

CARLSBERG GROUP

**CSR Report
2013**



Contents

3	The Carlsberg Group at a glance
4	CEO foreword
5	About this report
7	Economic value generated
9	Environment
18	Responsible sourcing
21	Responsible drinking
25	Health & safety
29	Business ethics
32	Labour and human rights
35	Community engagement
39	Section 1: Data summary table
43	Section 2: Independent assurance report
44	Section 3: Global Reporting Initiative table
50	Section 4: Reporting process and scope
52	Section 5: Definitions: environment and health & safety
53	Section 6: Tax assurance principles
55	Section 7: List of reporting sites

Version 1.0

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CARLSBERG GROUP

At a glance

No. 4

4th largest global brewer.

9.8

DKKbn operating profit.

78%

Somersby brand growth.

40,435

Employees in 2013.

12%

Carlsberg brand volume growth
in premium markets in Asia.

CEO FOREWORD



JØRGEN BUHL
RASMUSSEN
President & CEO

At Carlsberg we are determined to deliver on our growth strategy and ambitious commercial agenda.

We know that our success depends on a healthy environment and a society where beer is accepted and cherished by all stakeholders. We are therefore striving to reduce our negative impact and develop innovative solutions to enhance our positive contribution to the environment and society upon which we depend for our future growth.

When J.C. Jacobsen founded Carlsberg in 1847, he was clear that the brewery should contribute to the economic and social development of society. Building on this heritage, corporate social responsibility (CSR) continues to be integrated in the way we do business at both global and local level. At Carlsberg we strive to make CSR a living, vibrant part of our values and performance culture. I recognise the value of top management ownership and therefore remain personally committed to keeping CSR high on the short- and long-term agendas of the Executive Committee.

DELIVERING ON OUR TARGETS

In 2013, we came to the end of our current three-year target period. I am proud that we have succeeded in our focused efforts to reduce energy consumption and cut CO₂ emis-

sions at our production sites. Furthermore, we have partnered with key packaging suppliers and set targets to reduce the environmental impact of our packaging.

We have updated our Responsible Drinking Policy and corresponding guidelines reflecting our commitment to promote and support responsible consumption. Responsible drinking will remain one of our key focus areas going forward.

As part of the global Commitments to reduce harmful drinking (commitments.global-actions.org/default.aspx), we have collaborated with our global peers to define a joint list of key performance indicators in order to track and report both the progress we make and the challenges we face in our efforts to reduce harmful consumption and ensure that the enjoyment of beer is part of a healthy, active lifestyle.

The starting point for this journey is a high level of compliance with our responsible marketing codes (the Marketing Communication Policy). Our 2013 results show that there is room for improvement on awareness and compliance levels. In response, we have strengthened the training schemes and made the CEOs in all our local markets directly responsible for compliance with the policy and guidelines.

FOCUS ON BUSINESS INTEGRATION AND OPPORTUNITIES

Going forward, we recognise that improving environmental efficiency in our breweries, delivering sustainable packaging solutions and promoting responsible drinking will be important drivers for securing our licence to operate and creating future growth and value.



We strive to make our social and environmental responsibilities a living, vibrant part of our company values and performance.

JØRGEN BUHL RASMUSSEN
President & CEO

Our new three-year targets (2014-2016) reflect our ambition to continue integrating CSR into the value chain and business strategy. CSR helps us to manage risk, reduce costs and create future business opportunities. We recognise that partnership and collaboration will be essential if we are to fulfil our 2016 targets. In addition to our commitment to the UN Global Compact, we will engage with stakeholders and enter into new partnerships so we can continue to grow responsibly for the benefit of the Carlsberg Group and the environment and society of which we are a part.

A handwritten signature in black ink, reading 'J. Buhl Rasmussen'.

Jørgen Buhl Rasmussen



ABOUT THIS REPORT

This report reflects our ambition to be a transparent company. Reporting on progress, achievements and challenges is important to us and our stakeholders.

The CSR policies and targets covered in this report reflect the topics that are most material to us in terms of impact and the importance of these topics to internal and external stakeholders.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

We have conducted an internal review of our materiality assessment, which was developed in 2011 (see page 13 of the CSR Report 2012). For us, materiality encompasses all

topics that have the potential to impact the value and/or perception of the Carlsberg Group, whether positively or negatively. Based on this definition, and on the focus and priorities of our business, we have found no need to change the scope of the topics with which we work. Reducing energy and water consumption and CO₂ emissions at production sites, developing sustainable packaging and promoting responsible drinking are still our key initiatives, alongside driving value chain integration of all our policies.

Stakeholders differ due to their negative impact (risk) or positive impact (opportunity) on the evolution of our ambitions and goals. Hence the approach to identifying and analysing stakeholders, both present and future, is based on the principle that their involvement with us should contribute to the creation of long-term value. In 2013, we expanded the scope of our stakeholder engagement in accordance with the development of our key initiatives. In particular, sustainable packaging has led to more and closer collaboration with key suppliers. You can read more about stakeholder engagement in the specific policy sections of this report.

We plan to conduct a new full materiality assessment in 2014, including internal and external stakeholder assessment.

VALUE CHAIN INTEGRATION

We have been working strategically with CSR since 2008 to drive and document progress and learnings. We have chosen to work with and report on the sustainability areas where we have the biggest impact and on which our external and internal stakeholders believe we should be focusing. In total, we work with eight areas across the value chain

and dedicate extra focus and resources to our three key initiatives: Responsible Drinking, Sustainable Packaging and Efficient Brewery (reducing water, energy and CO₂ at our production sites). This approach has the benefit of making CSR not only a reputational and risk-mitigating buffer but also a strategic driver for business opportunities and future value creation for the Carlsberg Group and society. Integration is not, however, accomplished overnight. It is a journey that involves finding new solutions and ways of working that take into account the rapidly changing global environment and society in which we operate.

All CSR areas, including our key initiatives, will be explained in detail in this report.



Learn more about the relevance of CSR in the value chain.

www.carlsberggroup.com/csr

CORPORATE SOCIAL RESPONSIBILITY IN THE VALUE CHAIN



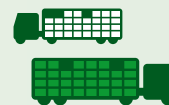
R&D



PROCUREMENT



BREWING AND
BOTTLING



LOGISTICS



MARKETING AND
COMMUNICATION



CONSUMERS AND
CUSTOMERS

ASSURANCE

Selected information in this report is assured by KPMG. The assured information is indicated on the relevant pages by the text "Within KPMG's assurance scope". To read KPMG's conclusions, go to the independent assurance report on page 43.

GOVERNANCE AND DECISION-MAKING

Carlsberg's Supervisory Board continues to be ultimately responsible for all aspects of our business, including CSR. The Executive Committee provides strategic guidance and approves policies, strategy and KPIs. Specific responsibility is assigned to the SVP, Group Corporate Affairs. Group functions and regions drive and support our global targets, while local champions and policy owners are responsible for implementation and compliance. The governance structure is designed to ensure local and cross-functional ownership and drive regional targets.

TRACKING DATA AND MEASURING PERFORMANCE

The data in this report is tracked through a CSR reporting system introduced in 2009. This system helps us to collect data, measure performance and evaluate policy implementation at local, regional and global level. We use standardised definitions across markets to ensure better data quality and comparability.

Each year, we measure progress, or lack of progress, in each policy area by conducting local self-assessment questionnaires. This enables us to share best practices among markets and companies, and to understand where we need to focus our efforts, where we need additional efforts and where we need to investigate further.

NEW THREE-YEAR TARGETS

In 2013, we came to the end of our current three-year target period. In this report, we will review how we performed in each of our policy areas and communicate the new targets defining our direction and ambitions for 2016.

WE WELCOME FEEDBACK

As always, we welcome feedback, questions and comments on the content of this report.

Please e-mail your feedback to:
CSR@carlsberg.com

GOVERNANCE MODEL



ECONOMIC VALUE GENERATED

The Carlsberg Group has a positive economic impact on the 140 economies and societies in which we operate. The Carlsberg Group employs more than 40,000 people directly and additionally generates approximately 370,000 jobs in related industries such as agriculture and hospitality. We paid DKK 42.5bn in taxes in 2013 and contributed DKK 79.2bn to GDP growth globally.



¹ Within KPMG's assurance scope.

The Carlsberg Group employs more than 40,000 employees directly within Production, Logistics, Sales & Marketing and Administration. Our employees work in the corporate offices as well as at our production sites, which are often in less populated areas. We employ a highly skilled workforce in Sales & Marketing, Finance, Production, Logistics etc.

In addition to the many direct employees, the Carlsberg Group also generates employment in related sectors in connection with the production, sales and marketing of beer. The indirect and induced contribution to employment is generated through purchases in industries such as agriculture, packaging and logistics as well as induced employment in the hospitality and retail sectors. It is estimated that the total jobs created by the Carlsberg Group amount to 368,471.

Global direct jobs	Global indirect/induced jobs
40,435	368,471

Source: EV calculations based on employment figures and market data.

TOTAL ECONOMIC VALUE

In 2013, the direct generated economic value in the countries in which we operate totalled DKK 95.5bn.

Our contribution consists of many different aspects, including excise duties, employee wages, pensions, benefits and goods purchased from suppliers.

The contributions in the five main areas are summarised in the graph to the right.

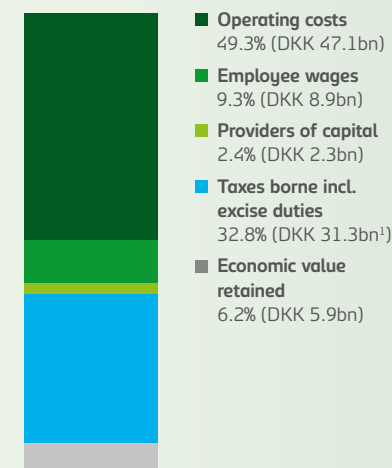
The Carlsberg Group's taxes borne in 2013 were DKK 31.3bn¹. The vast majority of our taxes borne is indirect tax incurred through excise duties, which totalled DKK 27.2bn¹ (approx. 86% of total taxes borne). The remaining taxes borne of DKK 4.1bn (approx. 14% of total taxes borne) is through direct taxes, such as energy tax, corporate income tax and social security contributions for employees.

TOTAL TAX CONTRIBUTION

In addition to the taxes borne, we also collected taxes on behalf of governments, for example payroll taxes from business activities.

Thus, the total tax contribution to society consists of both taxes borne and taxes collected. In 2013, our total paid tax contribution amounted to DKK 42.5bn.

ECONOMIC VALUE GENERATED (DKK 95.5BN)

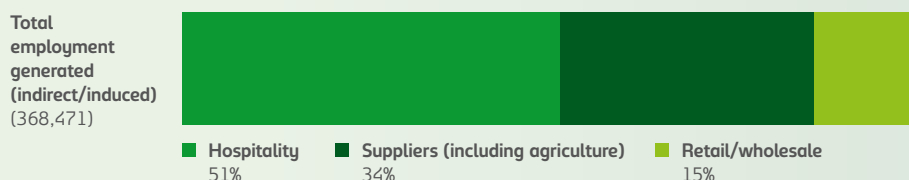


WIDER ECONOMIC CONTRIBUTION

We have quantified the indirect and induced impact on society of our generated economic value and taxes. Based on calculations by EY, in 2013 Carlsberg indirectly generated DKK 47.4bn through income tax and social contributions from employees, supplier and retail/wholesale employees, VAT and hospitality.

Our direct and indirect/induced economic contributions have a positive impact on the societies in which we operate. We are proud of this contribution, and also aware that it comes with a responsibility to continue to develop and grow our business in a way that benefits Carlsberg as well as the environment and society upon which we depend for future growth.

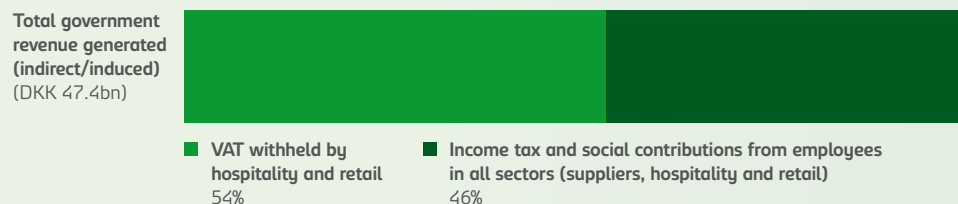
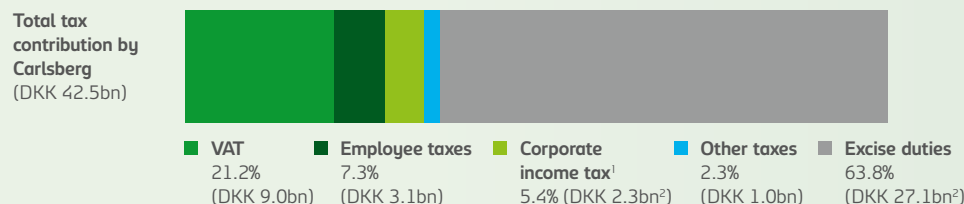
EMPLOYMENT GENERATED TO SOCIETY



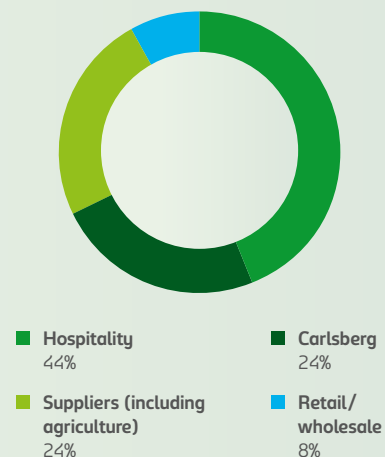
We will continue to develop and grow our business in a way that benefits Carlsberg as well as the environment and society upon which we depend for future growth.

JØRN P. JENSEN
Deputy CEO & CFO

ECONOMIC CONTRIBUTION GENERATED TO GOVERNMENTS



Total value added in industry sectors incl. Carlsberg (DKK 79.2bn)



¹ Corporate income taxes including withholding taxes. ² Within KPMG's assurance scope.

ENVIRONMENT^{1,2}

The production of beer is dependent on a stable flow of raw materials sourced directly from nature. As such, we appreciate the importance of a healthy, clean environment to our production and future growth and we remain dedicated to reducing our impact on the environment and the climate.

Environmental efficiency has been a key priority in the Carlsberg Group for several years. Efficiency plays a vital role, whether in re-searching and developing new barley breeds, optimising production processes, rethinking packaging or improving our distribution and sales. This has brought about many positive results in terms of continuously improving resource efficiency at production sites and generating cost savings.

2013 – CONTINUOUS FOCUS ON ENVIRONMENTAL EFFICIENCY

In 2011, we defined ambitious three-year targets for reducing energy and water consumption and CO₂ emissions at production sites. We are proud to report strong performance on energy and CO₂ emission reductions.

The results reflect a high level of compliance with policy and guidelines as well as awareness of resource efficiency and cost savings across the Group. However, we did not meet our 2013 water reduction target. Going forward, we will further stress the importance of water savings at our breweries.

60 out of 75 sites have now obtained the environmental ISO 14001:2004 certification. This is mandatory for all majority-owned production sites, and new production sites are required to obtain certification within three years of acquisition.

A key initiative in 2013 was the development of a new utility strategy, enabling us to reduce energy consumption and carry out utility improvement programmes in Russia.

¹ Environment section within KPMG's assurance scope (pages 9-12, 15). ² The environment section (pages 9-16) reflects the requirements for CSR reporting under section 99a of the Danish Financial Statements Act, with specific focus on climate change.



We remain dedicated to reducing our impact on the environment and the climate.

PETER ERNSTING
SVP, Group Supply Chain

ENVIRONMENT

Energy and emissions

ENERGY

The consolidated figures show that relative primary energy consumption per hectolitre was 20.0 kWh/hl. This is a reduction of 1.0 kWh/hl since 2012. Our relative electricity consumption was 8.0 kWh/hl, a reduction of 0.1 kWh/hl since 2012. This means that our total energy

consumption in 2013 was 28.0 kWh/hl, giving us a total reduction of 4.3 kWh/hl (-13.3%) since the beginning of our target period in 2011.

We are proud of this performance, which inspires us to keep pushing and challenging ourselves to achieve even greater reductions.

The main contributor to this result was a high degree of implementation of our utilities programme across the Group. In 2013, nine out of 17 breweries in Eastern Europe and 17 out of 24 breweries in Asia reduced their relative energy consumption. Performance was improved for Western Europe with 17 out of 30 breweries. However, consumption increased unexpectedly at 28 sites, and we are currently investigating the underlying reasons in order to align these sites with Group expectations.

Our Eco Company programme in Russia was expanded to reflect a broader set of environmental areas. The programme has delivered energy and water savings since 2011, and now it also incorporates areas such as land degradation and packaging, reflecting our ambitions to integrate CSR across the value chain. Good 2013 results reflect the fact that employees

are working systematically to share best practice, track and monitor performance and improve forecasting abilities. In Asia, the Production Excellence initiative has contributed to energy savings and operating cost reductions. In Western Europe, our continued focus on energy consumption was a major contributor to our overall achievements.

CO₂ EMISSIONS

We recognise the risks to our business presented by climate change and acknowledge our own contribution to this global challenge. Continued and focused efforts have helped us to reduce our CO₂ emissions during the past year. Our strategy has three focus areas: reducing energy consumption; changing our energy mix towards cleaner energy sources; and offsetting emissions by purchasing renewable power certificates¹.

In 2013, our CO₂ emissions per hectolitre of product produced were 7.1 kg CO₂/hl, thereby reducing our emissions by a further 2.7% since 2012 and achieving our target of 7.1 kg CO₂/hl. Overall, we have reduced emissions by 26.8% since the beginning of our target period in 2011.

