

A close-up, shallow depth-of-field photograph of a row of beer taps in a bar. The taps are made of polished copper and chrome. The labels on the taps are circular and feature the Carlsberg logo and text. The most prominent label is green and reads "Carlsberg DANISH PILSNER 1874 COPENHAGEN Alc. 5,0% Vol.". Other labels in white and red are visible in the background. The lighting is warm, creating a cozy atmosphere.





2020 SUSTAINABILITY REPORT

SUMMARY

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REPORTING METHODOLOGY

Carlsberg Italia's 2020 Sustainability Report is the tenth edition of the document since the company started its performance reporting process in 2011.

2020 SUSTAINABILITY REPORT BOUNDARIES OF REPORTING

Periodicity:
annual

Boundaries of reporting:
1st January 2020 – 31st December 2020

Publication date of the previous Sustainability Report:
September 2019 (2018 data)

Reference guidelines:
Global Reporting Initiative (GRI) for the choice of the KPIs

Companies included in the boundaries of reporting:
Carlsberg Italia S.p.A.

METODOLOGY INTRODUCTION



METHODOLOGY NOTE

2020 was a year of renewal for the 2020 reporting document.

Given the complexity and length of 'traditional' Sustainability Reports, Carlsberg Italia positively welcomed Aida Partner's idea of a new format to publish/present the company's performances. Such a format is still in line with the company's reporting process that began with the publication of the 2019 Sustainability Report. For the report, infographics were mainly used.

This new layout was originally created to ease understanding of the document, while at the same time preserving the clarity and precision of the previous editions.

Based on data available in Enablon, Carlsberg's sustainability reporting software, the team collected and processed data while carrying out appropriate verifications. The KPIs are based on the best information available.

In terms of the information provided, the reporting was aligned with the guidelines of Carlsberg Group's 2020 Sustainability Report, while retaining continuity with the previous documents published for Italy. The aim was mainly to allow previous data to be compared with the years between 2019/2020 (chosen) as the main reference period, and, where relevant, also to compare data related to the three-year (2018/2020) and five-year (2015/2020) periods.

“We are on the right track to reach our ambitious sustainability goals for 2022, and we will not let COVID-19 derail our plans.”



2020 has been an extremely challenging year for our business, our customers and our people all over the world.



THE RIGHT TRACK

It has been a very difficult period for us. Yet, the performances of recent years have given us the right motivation to continue to be resilient.

My special thanks go to each and every member of our team for their invaluable contribution in continuing to support our business and customers in these difficult times.

Protecting the health and well-being of our employees was our priority, this year more than ever. At the same time, however, we had to work to safeguard the financial health of our business in the short and medium term, as well as to seize future growth opportunities in the long term.

We stepped up our commitment to support local communities, including the hospitality business, which was hit so hard by the pandemic. Furthermore, we transformed our production lines to help meet the increasing, yet unprecedented, demand for hand sanitisers.

Carlsberg Foundation, together with New Carlsberg Foundation and Tuborg Foundation, donated over 128 million euros to support research, arts, culture and civil

society, with 14 million euros specifically donated to support those businesses that were most affected by the COVID-19 pandemic.

Our mission is to produce better beer for a better tomorrow. If on the one hand the pandemic is significantly threatening public health, on the other I see it as an encouraging fact that this health emergency has raised global awareness of the long-term sustainability for our planet.

As Carlsberg Group, we have ambitious goals in terms of reduction of carbon emissions and water waste management, and we definitely will not let COVID-19 derail our plans.

We are on the right track to reach our goals for 2020. Since 2015, we have reduced carbon emissions from our plants and water consumption for each hectolitre of beer produced, by 39% and 18% respectively.

Furthermore, from 2015 to 2019, we managed to cut carbon emissions across our total 'beer-in-hand' value chain by 7%. Another major ambition for us is to have all our consumers drink responsibly, and,

to this end, we managed to include messages about responsible drinking on our packaging 2 years earlier than expected.

Our promising line of alcohol-free beers recorded a double-digit growth in sales volume, which is in line with the increasing number of consumers approaching a healthier and more balanced lifestyle following the pandemic.

The success of our business depends on our people. Their health and safety are still our number one priority. Besides supporting them in these challenging times during the pandemic, we also made even more effort to promote a safety culture. This helped us record a decrease of 19% in the accident rate.

Carlsberg was founded over 170 years ago out of a deep sense of social responsibility.

I am convinced that our Together Towards ZERO initiative will continue helping Carlsberg produce better beer for a better tomorrow, as the world continues to recover from COVID-19.

Cees 't Hart CEO, Carlsberg Group



2020, A CHALLENGING YEAR

“2020 has been inexorably scarred by the Covid-19 pandemic. It has been a challenging year not only for us but for the whole industry as well. In 2019, it had generated shared value for almost 10 billion euros, hence confirming its strategic role for the country.”



At a European level, in 2020 the beer industry recorded a decrease of 42% in sales in the On-Trade channel, and an increase of 8% in the Off-trade one. Like any other country, Italy was not spared the effects of the pandemic, which caused a decrease of over 35% in consumption in the On-Trade channel compared to the previous year, only partially offset by a 9% increase in sales volume in the Off-Trade channel. Such performance also prevented the industry from creating jobs and, as a consequence, led to a decrease of over 29% in revenues compared to the previous year.

I am so proud of the resilience that Carlsberg is showing, now more than ever, in continuing to produce better beer for a better tomorrow and working together to reach the sustainability goals we have set for 2030. When the pandemic broke out,

we promptly implemented all the necessary measures to ensure safe work conditions. We provided the necessary PPE, reorganised production, logistics, shifts and access to the Brewery to safeguard the health of our employees and collaborators and ensure continuity in the supply chain.

We tried to help concretely our Community by supporting different Associations on the front line to help local people, such as the Italian Red Cross team responsible for the Varese area, which we supported by adhering to the ‘Meal Distribution’ service and providing food to about 10,000 people who had been heavily affected by the pandemic.

In these times of uncertainty, however, we have never lost sight of the goals set with our Together Toward Zero programme. We managed to optimize waste water treatment thanks to a water purifier that is independent from the collective one. This purifier allows a clean and safe water output, with a quality as close as possible to that which we take from the environment. We also regularly monitored water consumption and supply network to promptly identify any leakage

or malfunctioning. Furthermore, to cut carbon emissions, we used 100% renewable electricity and we are currently renewing our vehicle fleet, which, in 2020, included about 80% hybrid or plug-in vehicles.

