

# SUSTAINABILITY REPORT 2016



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# Our business

## Where we are:

### Operating Offices:

Northampton  
Leeds

### Brewery:

Northampton

### Logistics & Warehousing National Distribution Centre:

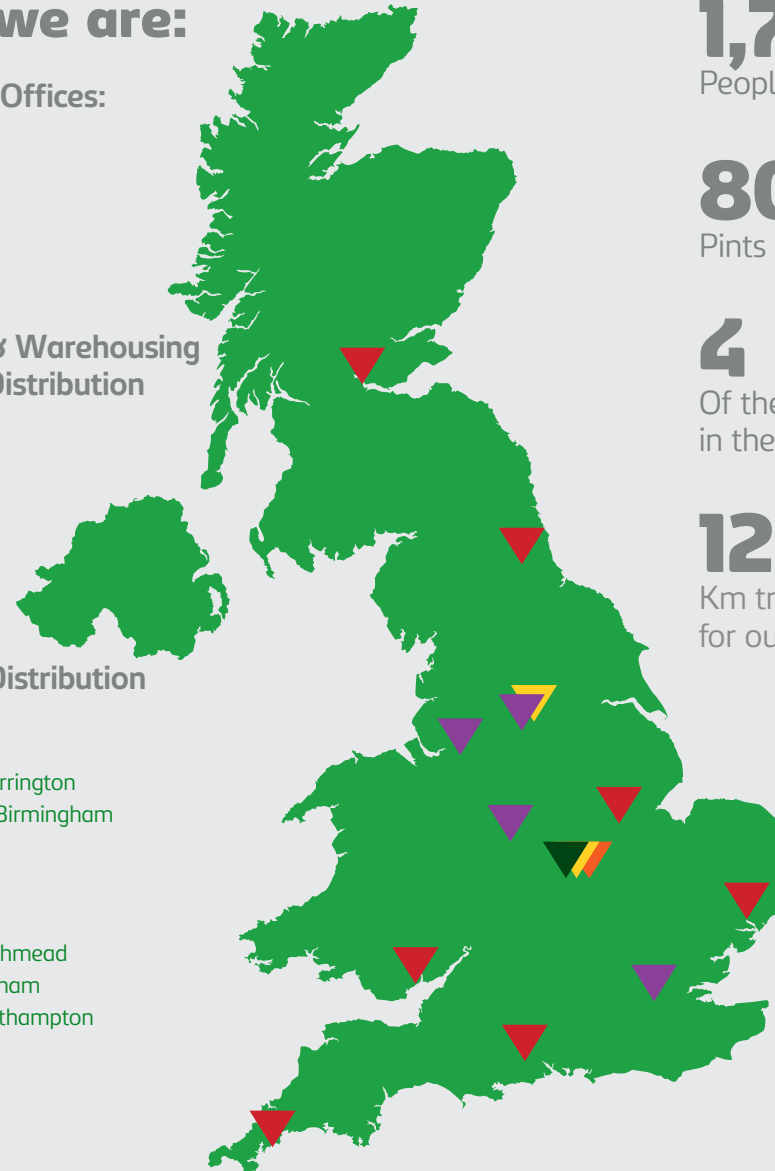
Northampton

### Regional Distribution Centres:

Tingley, Leeds  
Stonecross, Warrington  
Gravelly Park, Birmingham  
Croydon

### Depots:

Alloa      Nashmead  
Bourne      Durham  
Ipswich      Southampton  
Torquay



# 1,700

People employed in the UK

# 807m

Pints of beer brewed

# 4

Of the top 20 beers brands in the UK

# 12.5m

Km travelled in delivering for our customers

## CARLSBERG GROUP CEO FOREWORD

# Charting our course



**Our Dali brewery is putting clean, renewable energy technologies to work with the installation of over 8,000 solar panels.**

**Cees 't Hart, CEO, Carlsberg Group**

Sustainability is a subject close to my heart. It is also central to the Carlsberg Group's purpose "to brew for a better today and tomorrow". In 2016, we embedded sustainability in our new Group strategy, SAIL'22, as part of our aim to create a winning culture throughout our business.

In the year since SAIL'22 was launched, I have witnessed many examples of the pioneering spirit this company was built upon. Our founder, J.C. Jacobsen, was committed to improving brewing and society, giving us the foundation for our purpose. Today, we build on his legacy through our sustainability activities and contribute to a better tomorrow wherever our brands are brewed and sold.

This year, as global initiatives such as the Paris Climate Accord and the UN's 17 Sustainable

Development Goals gained traction, we were excited to initiate research-led relationships with expert organisations such as Business for Social Responsibility, the Carbon Trust and WWF. Together, we will hone our sustainability strategy and define new ambitious targets, to be announced later in the year.

Our materiality process highlighted the four priority areas with the greatest impact on our business and society. These are Energy & carbon, Water, Responsible drinking and Health & safety. I am pleased with the progress we have made against our 2016 targets in the first three areas. However, I cannot say the same about our health & safety performance.