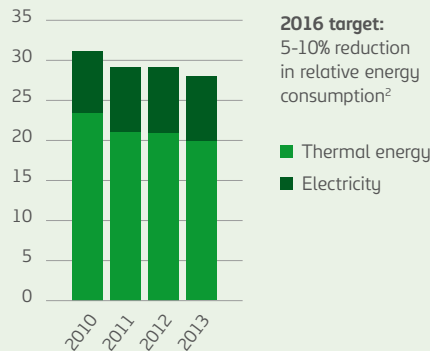
In 2013, 3.7% of our thermal energy came from renewable sources such as biogas captured from wastewater treatment and biomass. 13 of our breweries now capture biogas from wastewater treatment operations.

To increase our share of renewable energy originating from by-products, we continued feasibility studies on the use of by-products as an energy source. 27 studies were carried out, from which we will select three breweries to roll out pilot projects in 2014.

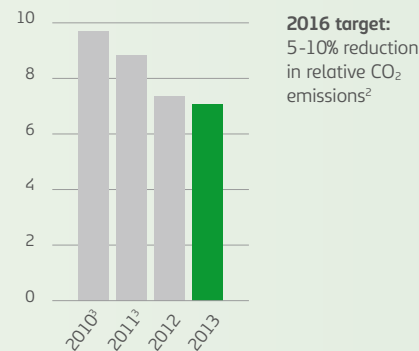
¹ Documented by Guarantees of Origin certificates.

ENERGY

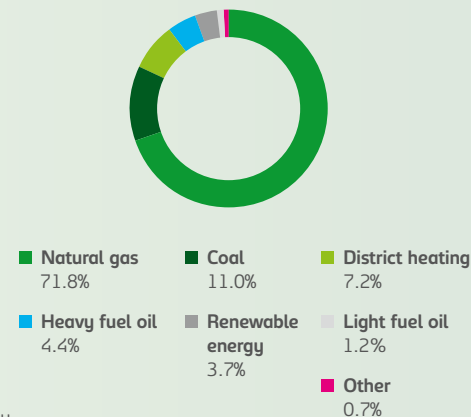
Relative energy consumption
kWh/hl



Relative CO₂ emissions
kg CO₂/hl



Thermal energy mix



² Allowing for adjustments of 2013 baseline when relevant. ³ CO₂ emissions restated due to changes in methodology.

The main contributor to our CO₂ reductions has been the purchase of renewable power certificates, which offset emissions generated by the use of CO₂-intensive energy sources. We have bought a total of 372,800 MWh, corresponding to our electricity use in Western Europe.

We have reinforced our performance and optimised logistics networks and systems. For example, we continued the implementation of our global route planning tool, which is helping us to further improve the efficiency of our deliveries and thereby reduce fuel consumption per kilometre driven and product delivered as well as reduce CO₂ emissions.

In 2013, four countries implemented the route planning tool, bringing the total number of countries to have implemented the tool since 2012 to eight. We also focused on driver training to improve fuel consumption in distribution. Finally, we developed environmental guidelines for warehouses in Western Europe that will be introduced in 2014.

THE ENERGY CHALLENGE

The purchase of renewable power certificates has been the main contributing factor in meeting our emission targets. However, we will continue our efforts to replace fossil fuel energy sources.

We recognise that a shift from high- to low-carbon energy sources remains a challenge for us given our increasing volumes in emerging markets that use CO₂-intensive sources.



We are proud to announce sound results for energy consumption and CO₂ emissions.

PETER ERNSTING
SVP, Group Supply Chain

ENERGY AND EMISSIONS

2013 commitments	2013 targets	2013 achievements
1 Define new utility and environmental strategy at brewery level Continue to improve utility efficiency globally by partnering with external companies Pilot new utility management software at 2-3 breweries	Total energy consumption: 29 kWh/hl CO ₂ emissions: 7.1 kg CO ₂ /hl	<i>Target achieved</i> Total energy consumption: 28 kWh/hl (-13.3% vs 2010) New Efficient Brewery Programme developed. To be implemented in 2014-2016 <i>Target achieved</i> Total CO ₂ emissions: 7.1 kg CO ₂ /hl (-26.8% vs 2010) Partnerships initiated with selected suppliers in the UK, Russia and Estonia Plan revised to prioritise alignment with other IT projects
2 Initiate Group project to explore renewable energy opportunities		Renewable energy part of new Efficient Brewery Programme
3 Continue pilot tests with renewable energy generation from by-products		Feasibility tests conducted at 27 breweries
4 Implement route planning tool in Western Europe as part of the roll-out of the business standardisation project		Route planning tool implemented in 4 European markets
5 Continue driver training programme in Western Europe and monitor implementation status Roll out monitoring tool in 3 countries	Establish a 5-year plan in Western Europe to ensure training for all drivers Roll out monitoring tool in countries with direct distribution to stores	<i>Target partially achieved</i> Driver training conducted in all Western European countries throughout 2013 Tool implemented in 2 additional countries
6 Develop and implement environmental guidelines for warehouses		Guidelines developed in 2013; roll-out scheduled for 2014

ENVIRONMENT

Water

Water is essential for producing beer and enabling future growth. Water is also an increasingly scarce resource. We are constantly exploring new ways to reduce water consumption and enable sustainable use of water.

We integrate water-saving projects at our production sites while imposing strict Group requirements to ensure compliance with the necessary standards for wastewater treatment.

With a consolidated figure of 3.3 hl/hl, we had a flat 2013 performance. We reduced our water consumption by 5.7% (0.2 hl/hl) since the beginning of our target period in 2011, but we did not reach our target of 3.2 hl/hl for 2013. This result is not satisfying. In the future, we will pay special attention to strengthening the water-saving culture at our breweries.

In 2013, nine out of 17 breweries in Eastern Europe and 13 out of 24 breweries in Asia

reduced their relative water consumption. In Western Europe, performance was 23 out of 30 breweries. At the same time, consumption increased at 26 sites, and the procedures and systems of these sites will be investigated in order to determine the root cause and initiate corrective measures if necessary.

MANAGING WATER SCARCITY

Building on our water risk assessment from 2011, we conducted a new water risk analysis, focusing in particular on our Asian business. We found that supply and regulatory water risks have to be addressed and that focus on watersheds has to be prioritised going forward.

PUBLIC-PRIVATE PARTNERSHIPS

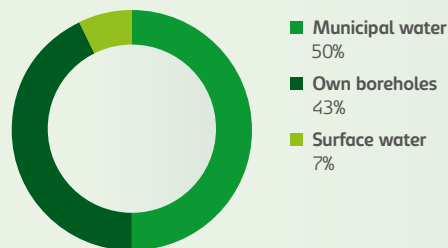
In late 2012, we signed a partnership agreement with UNIDO. Together with civil society

and local government, we aim to deliver environmental benefits for Russian society through restoration of ecosystems, improved environmental management and waste management, while at the same time reducing the environmental impact of producing beer at Baltika Breweries. In 2013, leading international experts conducted on-site assessments to define and plan the projects to be rolled out from 2014.

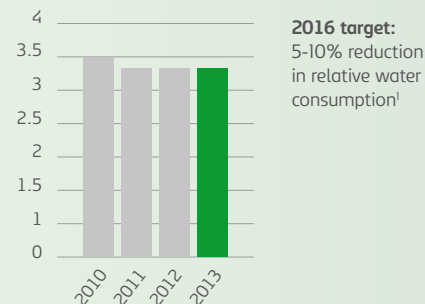
Furthermore, we entered as a corporate partner in the public-private partnership Water Benefits Partners. The aim of the partnership is to develop a financial mechanism that can support water-saving projects in areas facing water scarcity. We entered into the partnership to learn from industry peers and share best practices. We also intend to add an industry perspective to the development of a new water scheme.

WATER

Water sources



Relative water consumption hl/hl



¹ Allowing for adjustments of 2013 baseline when relevant.

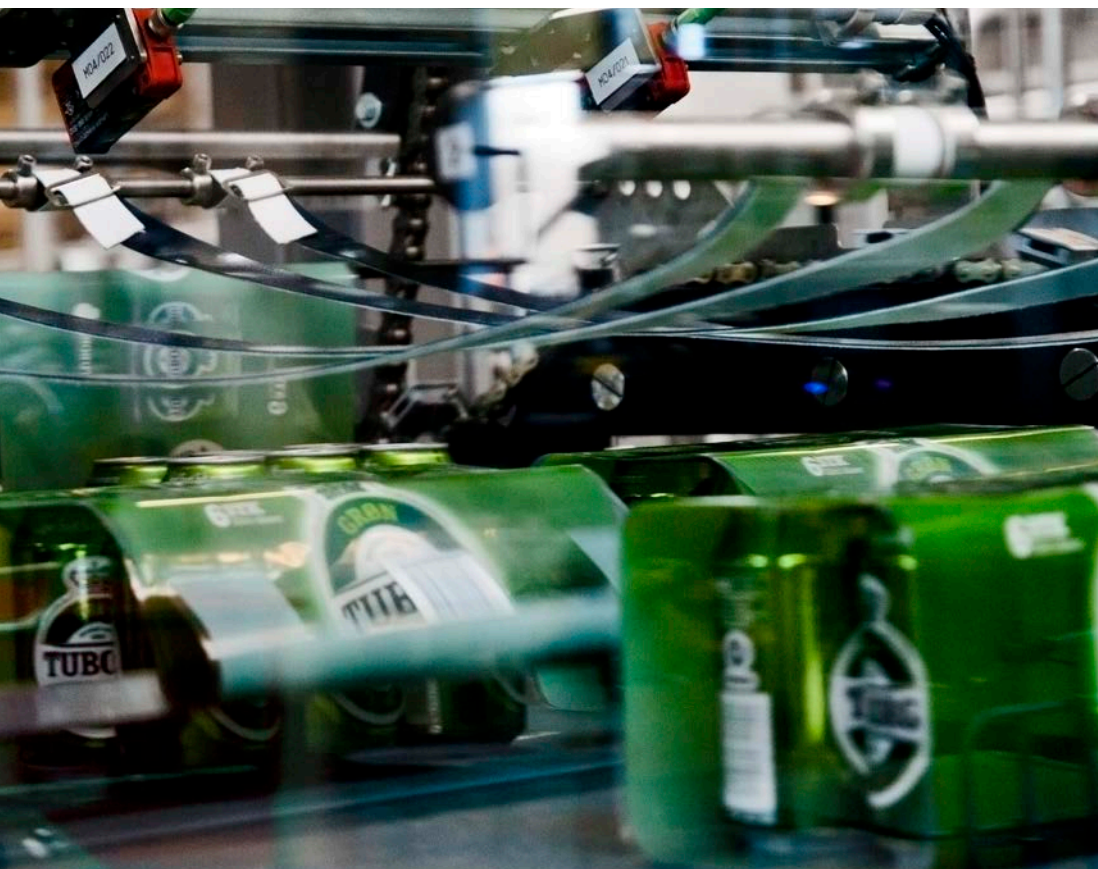
WATER

	2013 commitments	2013 targets	2013 achievements
1	Continue water efficiency projects across the Group	Water consumption: 3.2 hl/hl	<i>Target partially achieved</i> Total water consumption: 3.3 hl/hl (-5.7% vs 2010)
2	Conduct new water risk assessment according to Beverage Industry Environmental Roundtable (BIER) ² principles	Long-term strategic approach to water risk management to be in place	<i>Target partially achieved</i> BIER principles for water source management applied in our CSR reporting system Detailed water risk assessment for Asia also conducted
	Take part in public-private partnership relating to water management	New technologies to reuse water inside and outside our breweries to be explored	<i>Target achieved</i> Explored new technologies for reusing water at selected breweries
3	Further develop partnership in Russia with UNIDO		Entered into public-private partnership Water Benefits Partners Key projects of the UNIDO partnership formalised

² www.bierroundtable.com

ENVIRONMENT

Sustainable packaging



Primary and secondary packaging account for approximately 45% of our total CO₂ emissions, making it an area where potentially we can have a substantial, positive impact on the climate and environment. Sustainable packaging is the second of our three CSR key initiatives. We have instigated this initiative because we want to build up our resilience and prepare for future growth in a business environment that is facing an increase in the scarcity of natural resources. We are aiming to develop solutions that benefit not only our business, but also the environment and society.

During 2013, we conducted assessments using our instant life cycle assessment (LCA) tool, engaged consumers and customers in recycling initiatives and created a roadmap for integrating the Cradle-to-Cradle® (C2C) design perspective in our packaging portfolio. Part of this work involved commencing C2C assessments of selected packaging materials in order to further assess their reusability and recyclability.

Furthermore, we followed up on the weight benchmark we conducted in 2012 by assessing the weight reduction potential of our primary packaging. We also launched a new project to increase the return rates for refillable glass bottles and reduce the weight of all primary glass packaging.

CARLSBERG CIRCULAR COMMUNITY

An important part of the Cradle-to-Cradle® project is the development of the Carlsberg Circular Community, which is made up of partnerships between the Carlsberg Group and selected suppliers. We have used the Cradle to Cradle® Design Framework, created by Professor Michael Braungart and Mr. William McDonough with their companies EPEA Internationale Umweltforschung GmbH and MBDC, LLC, to develop a C2C roadmap outlining the materials and packaging types we want to further analyse and innovate. Our joint aim is to create more sustainable products by optimising our packaging portfolio to re-enter either the technical or biological cycles at the same or higher quality and value.

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.

¹ Cradle-to-Cradle® and C2C® are registered trademarks of McDonough Braungart Design Chemistry LLC.



We want to build up our resilience and prepare for future growth in a business environment that is facing an increase in the scarcity of natural resources.

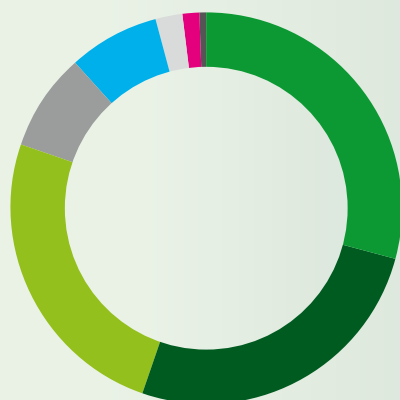
JØRGEN BUHL RASMUSSEN
President & CEO

We also conducted consumer engagement initiatives in nine Group markets, both at festivals and in cooperation with our customers. Four of these markets carried out initiatives through industry partnerships, where we

cooperate with retailers and competitors to retrieve packaging, thereby converting the material from waste to value. Through the consumer engagement activities, we receive valuable feedback from consumers about their

approach to and opinion on recycling, while at the same time they increase their knowledge about the value and importance of recycling and responsible use of natural resources.

PACKAGING MIX



SUSTAINABLE PACKAGING

	2013 commitments	2013 targets	2013 achievements
1	Identify weight reduction targets for primary packaging	Develop 3-year targets (2014-2016) across programme initiatives	<i>Target achieved</i> 2016 targets for sustainable packaging developed
2	Conduct Cradle-to-Cradle® analysis to identify potential for C2C-certified products in the Carlsberg Group		Cradle-to-Cradle® roadmap developed and specific products and initiatives integrated into 2014 commitments
3	Create consumer engagement communication around recycling		Consumer engagement campaigns conducted at 9 Group companies (26%)
4	Develop a sustainable packaging idea catalogue and distribute it internally		Sustainable packaging idea catalogue launched and distributed

ENVIRONMENT

2016 – continued reductions and focus on contributions

We have defined new three-year targets (2014-2016) that encourage us to continue our ambitious efforts and find smarter, more innovative ways of managing and developing our business. We will continue to focus on areas where we have the greatest impact on the climate and environment: reducing energy and water consumption and CO₂ emissions at production sites and continue our focus on developing sustainable packaging.

Our aim is to further reduce our environmental impact throughout the value chain while at the same time developing solutions that enable us to contribute positively to the environment and society. Furthermore, we will focus on the implementation of our environmental standards at new majority-owned production sites in Asia.

In 2014, we will roll out the first projects under our UNIDO partnership. A main project will be the construction of a field research station to study the impact of barley cultivation and train farmers to reduce land degradation.

We will also begin implementing two new programmes to improve the environmental impact of our production and logistics.

Among other things, the Efficient Brewery Programme will initiate activities that will help us achieve our 2016 efficiency targets. The Efficient Brewery Programme consists of four initiatives:

1. Utility Leadership

Continue to improve the energy and water efficiency of our brewery sites and reduce our CO₂ emissions.

2. Technology Pioneer

Develop resource-efficient technologies.

3. Future Resources

Ensure a sustainable supply of energy and water sources.

4. Waste to Energy

Use brewery by-products as energy sources.

ENERGY, EMISSIONS AND WATER

2014 commitments

2016 targets

1

Efficient brewery

Utility Leadership

- Introduce ISO 50001 energy management system (EnMS)
- Launch new total water management (TWM) concept

Technology Pioneer

- Continue to develop supplier partnerships to improve and innovate efficient technologies
- Design resource-efficient and sustainable flagship brewery plant

Future Resources

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

Waste to Energy

- Evaluate relevant breweries (>400,000 hl capacity) on feasibility of biogas production
- Initiate 1 Waste to Energy pilot in each of our 3 regions

Energy consumption

5-10% reduction in relative energy consumption¹

CO₂ emissions

5-10% reduction in relative CO₂ emissions¹

Water consumption

5-10% reduction in relative water consumption¹

2

Sustainable logistics

Continue route planning/telematics implementation

Continue eco-driver training

2016 targets to be developed during 2014

Implement environmental guidelines for warehousing

3

Water

Continue focusing on water risk mitigation

¹ Allowing for adjustments of 2013 baseline when relevant.



Our aim is to further reduce our environmental impact throughout the value chain while developing solutions that enable us to contribute positively to the environment and society.

PETER ERNSTING
SVP, Group Supply Chain

The second programme is the Sustainable Logistics Programme. Here, we will also implement four initiatives:

1. Fleet Performance

Improve environmental performance of our own fleets.

2. Logistics Excellence

Build a greener logistics culture and drive processes to improve environmental behaviour.