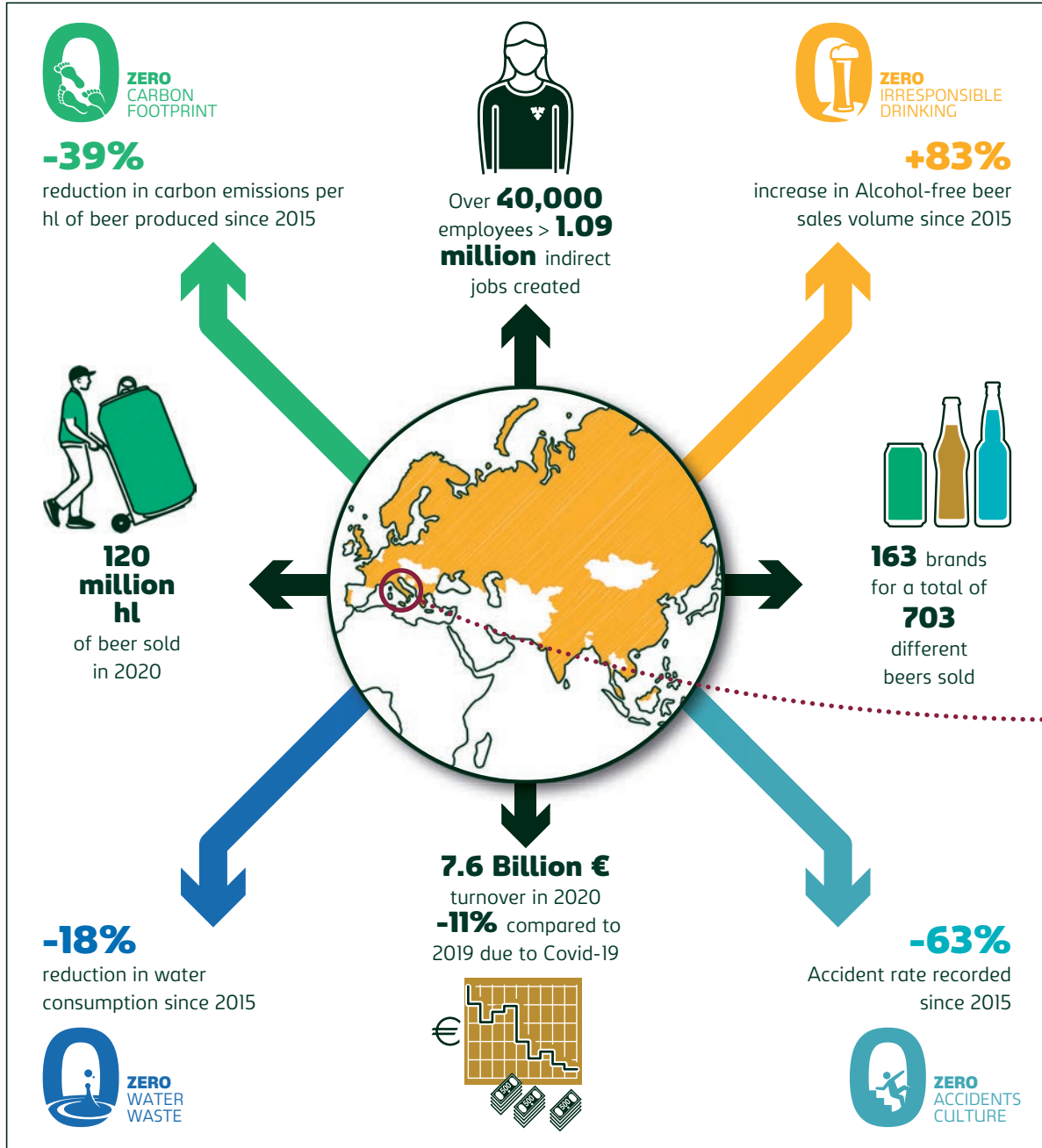
Responsible choices made with a focus on innovation and research, as well as paying particular attention to our future. One of these choices was to offer an alcohol-free alternative to further prove that innovation at Carlsberg is centred around our Consumers and their needs.

Last but not the least, my special thanks go to the Carlsberg Italia team. They never let the situation, that was so unforeseen and difficult, get them down. Instead, they continued working hard and putting all their passion into reaching our common goals and they bravely faced new challenges. However, we could have never made it without our Partners, who have always supported us in our journey towards a more sustainable future.