I was deeply saddened to learn of the deaths of one Carlsberg employee and four employees at minority joint ventures and contractors in 2016. Our ultimate ambition is to achieve a culture of zero accidents and we are determined to pursue this goal with renewed vigour in the coming months and years.

Reflecting on the past year, I am especially proud of the Cradle-to-Cradle® certification of the Kronenbourg 1664 bottle and the solar power installation in Dali, China. We continued to promote responsible drinking, with targeted interventions at the heart of our approach. In connection with Global Beer Responsibility Day, I joined the Danish volunteer group Night Owls and was impressed by their dedication. We also launched a Groupwide training pro-gramme to initiate the cultural transformation needed to achieve SAIL'22.

We made investments in a range of sustainability programmes in 2016, and I look forward to seeing these come to fruition in 2017. They include developments in sustainable packaging and in technologies to reduce our use of water and increase our use of renewable energy. In the broader context, the Carlsberg Group continues to support the UN Global Compact and the implementation of its Ten Principles.

This report serves as our annual communication on progress and underlines our commitment to transparency.

The world promises to be quite a different place in 2022, the end year for our SAIL'22 strategy. Much can happen between now and then. However, I am confident that the course we have set puts us in a strong position to continue brewing probably the best beers in the world, and to make the Carlsberg Group an even more attractive company for shareholders, employees and society.

Cees 't Hart  
CEO, Carlsberg Group



STRATEGY

# Contributing to a better society

The Carlsberg Group has a new, restructured approach to sustainability. Underpinning our licence to brew and operate, we regard this as essential to the successful implementation of the Group's strategy.

**Our new approach**

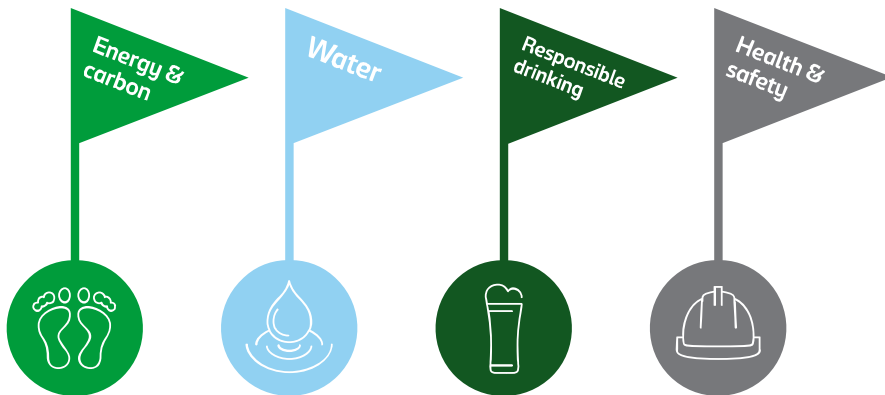
In 2016, we carried out a materiality assessment with Business for Social Responsibility (BSR) to identify the most important sustainability management topics, risks and impacts for our business. The four priority areas

that emerged as most crucial for our business and stakeholders are Energy & carbon, Water, Responsible drinking and Health & safety.

Focusing on these four priorities, we aim to bring about positive change in all the areas touched by our business:

- Contributing to the containment of climate change
- Ensuring people have access to water
- Promoting a healthy lifestyle
- Improving workplace safety

With the support and input of external partners, we are now developing specific targets for each priority to be launched in 2017.



## Foreword from our Carlsberg UK CEO

Here at Carlsberg UK, sustainability is a key priority, driving the way we develop our culture, our people and our business.

Our sustainability journey since 2010 has seen some significant improvements in all areas, from environmental impact to corporate responsibility. Perhaps most importantly, our people are fully engaged in our sustainability mission; there's a high level of awareness of what sustainability means to our organisation, why it's important and the part we can all play in achieving our goals.

In 2016, it's encouraging to see that in many areas we have continued to push forward,

reviewing the way we do things, investing in technology and resourcing new ideas that can help us to improve our sustainability performance. Our fleet has reported a 23% reduction in accidents, brewery emissions are down by 5.2% and our partnership with organisations like Drinkaware is yielding real results in education and awareness around alcohol misuse.

It's also important to note that in relation to the environment, even the smallest, incremental improvement can make a huge difference to our impact and so reductions in our bottle crown weights and fleet fuel savings of 1%, make a valuable contribution to our ongoing, positive progress.

However, this year, the news is far from being entirely positive. A serious safety incident at our Northampton brewery led to serious injury and tragically, to a loss of life. I will speak more about this later in the report (p.14), in the context of health and safety, but clearly, for the families of the individuals concerned, for our colleagues who were involved, and our team, the impact will continue to be felt for many years to come.

Looking ahead, we are inspired by Group ambitions set out in Sail'22 and look forward to seeing how new targets set to be announced this year will shape our sustainability plans for 2017 and over the coming years.

