

ENVIRONMENT, SOCIAL & GOVERNANCE REPORT **2021**



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OUR CHALLENGES



DraughtMaster[™] and product life cycle.....

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ZERO
WATER
WASTE

ZERO
IRRESPONSIBLE
DRINKING

4 Luppoli zero.zero, non-alcoholic ...



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REPORTING METHODOLOGY

Carlsberg Italia's Sustainability Report 2021 is the 11th since the company started the process of dialogue with stakeholders and reporting on its performance. From this edition, the document will be called Environment, Social & Governance (ESG) Report.

2021 ESG REPORT **PERIMETER OF THE 2021 ESG REPORT**

Periodicity: annual

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Boundaries of reporting: 1 January 2021 - 31 December 2021

Previous publication: July 2021 (2020 data)

Reference guidelines: Carlsberg Group and Global Reporting Initiative (GRI) guidelines for the selection of KPIs

Reporting Perimeter: Carlsberg Italia S.p.A.

Major events in 2021: the beer can production line was moved to Croatia in October 2021.



METHODOLOGICAL NOTE - ESG REPORT 2021

The new Carlsberg Italy ESG Report 2021 focuses on the faces and voices of the company's people, the real protagonists of this report.

This edition follows the approach started in 2021, based on the use of infographics, introducing a new feature: people tell the story of the year just gone by. Carlsberg Italy, in this way, enhances all the teams that every day are committed to pursuing a solid and challenging sustainability strategy.

Starting from the data in Enablon, Carlsberg Group's reporting software, the team collected and processed the data and the appropriate checks. In terms of information, the report has been aligned with the guidelines of the Group's ESG Report 2021. Moreover, this document maintains continuity with previous documents to allow comparability, in general. with data from previous years, choosing 2020/2021 and, where relevant. 2015/2021 as the main terms of comparison.

With this reporting Carlsberg Italy contributes to the achievement of the United Nations Sustainable Development Goals (SDGs) (highlighted within the report).

CERTIFICATIONS

ISO 9001 ISO 14001 ISO 45001 ISO 50001

SUMMARY & METHODOLOGY

- INTRODUCTION





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

> TOGETHER TOWARDS Comp ZERO

At Carlsberg, we are brewing for a better today and tomorrow.

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

We're convinced that our commitment to sustainability has bolstered our resilience through another very difficult year. We ended 2021 with reported revenue of DKK 66.6bn, up 10% organically on the previous year, and organic operating profit up 12.5%. Return on invested capital has now reached 10.3%.

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

COVID-19 is just one of the major crises the world faces. The extreme weather experienced in many regions in 2021 underlines the need for urgent action to tackle the climate emergency. The science is clear: we are at a pivotal moment and the next ten years will be crucial to protect the future of our planet. No one can tackle this global challenge alone – we need businesses, governments and society to come together for a better tomorrow. Carlsberg was among the first ten companies – and the first brewer – to set science-based targets that align with the goal to limit global warming to 1.5oC, and I am delighted to see more and more companies joining the movement.

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

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

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

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

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

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

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

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

Cees' t Hart CEO, Carlsberg Group

arlsberg



We focus on our cornerstones of quality, innovation and sustainability, generating shared value for stakeholders and the entire community. **Because we brew for a better today and tomorrow.**

I am thrilled to lead the Italian team of Carlsberg, a company that integrates sustainability into all its processes and has been accurately reporting and monitoring its performance since 2011.

I am convinced that it is this very consistency that has allowed us to be strategically prepared to face these last few uncertain years, in which the pandemic was one of the challenges ahead of us. The whole industry is operating in a variable and uncertain environment: in early 2022, the covid-19 pandemic had just lessened its impact and we were ready to go again, when the war between Russia and Ukraine disrupted the lives of all of us, with great repercussions for all industry sectors and not only. Despite this volatility, I am proud to be at the helm of a solid Company, which ended 2021 with a turnover growth of +19% over 2020.

Now we embrace the future with confidence and courage, we have a new Group strategy, SAIL 27, which will allow us to strengthen our portfolio and focus on our process and product innovations, reassuring the consumer with a high value and quality offering.

At this time, we want to support customers by introducing sustainable innovations to the market and respond to the needs of our stakeholders.

