Carlsberg China

Chongqing Brewery Co.,Ltd.
(600132.SH)

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT 2022

ABOUT THE REPORT

This report represents inaugural Environmental, Social and Governance ("ESG") report of Chongqing Brewery Co., Ltd. Its primary purpose is to present our ESG policies, management practices, and performance to stakeholders, providing a more comprehensive understanding of our ESG efforts.

Time Span

The report covers the period from 1 January 2022 to 31 December 2022 ("2022", "reporting period" and "this year"). To ensure the continuity and comparability of ESG reports, certain data and information are backdated or forwarded to other significant years when appropriate.

Scope of Reporting

The subject of this report is Chongqing Brewery Co., Ltd. (Stock Code: 600132) unless otherwise stated. The disclosure standards it follows are consistent with our annual report.

Basis of Preparation

In preparing this report, we referred to the *Guidance No. 1 for Application of Self-Regulation Rules for Listed Companies of Shanghai Stock Exchange - Standardized Operation* and the *Guidelines on Environmental Information Disclosure of Listed Companies of Shanghai Stock Exchange*. We also took into account the suggestions of the UN SDGs.

Source of Data

All information cited in this report is from Chongqing Brewery Co., Ltd.'s official documents, statistical reports and financial reports. The information presented in this report is for the purpose of our ESG disclosure only, and not for commercial purposes.

References Used in the Report

For the convenience of expression and reading, "Chongqing Brewery", "the Company", and "We" in the report all refer to "Chongqing Brewery Co., Ltd.", while "the Carlsberg Group" and "the Group" refers to "Carlsberg A/S.".

Disclaimer

Please note that some parts of this report are forward-looking, including plans, goals, etc, for future development. Such content is based on the current expectations of the management, which may be subject to uncertainties that could cause it to differ materially from actual results. The Company does not undertake the obligation to update any forward-looking statements in this report.

Report Accessibility

This report is available in Simplified Chinese and English for readers' reference. In the event of any minor discrepancies between the two versions, the Chinese version shall prevail. The report in pdf. is accessible on our official website (https://www.carlsbergchina.com.cn).

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PRESIDENT'S MESSAGE

Lee Chee Kong
President

TOGETHER TOWARDS ZERO & BEYOND

Carlsberg CHINA

Thank you for taking the time to read the 2022 Environmental, Social and Governance (ESG) report of Chongqing Brewery Company Limited, which is our first ESG report.

Since our listing in 1997, you may have been accustomed to reading our financial reports for visibility into our business performance. From today, we provide you with a new channel to understand our ESG performance as well. We firmly believe that, for a company, business performance and ESG performance go hand in hand and one can not be achieved without the other. While delivering short-term financial returns, we must ensure the sustainability of our business in the long term, to live up to our purpose: brewing for a better today and tomorrow.

This has been proven in practice in the past few years.

Since 2014, the Chinese beer market has been continuously declining. However, against industry headwinds, the Company has grown into the fourth-largest beer company in China and embarked on a high-quality development path, by effectively implementing SAIL'22 the company strategy for 2022, and meeting consumers' growing demand for high-quality beer. Particularly, in the last three years, which has been extremely difficult, we are the only Chinese beer company that has achieved sustained growth in sales, revenue and profits. We proudly achieved a successful conclusion to our SAIL'22 strategy with a solid performance!
Just like our business performance, our ESG performance is also encouraging. Since 2016, we have been implementing our TTZ (Together Towards ZERO) sustainability plan in China. Like the SAIL'22 strategy, TTZ was also aimed at 2022. It incorporates a series of measurable scientific indicators around ZERO Carbon Footprint, ZERO Water Waste, ZERO Accidents Culture and ZERO Irresponsible Drinking. As of the end of 2022, we had successfully surpassed all the targets set out in TTZ. Through such means as using 100% renewable energy and improving the comprehensive energy efficiency of thermal power, the carbon dioxide emissions per 100 litres of beer brewed in our breweries have decreased by 75% compared to 2015, equivalent to more than 80,000 cars being off the road for a year. At the same time, the water consumption per 100 litres of beer has decreased by 42% compared to 2015. The water consumption of the Dazhulin brewery in Chongqing is even lower, achieving a world-leading level of 1.77hl/hl..

We believe that it is our commitment and continuous investment in ESG that have equipped us with greater resilience to navigate the storm and emerge at full sail in a turbulent market environment. Accordingly, our strong performance has also empowered us to take further action in pursuit of better ESG performance and to make our contribution to addressing the common sustainability challenges facing humanity.