3. Warehouse Infrastructure

Create green initiatives in warehouses.

4. Collaboration and Partnerships

Work with customers, other FMCGs and third-party logistics providers to create opportunities.

The most important activity within the Sustainable Packaging Programme will be to incorporate more partners into the Carlsberg Circular Community platform to increase the scale and scope of solutions.

Furthermore, we will develop a water action plan for Asia to mitigate our water risks and engage in the New Visions for Agriculture Programme led by the World Economic Forum.

SUSTAINABLE PACKAGING

2014 commitments	2016 targets
1 <i>Sustainable packaging</i> Cradle-to-Cradle® (C2C) roadmap <ul style="list-style-type: none"> • Launch Carlsberg Circular Community and onboard at least 3 additional suppliers in the Community • Conduct C2C assessments of at least 3 products • Obtain 1 C2C product certification 	Have 15 suppliers in the Carlsberg Circular Community working actively to create C2C solutions Obtain 3 C2C product certifications
2 <i>Consumer and customer engagement</i> <ul style="list-style-type: none"> • Drive consumer awareness on recycling through campaigns and customer cooperation 	All Carlsberg Group companies to conduct annual consumer-facing sustainable packaging activity
3 <i>Performance improvements</i> <ul style="list-style-type: none"> • Reduce environmental impact of packaging by collecting more refillable glass bottles and reducing the weight of our packaging • Develop transparency of RGB return systems and current action plans by market • Develop overview of best practice to help local markets achieve return rate improvements 	Improve return rate in markets where returnable glass bottles are part of the long-term packaging strategy Optimise glass packaging weight through internal and external benchmarking
4 <i>Innovations and life cycle assessments</i> <ul style="list-style-type: none"> • Upgrade and launch a new version of the instant LCA tool and include liquids 	Assess all new products using the instant LCA tool and include C2C analysis in assessments

CASE STUDIES



Continuous focus on efficiency in China

Our Chinese breweries continue to reduce total energy consumption year on year.

In 2013, Ningxia Xixia Jianiang Brewery reduced total energy consumption by 9% on 2012.

This was achieved by optimising the brewery operation in general and improving the efficiency of the equipment used at the brewery. Furthermore, the site focused on preventive maintenance, which reduced unexpected production stops, positively impacting brewery performance.

The same approaches have been applied at Dali Brewery and Guangdong Brewery. Both breweries demonstrated similar rates of improvement in total energy consumption from 2012 to 2013.

Water consumption is also a focal point in Asia. Since 2012, three of our Chinese breweries (Korle Brewery, Akesu Brewery and Carlsberg Brewery Guangdong) have improved water efficiency by more than 10% by setting ambitious targets, improving equipment efficiency and reusing water.

Access to clean, stable and adequate water supplies is another focus area for our production in Asia. We conducted a high-level water risk assessment covering all the regions in Asia where we operate breweries. The assessment covers both a short- and longer-term perspective on the future water supply in Asia. In the coming years, we will address the findings from the assessment to ensure that we have access to sustainable and stable water supplies wherever we operate.

Cooperating to engage tomorrow's consumers

Sustainability is a collective issue that needs to be addressed by multiple stakeholders in society.

In 2013, the Carlsberg Group participated in two cross-industry projects. Our aim was to find ways of engaging with consumers and industry peers on global sustainability challenges.

The projects were led by BSR (Business for Social Responsibility – Sustainable Lifestyles Frontier Group) and WEF (World Economic Forum – Engaging Tomorrow's Consumers).

Together with industry partners we entered into these engagement projects to promote sustainable lifestyles and identify the drivers that instigate change and enable businesses to explore sustainable business models.

Going forward, we will use social media to communicate innovative and sustainable solutions that inspire consumers to live more sustainable lives.

Learn more about the Sustainable Lifestyles Frontier Group:

www.bsr.org/en/our-work/working-groups/sustainable-lifestyles-frontier

www.business-case-builder.com

Learn more about the World Economic Forum:

www.weforum.org/issues/sustainable-consumption



Breweries in Western Europe introduce environmentally friendly vehicles

A number of Carlsberg Group companies in Western Europe have implemented initiatives to reduce the environmental impact of our logistics operations.

Our Swiss company, Feldschlösschen, has pioneered the world's first 18-tonne electric truck, the E-FORCE truck. With this truck, Feldschlösschen is able to offer CO₂-neutral deliveries to customers. The truck can run up to 300 km on one six-hour battery charge, and the average energy consumption is 100 kWh per 100 km on highways.

The truck's battery is charged using hydro-electricity. "This vehicle's high payload fits the needs of Feldschlösschen's customers. We're proud to serve our customers in an efficient, quiet and CO₂-neutral way," says Thomas Amstutz, CEO of Feldschlösschen.

Carlsberg Sverige has engaged in the CleanTruck project to increase low-carbon transportation across Sweden. Carlsberg Sverige invested in three trucks running on alternative fuels. The portfolio of trucks

with a greener profile consists of one truck running on liquid methane gas and two trucks using both electricity and diesel to power their hybrid engines.

Carlsberg Danmark has introduced new hybrid cars in urban areas of Copenhagen. The cars are optimised for driving in cities and towns; the electrical engine serves as a generator and recharges the battery when the brakes are used, thereby reducing fuel consumption and CO₂ emissions. Five hybrid cars have already been purchased and seven more will be purchased in 2014.

Together with Carlsberg Supply Company (CSC), Carlsberg Danmark has also introduced 31 new, environmentally friendlier diesel trucks to its fleet. The trucks demonstrate the latest innovations within environmentally friendly transportation and all meet the Euro 6 environmental standard. Kaj Nielsen, National Distribution Manager, Carlsberg Danmark, says: "These are the most sustainable diesel trucks you can drive these days."

RESPONSIBLE SOURCING

We are committed to improving our environmental and social footprint. We implement necessary actions to understand, monitor and improve the social and environmental aspects of our sourcing, thereby protecting our reputation as a responsible brewer while increasing demand for sustainable sourcing solutions in the global marketplace.

In close cooperation with suppliers and industry partners, we seek to identify solutions to improve the ethical, social and environmental performance of our supply chain.

2013 – SUPPLIER INSIGHTS AND LEARNINGS

Based on learnings from previous years, we have evaluated our strategy and approach to responsible sourcing and developed a roadmap for future initiatives under our new Responsible Sourcing Programme. The programme is designed to help us improve our knowledge of social, ethical and environmental issues in our supply chain, monitor compliance with our Supplier and Licensee Code of Conduct and improve the CSR standards of our suppliers.

In 2013, we conducted a programme inviting key suppliers to participate in an audit

to gain insights into their operations and identify how they work with CSR-related risks. Suppliers were audited by third-party auditing companies on issues related to environment, business practices, health & safety and labour rights. The audits demonstrated no critical non-compliance issues.

A number of minor non-compliances with our Supplier and Licensee Code of Conduct were identified and resolved. This resulted in improvements in safety and environmental issues at supplier sites. Some non-compliance issues are still being monitored and closely tracked. In the next three years, we will expand the scope of this programme, including more suppliers and focusing in particular on conducting audits in our Asian supplier base.

The Sedex platform, Suppliers Ethical Data Exchange (www.sedexglobal.com), continued



RESPONSIBLE SOURCING

2013 commitments

1 Finalise pilot programme including 15 Group suppliers for Responsible Supplier Initiative

Update the Supplier and Licensee Code of Conduct (SLCC)

2013 targets

Evaluate findings from Responsible Supplier Initiative pilot and decide on next steps

2013 achievements

Target achieved
Findings from pilot programme evaluated and integrated into the roadmap for the next 3 years

SLCC updated. To be distributed among suppliers in 2014



We seek to identify solutions to improve the ethical, social and environmental performance of our supply chain.

BENGT ERLANDSSON
SVP, Group Procurement

to be a valuable instrument for enabling us to share information with our suppliers regarding their CSR performance. It is an effective and transparent tool that allows us to close non-compliance incidents and gather learnings along the way.

QUALITY AUDITS

Each year, we conduct quality audits of selected suppliers. The supplier quality audits also include CSR questions. In 2013, we revised these CSR questions to better align the content with the CSR audits. In total, we carried out 142 quality audits: 66 in Western Europe, 57 in Eastern Europe and 19 in Asia.

SUPPLIER AND LICENSEE CODE OF CONDUCT

We have updated our Supplier and Licensee Code of Conduct to meet internal and external expectations. The Code of Conduct is our

starting point for cooperation with suppliers, and we include it in all contracts. The Code of Conduct is aligned with our CSR policies on Labour and Human Rights, Health & Safety, Environment and Business Ethics.

We continued our engagement in AIM-Progress (www.aim-progress.com), an industry forum for fast moving consumer goods (FMCG) companies and their suppliers, to secure global alignment and implement the standards in our Code of Conduct.

Through this forum, we work closely with other FMCG companies to share knowledge, define CSR standards and promote industry cooperation.

2016 – HIGH STANDARDS AND COMPLIANCE

We will continue our journey towards implementing ethical and responsible sourcing practices across the Carlsberg Group.

This will protect our reputation as well as our licence to operate and grow. Through to 2016, our new Responsible Sourcing Programme will be delivered based on three major initiatives.

1. Responsible Supplier Initiative

Define CSR standards for key categories and continuously monitor compliance and cooperate with suppliers to improve performance.

2. Buying Better Barley

Promote sustainability through sourcing and processing of barley and other starch-containing raw materials and cooperation with farmers in our agricultural projects.

3. Sustainable Packaging

Reduce the environmental impact of our packaging. See plans and targets on page 13.

During 2014, we will primarily focus on onboarding suppliers in the Responsible Supplier Initiative to further strengthen our insights and cooperation with suppliers and thereby improve our supply chain CSR performance.

We aim to onboard suppliers with the highest spend in order to achieve the widest and most substantial impact. We will specifically focus audits on our Asian supplier base as maturity levels need to improve in this region.

RESPONSIBLE SOURCING

2014 commitments

1

Responsible Supplier Initiative

- Close non-compliance incidents according to findings from pilot in 2013
- Continue to onboard suppliers in the Responsible Sourcing Programme
- Conduct on-site audits of key suppliers in Asia
- Continue to monitor and ensure corrective actions are implemented by suppliers

CASE STORIES



Striving for a world without waste

For years Carlsberg UK has been a proactive partner within WRAP, the UK government's Waste Reduction Action Plan. Following a successful light weighing programme for bottles in 2011, Carlsberg UK focused on reducing the weight of cans during 2013.

Colin Stewart, Packaging Development Manager, says: "We managed to reduce the gauge on our 440 and 500 ml cans from 0.255 to 0.250 mm. That may not sound like much but, when applied across the 690m cans we use every year, it has a major impact. Going forward, we're working with our suppliers to trial an even greater reduction to 0.245 mm."

"Carlsberg UK has been a valuable and proactive partner across the years, demonstrating their readiness to reduce waste," says Richard Swannell, Director, WRAP.

AWARD-WINNING COMPANY
Carlsberg UK is currently the benchmark for best practice in many areas, and in 2013 it was once again the recipient of the Green Apple Gold Award from the Green Organisation, an independent environmental group.



Assessing suppliers in Malaysia

The social and environmental standards we set when purchasing supplies affect the social and environmental footprint of our business. At the same time, we protect our reputation and maintain our licence to operate.

Initiated by the Royal Danish Embassy of Malaysia, Carlsberg Malaysia assessed four suppliers during the summer of 2013, taking an important step in addressing unethical sourcing and ensuring lean manufacturing and quality practices of suppliers in line with industry standards.

The assessment covered: child labour, forced labour, discrimination, freedom of association, health & safety, working conditions, the environment and CSR management.

GAINING KNOWLEDGE AND BUILDING TRUST

Carlsberg Malaysia obtained a greater understanding of its suppliers' performance and compliance with our Supplier Licensee Code of Conduct. They also got to know the suppliers better and took the first step in building a closer working relationship.



Make the difference for your city, says Baltika

Baltika Breweries has implemented glass bottle collection systems in 11 cities across Russia. Baltika aims to improve the recycling rate of its bottles, and also to help introduce a waste collection system in Russia.

In 2013, a memorandum of understanding between Baltika Breweries and the Danish Ministry of the Environment was signed by Ida Auken, former Danish Minister for the Environment, and Dr Isaac Sheps, President of Baltika Breweries and SVP, Eastern Europe, Carlsberg Group.

The Danish ministry will transfer knowledge and know-how about water and recycling to contribute to improving the Russian waste management system.

"The issue of separate waste collection and recycling is very relevant for Russia, as well as the rest of the world. Russia urgently needs to agree a national policy as regards returnable container collection. Baltika calls on society and business not to ignore ecological initiatives, which will help to preserve the beauty of Russian natural resources," says Dr Sheps.

Baltika also invited relevant regional and federal experts and authorities to join the project to identify criteria for the most successful glass collection scheme.

Baltika shared results from the 2013 project with all stakeholders in order to help establish a state approach to production and consumption waste management.

RESPONSIBLE DRINKING

Marketing communication

Every day, beer is enjoyed by millions of people worldwide. Beer consumed responsibly is compatible with a healthy and active lifestyle for most adults. However, we are conscious that most beer contains alcohol and that overconsumption has severe and harmful effects.

We strive to grow our business promoting the responsible enjoyment of beer and are working together with public and private stakeholders to reduce harmful consumption and related health risks.

We believe that our proactive measures to encourage consumers to drink responsibly and our enforcement of responsible marketing practices are contributing to public health and reducing harmful drinking. In this way, we aim to create value for society while enabling long-term sustainable growth for the Carlsberg Group.

Our proactive approach to promoting responsible drinking and reducing harmful consumption builds on the following principles:

1. Encourage responsible consumption
Do not drink more than the weekly amounts recommended by public health officials.

Overconsumption of alcohol can have serious consequences.

2. Prevent underage drinking
Only people of the legal drinking age or above should drink alcohol. Legislation on selling alcohol to minors should be enforced.

3. Prevent drinking and driving
If you drink, don't drive. We want to help prevent consumers driving under the influence of alcohol.

4. Discourage drinking during pregnancy
We recommend that pregnant women should avoid consuming alcohol.

5. Responsible marketing
We have set ambitious self-regulating standards for how we communicate with our consumers.

These principles are the starting point for local activities and awareness campaigns, our global commitments with industry peers and marketing campaigns within the Carlsberg Group.

2013 – DEFINING DIRECTION AND AMBITION

In the past few years, we have developed a responsible drinking action plan that is both global and local. On the one hand, we have engaged with global industry partners and public and private health authorities to define positive standards when it comes to consumption of alcoholic beverages as we believe we share a common responsibility to reduce the risks of harmful consumption. On the other hand, we have instigated activities that maximise our positive contribution to the local societies in which we operate.

Throughout 2013, we have developed a Responsible Drinking Policy and accompanying guidelines as well as reviewing our existing Marketing Communication Policy (MCP) to ensure that our internal rules and self-regulation support our ambition and efforts for future growth in the responsible enjoyment of beer.

Our 2013 performance shows that our packaging carries health messages to consumers on 80% of the volume produced. We are progressing well towards our commitment to have health messages on all packaging. The messages remind consumers about the risks to their health of excessive or inappropriate drinking.

GLOBAL PARTNERSHIPS AND COMMITMENTS

We continued our sponsorship of the International Centre for Alcohol Policies (ICAP)



We believe that our proactive measures to encourage consumers to drink responsibly and our enforcement of responsible marketing practices are contributing to public health.

KHALIL YOUNES

SVP, Group Sales, Marketing & Innovation

(www.icap.org). This non-profit organisation is supported by major international alcohol producers.

ICAP's mission is to reduce harmful drinking and encourage dialogue and partnerships with key global stakeholders to solve the complex health problems and cultural issues associated with harmful drinking.

European Beer Pledge

Together with more than 3,000 breweries, we have continued our efforts to improve consumer information and ensure responsible advertising under the European Beer Pledge. Among other things, we have agreed a set of brewers' guidelines for responsible marketing communication practices in social media.

GLOBAL ACTIONS: COMMITMENT TO REDUCE HARMFUL DRINKING

In 2013, we progressed on implementing the global Commitments to reduce harmful drinking that we signed with 12 other producers in late 2012. We strengthened and expanded our



“Drink with Respect” means having a good time while respecting yourself, the people you are with, the moments you share and the good memories you take with you.

MORTEN NIELSEN
Director, Group CSR

self-regulatory policies and guidelines in order to advance our joint efforts to reduce harmful drinking. An industry progress report has been developed and audited by an independent third-party assurer.

The report will be published on the Commitments website (commitments.global-actions.org).

We target our actions under five key areas:

- Reducing underage drinking
- Strengthening and expanding marketing codes of practice
- Providing consumer information and responsible product innovation
- Reducing drinking and driving
- Enlisting the support of retailers to reduce harmful drinking

World Federation of Advertisers’ Responsible Marketing Pact
Together with seven other wine, spirits and beer producers, we established the

Responsible Marketing Pact in 2012. Through this partnership, we have cooperated with international experts, the EU and national authorities to ensure that the rigorous self-regulated marketing communication standards that we have established under the pact are implemented effectively.

LOCAL ENGAGEMENT

Responsible drinking activities were carried out in 69% of our companies in 2013.

For example, the Drink with Respect campaign was launched by the Tuborg brand at the highly popular Roskilde Festival in Denmark in July 2013. The Drink with Respect strapline reflects what responsible drinking

is essentially about: having a good time while respecting yourself, the people you are with, the moments you share and the good memories you take with you.

Carlsberg Polska has been a member of a responsible drinking campaign in Poland for 10 years. In 2013, a campaign focusing on the issue of underage drinking, “Appearances can be deceptive, ID is not”, received international recognition from the jury of Creative for Good, an international initiative involving leading US social campaigners.

The campaign was run by the Union of Polish Breweries, of which Carlsberg Polska is a member, as well as the Polish police.

