



CARLSBERG MARSTON'S  
BREWING COMPANY

# SUSTAINABILITY REPORT 2021



# INTRODUCTION

Welcome to the Carlsberg Marston's Brewing Company (CMBC) Sustainability Report for 2021.

Hear from Carlsberg Group's CEO and CMBC's CEO on the key progress and achievements of 2021.

**Page 3**

Find out how our Together Towards ZERO programme supports our business strategy and responds to global challenges.

**Page 5**

Discover the progress we are making with our people and partners by working Together Towards ZERO to achieve our ambitions for:



**Page 6**

Review the data summary for our Together Towards Zero focus areas.

**Page 12**

## ABOUT THIS REPORT

As a responsible business, we are committed to transparent reporting. Each year, we publish a UK report (for CMBC now and previously as Carlsberg UK) which follows the release of Carlsberg Group's ESG Report.

This report describes our approach to and performance on our most material sustainability issues for the financial year 1 January to 31 December 2021. The brewery sites included in this report reflect the eight we owned and operated during 2021: Banks's Brewery, Carlsberg Northampton Brewery, Eagle Brewery, Jennings Brewery, London Fields Brewery, Marston's Brewery, Ringwood Brewery and Wychwood Brewery.

### TELL US WHAT YOU THINK

We welcome feedback on our Together Towards ZERO programme, our progress and our sustainability reporting.

Please contact us at [sustainability@carlsberg.com](mailto:sustainability@carlsberg.com)

# A MESSAGE FROM CARLSBERG GROUP'S CEO



**"We're convinced that our commitment to sustainability has bolstered our resilience through another very difficult year."**

Cees 't Hart,  
CEO, Carlsberg Group

**At Carlsberg, we are brewing for a better today and tomorrow. We believe that our business performance and ESG performance go hand in hand. One cannot thrive without the other. We must make sure we conduct our business in a way that is sustainable for the long term, as well as optimising financial returns in the short term.**

We're convinced that our commitment to sustainability has bolstered our resilience through another very difficult year.

Our robust financial performance also empowers us to take further bold action to counter accelerating global sustainability challenges.

COVID-19 is just one of the major crises the world faces. The extreme weather experienced in many regions in 2021 underlines the need for urgent action to tackle the climate emergency. The science is clear: we are at a pivotal moment and the next ten years will be crucial to protect the future of our planet.

No one can tackle this global challenge alone – we need

businesses, governments and society to come together for a better tomorrow. Carlsberg was among the first ten companies – and the first brewer – to set science-based targets that align with the goal to limit global warming to 1.5°C, and I am delighted to see more and more companies joining the movement.

Ahead of COP26, I joined other CEOs in a call for policymakers to supercharge momentum towards net-zero economies with bold commitments, policies and actions. I welcome the commitments made in the Glasgow Climate Pact to keep the 1.5°C goal alive.

Consumers also have a critical role in a low-carbon future and it is encouraging that more people want to buy from brands with strong sustainability credentials. We are harnessing the power of our brands to encourage people to adopt more sustainable behaviours through the Planet Pledge and local campaigns to inspire consumers.

ZERO carbon footprint is one of four ambitions in the Together Towards ZERO sustainability programme that underpins our

SAIL'22 company strategy, and we are working hard to do our part by cutting emissions from our breweries and our value chain. We have achieved a lot over the past six years. Brewery carbon emissions per hectolitre of beer are down by 40% since 2015, and we are making good progress in reducing beer-in-hand emissions.

We have also made great strides on ZERO water waste with a 21% reduction in water use per hectolitre of beer, and on ZERO irresponsible drinking with a further 114% growth in AFB volumes since 2015.

However, these successes are tempered by a setback in our previously good progress on creating a ZERO accidents culture. This year, we endured an unacceptable rise in lost-time accidents and the terrible loss of two contractors' lives. We are making every effort to prevent further tragedies with a renewed campaign to enforce our Life Saving Rules and stamp out unsafe behaviours.

We remain steadfastly committed to upholding the principles of the UN Global Compact, and we have

increased our focus on topics such as diversity, inclusion and ethical conduct with employees over the past year. To me, how we do things is just as important as the results we deliver. At the end of the day, it is about treating people with respect. And respect goes hand in hand with employee engagement, which remained strong this year, despite the challenges of the pandemic.