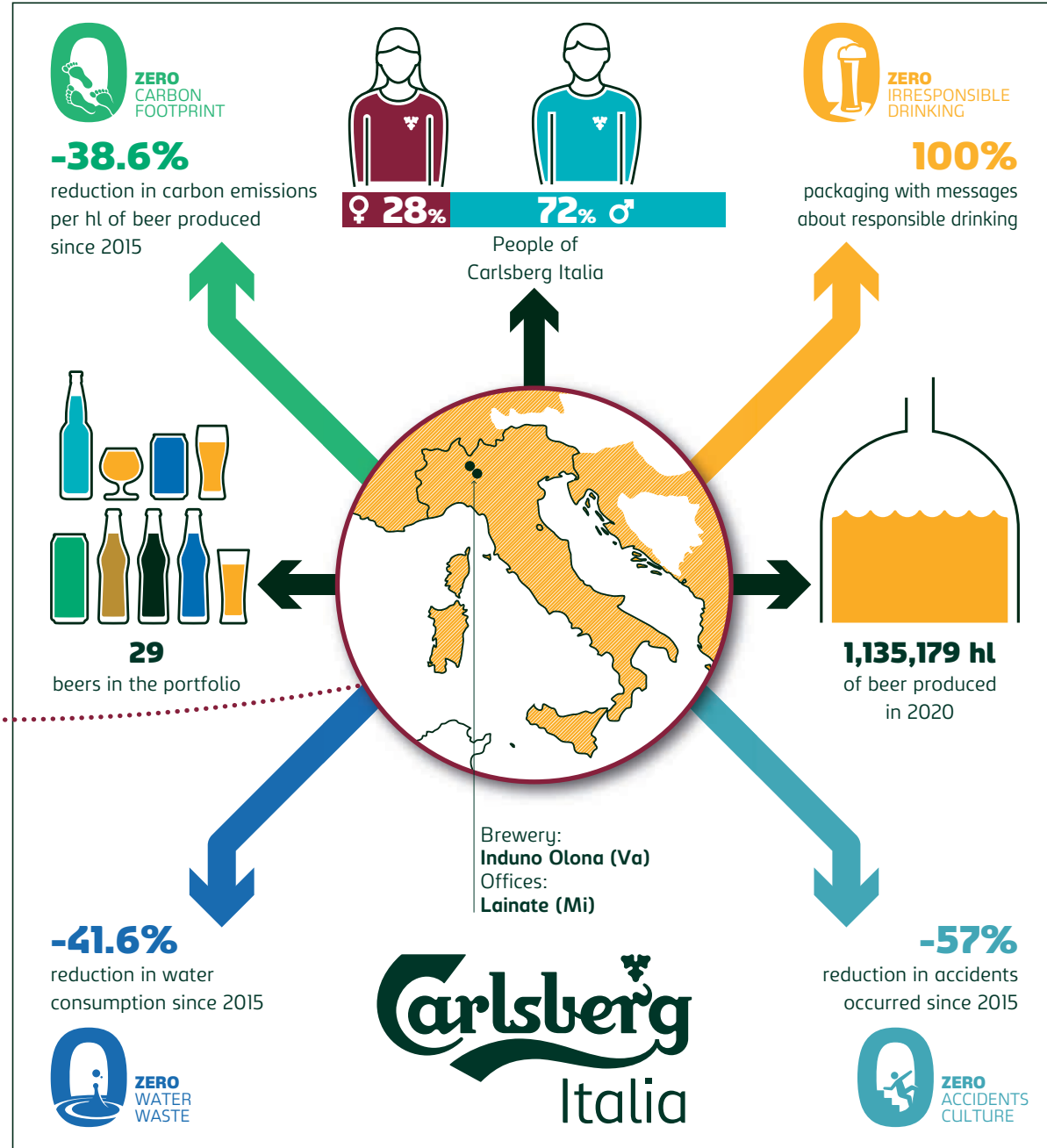


**Kaare Jessen, Managing Director
Carlsberg Italia**

CARLSBERG GROUP 2020 IN BRIEF



CARLSBERG ITALIA 2020 IN BRIEF





TOGETHER TOWARDS ZERO

Together Towards Zero is the programme covering our four sustainability ambitions, each underpinned by clear and measurable targets for 2022 and 2030. The Programme was developed based on the Sustainability Development Goals (SDGs) adopted by the United Nations. For each of the 4 areas, the most material and the cross-cutting SDGs were identified.

CROSS-CUTTING SDGs

Sharing best practice and knowledge. Improve logistics and monitor emissions across the whole product lifecycle.



ZERO WATER WASTE

6 CLEAN WATER AND SANITATION

25% reduction in water consumption by 2022 and **50%** reduction by 2030, continuing to develop partnerships to manage water resources in the best way possible even outside the/our Breweries.

ZERO IRRESPONSIBLE DRINKING

3 GOOD HEALTH AND WELL-BEING

Alcohol-free beers available in **100%** of the markets we operate in, raising awareness of responsible drinking and making progress towards our goal for 2030 year after year.

ZERO CARBON FOOTPRINT

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Reduction in carbon emissions by **50%** and **100%** in 2022 and 2030 respectively.

100% renewable energy used by 2022, a goal already reached by Carlsberg Italia.

ZERO ACCIDENTS CULTURE

8 DECENT WORK AND ECONOMIC GROWTH

Reduction in the yearly injury rate to reach our **Zero accidents** goal by 2030.