MARKETING COMMUNICATION

Based on the findings of an internal audit report, we elevated Marketing Communication Policy compliance responsibilities from local marketing management to local CEO level across the Carlsberg Group in order to further strengthen implementation of our guidelines and make sure we live up to our commitments and targets.

2016 – STRONG INTERNAL AWARENESS AND MASSIVE CONSUMER ACTIVATION

Our three-year targets reflect our commitment to grow responsibly. As a responsible business and brewer, we are determined to contribute to positive standards of behaviour in connection with the consumption of beer.

MARKETING COMMUNICATION

2013 commitments	2013 targets	2013 achievements
1 Further develop internal guidelines for communicating our responsible drinking commitments	New 3-year targets to be developed	<i>Target achieved</i> Policy, guidelines and targets defined and communicated across the Group
2 Develop guidelines to prevent minors from inadvertently viewing alcohol beverage marketing communications on social media	Present first progress report on implementation and compliance with agreed common standards with industry partners	<i>Target partially achieved</i> Digital guidelines developed with industry partners and draft reports in development. Publication delayed to first half of 2014 due to unforeseen challenges with the methodology
3 Upgrade e-learning programme	Zero incidents of non-compliance with Marketing Communication Policy (MCP)	<i>Targets partially achieved</i>
	100% of employees developing marketing communications to be trained	68% of employees trained
	100% awareness of MCP among employees involved in developing consumer- and customer-facing materials	68% awareness of MCP achieved
	100% of companies to include MCP in agency agreements	70% of companies now include MCP in agency contracts
	100% of companies to have procedures in place to ensure compliance	78% of companies now have procedures in place

For us, the responsible drinking initiatives and Marketing Communication Policy are not reactive measures but proactive levers to enable long-term growth and create value both for the Carlsberg Group and for the societies in which we operate.

Our ambition is for all parties involved with developing marketing materials to comply with our internal guidelines, whether they be Carlsberg employees or third-party agencies.

We are aiming to activate and engage with millions of consumers and customers over the next three years and to continuously expand our global partnerships to promote responsible drinking as part of a healthy, active lifestyle.

In 2014, we will take further actions to deliver on our external commitments to reduce harmful use of alcohol. This includes training all key¹ employees in the Responsible Drinking Policy, thereby increasing our capabilities to be part of the solution to reducing alcohol harm. We will be reinstating quarterly MCP training for all relevant² employees. Local CEOs responsible for MCP compliance will receive quarterly updates on training coverage and inclusion of MCP in agency contracts, enabling immediate local action in the event of compliance issues.

Our aim is to motivate and strive for zero compliance breaches of the MCP guidelines in 2016. In 2014, we will focus our efforts on Western Europe and identify best practices to share with our Eastern European (2015) and Asian (2016) markets.

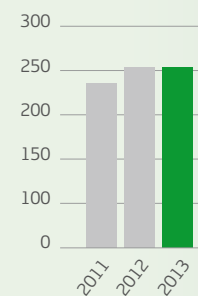
RESPONSIBLE DRINKING AND MARKETING COMMUNICATION

2014 commitments	2016 targets
1 <i>Encourage responsible drinking</i> Implement moderation lines in our marketing communication for our global brands (all print above A4 and digital communication) Carry out responsible drinking programmes in 90% of our companies ³ (compared to 69% in 2013)	All print communication above A4 and digital and TVC to carry responsible drinking messages All companies ³ to implement at least 1 responsible drinking programme
2 <i>Provide consumer and customer information and choice</i> Expand use ⁴ of responsible drinking messages and/or standardised symbols or communication to warn about irresponsible drinking: drinking and driving, underage drinking and drinking during pregnancy	100% of primary or secondary packaging to carry health warnings to discourage harmful drinking, such as <ul style="list-style-type: none"> • Drinking and driving • Consumption by underage persons • Consumption by pregnant women Avoid producing alcoholic products with excessive amounts of added stimulants (caffeine, taurine etc.) Avoid promoting the energising or stimulant effects of additives to alcoholic products
3 <i>Prevent harmful drinking</i> Initiate development of responsible retail guidelines	Launch responsible retail guidelines
4 <i>Comply with Marketing Communication Policy (MCP)</i> <ul style="list-style-type: none"> • Update training materials, track execution and follow up on non-compliance incidents • 100% of companies to have procedures in place to ensure compliance with MCP in Western Europe • 100% of companies to include MCP in agency agreements in Western Europe 	100% of companies to have a procedure for ensuring compliance with MCP 100% of companies to include MCP in agency agreements 100% of relevant employees to be trained

³ Markets where we have majority-owned breweries. ⁴ Compared to 2013 benchmark.

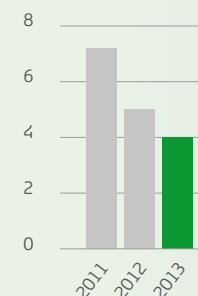
EMPLOYEES

Employees trained through the marketing communication e-learning tool



INCIDENTS

Reported non-compliance incidents



¹ Key employees are defined as senior management levels in the global sales and marketing functions and senior managers in regions and local markets.

² Relevant employees are defined as those involved in developing consumer- and customer-facing materials.

CASE STUDIES



Carlsberg Kazakhstan combats underage drinking

In June 2013, Carlsberg Kazakhstan organised Beer Watch, a responsible drinking campaign to prevent the sale of beer to underage people.

The campaign is supported by the Almaty Mayor's Office and Youth Policy Development. It is led by representatives of public bodies and youth organisations, journalists, well-known Kazakhstani athletes, pop stars and employees of Carlsberg Kazakhstan.

The participants distributed stickers and information material in vending locations in cities all over the country to remind the owners of their responsibility to comply with the law banning the sale of beer to individuals under the age of 21.

PARTNERSHIP TO STRENGTHEN COMPLIANCE WITH THE LAW
Carlsberg Kazakhstan organised Beer Watch for the fourth time and expanded it to cover 21 cities across the country. In the capital of Almaty, the participants found that 20 out of 45 stores were violating the law and selling beer to teenagers.

In the Carlsberg Group, we strive to initiate various local collaborations and nationwide campaigns to combat underage drinking. Beer Watch in Kazakhstan will continue to support the long-term efforts of public stakeholders to strengthen compliance with the law.

Carlsberg Polska: Appearances can be deceptive, ID is not. Part of our effort to promote responsible drinking involves the prevention of underage drinking

In June 2013, the Carlsberg Polska campaign "Appearances can be deceptive, ID is not" was recognised as the most interesting and effective international social campaign in the world by the jury of Creative for Good, an international initiative involving leading US social campaigners.

LONG-STANDING EFFORT
Carlsberg Polska has been actively involved in responsible drinking campaigns for 10 years and since 2009 has

invested in the "Appearances can be deceptive, ID is not" campaign run by the Union of Polish Breweries.

The campaign strives to activate local communities across Poland to build a strong social front against the sale of alcohol to minors and a coalition to limit this demographic group's access to alcohol.

The Polish police headquarters is also an active partner.

Mainly aimed at alcohol vendors and parents of teenagers, the campaign has won the active commitment of Polish self-governments, schools and non-profit organisations.



"Drink with respect," says Tuborg

Responsible marketing brings credibility to the beer category and enables the Carlsberg Group to create and maintain a sustainable market for our products.

135,000 people gathered at the 2013 annual Roskilde Festival in Denmark. This made the perfect setting to launch Tuborg's responsible drinking campaign, Drink with Respect.

The Drink with Respect strapline reflects what responsible drinking is essentially about: having a good time while respecting yourself, the people you are with, the moments you share and the good memories you take with you. The campaign continued at other events such as Green Concert, a collaboration between Tuborg and the Danish Muscular Dystrophy Association; 185,000 people attended concerts across Denmark.

Carlsberg Italia supports tour to prevent drunk driving

If you drink, don't drive. This advice is one of the principles of our responsible drinking initiatives.

It was also the clear and direct message of the Italian Brewers Association's Alternative Movida campaign carried out during the summer 2013.

A task force toured the main cities and summer holiday resorts of Italy with a portable showroom. Inside, the public could experience the negative effects of drinking in relation to driving. Among other things, they experienced how drinking:

- Affects the vision and slows down reaction time.
- Affects the ability to correctly estimate the distance and speed of other vehicles.
- Leads to overestimation of driving abilities.

See how difficult it becomes to fit a pen into a container or hit a target with a ball close up: www.youtube.com/watch?v=NMCCacEs4hp8



HEALTH & SAFETY

We continuously work to build a safe working environment for all our employees and contractors. Every accident is one too many. We strive towards zero accidents by instilling a culture of safety in each and every one of our people.

The health and safety of the people who contribute to the growth and development of the Carlsberg Group are absolutely vital to us. Furthermore, a safe working environment is part of our licence to operate.

Despite our best efforts, accidents still happen. For every one of these, we make sure that we learn lessons and make improvements because the only valuable benchmark will always be zero accidents.

2013 – CONSOLIDATION AND BUILDING BEHAVIOUR

During the last three years, we have focused primarily on our production sites and secondarily on our logistics operations as these areas account for 86% of our accidents.

In 2013, we consolidated our procedures and operations to ensure that all requirements of

our Health & Safety Policy and guidelines become an integrated part of our production and logistics working environment.

We have expanded our assurance scope and included selected logistics data in the scope for 2013.

Furthermore, we have initiated the roll-out of health and safety activities in Sales & Marketing and Administration to cover the full scope of functions across the Carlsberg Group.

LOST-TIME ACCIDENTS AND DAYS LOST

The lost-time accident rate (LTAR, number of lost-time accidents per 1,000 FTEs) measures occupational accidents resulting in employees taking a minimum of one day off work. The days lost rate (DLR, number of days lost per 1,000 FTEs) measures the severity of accidents.



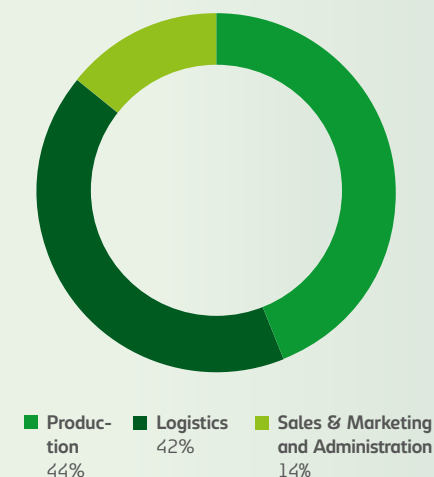
During the last three years, we have achieved a 29.3% decrease in LTAR across the Carlsberg Group and we are heading in the right direction with our efforts to improve safety. However, we are striving to continually improve our performance with a view to achieving our targets, not just for 2014 but also beyond.

Our target for 2013 was to decrease LTAR by 11% compared to 2012. With a 12% decrease, equivalent to 326 lost-time accidents throughout the Group, we achieved this target.

LTAR in Production was 10.3%¹, a reduction of 10% compared to 2012, while DLR decreased by 7%. In absolute figures, there were 2,010 days lost in Production across the Group.

The progress was due to the fact that LTAR and DLR in Asia and Eastern Europe progressed in line with or beyond expectations.

LOST-TIME ACCIDENTS BY FUNCTION



In Western Europe, the first quarter of the year was challenging. In response, efforts were made to reinforce awareness and discipline among managers and employees, deploying local programmes where necessary. The rest of the year was aligned with or above expectations in this region.

In Logistics, DLR dropped by 19% from 2012. In absolute numbers, there were 136 accidents and 2,087 lost days in Logistics across the Group.

Carlsberg Supply Company as a role model for safety

With 86.2% of accidents occurring within supply chain facilities, employees and leaders have been given a prominent part to play in setting the necessary safety standards.

A cornerstone of our health & safety strategy is training our leaders to become role models in demonstrating visible engagement with health & safety. We have developed tools to support CSC leaders and keep them committed to safety.

These tools include procedures and guidelines for what people should do when they visit sites such as breweries, warehouses and depots.

Fatalities

We regret to report that we lost four colleagues to work-related accidents in 2013. The accidents in question were subjected to our crisis management and investigation procedures and their circumstances shared across the Carlsberg Group to help our sites identify any improvements required in their procedures.

FATALITIES

Company	Description	Employed by
Baltika Samara Brewery	A warehouse employee crossed into the active path and was hit by a forklift	Carlsberg
Baltika Tula Brewery	Road accident. A truck driver was hit by another truck	Carlsberg
Baltika Tyumen Office	Road accident. A sales employee driving a car was hit by a truck	Carlsberg
Baltika Krasnoyarsk Brewery	Road accident. A car driver was hit by another car	Carlsberg

The accident in Samara in Russia reminded us that the safety of our employees is very much dependent on the working culture and mindset that we must continue to implement to avoid breaches of our safety procedures.

The accidents in Tula, Tyumen and Krasnoyarsk in Russia were unfortunate road

accidents. At Tula Brewery, the procedures for road crossing were revisited and recommunicated, and the relevant lanes were optimised for pedestrian crossing.

Baltika Breweries launched an online training programme to raise awareness and improve skills among its drivers. Baltika will continue to roll out the programme during 2014.

HEALTH & SAFETY

2013 commitments	2013 targets	2013 achievements
1 Continue to implement the overall strategy in Production and Logistics across all regions	Production LTAR: 10.9 (-35% vs 2010) DLR: 142 (-45% vs 2010)	<i>Target achieved</i> LTAR: 10.3 ¹ (-38% vs 2010) DLR: 142 ¹ (-45% vs 2010)
2 Reinforce a proactive approach to health & safety	Safety risk assessments to be conducted in at least 90% of workplaces (Production, Logistics, Sales & Marketing and Administration)	<i>Target partially achieved</i> Western and Eastern Europe: target achieved Asia: ongoing action to meet target
3 Develop cross-audits in all regions	All H&S coordinators to perform 1 yearly cross-audit	<i>Target partially achieved</i> Total Group: 73% (including 100% in Western Europe)
4 Ensure sites comply with Group Policy requirements	3 Group mandatory requirements to be implemented every year at at least 90% of sites	<i>Target partially achieved</i> Western and Eastern Europe: target achieved Asia: ongoing action to meet target
5 Manage a coordinated approach to implement OHSAS 18001 at Western and Eastern European sites	At least 50% of production sites across Western Europe to be OHSAS 18001-certified	<i>Target achieved</i> 61% of Western European sites certified

¹ Within KPMG's assurance scope.

SELF-AUDIT AND RISK ASSESSMENT

In recent years, we have defined a set of safety priorities based on the findings of risk assessments carried out in Group companies. In 2013, we refrained from this practice to focus on consolidating the system to ensure sustainable improvement and give the local markets an opportunity to overcome specific local challenges.

Our cross-audits have significantly contributed to our overall health & safety progress over the past three years. We have succeeded in involving more managers and employees in the implementation of the health & safety priorities.

In Western Europe, the cross-audits are 100% implemented, meaning that all health & safety coordinators have conducted at least one audit per year in another country since 2011.

In Asia, 32 audits were carried out across China and a programme of cross-audits between



During the last three years, we have achieved a 29.3% decrease in our lost-time accident rate across the Group.

PETER ERNSTING
SVP, Group Supply Chain



countries has been established. However, implementation in Asia and Eastern Europe has not met the expectation of at least one cross-audit per year per health & safety coordinator due to turnover of coordinators, different levels of maturity and restricted budgets.

CERTIFICATION

Multi-site OHSAS 18001 certification has been achieved in 2013 for sites in France, Switzerland, Italy and Russia. This has been an opportunity for us to establish and share common standards for all supply chain sites. Our 2013 target was to have at least 50% of our Western European sites certified. We are proud to say that we exceeded this target. A total of 14 out of 23 production sites in Western Europe are now certified, corresponding to 61%.

In 2014, we will continue the pursuit of an Integrated Management System that will centralise and standardise the ISO certification process for the most important standards covering environment, health & safety, quality and food safety. In the coming years, we will

also introduce this integrated multi-site certification process in Eastern Europe and Asia.

2016 TARGETS – STRIVING TO JOIN THE BEST IN CLASS

The Carlsberg Group improved its safety performance from 2010 to 2013 by 41.6%. By 2016, we are aiming to further reduce our accident rate by 38%. Our aim is to be one of the best FMCG companies in class by 2020.

In 2014, we will maintain and reinforce the initiatives already in place. Among other things, we will continue the certification process in Europe and also implement a new three-year logistics plan focusing on People & Behaviour, Process & System, Performance Management & Reporting, Technical & Equipment and Contractors.

A strong safety culture starts at the top. We will train operational and functional managers in health & safety excellence. Carlsberg Supply Company (CSC) will implement the training as part of the Carlsberg Supply Chain Academy.

HEALTH & SAFETY

2014 commitments	2016 targets
1 Road to zero accidents <ul style="list-style-type: none"> Develop and implement new safety standards (chemical handling, electrical safety etc.) Implement a dedicated 3-year plan in Logistics Roll out an internal safety communication programme LTAR in Production: 7.8 LTAR in Logistics: 14.8 	Group LTAR = 5.4 (-38%) ² Including: 5.7 in Production 9.5 in Logistics
2 Policies and standards <ul style="list-style-type: none"> Implement the 2nd phase of the coordinated certification roll-out Certify 5 additional sites in Western Europe Certify 1 pilot site in Ukraine 	100% of Western and Eastern European sites to be OSHAS 18001-certified
3 Leadership and organisation <ul style="list-style-type: none"> Roll out a training programme as part of the Carlsberg Supply Chain Academy Conduct at least 3 training sessions 	100% of VPs and directors within Carlsberg Group supply chain sites and facilities to be trained in Health & Safety Academy

² Versus 2013 performance.

CASE STORIES



Carlsberg Ukraine combats corruption

We want to be a trusted business partner and employer across the markets in which we operate.

To support this ambition and maintain ethical business conduct and compliance with applicable law, including anti-corruption regulation, we have introduced a third-party screening procedure designed to ensure that the third parties with which we engage do not pose a corruption risk to our business and employees.