Employees will help us drive progress on sustainability from within, and it was a pleasure to include 138 colleagues as co-strategists in the development of SAIL'27 and our updated Together Towards ZERO programme.

The world around us is changing, and we will ensure that we change with it and stay relevant to our consumers and society at large. Our new strategy will drive business growth in the coming years and remain as ambitious as ever as we work towards, and even beyond, ZERO.

Cees 't Hart,  
CEO, Carlsberg Group

**TOGETHER  
TOWARDS  
ZERO** 

# A MESSAGE FROM OUR CEO



**“The ambitious actions ahead will require the engagement of our talented people and our valued partners, from customers to suppliers and others across our value chain.”**

Paul Davies,  
CEO, CMBC

**2021 was a challenging year given the continued impact of the COVID-19 pandemic. All aspects of society were impacted, and our business and industry were no different, as we are reliant on a vibrant on-trade operating across the UK.**

Our focus throughout this period was to work with partners including the British Beer and Pub Association to help establish a regulatory environment which supports brewing and pubs, which remain essential for the economy, jobs, communities, and the Government’s strategy for a net zero future.

This was our first full year as a new company – Carlsberg Marston’s Brewing Company (CMBC), formed through a joint venture between two of the UK’s most historic brewers, Carlsberg UK and Marston’s Beer Company.

During 2021 as CMBC, we brought together eight breweries, an in-house logistics network, thousands of employees, and a leading beer, cider and drinks

portfolio. We are excited by the progress we have made to date and the business we are building, guided by our purpose of *Brewing for a Better Today and Tomorrow*.

Our primary focus as a business is the health and safety of our people and those we work with. This is particularly important when integrating two businesses, in order to establish an aligned culture with health and safety at the forefront. We know there is work to be done to improve health and safety for our employees.

We remain committed to executing the strategy and targets set out in the Carlsberg Group’s sustainability programme – Together Towards ZERO. The ambitious actions ahead will require the engagement of our talented people and our valued partners, from customers to suppliers and others across our value chain.

In 2021, our Carlsberg brand partnered with WWF to restore seagrass along the UK coastline and raise climate awareness through a high-profile consumer

campaign. Our partnership has been extended for a further two years and we are excited about the collective impact we can make.

Our 2021 report marks a clear moment to be transparent and set out what the first full year as CMBC has shown us. As we integrate the two businesses there will be ongoing challenges. Our priority will be driving towards ZERO carbon footprint, ZERO water waste, ZERO irresponsible drinking and a ZERO accidents culture.

We have made progress at our Northampton Brewery since 2015 with absolute emissions reduced by 21% and improvements in water efficiency by 6.8%. However, as expected our larger CMBC brewery network is not as efficient collectively and our total water and energy use is higher. Aligning our systems and plans will help give our breweries the resources needed to drive towards ZERO.

Our strong CMBC portfolio brings more brilliant alcohol-free brews, providing our customers

with positive choices. With more brands we can expand our reach through product messaging and campaigns, helping to ensure all our products are enjoyed responsibly.

As we continue our sustainability journey in 2022, we have published this short summary of our progress and actions. During this period of stabilising our position as a new business alongside the pandemic, I am very proud of everybody’s work and what has been achieved.

I look forward to more progress as we push towards ZERO as Carlsberg Marston’s Brewing Company.

Paul Davies,  
CEO, CMBC

**TOGETHER  
TOWARDS  
ZERO**



# INTRODUCING TOGETHER TOWARDS ZERO

**We face the global challenges of climate change, resource scarcity and public health. This requires urgent action at scale. Business has an important role – transforming value chains and collaborating across industries and geographies to create and implement solutions.**

Together Towards ZERO is our response. A global sustainability programme across the Carlsberg Group, targeting ZERO carbon footprint, ZERO water waste, ZERO irresponsible drinking and a ZERO accidents culture.

For 2021, we established our new total CMBC data with the combination of the two businesses. We continued our improvement plans as we integrate systems and develop our governance together. Below shows our progress since 2015 for Carlsberg UK sites only; see the rest of the report for our total CMBC data.

