitted five ideas, and his winning proposals were to make lightweight crates inspired by nature and to make magnetic, biodegradable bottle caps that would be fun and engaging for the user, rather than just another piece of metal waste.

The winners received USD 20,000 and USD 10,000 respectively, and their ideas will be further explored with experts in the Carlsberg Group and our partners in the Carlsberg Circular Community.



COLLABORATION IN ACTION



The Green Fiber Bottle

Packaging is a very visible and tangible part of the Carlsberg Group's product offering. Unfortunately, it is also a major contributor to our CO₂ emissions. Our approach is therefore to try to optimise the use of resources in a way that balances product integrity and functionality with environmental impact. Brewing is our core business, not packaging, so we draw on the support of others along the supply chain to achieve our aims.

COLLABORATING WITH INNOVATORS

In 2015, in continuation of our collaborative approach within the Carlsberg Circular Community (CCC)*, we kicked off a development project with Danish packaging company EcoXpac – supported by Innovation Fund Denmark and the Technical University of Denmark – to develop a beer bottle made from sustainably sourced wood fibre.

FULLY BIODEGRADABLE PRODUCT

Together we are developing the Green Fiber Bottle, which will be a landmark in sustainable innovation. Its fibres will come from responsibly managed sources, with trees replanted at the same rate that they are harvested, or even faster. Furthermore,

any potential impact from using fibres will be included in the environmental assessments. And while the bottle will degrade into environmentally non-harmful materials if discarded randomly, the intention is that it will form part of a proper waste management system, just like today's bottles and cans.

Over the three-year development phase, we plan, with our partners' help, to optimise the bottle from an environmental perspective using both life cycle and Cradle-to-Cradle® assessments.

LESS ENERGY

We expect that the Green Fiber Bottle will require less energy to produce than traditional packaging, due to the use of a new fibre-drying technology. This will help reduce dependency on fossil fuels in the manufacturing process.

COMMITTED TO COOPERATION

This collaborative project confirms our commitment to cooperation and underlines the importance of a circular economy for sustainable growth. If the bottle innovation comes to fruition within the projected three-year period, as we expect it to, it will provide an exciting new packaging type for our products and represent another important step on our journey towards a circular, zero-waste economy.

CHEERS TO SUSTAINABLE INNOVATION



We are thrilled to cooperate with Carlsberg on developing a bottle that will be both truly sustainable and appealing to consumers. The coming three years will be both challenging and exciting, and we can't wait to put the bottle on the market!

Martin Pedersen, CEO, EcoXpac





Healthy Lifestyle

OUR COMMITMENT

- Creating a culture of responsible drinking

OUR PRIORITIES

- Promoting moderate consumption
- Marketing our products responsibly

Our commitment

Creating a culture of responsible drinking



Articulating our commitment

We are committed to creating a culture of responsible drinking by promoting moderate consumption of our products and addressing alcohol-related harm in society.

We therefore aim to celebrate the positive aspects of moderate beer consumption and to position beer as a relevant and responsible choice for consumers. However, irresponsible drinking does take place, and we are committed to working towards combating it.



Collaborating with others

Effective action to address alcohol misuse requires collaboration across the industry and beyond.

To address irresponsible drinking effectively, everyone – including retailers, licensees, educators, parents and consumers themselves – needs to be involved. Effective regulation must be supported by concrete, targeted actions. We therefore work closely with organisations across our industry to define our commitment and find meaningful ways of addressing alcohol-related issues together.



Activating our priorities – UK targets for 2017

- 100% of consumer-facing primary packaging on alcoholic beverages produced by Carlsberg UK to carry responsible drinking symbols
- All marketing materials to carry responsible drinking messages or the Drinkaware logo
- Social media accounts for each of our beer brands to activate age-gating measures to prevent exposure to marketing materials for those under the legal drinking age
- Alcohol-free products to be available as part of our beverage portfolio
- Information on ingredients and nutritional values of Carlsberg branded products to be included on primary packaging or website
- 100% of marketing employees to be trained in Carlsberg Group’s Marketing Communications Policy



Activating our priorities Promoting moderate consumption

At Carlsberg UK, we recognise our responsibility as an alcohol producer to encourage moderate consumption. By bringing people together, beer can play a positive role in society, and when consumed in moderation, can be part of a balanced and healthy lifestyle.