During 2013, Carlsberg Ukraine completed the implementation of the third-party screening procedure. With the support of the Supervisory Board, the legal department completed 11 training sessions in the procedure involving a total of 123 key employees.

Also, a new tool was developed to systematically handle third-party screening. The Carlsberg Ukraine contract system now contains all documentation relevant for the third-party screening, including questionnaires, forms, contracts and anti-bribery clauses, and the system ensures that contracts can be downloaded only if the third-party screening steps have been carried out.

In this way, Carlsberg Ukraine has ensured that the third-party screening procedure is followed in an efficient manner for all contracts entered into by Carlsberg Ukraine.

Szczecin and Kasztelan breweries in Poland recognised for safety improvements

At Carlsberg, we strive to instil a culture of safety in each and every one of our people. In 2013, Szczecin Brewery and Kasztelan Brewery, both part of Carlsberg Polska, were recognised for their significant safety improvements in a competition organised by the National Labour Authority.

The competition rewards companies that work proactively to improve safety and occupational hygiene above regulations and standards.

The competition involves two stages: the regional heats, carried out in 16 provinces across the country, and a national final where all top-ranked regional finalists compete to be the national champion.

Both breweries received a number one ranking as "Employer: Provider of Safe Work" in their respective regions.



Aldaris sets new standards for termination processes

Our employees are our single most valuable resource and we aim to maintain high standards in respect of providing a fair workplace. In September 2013, when our brewery in Aldaris, Latvia, was undergoing restructuring and had to lay off 62 employees, the HR department worked together with the local trade union to find new positions and make the process as constructive as possible for the employees.

150 NEW VACANCIES

The main goal was to provide the affected employees with employment opportunities in other companies. A total of 150 equivalent vacancies were offered for the employees to choose the most suitable one.

Trade union leader Inga Ozola was satisfied with the outcome: "Although it will be emotionally difficult to say goodbye to colleagues, it's now in their hands to choose what they'll do with the new job opportunities offered."

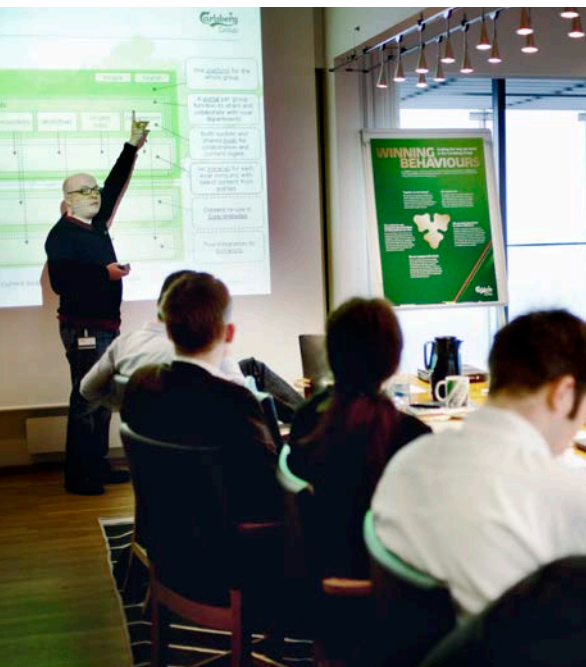
PREPARING EMPLOYEES FOR NEW CAREERS

With an average tenure of 20 years, it was also important for Aldaris to prepare the employees for new careers outside the company. The employee support programme focused on developing employee skills and capabilities to help them become more competitive in the local job market.



BUSINESS ETHICS

Corruption brings additional costs and is a barrier to economic growth, both for the Carlsberg Group and for the societies in which we operate. Our Business Ethics Policy gives clear guidance to all employees and external parties on our position on corruption and other ethical concerns. Through awareness and training, we want to build a strong ethical and anti-corruption culture across the Carlsberg Group.



Fighting corruption is an important part of the Carlsberg Business Ethics Policy. The policy and guidelines, e-learning programme, live training, third-party screening procedure and various toolkits are designed to provide clear guidance for our employees on how to resolve not only corruption issues but also other business ethics concerns such as conflicts of interest, misuse of company assets, wrongful donations and breaches of confidentiality.

2013 – ENGAGEMENT, INTEGRATION, TRAINING AND DUE DILIGENCE

We believe top management engagement is a cornerstone for achieving high performance in and compliance with ethical standards. This is why we have integrated the Business Ethics Policy into our Leadership Competencies Programme. Business ethics is now part of the Carlsberg performance measurement system for all line managers within the Carlsberg Group.

BUSINESS ETHICS

	2011	2012	2013
Number of training sessions held on business ethics	184	184	184
Total number of employees trained in the Business Ethics Policy	6,653	3,795	5,798
Percentage of companies with mechanisms in place to avoid business ethics incidents	84 ¹	83 ²	88 ³

¹32 out of 38 companies. ²33 out of 40 companies. ³35 out of 40 companies.

Furthermore, compliance with the Business Ethics Policy is part of all employment contracts in headquarters and has been incorporated into employment contracts in approximately two thirds of local markets. However, according to an internal audit report conducted in 2013, there are still improvements to be made on this point. Integration of the Business Ethics Policy in employment contracts must reach higher implementation levels, and we will pay special attention to this area going forward.

We want all employees to understand how to respond to and resolve any ethical dilemmas they come across.

We aim to empower our people, through education and training, to make the right decisions, and we monitor the measures that our companies have in place to avoid policy breaches.

Training has been a focal point in our implementation measures, not only in 2013 but throughout the three-year target period that has now come to an end. All key employees must undergo biennial training.

In 2013, 3,765 employees were trained through our e-learning system. The e-learning gives employees a thorough knowledge of the policy and guidelines, and all participants must pass an exam to complete the training.

We have translated the e-learning into three additional key languages (Mandarin Chinese, Vietnamese and Russian), which means the e-learning is now available in eight languages (the others being English, French, German, Polish and Finnish), with Swedish planned for Q1 2014.

Through our network of in-house legal counsels, we have conducted a total of 184 training sessions across 29 companies. The network also coordinates activities, shares best practices across the Group and increases the level of awareness in our local market companies.



We aim to provide all relevant employees with sufficient awareness and the necessary knowledge to ensure that we develop and grow our business in an ethically responsible way.

ULRIK ANDERSEN

General Counsel, VP, Group Legal & Risk Management



We want to send a strong, clear signal to all our employees and partners that corruption, including facilitation payments, should never be part of the way we do business.

ULRIK ANDERSEN

General Counsel, VP, Group Legal
& Risk Management

88% of all Carlsberg Group companies now have appropriate measures in place to avoid business ethics incidents. Another important step up in integrating business ethics in our business is that 60% of Group companies have implemented our third-party screening procedures.

WORKING AGAINST FACILITATION PAYMENTS

Facilitation payments are a risk in some parts of our operating markets. We have been continuously striving to eliminate facilitation payments in Carlsberg, and in 2013 we decided to move to a policy of zero tolerance of facilitation payments in 2014. We want to send a strong, clear signal to all our employees and partners that corruption, including facilitation payments, should never be part of the way we do business.

In moving towards zero tolerance, it is crucial for us to help our employees tackle and refuse requests for facilitation payments. On this basis, our training in 2014 will include clear guidance to employees on what to do when confronted with a facilitation payment requirement.

BUSINESS ETHICS MANAGEMENT SYSTEM

During 2013, we tested a new compliance management system with the aim of facilitating a more efficient and systematic approach to managing, tracking and monitoring business ethics activities across the Carlsberg Group.

According to the above-mentioned internal audit report of 2013, improving our ability to track and monitor implementation and performance will be a key precondition for

ensuring high levels of compliance with business ethics. The roll-out of the compliance management system will commence in 2014.

To support the new compliance management system and strengthen the implementation of the Business Ethics Policy in general, we have increased our compliance resources, including a new lawyer in Carlsberg China headquarters with business ethics as a dedicated task.

WHISTLEBLOWER SYSTEM

Our whistleblower system enables employees to report breaches of internal policies and guidelines or criminal conduct. The system is managed by an independent third party to provide employees with a high level of confidentiality and security. Once a report has been submitted, it is handled by specially trained and designated employees within Carlsberg Group Internal Audit. In 2013, 26 reports were submitted and investigated by Internal Audit. None of the reports submitted had material impact on the financial results of the Carlsberg Group or on the local company in question.

2016 – BUSINESS ETHICS PART OF THE CULTURE AND DECISION-MAKING

Our 2016 targets reflect our ambition to firmly root the Carlsberg Group Business Ethics Policy in our culture and place it at the heart of all business decision-making. The targets form part of our continuous efforts to ensure compliance with the Business Ethics Policy throughout the Carlsberg Group.

On this basis, we will pay special attention to further integrating the principles of the Policy into our business practices and relations. The first step in fighting corruption

BUSINESS ETHICS

	2013 commitments	2013 targets	2013 achievements
1	Roll out e-learning in more Group languages	100% of key employees to be trained in business ethics	<i>Target partially achieved</i> 89% of key employees trained. E-learning programme available in Chinese, English, Finnish, French, German, Polish, Russian and Vietnamese. Swedish to be launched at the beginning of 2014
2	Continue awareness and training – focus on high-risk areas	Business Ethics Policy to be communicated to all employees	<i>Target partially achieved</i> 93% of companies have communicated the Policy
3	Prepare and design process for audit and self-audit	Introduction of audit and self-audit in selected areas	<i>Target achieved</i> Compliance management system now includes audit and self-audit functionalities
4	Incorporate business ethics compliance into Carlsberg's performance measurement system	Relevant key employees and top management to be measured regarding business ethics compliance	<i>Target achieved</i> Business ethics compliance now part of the Leadership Competences Programme and training

is to identify where we face a risk. The third-party screening and due diligence target aims to ensure that the business relations and transactions we enter into are analysed for corruption risk and that these risks are properly mitigated.

Training will continue to be an essential implementation tool. We aim to provide all relevant employees with sufficient awareness and the necessary knowledge to ensure that we develop and grow our business in an ethically responsible way.

In 2014, we will continue our focus on training key employees and ensuring that the updated policy and guidelines are communicated to employees in a language they understand.

The most important update to the policy will be our move to zero tolerance of facilitation payments.

Furthermore, the roll-out of the compliance management system will enable us to improve efficiency and compliance documentation.

BUSINESS ETHICS

2014 commitments

- 1** *Implementation and compliance*
 - Communicate updated policy to all employees in a language that at least 90% understand, with emphasis on zero tolerance of facilitation payments
 - Optimise efficiency and documentation of compliance work by implementing the legal compliance management system
- 2** *Training*
Continue training with greater focus on e-learning

2016 targets

- Zero incidents of material non-compliance with the Business Ethics Policy
- Third-party screening and due diligence to become part of our business decision-making, including mergers & acquisitions
- Updated policy to be communicated to all employees in a language they understand
- 100% of key employees to be trained in updated policy as part of regular biennial training



We want all employees to understand how to respond to and resolve any ethical dilemmas they come across.

ULRIK ANDERSEN
General Counsel, VP, Group
Legal & Risk Management

LABOUR AND HUMAN RIGHTS¹

Our employees are our single most valuable resource and remain a strategic lever for the Carlsberg Group. Globally implemented labour and human rights are the foundation for our employees to develop their potential and contribute to the growth of our business.

Our Labour and Human Rights Policy is based on international conventions such as the United Nations Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Based on these, our policy provides equal minimum standards for all employees across the Carlsberg Group.

We acknowledge that continuous efforts are required to effectively implement our policy and guidelines in all our operating countries as we continue to grow and acquire majority ownership of more breweries. In line with this, we continue our efforts to ensure progress on policy implementation and awareness across the Carlsberg Group.

This effort reflects our commitment to provide a productive, supportive working environment where our employees feel empowered and

valued. Going forward, we will broaden our approach to continuously ensure adherence to the UN Guiding Principles on Business and Human Rights.

2013 – INCREASING EMPLOYEE ENGAGEMENT AND TRAINING

Overall implementation and training have progressed as planned. Data disclosed in this report reflects that we have made good implementation progress and taken important steps to build up the foundation of a Labour and Human Rights Policy fully anchored in the organisation.

A target for 2013 was to introduce employee engagement as a key performance indicator (KPI) for local CEOs and country management team members. As a result, "People" is now part of KPI measurements for our top leaders. A number of companies also use

LABOUR AND HUMAN RIGHTS (LHR)		
2013 commitments	2013 targets	2013 achievements
1 Introduce employee engagement as a KPI for local CEOs and country management team members	Employee engagement to be introduced as a KPI for all managers	<i>Target achieved</i>
2 Conduct LHR audits in 5 selected countries	Audits in 5 selected countries	<i>Target achieved</i>
3 Build e-learning module for LHR	Specific module to be developed for LHR for use in induction training and management development	<i>Target achieved</i>
4 Expand toolbox for LHR for local HR	All people managers to be automatically trained in LHR when hired/appointed as new people managers	<i>Target achieved</i> An internal website has been established for the entire HR community, making it easy to maintain and distribute relevant information, such as reports and best practices shared by the companies

the Engagement Index alongside financial measures to illustrate the organisational health of the business. Engagement continues to be an integrated part of the Group strategic scorecard.

The policy has been communicated to all employees at our majority-owned production sites in a language they understand. The implementation status reached 95%, an increase on previous years. Also, we conducted training for managers with direct reports in 85% of our companies. This is an increase of 10% on 2012. Furthermore, the policy was integrated into local onboarding programmes in 100% of all companies, maintaining the stable and high integration level from 2012.

LEADERSHIP COMPETENCE INTEGRATION

We have defined eight leadership competences for Carlsberg managers. One of these

competences is Passion and Integrity, which embraces both our Business Ethics Policy and our Labour and Human Rights Policy.

DIVERSITY

We wish to proactively drive gender diversity in top management. We believe it benefits our working environment and our ability to develop and grow. In our global recruitment policy, we state that our employee composition should reflect the different societies in which we operate. We have signed the equality charter stating that we will work to leverage equality and increase the number of females in management positions.

So far, our numbers are in line with our industry peers. However, we have set a specific diversity target of 40% females on our Supervisory Board by 2015. The figure is currently 21%. In general, the composition of

LABOUR AND HUMAN RIGHTS

2014 commitments	2016 targets
1 <i>Talent management</i> <ul style="list-style-type: none"> Roll out Leadership Competence Framework for top and upper-middle management level across the Group Define at least 2 initiatives that contribute to achieving a higher degree of gender diversity in management positions across regions and Group functions 	Anchor integrity in the organisation as one of the leadership competences Increase gender diversity in top and middle management across the Group
2 <i>Employer branding</i> Introduce commitment to the Labour and Human Rights Policy into Carlsberg Group Employer Brand at Group level and in selected countries	Integrate policy into Employer Branding and implement it across the Group
3 <i>Policy and guidelines</i> <ul style="list-style-type: none"> Review the LHR Policy with reference to the UN Guiding Principles on Business and Human Rights (UNGPR) Conduct a UNGPR gap analysis on the LHR Policy and guidelines 	Understand and demonstrate continuous due diligence in accordance with the UN Guiding Principles on Business and Human Rights
4 <i>Training</i> Introduce new e-learning module on LHR for Group HR and line managers in 2 countries	Roll out LHR Policy e-learning to HR and line managers across the Group and as a pilot for other target groups

our workforce is 74% male and 26% female. These figures have been relatively stable in recent years. The turnover rate increased to 15% from 14.0% in 2012. In terms of gender, turnover for females was 30%, an increase of 1% on 2012, while turnover for males was 70%, a decrease of 1%, on 2012.

AUDITS AND SURVEYS

In 2013, more than 30,000 employees were invited to complete the survey on working conditions and satisfaction. 88% participated. The results show continued high engagement scores as well as pride in working for the Carlsberg Group.

As always, the results form the basis of discussions across the Group, and improvement measures are put in place, including in areas where we are not meeting expectations.

As in 2012, we conducted audits in selected countries in all our regions to further build up understanding of implementation issues, track local compliance and identify best practices.

LABOUR DISPUTES

During August 2013, there was a strike at Carlsberg Danmark involving 130 workers. A newly employed worker was not a member of the 3F union, and consequently his co-workers refused to work with him. The

strike was ruled to be illegal by the competent court as Carlsberg Danmark does not and cannot legally require employees to join specific unions.

2016 – DIVERSITY AND LEADERSHIP

The Carlsberg Group was founded on very strong ethical values by our founding father, J.C. Jacobsen. We strive to keep these values alive as a vibrant part of the way we conduct business and cooperate with our employees.

Integrity as a leadership competence is about leaders living the Carlsberg spirit, having a strong sense of responsibility towards the company, the employees, society and the environment, and being guided by strong ethical values. It is closely linked with one of our core values: We are engaged with society. By 2016 at the latest, all leaders at Carlsberg will have the leadership competences to guide them on how to lead, including with an explicit focus on integrity.

Diversity is essential if we want to continue to develop and grow as a global business. Through to 2016, we will focus on implementing measures that particularly help female employees to develop into leadership roles and/or grow into more senior management positions.

Finally, we will work to ensure that we do not contribute to human rights violations. Our aim is to understand and demonstrate due diligence in accordance with the UN guiding principles.

In 2014, we will introduce gender diversity as part of career plans and promotions and establish a network of female executives to exchange experiences.



Our policy reflects our commitment to provide a productive, supportive working environment where our employees feel empowered and valued.

CLAUDIA SCLOSSBERGER

SVP, Group HR

Also, the leadership competences will become the yardstick for qualitative aspects of performance for all leaders.

NEW E-LEARNING MODULE

A new e-learning module will be piloted in selected countries. Our aim is to quickly and effectively reach out to more employees across the Group in the future.