Our ESG Report 2021 is a summary of our journey towards them and towards our sustainability strategy 'Together Towards Zero' characterised by four ZEROES: ZERO CO2 emissions, ZERO water waste, ZERO irresponsible drinking and ZERO accidents culture.

Our environmental impact is progressively reduced year by year: energy and water consumption have decreased drastically in 11 years, as have direct CO2 emissions. This is thanks to constant investments in our brewery such as the ones for the installation of the Flash Pasteuriser and the construction of the in-house water purifier.

Another sustainable innovation is our DraughtMaster, the greenest draught system on the market, with PET kegs and no added CO2. It is the combination of innovation and sustainability, for us and our customers, which led us to launch the 'Take Back-Give Back' pilot project to give PET kegs a second life and produce street furniture that will be donated to society during 2022.

Being more sustainable, in processes and products, is also demanded by our consumers, who are increasingly sensitive to the values of the territory, well-being and responsible drinking. Precisely for this reason, in 2021 we have launched the first alcohol free beer of Birrificio Angelo Poretti, the 4 Luppoli Zero. Zero, for a responsible drinking experience.

These successes are only possible thanks to our people.

Carlsberg Italy puts the safety of our employees and suppliers first, investing in continuous training to identify and prevent risks at working. In addition, we create growth and development plans to ensure an inclusive work environment and nurture the growth, passions and diversity of our talents, taking care of them every day.

I thank all the people who contribute daily to consolidate and expand Carlsberg Italy's growth. We continue to focus on our cornerstones of quality, innovation and sustainability, Generating shared value with our stakeholders and the entire community.

Becase we brew for a better today and tomorrow.

Olivier Dubost, Carlsberg Italy Managing Director

TOGETHER TOWARDS ZERO



GOAL

Our

Foundations

"Our purpose is Brewing for aSerenabetter today and tomorrow. ToSavocado this, we work responsiblyMarketing &and sustainably by putting ourCorporate Affairsstakeholders at the centre, forDirectorwhom we constantly strive to
generate social and economic
value."

Our Together Towards ZERO (TTZ) sustainability strategy defines the goals we aim to achieve by 2030 and it is divided intointo four main pillars: **ZERO CO2 emissions, ZERO water waste, ZERO irresponsible drinking and ZERO accident culture.** We launched this programme in 2017 and we are on track to achieve our intermediate targets set for 2022.

Through Together Towards Zero, we mitigate the long-term risks

associated with our business, address decisive environmental and social challenges, and have the opportunity to make sustainable products while prioritising consumer welfare.

This approach is increasingly embedded in our culture and is a great source of pride for our people and partners, who share our same values and goals, **"For a more sustainable today and tomorrow"**.

Priorities SAIL '22	STRENGTHEN TH	E CORE BUSINESS		GROWTH		RE > DI	STRIBUTING VALUE TO S	HAREHOLDERS
				TOGETHER TO	WARDS ZERO			
	ZERO CO2 EMISSIONS		ZERO WATER WASTE	6 annairte Bainteanna S	ZERO IRRESPONSIBLE DRINKING	3 degree and a water and a water and a water a	ACCIDENTS CULTURE	B annual M
Target 2030	ZERO CO ₂ emissions at our Brewery	30% reduction in the beer in hand carbon footprint	50% reduction of water waste in our brewery		100% of our markets work to ensure zero irresponsible drinking.		ZERO accidents	
Progress from 2015	Reduction of 38% from 2015	12% reduction from 2015 to 2021	32% reduction since 2015	Transition from a consortium purification plant to an innovative, independent purification plant.	Since 2015, we have organised awareness-raising for responsible beer consumption. In 2021 we launched the first non-alcoholic beer Angelo Poretti Brewery.	g events from	Reduced accidents. In 2021 there was one accident.	
Target 2022	50% reduction of CO ₂ emissions in our Brewery 100% electricity from renewable sources	30% reduction of the carbon footprint of beer in hand 100% of installations of refrigeration systems with low impact	25% reduction in we usage at our brewer		 100% availability of non-alcoholic beers 100% of responsible drinking messages conveyed packaging and brand activities 100% of our markets activate partnerships to provide the provided drinking 		Year-on-year accident reductions	
	5 teans The second seco			RESPONSIBL	E BUSINESS			12 martin COO

Ethics · Diversity and Inclusion · People · Product Quality · Safety and Human Rights

PRODUCING BEER FOR A BETTER TODAY AND TOMORROW



kgCO2/hl to **2.07**.