However, we understand the harm to society that results from irresponsible alcohol consumption. This is why as a business, and as an industry, we take our responsibility to encourage responsible drinking very seriously.

We therefore work in partnership with UK government, the Portman Group, Drinkaware and wider industry to raise awareness of the dangers of excessive consumption, and to support initiatives aimed at tackling alcohol-related harm.

In the UK, we have seen a major shift in drinking behaviours in recent years, with statistics suggesting that the work we are doing as an industry is having a positive effect. For example, the percentage of people binge drinking has fallen, as has the percentage of those drinking over the recommended limits on their heaviest

drinking day. There have also been reductions in underage drinking, alcohol related crime and disorder, and drink driving¹.

Yet, while we are cautiously optimistic on the progress being made, we remain committed to continuing our work in this area and encouraging moderate consumption at every opportunity.



¹ BBPA Statistical Handbook 2015

COLLABORATION



Selected memberships

THE PORTMAN GROUP

The Portman Group is the British drinks industry's self-regulatory body, established in 1989. We're proud to be a member of the group, which aims to promote responsible drinking, to help prevent alcohol misuse and to foster a balanced understanding of alcohol-related issues. We are also signatories of its Alcohol Marketing and Sponsorship Codes.

DRINKAWARE

Drinkaware is an independent charity of which we remain major funders, which aims to reduce alcohol related harm by helping people make better choices about their drinking. It achieves this by providing impartial, evidence based information, advice and practical resources, raising awareness of alcohol and its harms and by working collaboratively with partners.

THE LIFESKILLS AND EDUCATION IN ALCOHOL FOUNDATION

The Lifeskills and Education in Alcohol Foundation (LEAF) was founded in 2014, and plays a valuable role in supporting children and young people to navigate safely in a world of mixed messaging about alcohol and other risks. LEAF funds evidence-based life skills and alcohol education programmes in schools, prioritising those areas disproportionately affected by alcohol harm.

We played a significant role in establishing LEAF, which was a collaborative effort between Responsibility Deal Alcohol Network (RDAN) members and the Departments for Education and Health, with the process overseen by Alcohol Concern.



INDUSTRY-WIDE COLLABORATION

In order to have the biggest impact when promoting moderate consumption and tackling alcohol misuse, we work together with industry bodies such as the Portman Group and British Beer & Pub Association (BBPA). We also continue to fund and support the work of national charities such as Drinkaware and the Lifeskills & Education in Alcohol Foundation (LEAF).

In 2015, Drinkaware activated a number of targeted initiatives, including advertising campaigns aimed at tackling the issue of sexual harassment on nights out, and the launch of Drinkaware for Education. The new campaign comprises a series of curriculum-linked education resources, developed with teachers, aimed at teaching



² HSCIC Smoking, Drinking and Drug Use Among Young People in England – 2014 report

nine to 14-year-olds about the harms and risks associated with alcohol.

Similarly, LEAF has been supporting the funding of evidence-based life skills and alcohol education programmes in schools since being established in 2014. It is hoped that proactive initiatives such as these will help to continue the encouraging recent downward trend in underage drinking. The number of 11-15 year olds who have consumed a whole alcoholic drink at least once dropped to 38% in 2014, from 61% in 2003².

Drinkaware has also continued to push its free smartphone app, which helps consumers to monitor and adjust their alcohol consumption. This, alongside the prevention of drink driving, was the focus of our company-wide Christmas poster campaign, aimed at keeping our employees safe during the busy festive season.

The BBPA collaborated with National Pub-watch and Drinkaware in 2015 to launch a poster campaign aimed at supporting staff of licenced premises to uphold laws on buying alcohol for a drunk person, or knowingly selling alcohol to a drunk person. As well as supporting pub and bar staff, the posters raise awareness among pub-goers, helping to ensure a safe and sociable drinking environment for all. This campaign forms part of a range of initiatives from the industry to help pubs and bars operate responsibly, including providing unit-information display materials to pubs and working to prevent underage sales through the successful 'Challenge 21' campaign.