Julian Momen  
CEO, Carlsberg UK



# Energy & carbon

**7%**

Reduction in relative carbon emissions since 2010

We're harnessing innovation to sustain improvement



**5.2%**

Reduction in relative energy consumption from 2015 to 2016 at our Northampton brewery

Achieved in line with strategic choice to reduce production volumes and focus on value



**2**

Sites with 100% waste diverted from landfill

And a cross-company average of 99.5%



## ENERGY & CARBON

# Brewing with tomorrow in mind

Running a brewery that brews over 800m pints of beer every year is a huge operation, and we recognise that understanding, and continuously improving our energy efficiency in this area is key to achieving our overall sustainability targets.

### Brewing efficiency

In 2016, relative CO<sub>2</sub> emissions at our Northampton brewery fell by 5.2% compared to 2015, to 5.53kgCO<sub>2</sub>e/hl. This is extremely pleasing considering our strategic choice to reduce production output in line with our company strategy - to focus on value over volume - and the fact that our brewery is most efficient when operating at capacity. In absolute terms, emissions were down 22.5% to an all-time low of 25,297 tonnes of CO<sub>2</sub>e.

Across brewing and logistics, our total carbon emissions in 2016 decreased by 17.2% to 38,391 tonnes of CO<sub>2</sub>e. However, in relative terms, total emissions increased by 1.3%, largely due to the absolute fuel usage of our logistics operation remaining consistent with 2015, despite lower production volumes in 2016.

utility usage when our brewery is running at reduced production levels and a number of projects are currently being progressed. Changes to the way in which we organise and run refrigeration will enable more efficient handling of weekend loads; a new building management system will control ventilation in our packaging halls and we're rethinking our boiler layout, introducing new, more energy efficient units.

### Utilities

There are many examples of the ways in which Carlsberg UK continues to harness technology, innovation and the talents of internal and external stakeholders to continually enhance the efficiency of our operations.

### Waste

The Carlsberg Group's commitment to reducing waste is now firmly embedded in our culture and policy making. We remain extremely close to our target of 100% waste diverted from landfill. Overall in 2016, we achieved a result of 99.5%, with two sites, our Northampton brewery and Nashmead depot, celebrating 100% success. 9% of our production energy was derived from waste and we achieved a recycling rate of 70%, an improvement on 2015.

In line with Group plans, we are currently working towards achieving ISO 50001 Energy Management System certification by 2018, which will build on existing ISO 9001 and 14001 standards of quality and energy efficiency.

Tracking our energy usage has become increasingly critical as we deal with fluctuations in brand production volumes. In 2016 we improved our data analysis for closer monitoring of usage across all our key utilities. In this way we can effectively forecast our requirements, rapidly identifying and resolving any issues which might lead to wasted energy.

A key focus for 2017 is to reduce our weekend

### WHAT WE SAID

#### Energy efficiency

2-5% annual reduction in relative consumption for energy, water and CO<sub>2</sub> used in the brewing process

#### Sustainable logistics

80% of all secondary logistics drivers to have achieved a B rating or higher in drivnig efficien- cy performance

#### Carlsberg Circular Community

Onboard 4 new partners in CCC

#### Cradle-to-Cradle® Certification

Obtain 1 more Cradle-to-Cradle® product certification

### WHAT WE DID

2016

5.2% reduction in relative energy consumption at our brewery. 1.7% increase in water usage



Against more challenging performance parameters (aligned with the Carlsberg Group) we achieved 26% A/B, 37% C but our efforts resulted in relative fuel savings



1 new partner - BillerudKorsnäs - onboarded for Green Fiber Bottle development



Certification obtained for the Kronenbourg 1664 glass bottle



## Sustainable logistics

Our fleet's fuel usage represents more than 75% of total emissions in our logistics operation and, therefore, a significant proportion of Carlsberg UK's overall emissions. In recent years, our fleet has become one of the most efficient in the industry. During 2016, our 377 drivers travelled 12.5m Km – and did it using less fuel per km than ever before.

### Fuel efficiency

Our telematics system delivers accurate information on the performance of every driver which we can use to improve standards, reducing fuel consumption and associated emissions.

Telematics data translates into an A-G performance rating for every driver. In 2016, we set ourselves the challenging target of 80% of all secondary logistics drivers to achieve a B rating or higher in driver efficiency performance by the end of 2017. Shortly afterwards, we adopted new, challenging parameters in aligning our A-G systems with other markets within the Carlsberg Group to drive fuel-saving behaviours. We have placed stretch targets on each of our five key parameters (Overrun, Engine Idle, Harsh Braking, Overspeed and Green Band), and this is redefining our performance expectations.

### Aiming high delivers results

Ultimately, we missed our 80% A-B target for the fleet, but against the new, tougher

parameters, over 60% of our drivers achieved a very respectable rating of C or above (26% A-B and 37% C).

Most importantly, the revised parameters and stretching targets have yielded sustainability success. Our fleet delivered a fuel saving of 1% versus our 2015 performance, which equates to a saving of 40,694 litres of fuel and 109 tonnes of CO<sub>2</sub>.

In 2017 we will continue to be ambitious with our targets which we expect to have a further positive impact on the fuel consumption of our fleet.

## Developments in sustainable packaging

Packaging protects our products during transport, ensuring that they arrive with our customers in perfect condition. At the same time, both our business and the environment benefit when we keep packaging to a minimum. Our goal is to use packaging that delivers optimal product protection whilst using minimal resources and reducing our environmental impact.