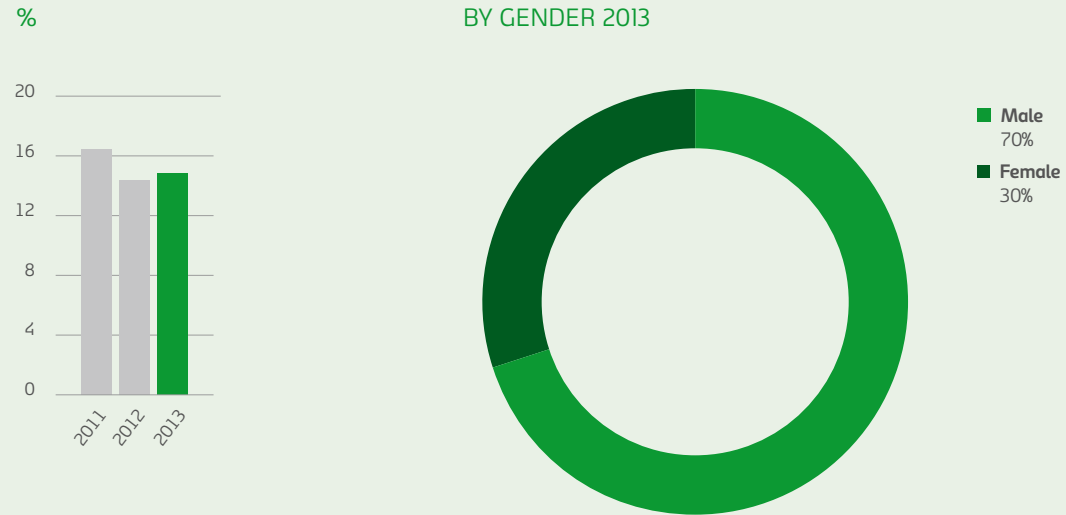
During the development of our new three-year targets, we decided to conduct a thorough review of the existing policy in 2014.

Part of this review will include an internal gap analysis of our present policy against the UN Guiding Principles on Business and Human Rights.

LABOUR AND HUMAN RIGHTS

Our My Voice results continue to show positive results with high employee participation and engagement scores.

EMPLOYEE TURNOVER



MY VOICE RESULTS

Engagement score

2013

78¹

2012

83

2011

83

Response rate

2013

88

2012

82

2011

82

TOTAL WORKFORCE

2013

40,435

2012

41,708

2011

42,670

¹ The engagement score dropped in 2013 due to significant redesign of the engagement survey (changes in both questions and scale). Most of our scores are strong compared to norms.

COMMUNITY ENGAGEMENT

With engagement come empowerment and the ability to influence and make a difference. In the Carlsberg Group, we want to empower our people and the communities in which we operate. This enables us to develop and grow in close cooperation with our employees and society at large.

Our founding father, J.C. Jacobsen, built his company on the passionate and dedicated belief that the prosperity of Carlsberg was conditional on engaging with and giving back to society. Today, we keep this legacy alive through hundreds of local community engagement activities across the markets where we operate majority-owned companies.

2013 – COMMUNITY ENGAGEMENT CLOSER TO BUSINESS

Over the past 12 months, we have developed and implemented a tool to systematise and prioritise our community engagement activities and enable the Group companies to better integrate activities into their business plans and evaluate the outcome and business benefits of the selected activities. Also, a Community Engagement Guidebook has been developed to provide the foundation of a common set of principles on which we

engage in voluntary and non-commercial activities. We have done this because we want to link community engagement more closely with our business. This has resulted in a sharpened focus on two of our key CSR initiatives: responsible drinking and sustainable packaging.

In 2013, our majority-owned companies invested DKK 47m within their local communities. This included in-kind donations, such as free products to support charity events, direct financial contributions and cause-related marketing activities.

In 2013, we invested in 34 cause-related partnerships, engaging with a number of civil organisations to support a shared cause. One example is Carlsberg Deutschland's support of local flora and fauna with the Nature and Biodiversity Conservation Union.

EMPLOYEE ENGAGEMENT

Each year, our employees make great efforts to integrate our CSR policies and initiatives into their local communities. In 2013, 7,432 employees across the Group volunteered in 1,599 various local community activities. Together, they invested more than 23,000 hours. Among the activities were the Sinebrychoff Park Rangers and the Seven Rivers clean-up projects, introduced at Olivaria Brewery in Belarus and Carlsberg Kazakhstan for the first time as a result of continuous activities in Baltika, Russia, during the previous years.

GLOBAL PARTNERSHIP

Entering into partnerships with international stakeholders, such as NGOs and other social organisations, enables us to maximise synergy from joint efforts. Furthermore, we receive valuable feedback and insights that allow us to continuously improve our strategy and approach. Following the commitment between the Carlsberg Group and Baltika Breweries in Russia and UNIDO in 2012, Baltika Breweries has started implementing the initiative Make the Difference for Your City. This is a pilot project designed to identify the best system for returnable glass bottle collection.

Furthermore, the Danish government, represented by the Minister for the Environment, signed a Declaration of Intent to support resource-efficient and cleaner production as well as sustainable natural resource management in Russia under the Carlsberg/UNIDO partnership.

2016 – BUILDING A COMMUNITY ENGAGEMENT CULTURE

Being a global business in an ever-changing global environment makes community engagement, whether local or global, vital for



We keep the legacy of our founding father alive through hundreds of local community engagement activities across markets each year.

ANNE-MARIE SKOV
SVP, Group Corporate Affairs

future growth. A continuous dialogue with the people and communities in the areas in which we operate enables us to develop our business according to the influence that we achieve.

We aim to build a strong foundation of employee engagement because our employees are our best and most qualified ambassadors. Our targets reflect our ambition to focus our efforts where we have the most significant, positive impact on the environment and society. The engagement of our employees will be a cornerstone in instigating and achieving these targets.

While we continue to acknowledge that different opportunities and challenges may take priority in our local companies, we encourage implementation of projects that reflect key Group initiatives, namely sustainable packaging, responsible drinking and employee engagement. We will develop and introduce an educational programme to prevent underage drinking and encourage Group companies to roll out recycling programmes.

COMMUNITY ENGAGEMENT

2013 commitments	2013 targets	2013 achievements
1 Develop a community engagement guidebook and impact evaluation	All our companies to have a system in place to strategically prioritise potential community activities and evaluate outcomes	<i>Target achieved</i> Community engagement integrated into Group procedures of business plans
2 Advance community activities together with global NGOs	Actively involve Carlsberg Group employees in global community efforts 2 global partnerships to be developed to advance community activities at local level	7,432 employees spent 23,162 hours on volunteering activities <i>Target partially achieved</i> Activities under the partnership between UNIDO and Carlsberg Group/Baltika Breweries ongoing A 2nd partnership postponed due to budget restrictions

COMMUNITY ENGAGEMENT

2014 commitments	2016 targets
1 <i>Sustainable packaging</i> Introduce sustainable packaging/recycling initiatives in at least 3 markets	Implement sustainable packaging/recycling projects in at least 75% of all countries with active involvement of employees
2 <i>Responsible drinking</i> Develop and approve educational campaign for implementation in selected markets in 2015-2016	Reach at least 1 million young people through local education campaigns addressing underage drinking
3 <i>Employee engagement</i> Improve engagement score through employee volunteering Scores should reach 40,000 hours of employee volunteering activities	100,000 hours of volunteer activities to be spent by employees of the Carlsberg Group annually
4 <i>Compliance and implementation</i> Strengthen implementation of policy and guidelines. Assist local companies in roll-out	Implement policies and guidelines 100% in Group companies



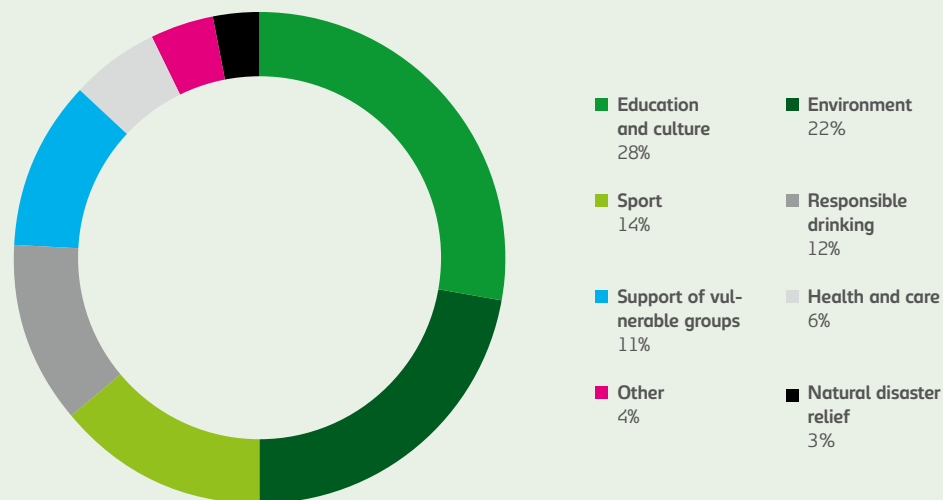
We aim to build a strong foundation of employee engagement because our employees are our best and most qualified ambassadors.

ANNE-MARIE SKOV
SVP, Group Corporate Affairs

COMMUNITY ENGAGEMENT

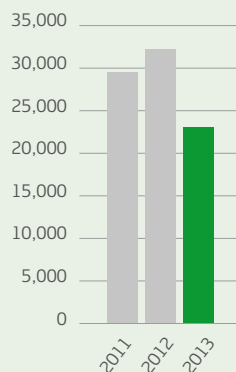
Our employees make great efforts to integrate our CSR policies and initiatives into their local communities. In 2013, 7,432 employees across the Group volunteered in 1,599 various local community activities.

DISTRIBUTION OF COMMUNITY INVESTMENT ACTIVITIES

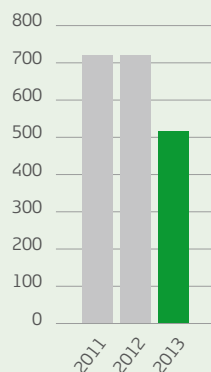


COMMUNITY INVESTMENT AND VOLUNTEERING ACTIVITIES

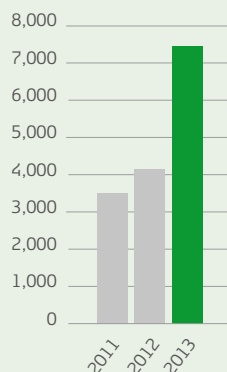
Hours spent on community investment activities



Number of volunteering activities

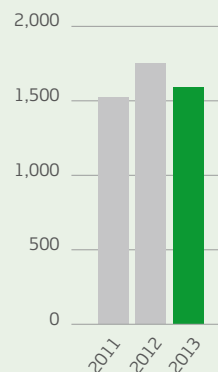


Total number of employees who participated in volunteering activities

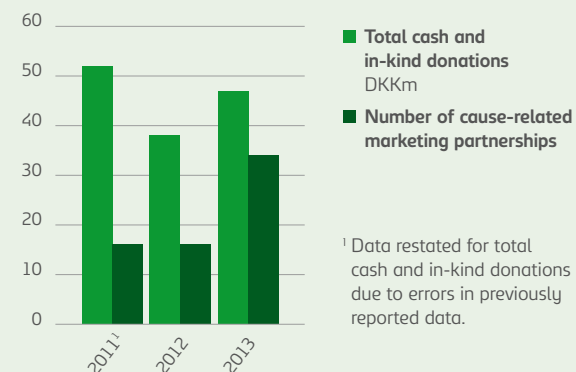


COMMUNITY INVESTMENT ACTIVITIES AND ENGAGEMENT

Total number of community investment activities



Community engagement



¹ Data restated for total cash and in-kind donations due to errors in previously reported data.

CASE STORIES



Every can counts to Carlsberg UK

During the summer of 2013, Carlsberg UK became partners in the national recycling campaign Every Can Counts. Together with its partner, Alupro, it targeted over 600,000 people to encourage recycling at six major UK festivals.

Head of CSR at Carlsberg UK, Matt Winterburn, says:

"We aim to demonstrate leadership in social responsibility and this partnership further underlines our commitment to being engaged with society. We hope to engage with customers, suppliers and consumers on a variety of sustainability initiatives besides the Every Can Counts campaign."

Carlsberg UK is the first UK brewer to invest in this national aluminium packaging recycling campaign, which encourages on-the-go recycling at outdoor events across the UK.

The campaign is led by Alupro, the Aluminium Packaging Recycling Organisation. Carlsberg UK is one of the campaign's main funding partners. The partnership marks Carlsberg UK's commitment to increase the recovery and recycling of its aluminium cans across the brand portfolio.

Watch the Every Can Counts video: www.youtube.com/watch?v=Ys2TqvuvwQo

Carlsberg Malawi joins ShareHope initiative

Carlsberg Malawi has entered into the ShareHope initiative, a multi-stakeholder partnership to address health issues in Africa. The goal is to contribute to improved health service delivery by donating medicine and equipment to Malawi's major hospitals.

In 2013, three 40-foot containers of medical equipment worth almost USD 1m, together with USD 4.4m in essential medicines, were donated to Queen Elizabeth Central Hospital, the largest central hospital in Malawi, serving over half a million patients annually.

Carlsberg Malawi is contributing to the project as a bottling partner. Besides Carlsberg Malawi, the partnership consists of The Coca-Cola Africa System, the charitable organisation MedShare International, CitiHope International and the Malawi government.

ShareHope has received notable commendation from Malawi's President, Mrs Joyce Banda, as an example of successful private-public partnership.



Lao Brewery helps to educate future generations

In 2007, Lao Brewery made a long-term commitment to help improve the education in Laos and increase access to it. Education is the backbone of a prosperous society as well as the foundation for building a business. During 2013, the brewery distributed education materials to underprivileged students in districts of the Savannakhet and Khammuan provinces.

Mr Oudone Singsovong, Deputy Managing Director of Lao Brewery, says: "We hope to encourage and motivate children to contribute to the future of Laos."

Lao Brewery cooperates with the Ministry of Education and Sports to help the government achieve the UN Millennium Development Goals.

LONG-TERM EFFORT TO STRENGTHEN EDUCATION

Every year, Lao Brewery donates LAK 300m (approx. USD 37,000) to the project, which will run until 2016.

In so doing, Lao Brewery is helping to educate children and further strengthen the development of Laos.

SECTION 1

Data summary table

ENVIRONMENTAL DATA

GENERAL PRODUCTION FIGURES	2010	2011	2012	2013
Number of reporting sites	74	75	76	75
Beer production (million hl)	99.4	99.1	100.7	100.3
Soft drink production (million hl)	10.1	11.7	12.2	13.0
Beer and soft drink production (million hl) ¹	109.5	110.8	112.9	113.3
Malting (ktonnes)	464.8	410.1	467	459.9

ENVIRONMENTAL PERFORMANCE DATA (BEER, SOFT DRINK AND MALT PRODUCTION)

Total thermal energy (GWh) ¹	3,012	2,735	2,808	2,671
Total electricity (GWh) ¹	1,016	949	966	954
Total CO ₂ emissions (ktonnes) ¹	1,185 ²	1,079 ²	949	918
Total SO ₂ emissions (tonnes)	3,222	1,376	1,440	1,249
Total NO _x emissions (tonnes)	3,098	1,568	1,483	1,387
Total water consumption (million m ³) ¹	40.1	38.0	38.7	38.7
Total wastewater discharged (million m ³)	26.4	24.9	25.2	24.4
Total organic load (COD) before treatment (ktonnes)	81.2	79.8	73.6	74.8

SOLID WASTE

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

RELATIVE FIGURES FOR BEER AND SOFT DRINK PRODUCTION	2010	2011	2012	2013
Thermal energy (kWh/hl) ¹	23.5	21.1	21.0	20.0
Electricity (kWh/hl) ¹	8.8	8.1	8.1	8.0
Combined energy (thermal and electricity) (kWh/hl) ¹	32.3	29.2	29.1	28.0
CO ₂ emissions (kg CO ₂ /hl) ¹	9.7 ²	8.8 ²	7.3	7.1
Water (hl/hl) ¹	3.5	3.3	3.3	3.3

RELATIVE FIGURES FOR MALT PRODUCTION

Thermal energy (kWh/tonne)	749.2	760.1	712.1	703.9
Electricity (kWh/tonne)	101.6	103	97.2	94.4
Combined energy (thermal and electricity) (kWh/tonne)	850.8	863.1	809.3	798.3
CO ₂ emissions (tonnes CO ₂ /tonne)	0.27	0.24	0.22	0.20
Water (m ³ /tonne)	2.8	2.5	2.1	2.0

OTHER FIGURES

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

WATER SOURCE SPLIT

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

SECTION 1 Data summary table

ENVIRONMENTAL DATA – CONTINUED

WASTEWATER DESTINATION	2010	2011	2012	2013
Public sewer with WWT	72%	71%	68%	68%
Public sewer without WWT	3%	5%	3%	4%
On-site treatment, followed by discharge to river/lake	24%	24%	28%	27%
Other	0%	0%	1%	1%

THERMAL ENERGY MIX

Natural gas	73.2%	71.1%	69.7%	71.8%
Coal	11.8%	12.7%	12.3%	11.0%
District heating	8.3%	8.4%	7.9%	7.2%
Heavy fuel	3.2%	2.6%	4.7%	4.4%
Renewable energy	1.6%	3.1%	3.5%	3.7%
Light fuel	1.5%	1.5%	1.2%	1.2%
Other	0.4%	0.6%	0.6%	0.7%

CO₂ EMISSIONS FROM REFRIGERANTS

HFC-based refrigerants (ktonnes CO ₂) ¹	N/A ³	N/A ³	N/A ³	11.3
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SUSTAINABLE PACKAGING

Percentage of companies carrying out sustainable packaging activities	N/A ³	N/A ³	N/A ³	26% ⁴
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PACKAGING MIX