ALCOHOL-FREE ALTERNATIVES

We understand that there are certain situations where alcohol may not be the most suitable drinks option. Therefore during 2015 we launched three new alcohol-free products to the UK market; Carlsberg 0.0% and, under licence, San Miguel 0.0% and San Miguel 0.0% Limon. Innovation in alcohol-free beverages is part of our commitment to offer greater choice to consumers, allowing them to manage their alcohol intake.

While alcohol-free beer makes up a relatively small part of the total beer category in the UK, its popularity is growing each year – with a 9% increase in sales during 2015³.



ABV REDUCTIONS

During 2015, we voluntarily reduced the ABV of our Carlsberg Special Brew and Skol Super products from 9.0% to 8.0%. This followed the commitment we made in late 2014 to the government’s Public Health Responsibility Deal Packaging Pledge 2014 not to sell any carbonated product containing more than four units of alcohol in a single-serve can. We took this step to encourage more people to drink within the government’s recommended guidelines.

³Nielsen ScanTrack P2 2016 & CGA Brand Track P2 2016

CASE STORY

Raising the standards in late night safety



Supporting community action on responsible drinking is very important to us, which is why we are a long-term supporter of Best Bar None, and have acted as sponsors for its awards in our hometown of Northampton since 2009. We have also sponsored one of the UK’s largest schemes in Birmingham, home to our Gravelly Park regional distribution centre, since 2013.

The Best Bar None scheme is supported by the Home Office, and has the purpose of promoting responsible licensed venue management and raising standards in safety, training and operations across the late night economy.

The scheme is a collaborative effort between police, local authorities, the alcohol industry and the licensed venues themselves, and awards accreditation to venues with strong management, which take pride in their surroundings, operate responsibly and demonstrate a commitment to reducing alcohol related harm.

Andrew Roache, Head of External Affairs at Carlsberg UK, commented: “Best Bar None leads the way in celebrating the positive impact well-run premises and dedicated people have on the nighttime economy. We’re proud to sponsor these events and play our part in giving winners in our local communities the recognition that they deserve.”

COLLABORATION IN ACTION



In September 2015, the Carlsberg Group joined with other global brewers, local brewers and beer associations to mark the first Global Beer Responsibility Day (GBRD), a worldwide initiative to highlight collaborative efforts to promote responsible beer consumption and address issues around alcohol misuse.

GBRD is the largest initiative of its kind in the brewing industry's history. Across the industry, more than 100,000 employees in 62 countries were involved in executing ID checking programmes at around 650,000 retail points, providing advice and training for servers and sellers, and conducting targeted education campaigns that reached in excess of 8,000,000 people.

CREATIVE IDEAS AROUND THE WORLD

In Italy, Birrificio Angelo Poretti invited visitors to its stand at the Milan International Expo to perform everyday activities while wearing "beer goggles" that simulated the experience of being drunk. In Malaysia, "ambassadors" promoted responsible drinking at one of the country's highest-profile shopping centres. In Russia, Baltika Breweries and the Russian

Beer Union made presentations to over 80,000 retailers, sales personnel and consumers on preventing the sale of alcohol to minors.

CARLSBERG WITHOUT THE "CAR"

For the Carlsberg Group, GBRD is just one element of its year-round commitment – both locally and globally – to promote responsible consumption of its products.

Carlsberg organised GBRD activities in 10 markets globally, involving more than 5,500 employees and 100,000 retailers, and reaching some 1.5 million consumers. In Copenhagen, the Carlsberg Group's iconic 10-metre logo at the top of its 21-storey head office building was modified to remove the "Car" from "Carlsberg", emphasising the Group's anti-drink-driving stance. In association with the local taxi app Drivr, the local Danish operations also provided discounted taxi rides home for anyone out enjoying a drink in the capital.

WORKING TOGETHER FOR BEST RESULTS

Issues leading to irresponsible drinking are complex, and there is no universal solution. We look forward to continuing the global collaboration in this area. We know that by making Global Beer Responsibility Day a truly collaborative effort, we will achieve broader reach and greater impact.

CHEERS TO RESPONSIBLE DRINKING!



Beer plays an important role in local cultures and economies. Together with our stakeholders, we want to contribute to the positive influence of beer in society by promoting our products to be consumed responsibly as part of a balanced and healthy lifestyle.