Purpose	<b>BREWING FOR A BETTER TODAY &amp; TOMORROW</b>			
SAIL'22 priorities	<b>STRENGTHEN THE CORE</b>	<b>POSITION FOR GROWTH</b>	<b>CREATE A WINNING CULTURE</b>	<b>DELIVER VALUE FOR SHAREHOLDERS</b>
Sustainability strategy	<b>TOGETHER TOWARDS ZERO</b>			
Sustainability priorities	<b>ZERO CARBON FOOTPRINT</b>	<b>ZERO WATER WASTE</b>	<b>ZERO IRRESPONSIBLE DRINKING</b>	<b>ZERO ACCIDENTS CULTURE</b>
2030 targets	<b>ZERO carbon emissions at our breweries</b> 30% reduction in beer-in-hand carbon footprint	<b>50% reduction in water usage at our breweries</b> Partner to safeguard shared water resources in all high-risk areas	<b>100% of our markets improve on responsible drinking year on year</b>	<b>ZERO lost-time accidents</b>
Progress in 2021	21% reduction since 2015 16% reduction from 2015 to 2019 <sup>1</sup>	24% reduction since 2015 UK not a high-risk area	100% availability of AFB to all customers Continued partnership with The Drinkaware Trust	4 lost-time accidents among employees in 2021 84% reduction since 2015
2022 targets	50% reduction in carbon emissions at our breweries 100% electricity from renewable sources at our breweries ZERO coal at our breweries 15% reduction in beer-in-hand carbon footprint 100% low-climate-impact cooling	25% reduction in water usage at our breweries Explore going below 2.0 hl/hl at all high-risk breweries Partner to safeguard shared water resources in high-risk areas	100% availability of alcohol-free brews (AFB) 100% responsible drinking messaging through packaging and brand activations 100% of our markets run partnerships to support responsible consumption	Reduction in accident rate year on year
Foundation	<b>RESPONSIBLE BUSINESS</b> Living by our Compass · Embracing diversity & inclusion · Developing & engaging our people · Ensuring product quality, safety & human rights standards			



# ZERO CARBON FOOTPRINT

**Our brewery emissions include our Scope 1 direct emissions and Scope 2 indirect emissions. They exclude in-house logistics and distribution operations, which are included in our beer-in-hand target. By 2030, we aim to eliminate carbon emissions from all our breweries and malting sites.**

### NORTHAMPTON BREWERY

In 2021 we saw absolute emissions at our Northampton Brewery reduce by 7% compared with 2020 and relative emissions were down 10.3%. These reductions were achieved with volumes higher than in 2019 or 2020, showing we have cut overall emissions whilst improving efficiency. We have achieved a 21% reduction in total emissions since 2015, a significant effort. A major project contributing to this in 2021 was the installation of two new high pressure hot water boilers that provide an annual saving of 1.4 ktCO<sub>2</sub>. In 2022, one key focus will be on reducing electrical consumption by improving the control of our refrigeration plant. This should deliver a 365,725 KWh saving per annum equal to the electricity used by 126 average UK households in a year.

### CMBC BREWERIES

CMBC total emissions for 2021 were 25.41 ktCO<sub>2</sub>, this is a result of adding six breweries on top of the Northampton Brewery. This larger network represents an additional 49% of the volumes that were produced as