TOGETHER TOWARDS ZERO



ZERO CARBON FOOTPRINT

50%

2022 TARGET
REDUCTION IN CARBON EMISSIONS AT OUR BREWERIES

100%

ELECTRICITY FROM RENEWABLE SOURCES AT OUR BREWERIES

15%

REDUCTION IN 'BEER IN HAND' CARBON FOOTPRINT

ZERO

2030 TARGET
CARBON EMISSIONS AT OUR BREWERIES

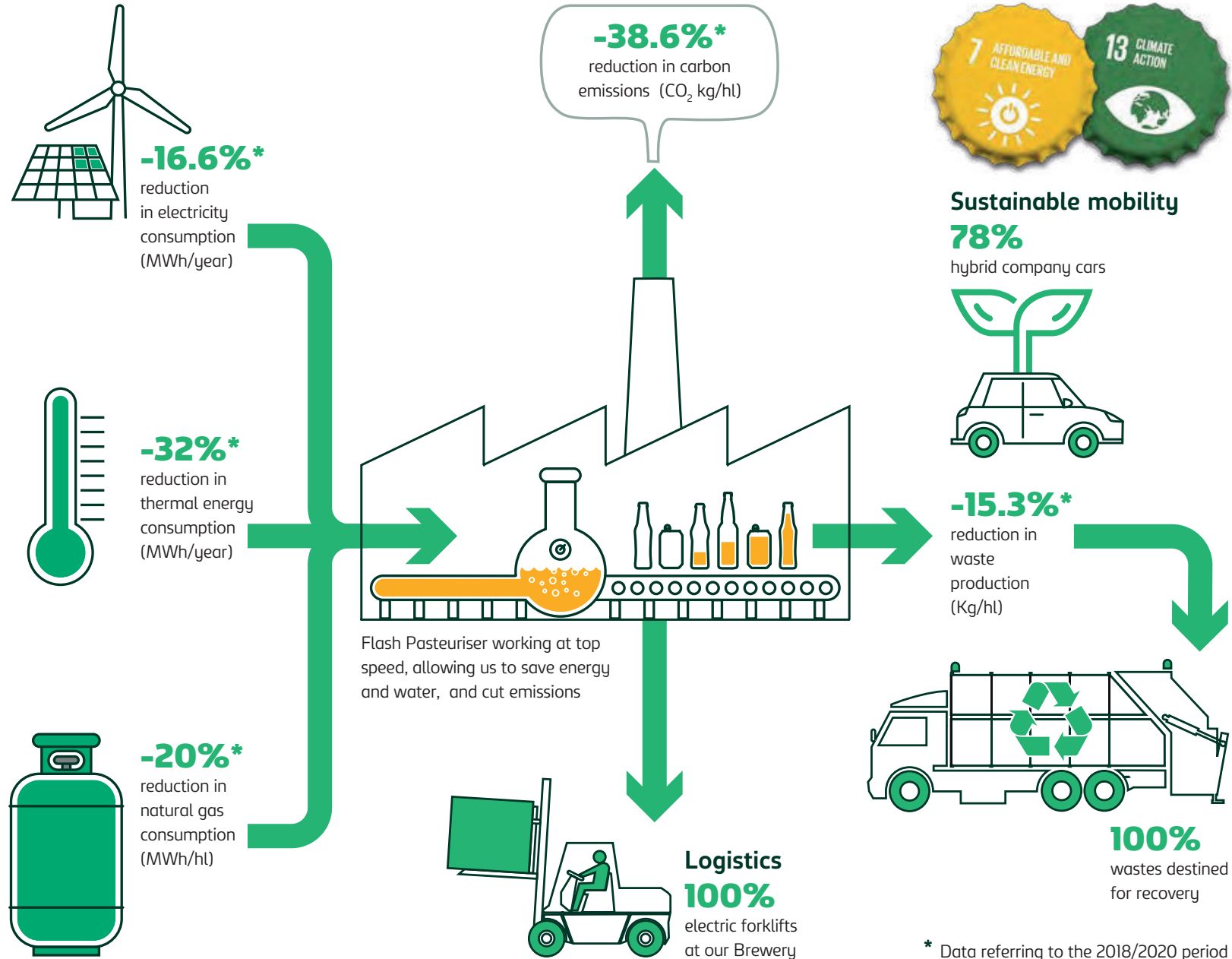
30%

REDUCTION IN 'BEER IN HAND' CARBON FOOTPRINT

WHAT WE DID

Throughout the years, we managed to achieve significant results by improving and innovating our production processes. In 2020, we signed a statement with 155 companies to re-confirm our commitment towards a zero-carbon emission economy. Furthermore, we always pay attention to sustainable logistics and mobility and choose suppliers that use eco-friendly vehicles.

Our fleet mainly includes Euro6 vehicles, **3** trucks running on LNG (Liquefied Natural gas) used to cover the route between the Brewery and the central warehouse, and a **fully electric vehicle** for last mile distribution in the historic centre of Florence. Finally, we launched a project that will allow the Brewery to use biogas produced by its purifying system and therefore contribute to cut consumption and emissions.



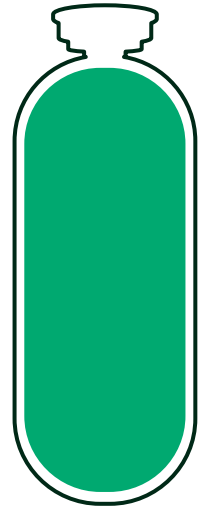
* Data referring to the 2018/2020 period

ZERO CARBON FOOTPRINT



ZERO CARBON FOOTPRINT

DraughtMaster™ getting closer to 100%

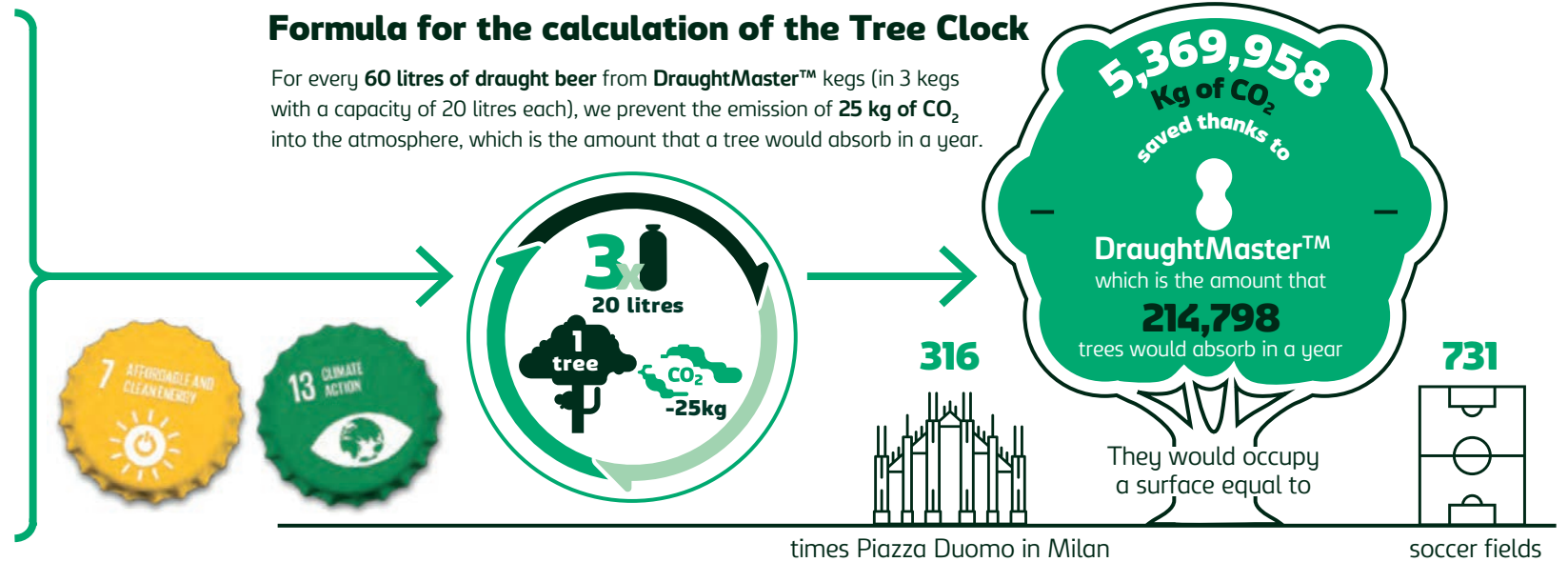


DraughtMaster™ was created from the union of the focus on research and innovation that distinguishes us. Thanks to the innovative draught system with no added CO₂, **beer remains unaltered for up to 31 days, compared to about 5 days for steel kegs, aluminium cans and glass bottles.** Moreover, PET kegs have a lower environmental impact compared to steel kegs, aluminium cans and glass bottles. In 2020, PET kegs accounted for **97%** of beer supplied in kegs. Due to Covid-19 measures, in 2020 we recorded a decrease in the total hectolitres of beer sold in the HoReCa channel.