Cees 't Hart, President & CEO, Carlsberg Group





Activating our priorities Marketing our products responsibly

We make every effort to ensure that we promote our products in the right way. That means that our communication carries the right messages and targets the right people.

The Carlsberg Group Marketing Communication Policy, introduced in 2009, sets the standard for our consumer interactions. In the UK we are also signatories of The Portman Group's Alcohol Marketing and Sponsorship Codes and subject to the UK's regulatory codes including the Committee of Advertising Practice Code and Broadcast Committee of Advertising Practice Code (together the 'CAP and BCAP Codes'). These standards apply to all commercial departments and marketing and creative agencies, and must be implemented at all consumer contact points.

Promotional and advertising materials are checked centrally for compliance, while marketing employees are trained in our Marketing Communications Policy and our legal team run weekly drop-in workshops to answer any queries on this topic.

During 2016, our Marketing Communications Policy will be updated to include enhanced guidelines on digital marketing that

will help prevent our marketing communications reaching or appealing to minors. This will be launched alongside a new training programme for marketing employees, while we will also hold bespoke training sessions in The Portman Group Codes and CAP and BCAP Codes for relevant employees.

UTILISING SPONSORSHIP ASSETS

Our brands have prestigious sponsorship assets, which provide an important opportunity to engage consumers. The Carlsberg brand in particular has a historic association with football, and is the Official Beer of UEFA EURO 2016™ and the England national football team.

In addition, our relationship with the Premier League and Official Beer status with clubs including Liverpool and Tottenham has given us the platform to communicate our responsible drinking messages to football fans. This is not only to fans at the match, but also the significant global TV audience.

We look forward to UEFA EURO 2016™, where we will be engaging with fans of all nationalities – including England, Wales and Northern Ireland, who will all be competing. Our communications will include a dedicated responsible drinking campaign.

CASE STORY

Improving consumer information

Under current EU legislation it is not mandatory to provide ingredient and nutritional information on the packaging of alcoholic beverages with an ABV of more than 1.2%. However, the Carlsberg Group believes that consumers should be offered accurate and balanced information about the drinks they purchase.

Alongside other industry brewers and drinks producers, we have committed to providing ingredient and nutritional information on our beer products (>1.2%ABV) on packaging and online platforms. This move will help consumers to better understand the natural ingredients that go into a beer – water, malted barley and hops as an example for the Carlsberg brand, as well as showing that, contrary to popular perception, beer is not especially high in calories compared to other alcoholic beverages.

Furthermore, all products produced by Carlsberg UK are clearly labelled with the ABV, a responsible drinking symbol informing women of the risks of drinking during pregnancy, and the website address for Drinkaware.





People & Policies

OUR COMMITMENT

- Working the Carlsberg way

OUR PRIORITIES

- Improving health & safety
- Strengthening ethical standards
- Engaging with communities
- Sourcing responsibly

Our commitment Working the Carlsberg way



Articulating our commitment

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

We do this through the Carlsberg way of working, which involves setting the right standards in our policies and guidelines and following up on our performance through reporting and monitoring. In this way, we also manage risks and reap the benefits of a proactive stance.



Collaborating with others

Across our Group-wide network, we share expertise and best practices aimed at reducing our environmental and social impacts.

Through collaboration with suppliers, we strive to improve standards throughout our supply chain. We also engage with external and internal stakeholders on sustainability-related issues, as well as local and global organisations, to create value for society as a whole.



Activating our priorities – UK targets for 2017

- **Run annual safety awareness events for safety leaders across the business to share best practice and reinforce expected behaviours**
- **Continue to develop an accountable safety culture and zero accident mind-set**
- **100% of employees with company cars to undertake an online training module on safe driving.**



Activating our priorities

People & Policies Working the Carlsberg way

As part of the Carlsberg Group, we follow a clear and structured framework of CSR policies in the UK that guides decision-making in key areas such as employee health and safety, community engagement and supplier and licensee standards.

These policies ensure consistent standards across the many different countries and cultures in which we operate. They support us and our suppliers in our efforts to create a safe, fair and engaging workplace for our employees, and in making a positive contribution to our communities.

The Group's CSR policies will be reviewed in 2016 as part of a wider policy review. We do this on a regular basis in order to keep up to date with society's evolving demands and to reflect changes in our operating environment.