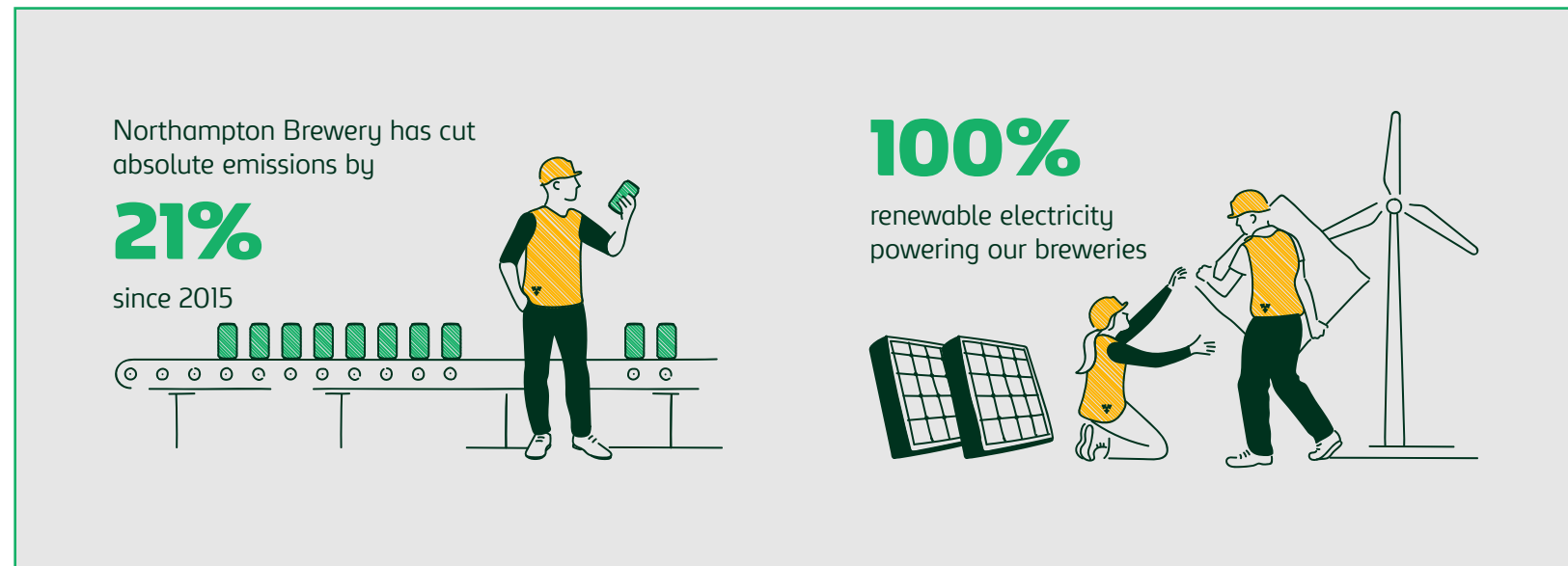
Carlsberg UK in 2020. Relative emissions across our brewery network averaged 4.21 kgCO<sub>2</sub>/hl. Whilst this is higher than the 3.15 kgCO<sub>2</sub>/hl achieved at Northampton, this site was the largest in the network by volume in 2021 and we would expect strong efficiencies from it. Our other breweries are producing different products such as cask ales which were impacted most by the lower production due to the COVID-19 pandemic. All breweries are continually tasked with improving their evaporation rates and focusing on their steam consumption in the brewhouse as that is the most intensive area of energy consumption. Marston's Brewery in Burton,

our second largest brewery by volume in 2021, started a project to use a Combined Heat and Power (CHP) system to generate electricity locally, ensuring that any heat generated in the process is then used to generate steam and hot water to further reduce the load on the boilers. By April 2022 CHP will be fully operational at Marston's Brewery.

### BEER-IN-HAND FOOTPRINT

Our beer-in-hand targets include Scope 1, 2 and 3 emissions from: growing and malting raw materials; brewing, packaging, distributing and chilling our products; and handling used packaging. Our beer-

in-hand footprint, measured every four years, improved by 16% from 2015-19 for Carlsberg UK. This partly reflects the decarbonisation of the UK electricity grid mix, alongside changes in our packaging use. We will provide CMBC data for this in our 2022 report, published next year. We will continue to partner with suppliers to identify opportunities to improve our beer-in-hand footprint towards our target of a 30% reduction by 2030.





**We work to reduce the amount of water used to produce every hectolitre (hundred litres or hl) of our beer and beverages. Our target across Carlsberg Group is to reduce this by 50% by 2030.**

**NORTHAMPTON BREWERY**

Water is a precious resource and is essential to our production process. In 2021, we achieved a 6.8% improvement in water efficiency at our Northampton Brewery compared with 2015. However, we did see a decrease in efficiency by almost 4% when compared with 2020 – this provides clarity to refocus on an area where we have historically performed well.

This change in efficiency is mainly due to 2020 seeing a move of volume to a smaller set of products in small packs (rather than kegs) meaning longer production runs – resulting in our lowest water ratio ever. Then 2021 saw the return of some keg volumes and a more complex mixture of products which require more change overs in the production – resulting in a higher water ratio. Our 2021 efficiency of 2.88 hl of water per hl of beer is still significantly better than the industry average of 3.7 hl/hl [according to the BBPA](#). In 2022, one of our projects will help with water recovery from keg rinses – saving 196,000 hl water per annum.