### Circular mindset

The principles of the circular economy inform the Carlsberg Group's approach to sustainable packaging. We apply the 4Rs model – reduce, reuse, recycle, rethink – with the emphasis on rethink.

### The Green Fiber Bottle

Perhaps the best-known example of how we rethink our packaging is our breakthrough, bio-based, low-carbon, Green Fiber Bottle. Revealed in 2015, an early version of the bottle generated a high level of interest across the industry. As this innovation progresses through the development process, it continues to attract attention and spark discussion.

➤ **Read more about our Green Fiber Bottle**

[www.carlsberggroup.com/sustainability](http://www.carlsberggroup.com/sustainability)

### Packaging in the UK

In the UK, we have long been working to minimise the impact of all elements of our packaging. Mid-way through 2016, we reduced the material gauge on our bottle crowns to 0.18g, representing a reduction of 0.31g per crown.

During 2017 we are targeting further light-weighting of our cans and have introduced a new 200g bottle for Carlsberg and Carlsberg Export (330ml), which is lighter than the average for 330ml containers.



# Water

## 9

Cycles of re-use through reverse osmosis

Cleaning water for more efficient brewery refrigeration



## 4.9%

Reduction in relative water consumption since 2010

Safeguarding the UK's natural resources

## 2.91 hl/hl

Water consumption in 2016

Technology and innovation continuing to drive industry leading performance





**WATER**

# Tackling the water challenge

Water scarcity is a growing concern for many communities across the globe, which is why effective water stewardship is a key focus area for the Carlsberg Group. We are fortunate in the UK that water-scarcity isn't as significant as in many other countries, however, it is important that we continue to play our part and drive efficiency in this area.

## Reducing UK consumption

Our brewery's relative water usage showed a slight increase in 2016 at 2.91 hl/hl, compared to 2.86 hl/hl in 2015. As with many of our utilities, there are elements of usage which remain constant regardless of production levels and in absolute terms water consumption reduced from 1.60m hl to 1.33m hl.

Since 2010 we have reviewed all aspects of our water usage across production and implemented a number of projects, reducing our relative usage by 4.9% since 2010.

## Increasing water efficiency

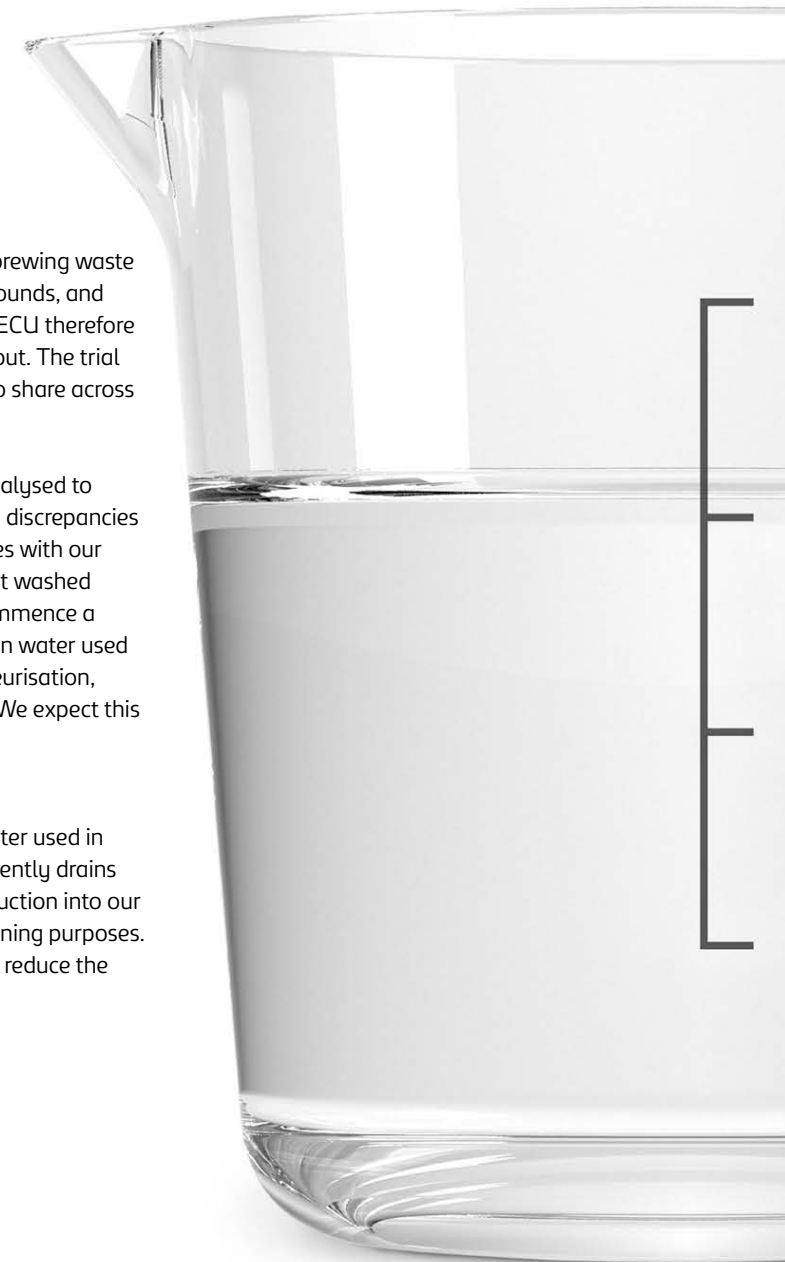
Introduced in 2015 our reverse osmosis plant continues to enhance the efficiency of our brewery. Evaporative condenser technology cleans water for general re-use for up to 9 cycles, compared with the 1-1.5 cycles untreated water can be used.