*Data refer to 2020/2021 comparison



ZERO CARBON FOOTPRINT

DraughtMasterTM: new life for PET kegs



DraughtMaster, the innovative draught system with PET kegs and no added CO2, is the solution that combines quality and sustainability. The freshness of the beer is preserved for 31 days, compared to 5 days for steel kegs. In addition, PET kegs make it possible to avoid waste by using 'every last drop' of beer. Over 97% of the beer sold is distributed with DraughtMaster. To raise awareness about the more conscious use of plastic, in October 2021 we launched the 'Take Back-Give Back' project in Milan, to give PET kegs a second life and produce street furniture items that will be donated to society during 2022. We have recovered over 2000kg of plastic and involved around 30 customers*

*data as of June 20222





CO₂ EMISSIONS IN THE STAGES LIFE CYCLE PHASES OF OUR PRODUCTS

REDUCTION OF BEER IN HAND EMISSIONS

At Group level we regularly perform detailed analyses of our 'beer in hand' CO2 emissions. We constantly strive to reduce emissions throughout the life cycle of our products, reinforcing the reporting and monitoring system and involving the value chain.



OOTPRINT

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ARBON

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ZERO



ZERO WATER WASTE

ZERO IRRESPONSIBLE DRINKING



4 LUPPOLI ZERO.ZERO BIRRIFICIO ANGELO PORETTI'S ALCOHOL FREE BEER

"This important milestone not only responds to new consumer demands, but also to our sustainability goals related to the 'Zero Irresponsible Drinking' pillar, putting the values of responsibility and safety at the centre."

> Erica Robustelli Birrificio Angelo Poretti Brand Manager

OUR ACTIONS

The interest of consumers, in Italy and worldwide, in a healthy lifestyle and moderate alcohol consumption is always intensifying. In particular, recent market analyses show a growing attention to wellness, especially among the younger generations.

According to research by Global Market Insights, the global alcohol-free beer sector is estimated to be worth more than 9.5 billion in 2019 and is expected to grow by 7.5% every year until at least 2026.

Precisely in this context, Carlsberg Italia is launched the first alcohol free beer of Birrificio Angelo Poretti, **4 Luppoli Zero.zERO**.



The Master Brewers have created a beer in which the harmony between the fragrance of malt and the citrus and spicy aromas of the four different hop varieties in the recipe stand out.

Thanks to the absence of alcohol, **4 Luppoli Zero.Zero** is ideal for moments in company in total lightness and responsibility, without giving up the pleasure and taste of beer.



ZERO ACCIDENTS CULTURE



"... We are one of the few companies with 50 per cent of the board made up of women..."



DIVERSITY AND INCLUSION

Diversity and inclusion are strategic advantages for Carlsberg Italia: they make it possible to create a creative working environment that encourages collaboration and growth and in which people can develop their potential and increase their motivation.

Carlsberg Italia is a manufacturing company and is made up of 70.5% men and 29.5% women. Despite this factor, the figures for 2021 show an ongoing commitment to increasing diversity and inclusion.

In addition, we invest in internal training with courses on these topics and on the "unconscious bias".

ECONOMIC **CONTRIBUTION** TO SOCIETY JOBS

With our beers, we help support the country's economy by creating jobs in our industry.





- 29,5%
- WOMEN AT THE COMPANY

50% WOMEN ON THE BOARD



28,57%



40,3% WOMEN IN MANAGERIAL ROLES

RRR ┇╬┇╬╗╬╗╬╗╬╗╬ EVERY PERSON WHO WORKS AT **TOTAL JOBS** CARLSBERG ITALIA **GENERATED** GENERATED IN 2021 20,9 0,78 4,79 ╋ 4.224 JOBS IN THE DISTRIBUTION JOBS IN THE HOSPITALITY JOBS AMONG SUPPLIERS **JOBS IN 2021** SECTOR **INCLUDING FARMERS** SECTOR