Cans	23.1%	23.8%	24.8%	26.7%
RGB	29.4%	28.9%	29.2%	29.1%
NRGB	8.0%	8.6%	8.2%	8.1%
R-PET	1.6%	1.6%	2.2%	1.5%
PET	27.9%	27.4%	26.3%	25.7%
Kegs	8.0%	7.4%	7.4%	7.1%
Bulk	1.4%	1.8%	1.4%	1.2%
Other	0.6%	0.5%	0.5%	0.6%

HEALTH & SAFETY

FIGURES FOR PRODUCTION	2010	2011	2012	2013
Number of lost-time accidents	233	195 ¹	171 ¹	145 ¹
Lost-time accident rate	16.7	13.6 ¹	11.4 ¹	10.3 ¹
Number of lost days	3,608	2,559 ¹	2,306 ¹	2,010 ¹
Days lost rate	258	178 ¹	153 ¹	142 ¹

FIGURES FOR LOGISTICS

Number of lost-time accidents	230	180	148	136 ¹
Lost-time accident rate	27.2	21.6	19.0	16.7 ¹
Number of lost days	4,810	2,991	2,457	2,087 ¹
Days lost rate	568	359	316	256 ¹

FIGURES FOR THE GROUP

Number of lost-time accidents	540	457	367	326
Lost-time accident rate	14.9	12.3	9.9	8.7
Number of lost days	9,761	6,831	5,489	4,830
Days lost rate	270	184	147	129
Fatalities	2	2	0	4

LOST-TIME ACCIDENTS BY FUNCTION

Percentage in Production	43%	43%	47%	44%
Percentage in Logistics	43%	39%	40%	42%
Percentage in Sales & Marketing and Administration	14%	18%	13%	14%

SECTION 1 Data summary table

COMMUNITY ENGAGEMENT

	2010	2011	2012	2013
Total cash and in-kind donations (DKKm)	36 ⁵	52 ⁵	38	47
Number of cause-related marketing partnerships	N/A ³	16	16	34
Percentage of companies investing in community engagement initiatives	78% ⁶	86% ⁷	85% ⁸	85% ⁸
Number of community engagement activities	788	1,504	1,731	1,599

DISTRIBUTION OF ACTIVITIES

	2010	2011	2012	2013
Environment	22%	22%	23%	22%
Sports	10%	13%	15%	14%
Responsible drinking	10%	10%	11%	12%
Education and culture	24%	22%	25%	28%
Support of vulnerable groups	21%	10%	11%	11%
Health and care	5%	7%	8%	6%
Natural disaster relief	4%	4%	3%	3%
Other	14%	12%	4%	4%
Number of employees involved in community engagement activities	N/A ³	3,527	4,146	7,432
Number of hours spent	22,590	29,465	32,104	23,162

MARKETING COMMUNICATION

	2010	2011	2012	2013
Percentage of companies with a procedure in place to track consumer complaints	94 ⁹	94 ⁹	97 ¹⁰	94 ¹¹
Number of reported incidents of non-compliance with Marketing Communication Policy	10	7	5	4
Number of sales, marketing and innovation employees trained through the marketing communication e-learning tool	N/A	235	251	251

RESPONSIBLE DRINKING

	2010	2011	2012	2013
Percentage of companies implementing responsible drinking initiatives	N/A	80% ¹²	78% ¹³	69% ^{14,15}
Percentage of fermented produced volume with health warnings	N/A	N/A	N/A	80%

BUSINESS ETHICS

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

LABOUR AND HUMAN RIGHTS

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

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CONTRACT

Number of permanent employees	93%	93%	93%	90%
Number of temporary employees	7%	7%	7%	10%

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TYPE

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

SECTION 1 Data summary table

LABOUR AND HUMAN RIGHTS – CONTINUED

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CATEGORY ²²	2010	2011	2012	2013
Total presidents and top managers	2%	2%	2%	2%
Total managers	10%	11%	11%	11%
Total specialists	36%	39%	39%	40%
Total workers	52%	48%	48%	47%

PERCENTAGE OF EMPLOYEES BY GENDER²²

Male	74%	74%	73%	74%
Female	26%	26%	27%	26%

PERCENTAGE OF MANAGEMENT LEVEL BY GENDER

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

PERCENTAGE OF EMPLOYEES BY AGE

Younger than 18	0.05%	0.03%	0.03%	0.00%
19-29	24%	23%	23%	23%
30-39	35%	35%	35%	34%
40-49	26%	26%	26%	26%
Older than 50	15%	16%	16%	17%

EMPLOYEE TURNOVER

Employee turnover percentage	12%	16.5%	14%	15%
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EMPLOYEE TURNOVER PERCENTAGE BY AGE

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

EMPLOYEE TURNOVER PERCENTAGE BY GENDER ²¹	2010	2011	2012	2013
Male	76%	75%	71%	70%
Female	24%	25%	29%	30%

HOURS OF TRAINING

Average for the Group	18	17	13	33
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COLLECTIVE BARGAINING

Percentage of employees covered by collective bargaining agreements	69%	68%	71%	71%
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POLICY IMPLEMENTATION STATUS

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

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

¹ Within KPMG's assurance scope (see KPMG's assurance report).

² CO₂ emissions restated due to changes in methodology.

³ Data not reported in previous years.

⁴ 44% of the activities were industry initiatives and 66% were carried out by Group companies.

⁵ Data restated due to errors in reported data.

⁶ 28 out of 36 companies.

⁷ 32 out of 37 companies.

⁸ 34 out of 40 companies.

⁹ 34 out of 36 companies.

¹⁰ 37 out of 38 companies.

¹¹ 38 out of 39 companies.

¹² 28 out of 35 companies.

¹³ 29 out of 37 companies.

¹⁴ 24 out of 35 companies.

¹⁵ 33% of the activities were industry initiatives and 67% were carried out by Group companies.

¹⁶ 28 out of 38 companies.

¹⁷ 32 out of 38 companies.

¹⁸ 33 out of 40 companies.

¹⁹ 35 out of 40 companies.

²⁰ 14 out of 40 companies.

²¹ 24 out of 40 companies.

²² 2013 data not including 430 part-time sales promoters in Laos due to non-available data.

SECTION 2

Independent assurance report

TO THE READERS OF THE 2013 CSR REPORT

We were engaged by the Executive Board of Carlsberg A/S ("Carlsberg") to provide assurance on selected information in the Carlsberg Group Corporate Social Responsibility Report 2013 ("the Report"). The Executive Board is responsible for the preparation of the Report, including the identification of material issues. Our responsibility is to issue an assurance report based on the engagement outlined below.

SCOPE

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

- In the "Environment" section, the introduction, "Energy and emissions", "CO₂ emissions", "Water" and "HFCs" (pages 9-12, 15, 39-40).
- In the "Health & Safety" section, the following 2013 indicators: lost-time accident rate (LTAR) and days lost rate (DLR) in Production and Logistics (pages 25-27, 40).
- In the "Economic value generated" section, the following information for 2013: taxes borne incl. excise duties, corporate tax paid and excise duty paid (pages 7-8).

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

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

REPORTING CRITERIA AND ASSURANCE STANDARD

For the information covered by our engagement scope Carlsberg applies criteria as detailed in sections 4 to 6. It is important to view the assured information in the context of these criteria. We believe that these criteria are suitable in view of the purpose of our assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This Standard requires, among other things, that the assurance team possess the specific knowledge, skills and

professional competences needed to provide assurance on sustainability information, and that they comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure their independence.

WORK UNDERTAKEN

Our procedures included the following:

- A risk analysis, including a media search, to identify relevant environmental and safety issues for Carlsberg during the reporting period.
- Reviewing the suitability of the reporting criteria.
- Evaluating the design and implementation of the systems and processes for the collection, processing and control of the selected information.
- Interviews with the relevant staff at corporate level responsible for collecting, consolidating and carrying out internal control procedures on the selected information.
- Visits to three production sites in Laos, Russia and Finland to review the environmental and safety data and the design and implementation of validation procedures at local level.
- An analytical review of the data for the selected environmental and safety indica-

tors submitted by all production sites for consolidation at corporate level.

- Evaluating internal and external documentation, based on sampling, to determine whether the selected information is supported by sufficient evidence.
- An analytical review of the selected tax information for the individual consolidated entities.
- Reconciliation of selected tax information with the audited consolidated financial statements of Carlsberg A/S.

CONCLUSION

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

Amsterdam,
26 February 2014
KPMG Sustainability part
of KPMG Advisory N.V.

Wim Bartels
Partner

Copenhagen,
26 February 2014
KPMG Statsautoriseret
Revisionspartnerselskab

Henrik Kronborg Iversen
State Authorised Public
Accountant

SECTION 3

Global Reporting Initiative table

The Carlsberg Group utilises the Global Reporting Initiative (GRI) G3 framework to produce an overview of our CSR progress. The framework provides organisations with principles and indicators to measure and report their economic, environmental and social performance.

The following GRI table details how our CSR progress data from 2013 is aligned with the GRI G3 guidelines (www.globalreporting.org).

This is our fifth year reporting in accordance with the GRI. Following our self-assessment, we declare our reporting to be consistent with

the criteria for Application Level C+. KPMG provided assurance on selected economic, environmental and safety indicators based on the International Standard for Assurance Engagements (ISAE) 3000.

To increase the transparency and comprehensibility of the table, we indicate whether our level of disclosure covers the GRI requirements fully or partially. In addition, every profile or performance indicator we apply is linked to a specific section of either our Annual Report (AR), our company website (www.carlsberggroup.com) or the CSR section on our company website (www.carlsberggroup.com/csr/reports).

Given that our products are made from natural resources, the sustainability of the environment is vital to our business. In total, we report on 27 indicators (13 of which are related to the environment), which is significantly above the required 10 profile indicators for level C. In order to simplify the table, we have included only the indicators for which we provide either full or partial data.

The GRI G3 guidelines encourage disaggregation of information where feasible, but acknowledge that the level of disaggregation may vary by indicator. We will continue

to develop the maturity of our reporting systems and procedures so we can improve the level of disaggregation in the future.

If you have any comments or questions about our GRI reporting, please contact: csr@carlsberg.com

GRI PROFILE & PERFORMANCE INDICATORS	CSR REPORT 2013 (CSR) ANNUAL REPORT 2013 (AR)	OTHER LOCATION &/OR ELABORATIONS	LEVEL OF REPORTING	UNGC PRINCIPLE
1. STRATEGY AND ANALYSIS				
1.1 CEO statement	CSR: 4 AR: 9-11		●	
2. ORGANISATIONAL PROFILE				
2.1 Name of the organisation	CSR: 57		●	
2.2 Primary brands, products, and/or services		Carlsberg Group brand selector (www.carlsberggroup.com/brands)	●	

SECTION 3 Global Reporting Initiative table

GRI PROFILE & PERFORMANCE INDICATORS		CSR REPORT 2013 (CSR) ANNUAL REPORT 2013 (AR)	OTHER LOCATION &/OR ELABORATIONS	LEVEL OF REPORTING	UNGC PRINCIPLE
2.3	Operational structure of the organisation	AR: 41 - Executive Board 49 - Executive Committee 162-163 - Supervisory Board		●	
2.4	Location of organisation's headquarters	CSR: 57		●	
2.5	Number of countries where the organisation operates		www.carlsberggroup.com/markets	●	
2.6	Nature of ownership and legal form	AR: 36		●	
2.7	Markets served	AR: 13-18	www.carlsberggroup.com/markets	●	
SCALE OF THE REPORTING ORGANISATION					
2.8.1	Number of employees	CSR: 34		●	
2.8.2	Net sales	AR: 7, 52		●	
2.8.3	Total capitalisation broken down in terms of debt and equity	AR: 7, 56		●	
2.8.4	Quantity of products or services provided	AR: 7		●	
2.8.5	Total assets	AR: 7, 56		●	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	AR: 105-108		●	
2.10	Awards received in the reporting period	CSR: 28: Szczecin and Kasztelan breweries in Poland recognised for safety improvements	<ul style="list-style-type: none"> • Carlsberg UK recognised for sustainability excellence • Carlsberg UK receives Green Apple Gold Award • Carlsberg Polska: "Appearances can be deceptive" • Carlsberg UK scoops "Heart of the Community Award" Read the stories on www.carlsberggroup.com/csr	●	
3. REPORT PARAMETERS					
REPORT PROFILE					
3.1	Reporting period		The report covers the 2013 calendar year	●	
3.2	Date of most recent previous report		CSR Report 2013 published on 26 February 2014	●	
3.3	Reporting cycle		The reporting cycle is annual	●	
3.4	Contact point for questions regarding the report or its contents		csr@carlsberg.com	●	













SECTION 3 Global Reporting Initiative table

GRI PROFILE & PERFORMANCE INDICATORS		CSR REPORT 2013 (CSR) ANNUAL REPORT 2013 (AR)	OTHER LOCATION &/OR ELABORATIONS	LEVEL OF REPORTING	UNGC PRINCIPLE
REPORT SCOPE AND BOUNDARY					
3.5	Process for defining report content	CSR: 50		●	
3.6	Boundary of the report	CSR: 50		●	
3.7	State any specific limitations on the scope or boundary of the report	CSR: 50		●	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations	CSR: 50		●	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	CSR: 10, 37, 39-42	10, 39-40: 2011 CO ₂ emissions restated due to changes in methodology 37: 2011 total cash and in-kind donations restated due to errors in previously reported data	●	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	CSR: 50		●	
GRI CONTENT INDEX					
3.12	Table identifying the location of the Standard Disclosures in the report. [...]		The information contained in this GRI table	●	
ASSURANCE					
3.13	Policy and current practice with regard to seeking external assurance for the report	CSR: 43 AR: 161			
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT					
4.1	Governance structure of the organisation	AR: 41: Executive Board 49: Executive Committee 162-163: Supervisory Board		●	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer		No, the Chairman of the Supervisory Board is not an executive officer	●	
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	AR: 36-42, 162-163	The Supervisory Board is made up of 14 members, none of whom are involved in operative management	●	

SECTION 3 Global Reporting Initiative table

GRI PROFILE & PERFORMANCE INDICATORS		CSR REPORT 2013 (CSR) ANNUAL REPORT 2013 (AR)	OTHER LOCATION &/OR ELABORATIONS	LEVEL OF REPORTING	UNGC PRINCIPLE
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	AR: 36-37		●	
4.14	List of stakeholder groups engaged by the organisation	CSR: 12: UNIDO partnership, Water Benefits Partners 12: Cradle-to-Cradle® design framework 19: AIM-Progress 21-22: Global Actions: Commitment to reduce the harmful use of alcohol, European Beer Pledge, WFA Responsible Marketing Pact		●	
4.15	Basis for identification and selection of stakeholders with whom to engage	CSR: 12, 13, 19, 21-22	Community Engagement Policy www.carlsberggroup.com/csr	●	
PERFORMANCE INDICATORS					
ECONOMIC					
EC1	Direct economic value generated and distributed	CSR: 7-8, 35 AR: 52-53: Financial review 124-126: Retirement benefit obligations and similar obligations 113-114: Corporation tax		●	
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	CSR: 9-11, 13-14		●	7
ENVIRONMENT					
EN3	Direct energy consumption by primary energy source	CSR: 10-11, 39		●	8
EN4	Indirect energy consumption by primary source	CSR: 10-11, 39		●	8
EN5	Energy saved due to conservation and efficiency improvements	CSR: 10-11		●	8, 9
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	CSR: 10-11		●	8, 9

SECTION 3 Global Reporting Initiative table

GRI PROFILE & PERFORMANCE INDICATORS		CSR REPORT 2013 (CSR) ANNUAL REPORT 2013 (AR)	OTHER LOCATION &/OR ELABORATIONS	LEVEL OF REPORTING	UNGC PRINCIPLE
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	CSR: 10-11			8, 9
EN8	Total water withdrawal by source	CSR: 12, 39-40			8
EN16	Total direct and indirect GHG emissions by weight	CSR: 10, 39			8
EN18	Initiatives to reduce GHG emissions and reductions achieved	CSR: 10-11, 39			7, 8, 9
EN20	NOx, SOx and other significant air emissions by type and weight	CSR: 39			8
EN21	Total water discharge by quality and destination	CSR: 39-40			8
EN22	Total weight of waste by type and disposal method	CSR: 39			8
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	CSR: Case stories: 17, 20 Sections: 10-14	Find more case stories from 2013 online at www.carlsberggroup.com/csr		7, 8, 9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	CSR: 14			8, 9
LABOUR PRACTICES AND DECENT WORK					
LA1	Total workforce by employment type, employment contract, and region (Core)	CSR: 41			
LA2	Total number and rate of employee turnover by age group, gender, and region (Core)	CSR: 42			6
LA4	Percentage of employees covered by collective bargaining agreements (Core)	CSR: 42			1, 3
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region	CSR: 40			1
LA10	Average hours of training per year per employee by employee category	CSR: 42			

SECTION 3 Global Reporting Initiative table

GRI PROFILE & PERFORMANCE INDICATORS		CSR REPORT 2013 (CSR) ANNUAL REPORT 2013 (AR)	OTHER LOCATION &/OR ELABORATIONS	LEVEL OF REPORTING	UNGC PRINCIPLE
SOCIETY					
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting		Community Engagement Policy www.carlsberggroup.com/csr	■	
S04	Actions taken in response to incidents of corruption	CSR: 30		■	10
S05	Public policy positions and participation in public policy development and lobbying		Carlsberg is active in the political debate related to the regulatory environment for beer and soft drinks etc. We engage directly and indirectly in dialogues with authorities and other stakeholders at national, regional and international level. At national level, we are active through our membership of brewers' associations, trade associations etc. We also engage regionally through The Brewers of Europe (www.brewersofeurope.org), which is the voice of the European brewing sector and a platform for dialogue with the EU institutions. We have registered our corporate interests in the EU lobby register. At global level, we have signed the Global Action: Commitment to reduce the harmful use of alcohol. Furthermore, we provide input to policy dialogues, e.g. through the World Wide Brewing Alliance, in the World Health Organisation, the World Trade Organisation etc. Carlsberg contributes to carry out research on beer and other alcoholic beverages, i.a. through the European Foundation for Alcohol Research (ERAB) and the International Centre for Alcohol Policies (ICAP). Also, Carlsberg is a member of EUROOPEN, a cross-sectoral industry body working on the environmental challenges facing the packaging supply chain	●	1 - 10
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		Marketing Communication Policy and Responsible Drinking Policy www.carlsberggroup.com/csr	■	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	CSR: 41		■	
N/A	% of employees trained on responsible marketing. Training could e.g. be e-learning, workshop or induction training	CSR: 41		●	
HUMAN RIGHTS					
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		100% of our companies have reported that all HR employees have been introduced to the Labour and Human Rights Policy and are familiar with the situations covered by the policy. Furthermore, 85% of our companies have trained all their people managers with direct reports in the Labour and Human Rights Policy, an increase of 10% from last year. Figures for the total percentage of employees trained are not available	■	1 - 6
HR4	Total number of incidents of discrimination and actions taken		2 incidents of discrimination reported in 2013	●	1, 2, 6

SECTION 4

Reporting process and scope

REPORTING APPROACH AND CRITERIA

Scope of the CSR reporting

Our CSR reporting is aligned with GRI G3. In this document we cover the relevant and significant social, ethical and environmental issues for the financial year 1 January to 31 December 2013. Our GRI table includes references to our Annual Report, which covers our financial and economic performance. Together, this information supplies our stakeholders with an overview of our social, environmental and economic performance.