Testing ideas is important as we develop our brewing process. This year, we trialled an Electro Coagulation Unit (ECU) designed to clean waste water before it's discharged. The ECU process enables effluent in the water to be collected and filtered out and works well for waste water in other areas of food

manufacturing. Unfortunately, brewing waste contains different organic compounds, and our trial demonstrated that the ECU therefore does not effectively filter these out. The trial provided valuable information to share across the industry.

Every new Carlsberg bottle is analysed to check for contaminants and any discrepancies in shape, to prevent quality issues with our products. The bottles are then jet washed before filling. In 2017, we will commence a project to collect, filter and soften water used in this process for re-use in pasteurisation, rather than sending it to waste. We expect this project to save around 200,000 hectolitres of water per year.

Another 2017 project will see water used in centrifuging our beer, which currently drains into waste, redirected from production into our main water well for general cleaning purposes. We expect this project to further reduce the amount of water we require to run our operation.



# Responsible drinking



**9.4 million**

Visitors to the Drinkaware website

Helping people to make informed, healthier choices



**25 million**

People reached globally through our activities on Global Beer Responsibility Day

The UK played its part in the Carlsberg Group's success



**2**

Alcohol-free beers in our portfolio

Providing UK consumers with choice



**22%**

Reduction in harmful drinking since 2015

According to government statistics\*

\* ONS, 2014

## RESPONSIBLE DRINKING

# Our approach to responsible drinking

At Carlsberg UK and across the Carlsberg Group, we want to brew great beers that bring people together, but importantly, we want people to enjoy them as part of a balanced, healthy lifestyle.

### Management approach

Our Group strategy commits us to contributing to a better society (p.3). As part of this, we continually monitor and review the impact of our products on communities, and work together with our industry partners to proactively support consumers in making responsible choices.

In the UK, we have made excellent progress in recent years, with government statistics showing that since 2005, harmful drinking has fallen 22%\* and binge drinking by 14%. Whilst these statistics show that good progress is being made, we also recognise that alcohol misuse still exists and impacts society. We therefore know that there is no room for complacency and continue to take positive action in combatting alcohol misuse. We do this through promoting moderate consumption, marketing our products responsibly and by working together with

industry partners through education and on initiatives aimed at tackling alcohol-related harm.

## Promoting moderate consumption

### Industry collaboration

As a brewer, promoting the moderate consumption of alcohol, and tackling its misuse, is central to what we do. In order to have maximum impact, we work with government and industry partners to find common solutions to alcohol-related problems affecting the UK.



We work closely with the Portman Group, the responsibility body for drinks producers in the UK, which aims to promote responsible drinking, to help prevent alcohol misuse and to foster a balanced understanding of alcohol-

### WHAT WE SAID

#### Responsible packaging

100% of consumer facing primary packaging on alcoholic beverages produced by Carlsberg UK to carry responsible drinking symbols

#### Responsible marketing

All marketing materials to carry responsible drinking messages or the Drinkaware logo

#### Social media controls

Social media accounts for each of our beer brands to activate age-gating measure to prevent exposure to those under legal drinking age

#### Product information

Information on ingredients and nutritional values of Carlsberg branded products to be included on packaging or website

#### E-learning

100% marketing employees to be trained in Carlsberg Group's Marketing Communications Policy

#### Consumer choice

Alcohol-free products to be available as part of our beverage portfolio

### WHAT WE DID

2016

A symbol warning consumers of the danger of drinking while pregnancy is carried on all Carlsberg UK produced products



100% of our marketing materials carry a reference to drinking responsibly



Age-gating active where available on our beer brands' social media pages



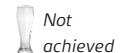
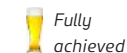
Progress made, with all Carlsberg and Carlsberg Export packaging produced in the UK carrying information



Postponed until 2017 in line with Compass process



Two alcohol-free beers available



\* ONS, 2014

related issues. As signatories of its Alcohol Marketing and Sponsorship Codes, we follow guidelines to ensure our beers are promoted in a socially responsible manner and only to those over the legal drinking age.

We also continue to fund The Drinkaware Trust - an independent charity aiming to reduce alcohol related harm by helping people make better choices about how they drink.