OUR BEER **PRODUCTION** PROCESS





BEERS

OUR

PERFORMANCE TABLES

BEER QUALITY	2019	2020	2021
Production			
Beer volumes (hl)	1.195.350	1.135.179	1.329.727
Distribution of beer distributed in kegs			
Steel kegs	4%	3%	3%
PET kegs	96%	97%	97%
ENVIRONMENT AND RESOURCES	2019	2020	2021
Total raw material consumption (ton)	22.275	18.854	22.003
Barley and wheat malt	14.836	13.467	15.787
Barley	2.556	1.262	2.598
Hops	46	43	44
Glucose extract	4.837	4.082	3.574
Other (materials used per speciality)	25	18	
Totatl water consumption (m3)	395.144	325.788	379.677
Water used in the production process (m3)	124.086	116.518	143.386
Water released back into the environment (m3)	271.058	209.270	236.291
Specific water consumption (hl/hl)	3,3	2,8	2,9
Total energy consumption (MWh/hl)	26.798	23.295	25.079
Of which thermal energy	17.054	14.163	15.075
Of which electricity	9.744	9.132	10.000
Specific consumption of methane gas (KWh/hl)	14,3	12,5	11,4
Specific consumption of electricity (KWh/hl)	8,2	8,0	7,5
Direct CO2 emissions (kg CO2/hl)	2,5	2,3	2,1
Total waste produced (Kg)	1.583.914	1.345.810	1.461.391
Waste for reuse	1.583.914	1.345.810	1.461.391
Waste not destined for reuse	0	0	0
% Waste for recovery	100%	100%	100%
Paper/cardboard	236.540	289.900	339.600
Glass	178.650	216.320	302.700
Plastic	140.960	146.980	135.360
Wood	84.900	66.800	57.330
Iron	12.440	12.180	19.080
Aluminium	4.680	12.080	15.860
Mixed packaging	98.980	90.100	112.070
Waste oil	1.280	500	960
Sludge	804.870	508.640	470.170
Other (toner, organic and inorganic substances)*	20.614	119.690	8.261
Specific Waste Production (kg/hl Beer)	1,3	1,2	1,1

PEOPLE AND PROCEDURES	2019	2020	2021
Employees by gender (num)	248	247	251
Men	178	177	177
Women	70	70	74
Employees by qualification (num)			
Executives	6	7	7
Middle managers	33	30	37
Clerks	163	159	149
Workers	46	51	58
Employees by function (%)			
Production	29%	30%	33%
Sales&Marketing	48%	48%	47%
Customer supply chain	6%	5%	4%
Staff	17%	17%	16%
Employees by contract type (%)			
Permanent	98%	98%	92%
Fixed-term	2%	2%	8%
Ratio of Standard Salary Newly Hired to			
Ratio of Standard Salary Newly Hired to Local Minimum Salary	0,89	0,97	0,95
Ratio of Standard Salary Newly Hired to Local Minimum Salary Total accidents by function (num)		5	
Ratio of Standard Salary Newly Hired to Local Minimum Salary Total accidents by function (num) Accidents	0,89	5	1
Ratio of Standard Salary Newly Hired to Local Minimum Salary Total accidents by function (num) Accidents of which road/in-transit accidents	0,89	5	1
Ratio of Standard Salary Newly Hired to Local Minimum Salary Total accidents by function (num) Accidents	0,89	5	1
Ratio of Standard Salary Newly Hired to Local Minimum Salary Total accidents by function (num) Accidents of which road/in-transit accidents Total reports (num)	0,89 9 9 6	5 5 2	1 1 0
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Ratio of Standard Salary Newly Hired to Local Minimum Salary Total accidents by function (num) Accidents of which road/in-transit accidents Total reports (num) DISTRIBUTION OF ADDED VALUE Distributed Aggregate Added Value Shareholder remuneration Employee remuneration Remuneration of credit capital	0,89 9 9 6 1.310 2019 0 22.957.974 -4.353.004 885.878	5 5 2 1.270 2 2020 0 18.612.833 656.288 740.374	1 0 1.165 2021 0 21.936.357 543.089 988.642

*The increase is due to cleaning activities carried out at the dam upstream of the Plant

CREDITS

Methodology, consulting and editing **Freebly**

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Under the direction of

Carlsberg Italy, Corporate Affairs Team

Serena Savoca, Marketing & Corporate Affairs Director

Maria Grazia Fumagallo, Corporate Affairs Manager

As of June 2022, the headquarter of Carlsberg Italia is in Milan, Via Washington 70. The brewery, Birrificio Angelo Poretti, is located in Induno Olona (VA).

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