We receive recommendations on our CSR activities and reporting from our assurance provider, KPMG, and continuously analyse competitors and industry initiatives. Furthermore, we use the internationally recognised Global Reporting Initiative (GRI) standard in order to ensure comparability with other companies. Find out more from our GRI table in section 3.

BOUNDARY SETTING

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

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

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

If a majority-owned entity is acquired during the financial year, the entity will be included in the reporting for the following year. The boundary setting is different for the information related to "Economic value generated" and "Total tax contribution". The principles used for this data can be found in section 6.

Comments on boundary setting:

- The following site has been excluded from 2013 due to closure: Changji Brewery (China, Xinjiang Group).
- The following sites have been closed/sold since 2012 and will be excluded from 2014 reporting: Huocheng Brewery, China (June 2013), Hami Brewery, China (Dec. 2013).

- The following sites are not included even though they are majority-owned: Qitai Malt-ing (China), Yinchuan Bottling Plant (China).
- The following company has become majority-owned during 2013: Chongqing Brewery Co. Ltd. (Dec. 2013). Chongqing Brewery Co. Ltd. covers 23 beer produc-tion sites. Integration into the CSR report-ing system will start up in 2014; reporting scope will depend upon maturity level.
- During 2013, Derbes changed its name to Carlsberg Kazakhstan; Baku changed its name to Baltika Baku; and Slavutich changed its name to Carlsberg Ukraine.

ENSURING DATA QUALITY

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

Please find additional information on each of the topics below:

Balance

We are committed to communicating hon-estly and openly about our performance, both when it has improved and when it has

not. Our aim is to provide our stakeholders with sufficient information about our com-pany so that they are able to make their own judgements concerning the Carlsberg Group's position and role in the societies where we do business.

Clarity

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

Accuracy and reliability

Since 2009, we have used a dedicated CSR reporting system to help us collect data from local sites and consolidate this at Group level. Every year since 2009, we have improved the definitions of our performance indicators in order to help our entities report accurate and reliable data. However, we also recognise that there is still a challenge ahead in order to obtain a complete and fully aligned overview of all our CSR data, especially when it comes to local procedures for data gathering. Our reporting system

has been developed by Enablon, an international provider of CSR software solutions. The system gives us a high degree of control over the data-gathering process, helps local companies to compare data year on year, and also allows instant consistency checks during the data-gathering phase.

We have appointed KPMG to provide independent assurance regarding selected economic, environmental and safety indicators. In the various sections, we indicate which data has been assured. For further details, see page 43.

Timeliness

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

Comparability

Our reporting criteria and indicators are based on the GRI G3 guidelines (2006) where applicable. In the GRI table (section 3, pages 44-49), we have listed whether our reporting is fully or partially in line with the GRI indicator definitions.

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

Definitions

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

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

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

Definitions for environmental indicators and health & safety are available in section 5, page 52.

Targets

We communicate two different kinds of plans and targets:

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

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

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



SECTION 5

Definitions: environment and health & safety

DEFINITIONS

INDICATOR NAME	INDICATOR DEFINITION	UNIT
Total thermal energy consumption	Total thermal energy consumption for beer, soft drink and malt production	GWh
Total electricity consumption	Total electricity consumption for beer, soft drink and malt production	GWh
Total water consumption	Total water consumption for beer, soft drink and malt production	m ³
Total production of beer and soft drinks	Total fermented and non-fermented products produced	hl
Total CO ₂ emissions	Total fossil carbon dioxide emissions ¹ (direct and indirect emissions) emitted due to energy used for beer, soft drink and malt production	ktonnes CO ₂
Specific thermal energy consumption	Thermal energy needed to produce one hectolitre of beer and soft drinks	kWh/hl
Specific electricity consumption	Electricity needed to produce one hectolitre of beer and soft drinks	kWh/hl
Specific water consumption	Water needed to produce one hectolitre of beer and soft drinks	hl/hl
Specific CO ₂ emissions	Fossil carbon dioxide emissions (direct and indirect emissions) emitted from the energy used to produce one hectolitre of beer and soft drinks	kg CO ₂ /hl
CO ₂ emissions from refrigerants	Impact from refrigerants refilled or recharged in any system at a brewery or malting site. Expressed in CO ₂ -equivalents	ktonnes CO ₂
Lost-time accidents (LTA) in Production and Logistics	Occupational accidents that result in employees being unable to perform the full range of their normal duties for at least one day, excluding the day of the accident	Number (LTA)
Lost-time accident rate in Production and Logistics	Number of LTAs x 1000 / number of FTEs	Rate (LTAR)
Days lost (DL) in Production and Logistics	Days absent from work (excluding the day of the accident) due to lost-time accidents	Number (DL)
Days lost rate in Production and Logistics	Number of DLs x 1000 / number of FTEs	Rate (DLR)
Full-time equivalents in Production and Logistics	Number of employees on payroll, where part-time workers are converted into FTEs by an equivalent proportion and one person counts as maximum 1 FTE	Number (FTE)

¹ CO₂ emission factors used for fossil fuels and electricity are in accordance with 2006 IPCC Guidelines for National Greenhouse Gas Inventories and IEA statistics: *CO₂ Emissions from Fuel Combustion* (2012 Edition). CO₂ from other activities, such as Logistics, and CO₂-equivalents from HCFCs are not included in the total or specific CO₂ figures.

SECTION 6

Tax assurance principles

BASIS OF PREPARATION

GENERAL COMMENTS

This Basis of Preparation presents the scope and methodology of the collection and reporting of the data on tax payments used in the Carlsberg Group Corporate Social Responsibility Report ("the Report").

The Report aims to provide readers with an overview of the total tax contribution that the Carlsberg Group (excluding associates) has generated during the year. The total tax contribution is defined as taxes borne and taxes collected by the Carlsberg Group.

The Basis of Preparation supports the data for taxes borne, taxes collected and total tax contribution included in the Report.

It is the responsibility of the Management of Carlsberg to ensure that appropriate procedures are in place to prepare reporting in line with this Basis of Preparation.

All data, unless otherwise stated, is prepared for the year from 1 January 2013 to 31 December 2013.

Data is collected for all companies that Carlsberg A/S controls. Control is obtained when Carlsberg A/S directly or indirectly owns or controls more than 50% of the voting rights in the subsidiary or has control in some other way. Subsidiaries that Carlsberg controls have reported 100% of their taxes borne and collected, and the full amount is included in the Carlsberg tax contribution.

Companies over which the Group exercises a significant influence, but does not control, are considered to be associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% but less than 50% of the voting rights. Data for associates is not part of the Carlsberg tax contribution.

Entities that, by agreement, are managed jointly with one or more other parties (joint ventures) are consolidated proportionately, and data is recognised in proportion to the ownership interest.

Entities acquired or formed during the year are recognised in the Report from the date of acquisition or formation. Entities that are

disposed of or wound up are recognised in the consolidated income statement until the date of disposal or winding-up.

The data includes a degree of estimation, as tax per entity is not reported in detail if a type of tax is below DKK 100,000 per year. Instead, taxes below DKK 50,000 are not reported, and taxes above DKK 50,000 but below DKK 100,000 are reported as DKK 50,000.

The data is reported by the entity in local currency in multiples of 1,000.

SCOPE OF REPORTING AND DEFINITION OF KEY TERMS

"Tax" in this Report means any amount of money required to be paid to, or collected and subsequently remitted to, a government. Taxes have been reported by differentiating between taxes borne and taxes collected. The following sections provide the scope of the data presented in the Report.

Terms defined in Carlsberg's Annual Report 2013 are not described below.

Taxes borne and taxes collected are the taxes due in respect of an accounting period as defined in the IFRS, as adopted by the EU. Borne taxes paid and collected taxes paid, including excise duty paid, are included when cash is released from or received by Carlsberg.

KEY TERM DEFINITIONS

Economic value generated

Economic value generated comprises gross revenue, other income, financial income and income included in special items. Income recognised in other comprehensive income is not included.

Total tax contribution

Total tax contribution is the sum of borne and collected taxes paid to governments for the period from 1 January to 31 December. Amounts are included as paid when cash is released from or received by Carlsberg.

Operating cost

Includes cost of sales, sales and distribution expenses, administrative expenses, other operating expenses, expenses included in special items and share of profit after tax in associates, but excluding employee wages.

Employee wages

Include wages to employees excluding social security costs.

Providers of capital

Include financial expenses recognised in the income statement, but not financial expenses recognised in other comprehensive income.

Economic value retained

Consolidated profit after tax.

Current tax

The corporate income tax due in respect of taxable profit for an accounting period, as defined in the International Financial Reporting Standard IAS 12.

Deferred tax

The corporate income tax due in respect of temporary differences between accounting values and tax base, as defined in the International Financial Reporting Standard IAS 12.

Employee taxes

Include personal income taxes and social contribution for employees (borne and collected).

Government

The term government means any government body or nation, state, region or district.

Direct tax

A tax paid directly to a government by the person on whom it is imposed. Such taxes also include non-refundable VAT, non-recoverable withholding taxes, real estate tax etc.

Indirect tax

A tax required to be paid to a government by one person at the expense of another.

SCOPE OF REPORTING

1. BORNE TAXES AND EXCISE DUTIES

These are the taxes that Carlsberg is obliged to pay to a government on its own behalf, or taxes that Carlsberg is obliged to pay to a third party and that cannot be recovered from a government.

Corporate income tax

Corporate income tax comprises any tax on the business calculated on the basis of its profits, income or capital gains. Typically, these taxes would be reflected in corporate income tax returns made to governments and tend to become payable, and are paid, either in the year the profits were made or up to one year later, depending on the local tax rules as to timing of payments.

Excise duties (beer and soft drinks etc.)

Excise duties are indirect taxes on the consumption or the use of certain products (e.g. alcoholic beverages or tobacco). In contrast to value added tax (VAT), they are expressed as a monetary amount per quantity of the product.

Energy taxes (net, non-refundable)

Energy taxes comprise environmental taxes levied on the consumption of energy borne by companies' own supply of energy. Such taxes may include taxes on the consumption of electricity, oil, gas or coal.

Environmental fees

Environmental fees comprise additional environmental taxes that may apply depending on company operations. Such taxes may include other taxes and duties on the supply of goods and services that are potentially harmful to the environment and have not been included in the energy taxes.

VAT (non-deductible)

This comprises the non-deductible part of the value added tax, i.e. taxes that arise in relation to brewing or sale, which cannot be recovered from a government. The payment is borne by the company and not the consumers.

Real estate taxes

Real estate taxes comprise any property-related taxes, including property, land and estate tax (other than stamp duty, which is shown below). Typically, these taxes tend to become payable, and are paid, to governments throughout the year.

Withholding taxes on dividends, royalties, interest and professional fees

Withholding taxes comprise the final tax burden on payment of dividends, interest etc. after possible tax relief.

Transportation taxes

Transportation taxes comprise flight tax, petrol tax, registration duties and other taxes levied on the mobility of goods and employees.

Social contribution for employees

Social contribution for employees comprises the social security contributions levied on and borne by the employing company. Such contributions may include the employer's national insurance contributions, employment insurance tax, employees' provident fund, old-age, survivors' and disability insurance tax.

Stamp duties

Stamp duties comprise taxes that arise on transfers of assets or capital. Typically, these taxes would be reflected in stamp duty returns made to governments and tend to become payable, and are paid, to governments shortly after capital or assets have been transferred.

Other taxes

This category comprises all paid taxes which have not been included in the above categories.

2. TAXES COLLECTED

These are taxes not finally borne by Carlsberg, but Carlsberg bears an administrative burden for the collection of taxes. These taxes are,

however, indirectly generated from Carlsberg's business activities and therefore part of Carlsberg's total tax contribution.

Personal income taxes

This comprises employee taxes withheld from employee wages and paid to governments, i.e. tax collected and remitted to governments on behalf of employees.

Social contribution withheld by the company

This comprises social contributions payable by employees to social security, private funded and unfunded schemes. Generally, the employment of staff requires the employing company to administer employees' social security contributions by deducting these from wages and salaries.

Withholding tax on dividend distributions made by Carlsberg A/S

This comprises taxes that are required to be withheld in advance on payments made to shareholders.

VAT

Value added tax, or VAT, is a broadly based consumption tax assessed on the value added to goods and services. It applies more or less to all goods and services that are bought and sold for use or consumption in certain geographic areas. This comprises the net VAT payable to a government, i.e. VAT on sales minus VAT on purchases.

SECTION 7

List of reporting sites¹

COUNTRY	COMPANY	SITES
WESTERN EUROPE		
BULGARIA	Carlsberg Bulgaria	Pirinsko, Shumensko
CROATIA	Carlsberg Croatia	Koprivnica
DENMARK	Carlsberg Danmark	Jacobsen Brewhouse, Saltum, Carlsberg Fredericia
	Carlsberg Breweries	Not a production site
	Danish Malting Group	DMG Denmark
ESTONIA	Saku Õlletehase A/S	Saku
FINLAND	Sinebrychoff	Kerava
FRANCE	Brasseries Kronenbourg	Kronenbourg Obernai
GERMANY	Carlsberg Deutschland	Holsten-Brauerei AG (Hamburg), Mecklenburgische Brauerei Lütz
GREECE	Mythos Brewery S.A.	Thessaloniki
ITALY	Carlsberg Italia	Varese
LATVIA	Aldaris	Aldaris Riga
LITHUANIA	Svyturys-Utenos Alus	Utena, Klaipeda
NORWAY	Ringnes	E.C. Dahls Bryggeri, Trondheim, Farris, Gjelleråsen, Imsdal
POLAND	Carlsberg Polska	Okocim Brewery, Brzesko, Kasztelan Brewery, Szczecin Brewery
	Danish Malting Group – Polska	Danish Malting Group Polska Sp. z o.o. Slodownia Strzegom Sp. z o.o.
SERBIA	Carlsberg Srbija	Carlsberg Srbija, Celarevo
SWEDEN	Carlsberg Sverige	Falkenberg, Ramlösa Sverige
SWITZERLAND	Feldschlösschen	Rhäzüns, Rheinfelden, Sion
	Carlsberg Supply Company	Not a production site
UK	Carlsberg UK	Northampton

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

SECTION 7 List of reporting sites

COUNTRY	COMPANY	SITES
EASTERN EUROPE		
AZERBAIJAN	Baltika Baku	Baku Brewery
BELARUS	Olivaria	Olivaria
KAZAKHSTAN	Carlsberg Kazakhstan	Derbes Brewery (Almaty)
RUSSIA	Baltika Breweries	Baltika Brewery St. Petersburg, Baltika Don Brewery Rostov-Na-Don, Baltika Khabarovsk, Baltika Novosibirsk, Baltika Samara, Baltika Tula, Pikra Brewery Krasnoyarsk, Vena Chelyabinsk, Yarpivo Brewery Yaroslavl, Yarpivo Voronezh
UKRAINE	Carlsberg Ukraine	Lvivska Brewery (Lviv), Slavutich Zaporozhye, Slavutich Kiev
UZBEKISTAN	Carlsberg Uzbekistan	Tashkent
ASIA		
CHINA	Xinjiang Wusu Group	Akesu Brewery, Hami Brewery, Houchen Brewery, Kashi Brewery, Urumqi No. 2 Brewery, Wusu Brewery, Korle Brewery, Yining Brewery
	Carlsberg Brewery Guangdong	Carlsberg Brewery, Guangdong (Huizhou)
	Ningxia Group	Ningxia Xixia Jianiang Brewery
	Yunnan Group	Kunming Huashi Brewery Yunnan Dali Beer Co. Ltd
	Carlsberg Brewery Hong Kong	Not a production site
	Carlsberg Hong Kong	Not a production site
LAOS	Lao Brewery	Lao Softdrink Company Vientiane (Pepsi), Lao Brewery Vientiane, Lao Brewery Pakse
MALAWI	Carlsberg Malawi	Carlsberg Malawi Brewery Ltd. (CMBL), SOBO Blantyre, SOBO Lilongwe, MDL, SOBO Mzuzu
MALAYSIA	Carlsberg Malaysia	Carlsberg Kuala Lumpur
NEPAL	Gorkha Brewery	Gorkha Brewery
SINGAPORE	Carlsberg Singapore	Not a production site
VIETNAM	SEAB (South East Asia Brewery)	SEAB Hanoi
	Hue Vietnam	Hue Brewery (Hue), Hue Brewery (Phu Bai)

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