**CMBC BREWERIES**

CMBC total water use for 2021, covering eight breweries, was 22.01 million hl and relative water use was 3.65 hl/hl. This is slightly better than the industry average. The water efficiency of our brewery network overall is not as strong as at our Northampton Brewery where the largest production volumes were in 2021. Our other breweries had periods of low and no production volumes in 2021 which impacts water efficiency. Across all our former Marston’s breweries there has been a focus on optimising Cleaning in Place (CIP) systems which are designed to automate cleaning processes to efficiently disinfect processing equipment. 2022 will see a continuation of CIP projects and water recovery investigations to understand new water reuse opportunities.

CMBC breweries water efficiency is

# 3.65 hl


of water to a hl of beer



Northampton Brewery has seen

# 6.8%

improvement in water efficiency since 2015





# ZERO IRRESPONSIBLE DRINKING

**Our beers, ales and ciders bring people together, and we want them to be enjoyed responsibly. We focus on enabling responsible choices, providing information to consumers, and encouraging responsible consumption.**

### POSITIVE PRODUCT CHOICES

Increasing the availability, accessibility, and appeal of alcohol-free options is very important. Our portfolio now includes more options such as Erdinger Alkoholfrei wheat beer, Shipyard Low Tide ale and Warsteiner 0.0% lager. During 2021 we were able to offer all CMBC customers access to our alcohol-free options which also includes Brooklyn Special Effects and San Miguel 0,0. Towards the end of 2021 we launched a new product, Erdinger Alkoholfrei Grapefruit. We continue to review our portfolio and to look at new products within this important area to provide positive choices.

All CMBC's packaging displays responsible drinking messaging. We also aim for this messaging to be included in all marketing activations and as of March 2021 all CMBC brands hit this criterion. For some Marston's brands we do not include nutritional and energy information as the product lines are also used for export markets where requirements vary.

### CAMPAIGNS AND BRAND ACTIVITY

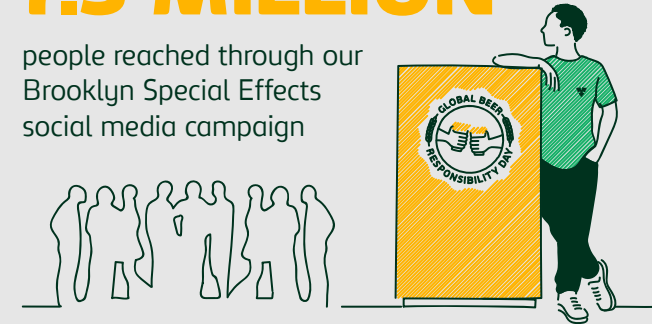
Through our partnership with The Drinkaware Trust we support a range of activities. As a result of their campaigns, they attracted 5.76 million visitors to their website in 2021. They also had over 22,000 people downloading their new app which helps monitor and reduce alcohol harm.

During Dry January 2021, our Brooklyn Special Effects social media campaign helped challenge the negative perception of low alcohol beer in the UK and reached 7.3 million people. Partnerships with customers have been essential to reach consumers including in store activations and features in Tesco's magazine for San Miguel 0,0 and Brooklyn Special Effects. Exciting brand partnerships help to raise awareness about these products. Erdinger Alkoholfrei sponsors UK marathons and San Miguel 0,0 has partnerships with Wilderness Festival and Somerset House. This sits alongside our product campaigns where we now show San Miguel 0,0 in the end frame of the TV adverts to showcase this as a positive choice.

During 2022 our brand activity for these products will continue including the ongoing roll out of Brooklyn Special Effects on draught for our on-trade customers and towards the end of 2022 an Erdinger Alkoholfrei campaign will launch.