During 2016, Drinkaware ran a number of targeted initiatives, including the launch of a new campaign; 'Have a little less, feel a lot better'. The campaign aims to help men aged 45-64 make better choices about their drinking – as it was found that this age group regularly consumes above recommended levels. The campaign was a success, attracting over 130,000 visitors to a web portal, which provides visitors with personalised feedback and advice around their drinking habits.

Another success from 2016 was the expansion of the 'Drinkaware Crew' scheme, which is now live in 17 venues across England, Scotland and Wales. Here, specially trained staff work in bars and clubs to reduce drunken anti-social behaviour amongst 18-24 year olds with the aim of keeping them safe. Between November 2015 and July 2016, over 1,800 females and 800 males received either physical or emotional support, including 271 individuals that were assisted in getting home safely.

**Find out more**  
[www.portmangroup.org.uk](http://www.portmangroup.org.uk)  
[www.drinkaware.co.uk](http://www.drinkaware.co.uk)

**CASE STORY**

# Global Beer Responsibility Day



**September 2016 saw the second annual Global Beer Responsibility Day (GBRD), a worldwide collaboration between brewers, retailers, police authorities and NGOs. GBRD promotes responsible consumption of beer whilst addressing issues around alcohol misuse.**

In total, 17 markets within the Carlsberg Group participated in 2016, reaching just under 25 million people.

In the UK, we were proud to get involved by engaging our employees in a light-hearted video activity, designed to stimulate conversation on the topic of responsible



consumption. Employees were encouraged to enter an inflatable video booth and answer the question – “What do you enjoy on a night out?”

Food, friends, beer and selfies all featured in the resultant short film that was then shared on GBRD across internal channels,

and on Carlsberg UK digital and social channels.

In addition, materials from Drinkaware with advice on beer as part of a healthy lifestyle were distributed to participants.



### Alcohol-free alternatives

As drinking habits and tastes change, we're committed to offering greater choice to consumers, enabling them to manage their alcohol intake. As part of this commitment, our portfolio includes Carlsberg 0.0%, and San Miguel 0.0% - which both provide all the refreshment of a beer, without the alcohol. The popularity of the alcohol-free beer category is currently growing at 15% in the UK\* - and alcohol-free beer is a key focus area in the Carlsberg Group's Sail 22' strategy.

## Responsible marketing and consumer information

Our beer brands provide us with powerful and far-reaching channels through which we can directly engage with consumers. At Carlsberg UK and across the Carlsberg Group, we are committed to doing this in the right way - ensuring that we communicate the right messages and reach the right people.

### Policy revisions and updates

Our promotional campaigns and consumer information are guided by our Marketing Communication Policy, which sets consistent standards in the UK and across the Carlsberg Group and reflects our commitment to responsible marketing. This policy was updated in 2016 to reflect recent changes in industry standards. The revised guidance will be rolled out in 2017 with all marketing managers undertaking a specialist e-learning

programme which will support awareness and implementation of the policy across our organisation.

In 2016, marketing colleagues and external agencies completed online training modules in the Committee of Advertising Practice (CAP), and the Portman Group's Alcohol Marketing and Sponsorship codes - to further enhance knowledge and understanding of UK-specific standards.

### Consumer information

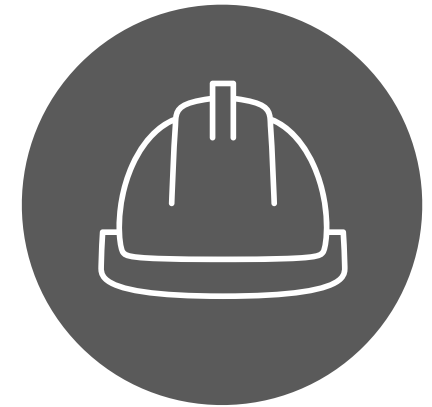
In 2016, we made good progress on our commitment to make ingredient and nutritional information widely available, both online and on the packaging of our beer products (>1.2%ABV).

Today, all packaging for Carlsberg and Carlsberg Export produced in the UK carries ingredient and nutritional information. Our goal is for 80% of our entire packaged beer volume (>1.2%ABV) to achieve this standard by the end of 2017 and we are on course to achieve this. All Carlsberg UK produced products also display the ABV, a responsible drinking symbol informing women of the risks of drinking during pregnancy, and the website address for Drinkaware.

Also by the end of 2017, ingredient and nutrition information will be made available either on pack or online for all Carlsberg beer brands (>1.2%ABV). As per EU regulations, information will be provided per 100ml, enabling consumers to make choices which are informed and appropriate.

\*Source: Nielsen ScanTrack PIB 2016 & CGA OPMS PIB 2016

# Health & safety



9

Logistics sites achieving their targeted safety scores

As we continue our ambition toward zero accidents



45%

Reduction in manual handling incidents

Demonstrating our commitment to safety training



23%

Reduction in fleet accidents

Showing solid progress



HEALTH & SAFETY

### Serious safety incident at Northampton brewery

I speak on behalf of everyone at Carlsberg UK when I say that we deeply regret the tragic incident that took place at our brewery on 9 November 2016.