Formula for the calculation of the Tree Clock

For every **60 litres of draught beer** from DraughtMaster™ kegs (in 3 kegs with a capacity of 20 litres each), we prevent the emission of **25 kg of CO₂** into the atmosphere, which is the amount that a tree would absorb in a year.



CARBON EMISSIONS THROUGHOUT THE LIFECYCLE OF OUR PRODUCTS

REDUCTION IN 'BEER IN HAND' CARBON FOOTPRINT

We are committed to cutting carbon emissions throughout the lifecycle of our products. At Group level, we carry out analysis of our 'beer in hand' carbon emissions every 3 years



*Data not comparable with LCA analysis previously published due to a change in the database and analysis method used.



ZERO WATER WASTE

WHAT WE DID

Water is the main ingredient of our beers. As it is a scarce resource, it is our duty to manage it in the best way possible.

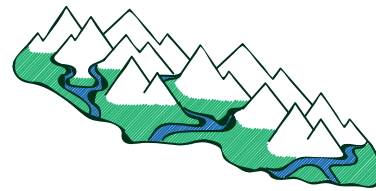


In 2020 we regularly carried out inspections and maintenance work in the bed of the Olona river, as well as daily inspections at the Brewery to identify possible leakages.

Following the 2019 fires on Martica Mountain, we analysed the quality of water, which was found to be unaltered, and the incoming flow to assess the impact of climate change on the springs we take water from.

Finally, since 2020 we have been reusing part of the water destined to bottle washing for machinery cooling and other technical services, allowing a significant reduction in consumption.

SPRINGS:



- Fontana degli Ammalati
- Fontana dei Mulini Grassi

2022 TARGET

25% REDUCTION IN WATER CONSUMPTION AT THE BREWERY

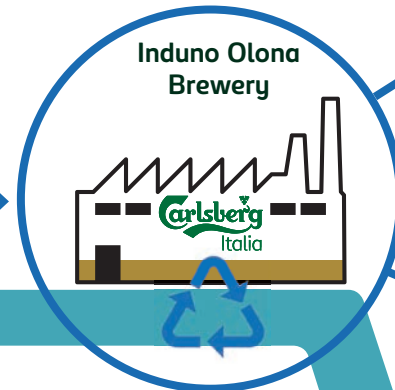
PARTNERSHIP TO SAFEGUARD WATER AS COMMON GOOD
LIFE IRIS PROJECT



2030 TARGET

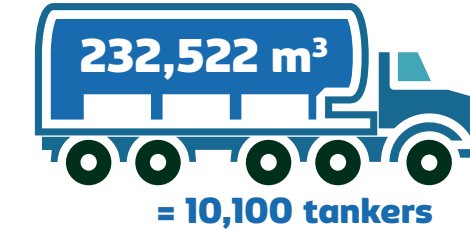
50% REDUCTION IN WATER CONSUMPTION AT THE BREWERY

WATER REUSE IN THE PRODUCTION PROCESS



Total water supply
325,788 m³
(-17.6%*)

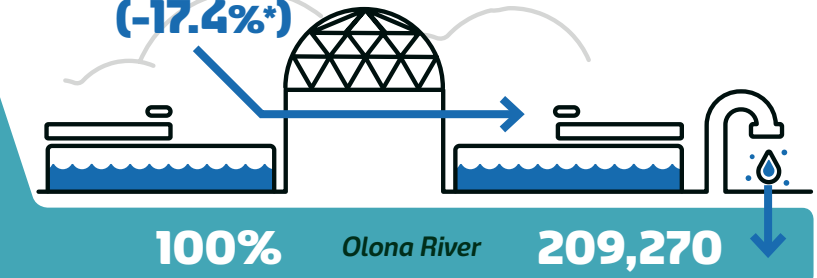
WATER SAVED FROM 2015 TO 2020



Water destined to discharge
209,270 m³

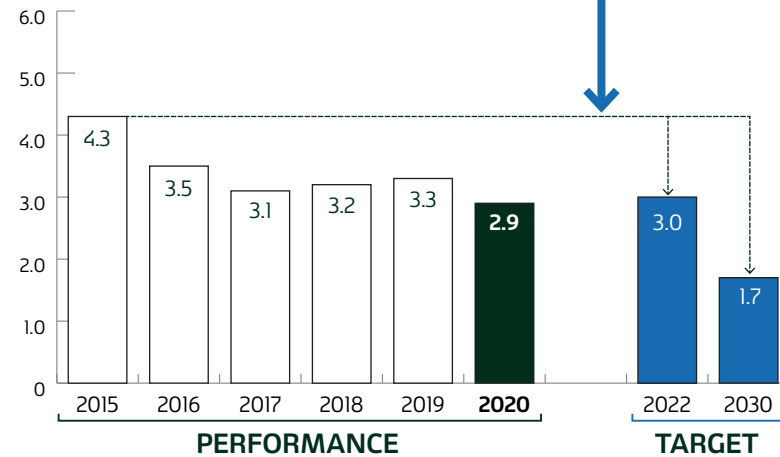
~~Collective purifier~~
0%

(-17.4%*)



Total consumption
116,518 m³
(-7.6%*)

SPECIFIC WATER CONSUMPTION (hl/hl)*



* Data referring to the 2019/2020 period



ZERO IRRESPONSIBLE DRINKING

ZERO IRRESPONSIBLE DRINKING

100%

2022 TARGET

AVAILABILITY OF ALCOHOL-FREE BEERS

100%

DRINK RESPONSIBLY MESSAGE CONVEYED THROUGH PACKAGING AND THE BRAND

100%

OF OUR MARKETS CREATING PARTNERSHIPS TO PROMOTE RESPONSIBLE DRINKING

100%

2030 TARGET

OF OUR MARKETS WORKING TO ENSURE ZERO IRRESPONSIBLE DRINKING

WHAT WE DID

Due to Covid-19, in 2020 we did not organise any event at our Brewery aimed to raise awareness regarding responsible drinking. Therefore, to help our consumers make responsible choices, we increased the number of messages about drinking alcohol responsibly both on our packaging and online.