In the following pages, you can read more about our efforts at Carlsberg UK to keep our people safe, healthy and always developing, and to engage with our local communities.

The Carlsberg Group's CSR policies are:

- Health & Safety Policy, setting safety standards in the workplace

- Labour & Human Rights Policy, outlining our commitments to universal employee rights
- Business Ethics Policy, stating our position on issues such as anti-corruption and bribery
- Community Engagement Policy, providing a framework for our community investments
- Marketing Communication Policy, containing standards for communicating about our products in a decent, truthful and ethical way
- Responsible Drinking Policy, setting out principles for responsible drinking and the practices to which we commit as a responsible brewer
- Environment Policy, setting out our standards for environmental management
- Supplier & Licensee Code of Conduct, outlining the minimum standards that our suppliers and licensees must observe in their day-to-day business

ORGANISATIONAL CHANGES

Due to challenging market conditions, Carlsberg Group unfortunately had to reduce its headcount by around 1,700 colleagues in 2015. This also impacted the UK business, and in November 2015, we commenced a transformation programme to create an agile organisation and deliver long-term profitability. The programme led to a headcount reduction of around 90 colleagues, between late 2015 and early 2016. We are aware that loss of employment can impact on a person's life, and we made every effort to manage the process with respect for the individual and in accordance with legislation.





Activating our priorities

Health & safety

As a responsible employer, we take the health and safety of our people very seriously. We understand that this must remain an ongoing priority, which is why we are always developing our long-term safety campaign, Everyone Goes Home Safe.

We pride ourselves on having a proactive approach to health and safety, and develop and embed stretching safety targets across the business to ensure that this remains a priority. As a part of this philosophy, in 2015 we continued to extend our training programme - creating new opportunities to share best practice, building awareness and encouraging a sense of personal responsibility. We know that we need every employee, whatever their role, to be aware of safety issues so they are able to minimise any risk to themselves and others.

Improvements in our safety record and external recognition of our efforts demonstrate that we are continuing to set the industry standard, but there is no sense of complacency. We retain our vision of zero accidents and in 2016, our communication and training will be enhanced towards achieving this ambition.

SAFETY IN NUMBERS

In 2015, we achieved a 7% decrease in total accidents, a 45% decrease in RIDDOR

(Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accidents and a 44% decrease in non-reportable lost-time accidents.

Continuing that positive picture, it's encouraging to see that our logistics sites in Alloa and Ipswich have reported zero lost-time accidents for the second year running. We've also seen a decrease in injuries caused by manual handling (25%), slips, trips and falls (7%) and crushings or trappings caused by moving or falling objects (76%). These were the three main causes of injury in 2014.

ACHIEVING ZERO ACCIDENTS

Huge strides have been made in operational health and safety at Carlsberg UK in recent years as we've worked to embed a robust safety culture, progressing towards our vision of zero accidents by 2020. Since 2010 (our baseline year) the number of lost time accidents has reduced year-on-year, from 120 in 2010 to 16 in 2015. Whilst this is a promising picture, we know that the final mile to reach our goal will be the most difficult and clear safety messaging, alongside bespoke targeted training, has an essential role to play in our ultimate success.

In 2015, as part of our commitment to continuous improvement, we developed a bespoke digital induction training programme that is an essential requirement for all new staff and contractors working across our logistics sites in the UK. The hour-long programme, which includes video, interactive activities and digital learning assessments, was also rolled out to all existing members of staff, with over 1000 operational staff completing the course. In 2016, the induction programme is being



repurposed for roll out to operational teams at our brewery and in field sales.

We have also progressed our use of data generated from our monitoring of health and safety, to understand what causes accidents at our sites, helping us to identify any specific trends. These trends highlight the importance of continually refreshing our priorities, and in 2015 we used this information to update our existing safety campaigns, risk assessments and training programme.

We brought our safety leaders from across the business together for our annual 'Time for Safety' events, and have also worked to add clarity to the expectations of our colleagues in relation to health and safety. This has been achieved by adapting our key performance indicator's (KPIs) scorecard and developing guidance documents that illustrate the measures against which colleagues are scored. For 2016, Carlsberg UK's headline KPIs will be aligned to those of the Carlsberg Group, to enhance clarity and consistency in communication on safety.