A person working as a contractor on an engineering project on our site tragically

lost their life and a second person also working as a contractor on the project was seriously injured. Our thoughts remain with everyone affected by this incident, and particularly the family, friends and colleagues of the two people concerned.

The safety of our employees and all those employed to work on our sites is our number one priority and we continue to support the authorities in their investigation of the incident.

Julian Momen  
CEO, Carlsberg UK

# 2016 summary

We set ourselves a range of challenging targets relating to safety and accidents. These help us to maintain focus, reminding us of the importance of upholding safe behaviours within the rigorous protocols we have established

Across the business, we saw a 36% reduction in Lost Time Accidents (LTAs), a 33% reduction in Lost Time Days (322 in 2016 versus 480 in 2015) and a 44% reduction in non-LTAs.

Nine logistics sites achieved their targeted safety score for the year and, overall, logistics exceeded its 2016 improvement target for accident reduction.

There were significant reductions in accidents relating to manual handling (-45%), and crush/traps (-30%), reflecting the successful programme of specialist manual handling training delivered throughout 2015.

#### Hazard toolkit

In the spirit of an inclusive and positive safety culture and our continuing pursuit of zero accidents, online training around 'near misses' was rolled out across the business during 2016. Interactive sessions, conducted electronically or through facilitators, focussed on proactively identifying and reporting potential hazards. All staff taking part were required to complete a final review and assessment, and a poster campaign challenging every-day unsafe behaviour further reinforced the importance of personal responsibility.



### RoSPA recognition

In February we were awarded Gold at the Royal Society for the Prevention of Accidents (RoSPA) Awards, which are now in their 60th year and recognise excellence in safety performance.

### Logistics success

Tools such as Driver Risk Profile and Microlise A to G help to optimise both our environmental performance and our safety record, maintaining our focus with data outputs which each of our depots can review on a weekly basis. Since 2010, we've also worked hard to improve the efficiency of our accident management process, and this work is now delivering positive results.

2016 saw significant improvements in relation to the rate of accidents versus miles travelled across the UK, as we achieved a 23% reduction

in total collisions (432 compared to 563 in 2015). This equates to a rate of 5.64 collisions per 100,000 miles compared to 6.77 in 2015. By necessity, we work in a heavily regulated industry which governs all aspects of our logistics from the number of hours our drivers spend behind wheel to parking and unloading of our vehicles. Our fleet is recognised as one of the safest on the road and in 2016 our training team co-created another bespoke, driver CPC module which will be rolled out in 2017. The module focusses on transport legislation and will ensure our drivers are kept up to date with latest changes to European and UK regulations.

### Sharing successes

At the Carlsberg Group's Global 2016 EHS Conference in Serbia, Carlsberg UK's Safety, Health and Environment (SHE) team was recognised as the best performing SHE team in Western Europe and went on to win Best Performing Global Health and Safety Team.

### WHAT WE SAID

#### Leadership training

Run annual safety awareness events for safety leaders across the business to share best practice and reinforce expected behaviours

#### Developing culture

Continue to develop an accountable safety culture and zero accident mindset

#### E-learning

100% of employees with company cars to undertake an online training module on safe driving

### WHAT WE DID

2016

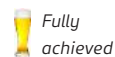
Our planned November event was re-scheduled due to the incident at our Northampton brewery



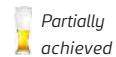
Training and communication were further developed, and accidents were reduced in a number of key areas



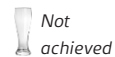
71% of company car users took online assessment training during 2016



Fully achieved



Partially achieved



Not achieved





# Responsible business

## New Code of Ethics & Conduct, presented by Cody the Elephant

In the new e-learning module, Cody faces challenging situations and participants help him to overcome them



## About this section

Here we provide an update on several topics that fall outside our four priority areas but were assigned high importance in our 2016 materiality assessment: Labour & human rights, Anti-bribery & corruption, Responsible sourcing and Product quality & safety.

It also covers Community engagement, which is of special interest since we began to develop a new, globally coordinated approach last year.

# £10,000

For Prostate Cancer UK

Raised by our people for Jeff's March

# PROSTATE CANCER UK



## Triple A

### Introduction of a new behavioural framework

Currently being rolled out to all employees and embedded in our leadership development and recruitment process



## RESPONSIBLE BUSINESS

### Fair responsible business

All Carlsberg companies work to the same Group guidelines governing a number of key operational areas. This ensures we achieve a consistent, global approach in relation to human rights, ethical behaviours, quality standards and suppliers.

#### Labour and human rights

We are committed to conducting our business in a fair, responsible way with integrity and full respect for the law. Our overarching labour and human rights (LHR) objective is to provide a safe, healthy working environment in which all our employees can achieve their potential.

In 2016, our LHR policy was reviewed for re-launch in 2017 and applies to all employees. The Carlsberg Speak Up helpline is just one of the ways any grievances can be reported and we work together, centrally and locally, to achieve resolutions.

#### Responsible sourcing

We see it as our responsibility to understand the sustainability issues within our supply chain and to ensure that the high standards we aspire to are mirrored and supported by our suppliers. Our supplier and licensee Code of Conduct communicates the standards we expect from our suppliers in relation to four key areas: labour and human rights, health

and safety, environment and business ethics.