We also enhanced product communication by adding product information and nutrition facts on all our packaging. As for Birrificio Angelo

Poretti beers, we included more pairings with some traditional Italian recipes, that consumers will be able turn to on different drinking occasions with their family and friends when finally allowed to/when the emergency is over. Furthermore, we implemented procedures to prevent underage users to access our digital platforms and equipped all our company hybrid cars with Alcolock. This device blocks the car's engine if the driver is over the legal BAC limit.



INFORM

100% of our packaging has messages about drinking alcohol responsibly, suggesting not to drink-drive and not to drink when underage or pregnant.



+4.9%

increase in alcohol-free and light beer sales volume in Italy

OFFER

a wide set of alcohol-free choices that consumers can turn to on different drinking occasions. +11% increase in alcohol-free beers sold at Group level.



ENCOURAGE

consumers to drink responsibly through dialogue and engagement.

ZERO ACCIDENTS CULTURE

2022 TARGET
REDUCTION IN
ACCIDENT RATE
YEAR ON YEAR

2030 TARGET
ZERO ACCIDENTS

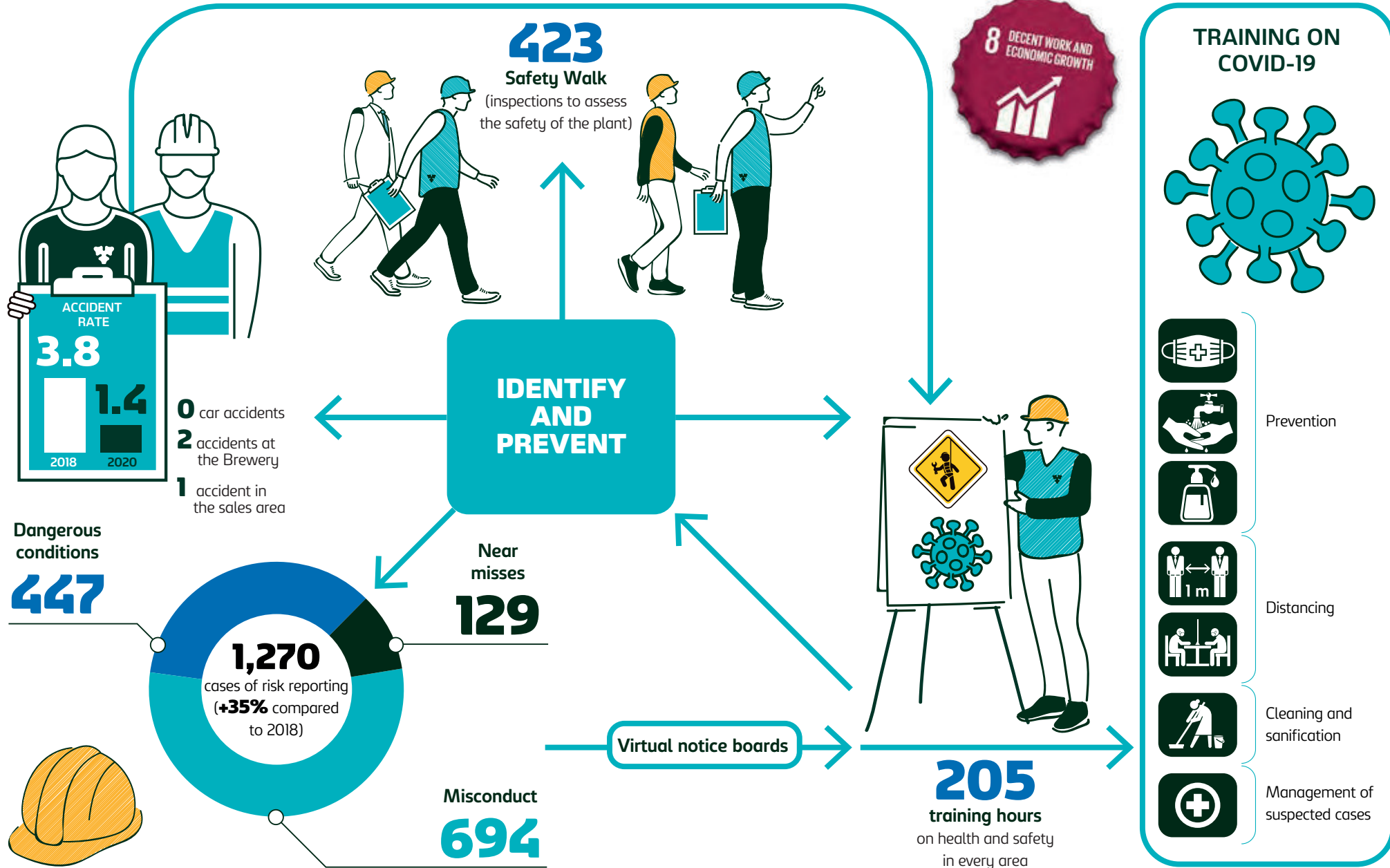


WHAT WE DID

Protecting the health and safety of our people has always been a priority for us.

Even in these difficult times of global health emergency, we have constantly committed to spread the concept of a Safety culture.

Our people were trained to face any difficulty in the best way possible. We implemented procedures to protect the safety of both internal and external collaborators, informed about appropriate hygiene behaviour and reorganized shifts and flows of people to the Brewery pursuant to Ministerial provisions.