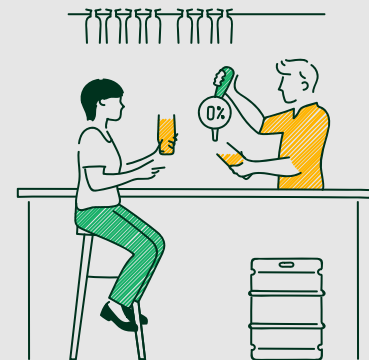
# 7.3 MILLION

people reached through our Brooklyn Special Effects social media campaign



# 100%

of CMBC customers have access to our alcohol-free options







# ZERO ACCIDENTS CULTURE

**Health and safety is vital to our business and the protection of our employees. We define workplace accidents as incidents that result in an injured or ill person being medically considered unable to work for at least a day, starting the day after the incident and ending the day before they return to work, and including time away from work for rest, recovery or treatment. We report total accidents for employees and contractors. We are aiming for ZERO lost-time accidents by 2030.**

## NORTHAMPTON BREWERY

For former Carlsberg UK sites lost-time accidents (LTAs) went up from 2 to 4 in 2021. Even with the mature Health & Safety (H&S) management systems in place, we experienced an increase in lost-time accidents in 2021. Thorough investigations identified opportunities for minor corrective actions and we will continue to monitor the effectiveness of our **Life Saving Rules**. Identifying safety risks and unsafe behaviours is essential to our approach – during 2021 employees made 6,723 observations and 2,065 safety walks were conducted by our leaders. We were able to achieve zero accidents from June until the end of the year and will keep pursuing this aim.

## ALL CMBC SITES

Across all CMBC sites our total LTAs were 55 (lost-time accident rate 50.4\*). Most of the accidents occurred in logistics (78%). This area expanded as we brought all our retail customer services back in house with further pressure caused by the HGV driver shortages.

We have worked hard this year in raising the profile of H&S in our logistics community. In 2022 the focus will be on reducing the number of LTAs, identifying training programs, and bridging the gap in H&S management systems across the business, all supported by the Leadership Team.

Managing COVID-19 presented not only the need to protect our employees and their family. It also introduced a range of related challenges in establishing appropriate physical controls and managing the emotional impacts of the pandemic. We successfully supported employees to work from home where possible, and for our production colleagues, we improved safety controls in the breweries, focusing on social distancing, hygiene, PPE provisions and testing. This was supported through regular communication and information to everyone in the business while managing the various changes in Government requirements. Thanks to the cooperation

and care of our colleagues for one another, we've maintained a safe workplace throughout the pandemic.

*\* Lost-time accident rate (LTAR) is calculated as the number of lost-time accidents multiplied by 1,000 and divided by the number of full-time employees.*



# TOGETHER TOWARDS ZERO IN ACTION: CARLSBERG'S WWF PARTNERSHIP

Seagrass is no ordinary plant. It is a natural superhero with the power to absorb carbon up to 35 times faster than a rainforest and provide habitats that enable ocean wildlife to thrive. But this “underwater Amazon” is under threat. In the UK alone, more than 90% of seagrass meadows have been lost.

Our Carlsberg brand partnered with WWF in the UK to restore this precious resource and raise climate awareness through a high-profile consumer campaign.

Carlsberg also made it easy for consumers to do their bit to protect the planet simply through their choice of beer, by donating 50p to WWF from every special edition pack of Carlsberg Danish Pilsner and Carlsberg Expørt sold to support the seagrass restoration project.

WWF used this funding to start scoping work, including identifying areas along the UK coastline that would be most suitable to grow

seagrass, with an ambition to plant seeds that will grow into 30,000 m<sup>2</sup> of seagrass meadows by 2024.

The consumer campaign led with a TV ad featuring a seal that takes viewers under the waves to the seagrass meadows below. A second ad starring a turtle focuses on our Snap Pack, an innovative solution to hold multipacks of cans together without plastic rings. This year, we are supporting the restoration of 100,000 m<sup>2</sup> of seagrass meadows in North Wales.

**TOGETHER  
TOWARDS**   
**ZERO**





## TOGETHER TOWARDS ZERO IN ACTION: LOW CARBON GLASS BOTTLES

We partnered with our glass supplier Encirc on a groundbreaking trial to produce a beer bottle which cut emissions by up to 90%, without compromising on quality.

The new bottle was made from 100% recycled glass, using 100% renewable melting energy from biofuels. Encirc produced a million of these bottles for our Carlsberg Danish Pilsner brand in the UK – the latest in a series of the brand's innovations to reduce the footprint of our products.