#### Live By Our Compass

In 2016, we introduced Live By Our Compass as part of our SAIL '22 strategy. This reaffirms the Group's stance on business ethics and our understanding of integrity at personal, commercial and corporate level. We have a new code of Ethics and Conduct (the Code) which guides employees on ethical issues. This code is included in our new behaviour training programme which also covers anti-corruption, one of our key targets for 2017.

#### Product quality and safety

Our company is ultimately judged by the quality of the beers and other beverages we deliver. Supplying safe, high-quality products that our consumers like to drink is always therefore our top priority. In 2016 we updated our Quality & Food Safety Policy and through our supply chain work, we ensure that all our products meet their defined specifications.

➤ **Read more about our approach to Responsible Business**

[www.carlsberggroup.com/sustainability](http://www.carlsberggroup.com/sustainability)

### Community engagement

Engaging with the communities in which we operate is as important to Carlsberg today as it was when J.C. Jacobsen founded Carlsberg, 170 years ago.

For the Carlsberg Group, 2016 saw the beginning of a new approach to community engagement, aligning with our new corporate strategy and stakeholder expectations.

#### Working towards a better tomorrow

Whilst we continue to engage with local community activities, both in the UK and around the world, in 2016 a unified global platform for community engagement was created, driven by our purpose: "to brew for a better today and tomorrow". Globally, our contribution to a better tomorrow is to make brewing more sustainable and to fund science around the world to find better solutions to climate change and water scarcity.

#### Local initiatives in 2016

We remain committed to getting involved in local campaigns and initiatives, and supporting our people in their efforts on behalf of the causes close to their hearts. Here are just a selection of highlights from 2016.

#### Supporting our home county

For the seventh consecutive year, we were headline sponsor of the annual Carlsberg UK Northamptonshire Food and Drink Awards - celebrating excellence within the county's culinary and hospitality sector. Since the awards launched in 2008, it has received over 7,000 nominations for local businesses and provided 60,000 food and drinks samples across the county.



**CASE STORY**

## Jeff Stelling on the March



**Ten walking marathons in ten days – that was the challenge for TV personality Jeff Stelling and Hartlepool United chairman, Russ Green, in an epic fundraiser for Prostate Cancer UK.**

Carlsberg was official partner to Jeff’s March, which kicked off at Victoria Park, home of Hartlepool United FC, and ended 262 miles and 32 club stops later, at Wembley Stadium, the home of the England football team.

24 of our employees joined Jeff on his march between Northampton, home of our head office and brewery, and Milton Keynes. James Beeby, Director of Fundraising at Prostate Cancer UK said: "I want to say a huge 'cheers' to the team at Carlsberg. Walking 22 miles and raising £10,000 was phenomenal. It is with support like this that we can take the next steps to stop the disease from being a killer." Overall, Jeff’s March 2016 raised a total of £300,000 for the charity.

**Find out more**  
[prostatecanceruk.org/jeffsmarch](http://prostatecanceruk.org/jeffsmarch)



We also sponsored Northampton’s Best Bar None (BBN) scheme. BBN is national campaign that has the purpose of promoting responsible licensed venue management and raising standards in safety, training and operations across the late night economy. It’s a collaborative effort between Police, local authorities, the alcohol industry and licensed venues.

**Find out more**  
[www.northamptonshirefoodanddrink.co.uk](http://www.northamptonshirefoodanddrink.co.uk)

### Supporting the future of brewing

Three years ago, brewers at our Research Laboratory in Copenhagen discovered a bottle of the world’s first quality lager, which was brewed in 1883 and used the world’s first pure yeast, developed at the Carlsberg Laboratory. Three years on, and they had recreated the lager, cultivating the yeast and using 19th century brewing techniques to create a limited run of the 1883 beer, named ‘Re-brew’.

We made the UK’s limited allocation of Carlsberg Re-brew available for sale in November – with all proceeds to go to a nominated beneficiary. That beneficiary would be a selected Master’s student at the University of Nottingham’s International Centre for Brewing Science – covering their entire course fees, plus sending them to Copenhagen to tour the Research Laboratory for themselves.

The winner of the competition will be announced in 2017.

### The Tetley arts space

The Tetley contemporary art and learning space continued to thrive in 2016, welcoming a record 386,224 visitors through its door. Since production ended at the Tetley brewing site in Leeds, we’ve continued to work closely with local authorities and other stakeholders to repurpose the old headquarter building, and showcase the iconic brewery and brand’s heritage.

**Find out more**  
[www.thetetley.org](http://www.thetetley.org)



### Employee engagement

Every year, our employees demonstrate their passion for good causes in their local communities, giving their time to help out and raise vital funds. The company plays a supporting role through making available community volunteer days and £150 matched fundraising. This year, our people surpassed themselves - making a difference by taking part in activities ranging from mountain hiking to gardening, and mud running to decorating a local care home at Christmas.

**FOLLOW  
OUR  
SUSTAINABILITY  
STORY AND  
JOIN THE  
CONVERSATION**

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