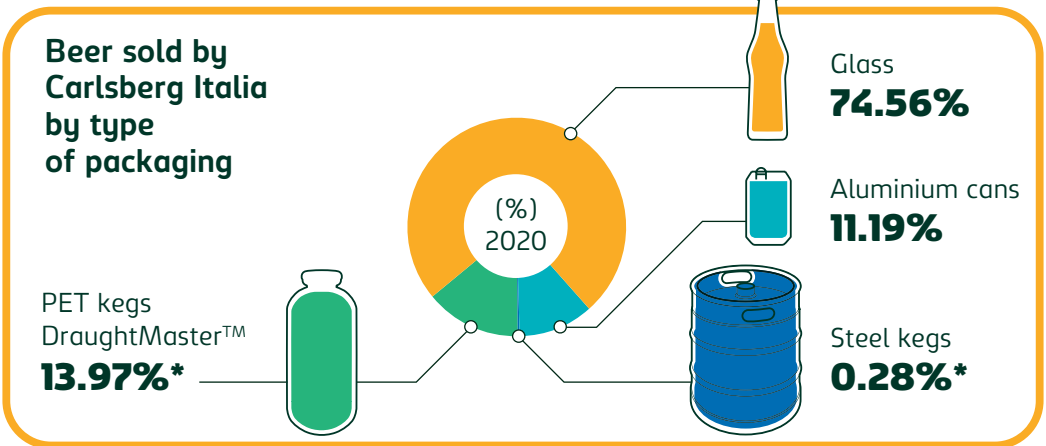
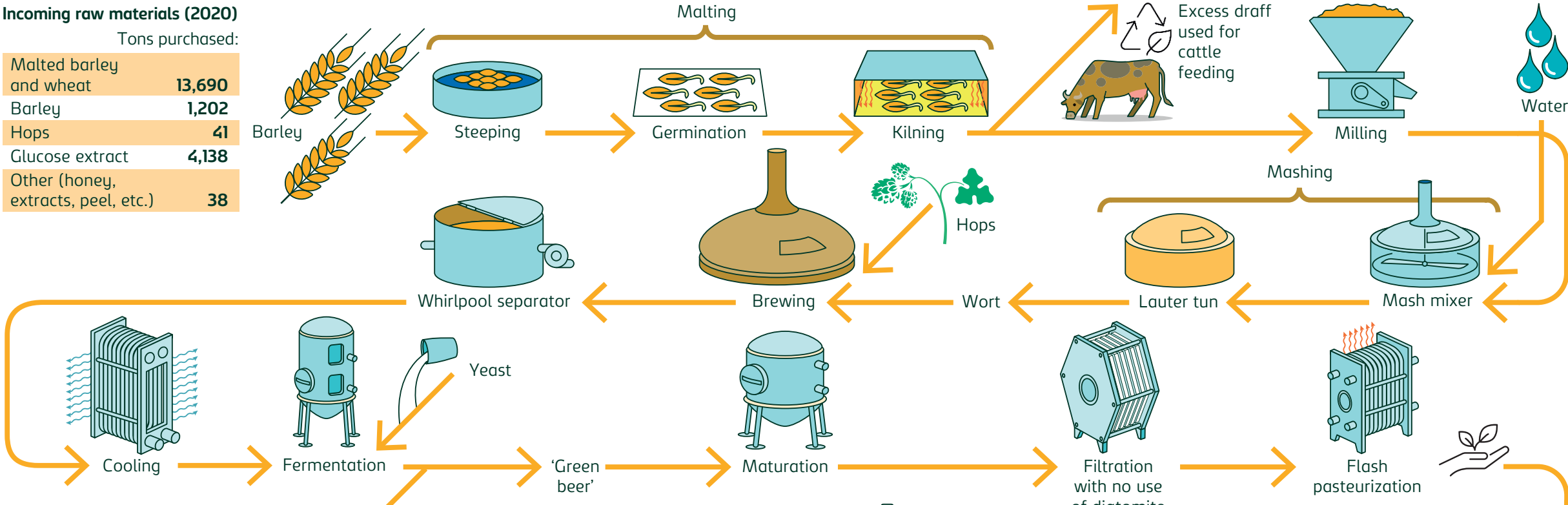
THE PRODUCTION PROCESS OF OUR BREWS

THE PRODUCTION PROCESS OF OUR BREWS

Incoming raw materials (2020)

Tons purchased:

Malted barley and wheat	13,690
Barley	1,202
Hops	41
Glucose extract	4,138
Other (honey, extracts, peel, etc.)	38



Bottling

IN 2020

*As Covid-19 pandemic changed drinking habits, causing consumers to shift places of consumption from bars and restaurants to home, an increase in the sales volume of bottled and canned beer was recorded, to the detriment of beer in kegs, which instead saw a decrease.

OUR BEERS

Carlsberg Italia sells Birrifico Angelo Poretti, Tuborg, Grimbergen, Carlsberg, Brooklyn Brewery, Tucher and Kronenbourg 1664 beers.

At our Brewery in Induno Olona, we produce over 1,2 million hectolitres of beer, including that of Birrifico Angelo Poretti brand.



References and descriptions of our beers
<https://www.carlsbergitalia.it/le-nostre-birre/>