We were recognised once again at the 2015 RoSPA Awards for our health and safety performance. Our Customer Supply Chain achieved a Gold Award, while our Northampton Production operation achieved Silver.



SETTING THE STANDARD

To ensure that we have the necessary systems and processes in place to create the safest possible workplace for our people, we have been working to achieve certification in the industrial world's premiere occupational health and safety management system standard, OHSAS 18001.

Through taking proactive measures, and putting governance systems in place across the business to effectively target the prevention of accidents, in 2015 we achieved accreditation at our 11 secondary logistics sites, as well as recertification of our brewery. Certifiers Bureau Veritas specifically commented on our positive culture and our people's approach to health and safety.

At a global level, the Carlsberg Group is on track to complete certification throughout Western Europe during 2016.

Over the next few years, OHSAS 18001 will be redefined as an ISO standard but these latest results mean that we're in great shape to fulfill those new requirements when they come into force.



CASE STORY 

Our man in Malawi



In 2015, National Fleet Compliance Manager Phil Thompson accepted a three-month attachment to Carlsberg Malawi.

One of Phil's main priorities was to make the necessary investment in new vehicles, contract repairs, tyres and everything needed to bring the fleet up to a better standard and maintain it for the future.

Phil also introduced a number of processes including daily vehicle checks with procedures for reporting and fixing defects. In the UK, where running a fleet is highly regulated, a rigorous approach to fleet management is a legal requirement. Using this knowledge Phil was able to introduce frameworks and processes to which the team was highly receptive.

Driving safety is also a priority in Malawi, meaning that a lot of Phil's time was spent in ensuring drivers all meet or exceed Carlsberg requirements. Phil brought in Transaid, a UK based organisation that has been working to improve transport in neighbouring Zambia and Mozambique. They helped to raise awareness of driving issues from the ground up, particularly in relation to pedestrian fatalities.

Phil clearly enjoyed his Malawi experience and he takes great pleasure in seeing the impact of his work with reductions in the number of accidents. He commented: "I left Malawi feeling like the team has now got the ability to push forward with the changes meaning we've future-proofed the situation."



Activating our priorities

Community engagement

Ever since J.C. Jacobsen founded our company in 1847, doing business responsibly and engaging with societies in the markets in which we operate, has been a key principle for the organisation.

We believe that simply contributing to local communities by brewing and selling great beer and providing employment is not enough. Instead, we believe that corporations should use their influence to support local businesses and local community projects and organisations – a value which the Carlsberg business was built upon.

OUR HERITAGE

We have a long-standing tradition of community engagement with strong roots in our heritage. Carlsberg's founder, J.C. Jacobsen, and his son Carl were pioneers in sharing knowledge and supporting society. Today, their legacy lives on through the Carlsberg Foundation, which is still our largest shareholder. The Foundation funds basic research that, among other things, helps develop solutions to global challenges within the natural sciences, social sciences and humanities.

CONTRIBUTING TO NORTHAMPTONSHIRE

During 2015, we were delighted to act as the headline sponsor of the Carlsberg UK

Northamptonshire Food and Drink Awards for the sixth consecutive year. The awards showcase the best locally made produce, eateries and bars from across our home county, rewarding excellence in dining and drinking venues. We recognise that a successful food and drink sector is key to our long term health and sustainability as a business – so we are pleased to play a part in rewarding those responsible for making this the case.

Awards Director, Rachel Mallows, said: "2015 not only saw record numbers of entries and nominations and greater public engagement but also has ultimately resulted in giving a massive boost to the local food and drink sector – something of which Carlsberg UK should rightly be proud. Carlsberg UK showed great commitment by becoming headline sponsor of this once fledgling competition which, thanks in no small part to their continuing support, has grown to become the prestigious awards scheme it is now."

We've been proudly brewing beer in our home town of Northampton for over 40 years, so we were delighted to contribute to Northampton Museum and Art Gallery's brewing exhibition, named 'Whose Round is it Anyway?'. Carlsberg memorabilia from across the last five decades joined artefacts from other local breweries, past and present, some dating back as far as the 16th century.