**"This is a truly momentous occasion for glass. We have set the standard globally with this trial and now the glass industry needs to work towards realising what we've proved is possible. We now know that glass can be the most sustainable of all packaging types and must all work together to ensure that happens."**

Adrian Curry  
Managing Director, Encirc

TOGETHER  
TOWARDS  
ZERO







# CARLSBERG UK: TOGETHER TOWARDS ZERO DATA SUMMARY

TARGET	BY 2030*	BY 2022*	2021	2020	2019	2018	2017	2016	2015	
 <b>ZERO CARBON FOOTPRINT</b>	Reduction in beer-in-hand carbon footprint compared to 2015	30%	15%	16% reduction 2015-2019						
	Total CO <sub>2</sub> emissions from brewery (kt CO <sub>2</sub> )	0	-	13.2	14.2	13.9	14.5	19.6	15.6	16.7
	Relative CO <sub>2</sub> from brewery (kgCO <sub>2</sub> /hl)	0	-	3.15	3.51	3.41	3.35	4.42	3.3	2.98
	Low-climate-impact cooling	-	100%	100%	100%	-	-	-	-	-
	Electricity from renewable sources	-	100%	100%	100%	-	-	-	-	-
 <b>ZERO WATER WASTE</b>	Total water use (million hl)	-	-	12.04	11.17	11.97	12.42	12.42	14.57	15.92
	Relative water use (hl/hl)	-	-	2.88	2.77	2.95	2.87	2.80	3.09	2.85
 <b>ZERO IRRESPONSIBLE DRINKING</b>	Availability of alcohol-free brews (AFB)	-	100%	100%						
	Responsible drinking messaging through packaging and brand activations	-	100%	100%						
	Run partnerships to support responsible consumption	-	-	Partnership with The Drinkaware Trust						
 <b>ZERO ACCIDENTS CULTURE</b>	Lost-time accidents	0	0	4	2	3	3	9	16	25
	Lost-time accidents rate	0	0	3.86	8	13	14	8	14	21

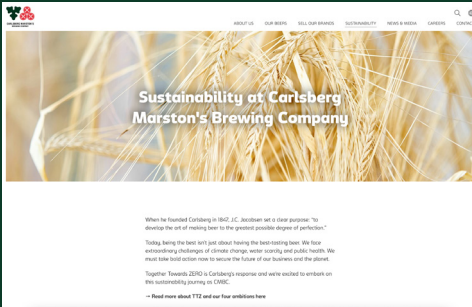
\*For 2030 and 2022 we contribute to Carlsberg Group TTZ targets (see page 5)

# CMBC: TOGETHER TOWARDS ZERO DATA SUMMARY

	TARGET	BY 2030*	BY 2022*	2021
 <b>ZERO CARBON FOOTPRINT</b>	Reduction in beer-in-hand carbon footprint compared to 2015	30%	15%	New baseline ready for 2022 data
	Total CO <sub>2</sub> emissions from brewery (kt CO <sub>2</sub> )	0	-	25.41
	Relative CO <sub>2</sub> from brewery (kgCO <sub>2</sub> /hl)	0	-	4.21
	Low-climate-impact cooling	-	100%	100%
	Electricity from renewable sources	-	100%	100%
 <b>ZERO WATER WASTE</b>	Total water use (million hl)	-	-	22.01
	Relative water use (hl/hl)	-	-	3.65
 <b>ZERO IRRESPONSIBLE DRINKING</b>	Availability of alcohol-free brews (AFB)	-	100%	100%
	Responsible drinking messaging through packaging and brand activations	-	100%	100%
	Run partnerships to support responsible consumption	-	-	Partnership with The Drinkaware Trust
 <b>ZERO ACCIDENTS CULTURE</b>	Lost-time accidents	0	0	55
	Lost-time accidents rate	0	0	50.4

\*For 2030 and 2022 we contribute to Carlsberg Group TTZ targets (see page 5)

# FIND OUT MORE



## CMBC WEBSITE

Visit the CMBC website for more on our approach and progress on sustainability



## CARLSBERG GROUP ESG REPORT

Download Carlsberg Group's ESG Report for further details on our Together Towards Zero programme and progress

## SOCIAL MEDIA

Follow CMBC on Twitter and LinkedIn for regular updates on our work towards ZERO



[linkedin.com/company/cmbcuk](https://www.linkedin.com/company/cmbcuk)



[@cmbcuk](https://twitter.com/cmbcuk)

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