BIRIFICIO ANGELO PORETTI



3 Luppoli Classica



3 Luppoli Non Filtrata



4 Luppoli Lager



5 Luppoli Bock Chiara



6 Luppoli Bock Rossa



7 Luppoli La Fiorita



7 Luppoli La Mielizia



9 Luppoli Belgian Blanche



9 Luppoli American IPA



9 Luppoli Bohemian Pils



10 Luppoli



CARLSBERG



Pilsner Unfiltered Special Brew



Elephant



1883



Tuborg Green



TUBORG



Tuborg Red



GRIMBERGEN



Blonde Blanche Double Ambrée

Belgian Pale Ale



Triple

Bière de Noël



BROOKLYN BREWERY



Lager East IPA Special Effects Tucher Helles Hefe Weizen

OTHER BEERS

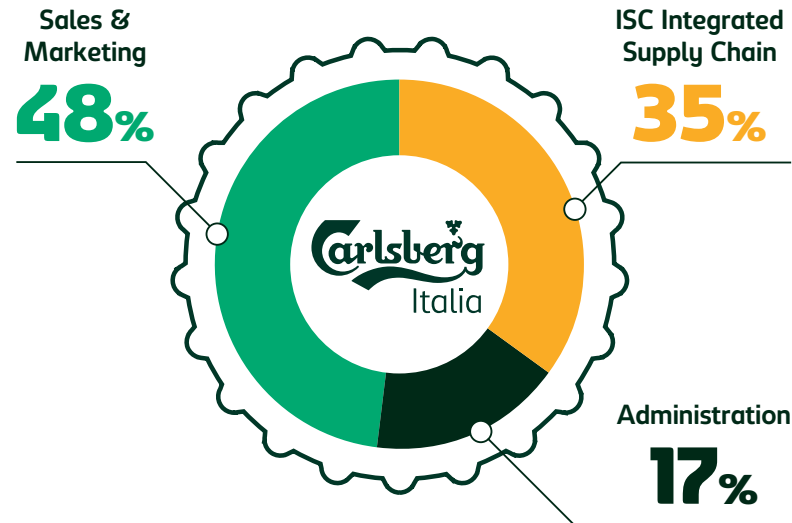
Kronenbourg 1664



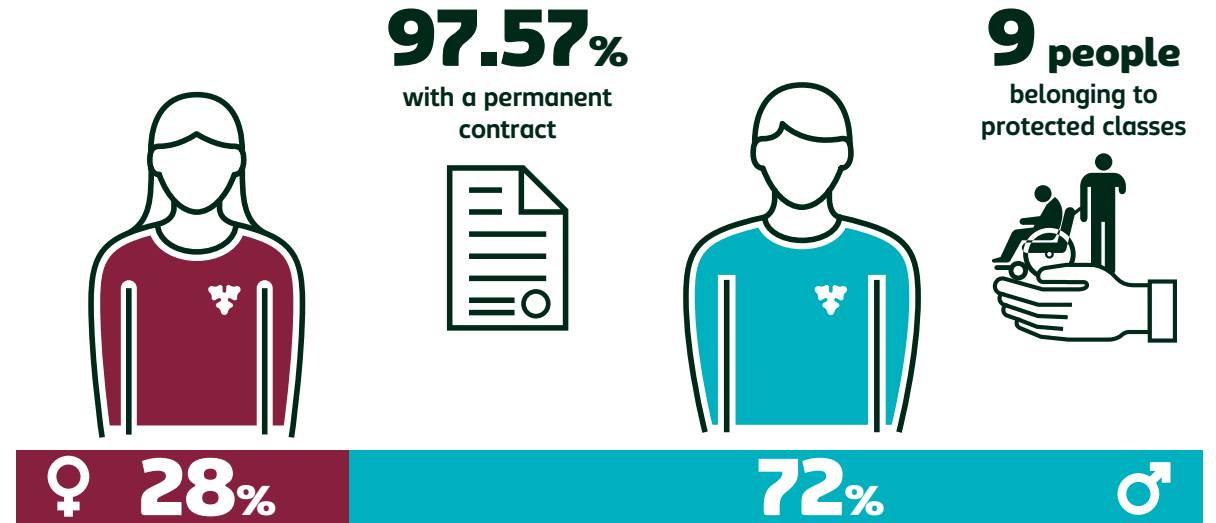
ECONOMIC CONTRIBUTION TO SOCIETY

VALUE CHAIN

Our people are our most valuable resource. Men and women that contribute to the success of our business working with passion, commitment and professionalism. And we continued valuing our people in these difficult times of pandemic.

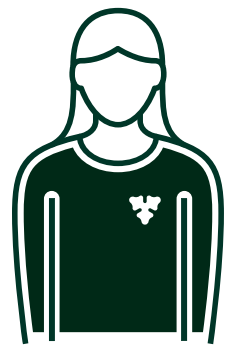


POEPL E OF CARLSBERG ITALIA



JOBS

With our beers we contribute to create jobs in all sectors connected to ours.



1

JOB AT CARLSBERG ITALIA



IN 2020, EACH PERSON WORKING AT CARLSBERG ITALIA GENERATED

20.9

JOBS



13.89

JOBS IN HOSPITALITY



0.83

JOBS AMONG SUPPLIERS, INCLUDING AGRICULTURE



5.18

JOBS IN DISTRIBUTION



TOTAL JOBS CREATED IN 2020

5,203



Complete tables annexed
<http://sostenibilitabycarlsberg.it/>

PERFORMANCE TABLES

BEER QUALITY	2018	2019	2020
Production			
Volumes of beer (hl)	1.336.677	1.195.350	1.135.179
Breakdowns of beer distributed in kegs			
Steel kegs	4%	4%	3%
PET kegs	96%	96%	97%
ENVIRONMENT AND RESOURCES			
Raw materials total consumption (ton)			
Specific consumption of raw materials (kg/hl)	22.283	22.275	18.854
Total water consumption (m3)	16,7	16,4	16,6
Total energy consumption (MWh/hl)	430.340	395.144	325.788
Total waste produced (Kg)	31.792	26.798	23.295
% waste to recover	1.905.825	1.583.914	1.345.810
Specific production of waste (kg/hl of beer)	100%	100%	100%
	1,4	1,3	1,2
PEOPLE AND PROCEDURES			
Employees by gender (no.)			
Men	254	248	247
Women	180	178	177
Employees by title (no.)			
Managers	74	70	70
Supervisors	7	6	7
Employees	32	33	30
Labourers	169	163	159
	46	46	51
Employee by age group (%)			
18 - 29 years old	8%	6%	7%
30 - 39 years old	19%	23%	22%
40 - 49 years old	33%	31%	30%
>50 years old	40%	41%	40%
Employees by function (%)			
Production	26%	29%	30%
Sales&Marketing	50%	48%	48%
Customer supply chain	6%	6%	5%
Staff	18%	17%	17%

PEOPLE AND PROCEDURES	2018	2019	2020
Employees by type of contract (%)			
Permanent contracts	96%	98%	98%
Fixed-term contracts	4%	2%	2%
Pay gap index (men/women)			
Managers	1,17	1,12	1,24
Supervisors	1,10	1,13	1,10
Employees	1,13	1,12	1,12
Ratio between standard first salary and minimum local salary	0,91	0,89	0,97
By function			
Production	23,4	7,0	30,1
Sales&Marketing	26,1	13,6	6,6
Customer supply chain	19,5	15,9	6,8
Staff	20,4	12,4	6,8
Total injuries by function (no.)			
Production	4	9	5
Sales&Marketing	4	3	2
Customer supply chain	0	3	2
Staff	0	1	0
Injuries	0	2	1
of which car/commuting accidents	9	9	5
	5	6	2
Total cases reported (no.)	450	1.310	1.270
Near miss/potential danger	110		
Dangerous conditions	243		
Dangerous behaviour	97		
ECONOMIC PERFORMANCES			
Gross value added distributed			
Shareholders remuneration	-	-	-
Employees remuneration	23.615.731	22.957.974	18.612.833
PA remuneration	7.605.368	4.353.004	656.288
Loan capital remuneration	876.452	885.878	740.374
Company remuneration	29.392.756	14.940.856	3.976.044
Community remuneration	412.489	237.615	320.718
Total VA distributed	61.902.796	34.669.319	16.354.169

CREDITS & SOCIAL

Methodology, consulting and drafting

Aida Partners

(Andrea Secchi & Riccardo Taverna)

Communication

Aida Partners

Graphics and illustrations

Infolab Agency

Web Area

Mediatrìa

Photos

Carlsberg Archive

Adobe Stock

cover photo, page 2 and page 4:

Claudia Calegari

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