In 2015, we also sponsored the Northampton Music Festival. Bands of all genres performed on six stages spread across numerous town centre venues for the three-day event, which is designed to celebrate



the town's rich music culture. Despite the inevitable rain, the event which is now in its eighth year, was more popular than ever, attracting a huge audience onto the streets and into local cafés and bars.

For the last two years we have sponsored, and entered, the Northampton in Bloom Awards and in 2015 achieved a coveted silver gilt award for the floral designs around the entrance to our brewery site.

THE TETLEY

Since production ended at the Tetley brewery site in Leeds we've worked closely with local authorities and other stakeholders to prepare the site for redevelopment and to repurpose our heritage headquarters as a thriving contemporary art space – The Tetley.

Towards the end of 2015 the site was sold to Vastint, the property division of the IKEA Group. Throughout the sale process, we remained committed to selecting a purchaser who respects the site's heritage, and will be

proactive in bringing forward a successful, high quality development, and we are fully confident that Vastint meets this criteria.

Under the sale agreement, The Tetley building will remain under Carlsberg UK's ownership. In 2015 this landmark development attracted around 120,000 visitors and just two years post-launch, it is fast becoming one of the city's most successful cultural destinations.

THE CHANCELLOR VISITS TINGLEY

In April 2015, our Tingley depot was identified as a key local employer and was visited by George Osborne, Chancellor of the Exchequer in support of local Conservative parliamentary candidate, Andrea Jenkyns. Residents and businesses gathered in the warehouse to hear Mr Osborne speak on key areas of the economy. Touring the site with Ms Jenkyns and Carlsberg UK Corporate Affairs Director Bruce Ray, the Chancellor found time to meet and chat to our employees and joined our draymen in unloading some kegs.





EMPLOYEE ENGAGEMENT

In the UK, raising funds for good causes has long been a passion for our employees, who are all entitled to a paid day to volunteer in their local communities, and up to £150 of matched charity fundraising.

In 2015, our people volunteered their time in a multitude of different ways. These ranged from skill-sharing at a local centre for the homeless, to renovating the garden of a Mencap care home.

Our colleagues also raised over £50,000 for good causes, including just under £25,000 for our charity partner, Prostate Cancer UK. Fundraising initiatives for Prostate Cancer UK included collecting loose change in up-cycled beer kegs, a Great Carlsberg Bake-off, sports days and the annual Movember challenge.

However, our people's fundraising didn't stop there. Marathons, cycle rides, dragon boat

racers and hair shave-offs were just some of the ways our people supported causes close to their hearts.

James Beeby, Director of Fundraising at Prostate Cancer UK said: "Carlsberg UK has been an amazing partner and we're hugely grateful for the company's generosity. Ignoring prostate cancer won't beat it but joining the fight will – and Carlsberg UK's staff have stepped up, putting on brilliant Men United events to help fund the research to beat this disease for good. Right now, one man in the UK dies every hour from prostate cancer, but with big hitters like Carlsberg UK backing us, we aim to halve deaths from prostate cancer within the decade."



CASE STORY

'Challenge 1847'

Carlsberg was founded in 1847. That date is permanently commemorated through our flagship beer and this year it has been further immortalised through a unique challenge supporting our charity partner, Prostate Cancer UK.

Designed and undertaken by the Carlsberg UK legal team, Challenge 1847 consisted of three stages, all combining to deliver a numerical target of 1847 and a fund-raising target of £1,847.

- STAGE 1: The seven team members completed a 1000km virtual cycle-ride from our Northampton brewery to the birthplace of the Carlsberg brand, Copenhagen, in under 24 hours.
- STAGE 2: The team undertook 800 minutes of voluntary work including collections at a local cricket ground, quizzes and a raffle.
- STAGE 3: A 47-mile Wolf Run, where the team ran, swam and climbed across natural terrain as a pack.

The final outcome was a donation in excess of £10,200 to Prostate Cancer UK - far beyond the initial £1,847 challenge target. Jeremy Brown, Head of Legal at Carlsberg UK said: "I'm incredibly proud of the team who, together with the generosity of colleagues, friends and family, have hopefully played a small part in the fight against prostate cancer and shown Carlsberg UK's commitment to charitable causes."



FOLLOW OUR JOURNEY AND JOIN THE CONVERSATION

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