2022 marked not only the successful end of the SAIL'22 strategy and the TTZ programme, but also the start of our new SAIL'27 strategy for 2027. As an integral part of SAIL'27, we have launched an ESG programme named TTZAB (Together Towards ZERO and Beyond). While upgrading the existing four ZERO ambitions, TTZAB adds two new ambitions, ZERO Packaging Waste and ZERO Farming Footprint. It also outlines a clear roadmap for addressing material ESG issues and sets specific milestones for 2030 and 2040.

As you will see in this Report, the TTZAB plan has challenging targets, such as achieving a net ZERO value chain by 2040, i.e. a balance between CO_2 emissions and removals. It is one of the most ambitious carbon reduction targets in the global beer industry. However, we are very confident that by implementing the TTZAB plan, we will not only further improve our level of environmental protection, social responsibility and corporate governance, but also help the company to set out on SAIL'27, and its new journey of high-quality development.

Therefore, we have decided to release the ESG report of Chongqing Brewery Company, so as to update you about our ESG plans, goals and progress in a regular and systematic way. Thank you for your interest and we look forward to your feedback!

ABOUT US

COMPANY PROFILE

Based in China, Chongqing Brewery Co., Ltd. (600132.SH) is a subsidiary of Carlsberg Group, the third largest brewer in the world. Carlsberg Group, headquartered in Copenhagen, Denmark, was founded in 1847 and has over 140 beer brands that are sold in more than 150 markets worldwide.

Chongqing Brewery is the fourth largest brewery company in China, operates a production and supply network consisting of 26 breweries and a marketing and sales network spanning China's provinces and municipalities. Responding promptly to market changes, we have recently achieved a business performance significantly above the industry average. We have gained comprehensive and continuous growth in all three major indicators of sales, revenue, and profit. In 2022, our respective sales, revenue, and profit were 2.8566 million kilolitres of brews, RMB 14.039 billion, and RMB 1.264 billion.
China has become the Group's largest market globally. In the Group's SAIL'27 strategy, "Keep Winning in China" is listed as one of the strategic priorities. This priority demonstrates our ambition of being the most successful, professional and attractive brewer in China. We are also committed to addressing global challenges such as inequality, climate change, and water scarcity by implementing the Together Towards ZERO and Beyond (TTZAB) programme initiated by the Group. We are dedicated to achieving the ZERO Carbon Footprint, ZERO Water Waste, ZERO Farming Footprint, ZERO Packaging Waste, ZERO Irresponsible Drinking, ZERO Accidents Culture, while adhering to our Corporate principle of brewing for a better today and tomorrow.

OUR PRODUCT PORTFOLIO

Local power brands + International premium brands

Kronenbourg 1664 · Carlsberg · Brooklyn Brewery · Chong Qing 重庆啤酒 · Wusu 乌苏啤酒 · Jing-A 京A Brewing Co. · 1958 山城啤酒

Somersby 夏日纷 · Tuborg 乐堡啤酒 · Grimbergen · 西夏啤酒 · 风花雪月 · 大理啤酒 Dali · Tian Mu Hu 天目湖啤酒

2022 AWARDS AND HONOURS

- Listed in **"Top 100 Chongqing Companies"** and **"Top 100 Chongqing Manufacturers"** once again, ranking first among food & beverage companies
- Carlsberg (China) Beer Industry and Trade Co., Ltd. ranked 7th and 5th in **"Top 100 Non-public Enterprises of Yunnan Province"** and **"Top 20 Non-public Enterprises in the Manufacturing Industry of Yunnan Province",** up 5 and 2 places respectively from 2021
- Carlsberg (China) Beer Industry and Trade Co., Ltd. listed as a **"Top 10 Green Food Enterprises" in Yunnan Province** for five consecutive years
- Carlsberg (China) Beer Industry and Trade Co., Ltd. won the title of **National "Water Efficiency Leader"**
- Dazhulin Brewery and Liangping Brewery won the title of **Chongqing "Water Efficiency Leader"**
- Tianmuhu Brewery won the title of **"Green Development Leader" of Jiangsu Province**
- Tianmuhu Brewery won the title of **"Four-star Enterprise" in Liyang** for three consecutive years
- Huashi Brewery won the title of **"Enterprise with Outstanding Contribution" of Central Yunnan New District, Yunnan Province**
- Anhui Brewery won the title of **"Comprehensive Strength Top 10" of Tianchang**
- Yibin Brewery listed in **"Top 100 Private Enterprise" of Yibin**
- Ranked **310th in the list of "Top 500 Largest Chinese Companies by Market Cap",** up 18 places from the end of last year, and ranked 4th among beer companies
- The **"Best Board of Directors Award for Investor Relations for Chinese Listed Companies"** and the **"Best Investor Relations Award for Chinese Listed Companies"** of the 13th Tianma Award for Investor Relations of Chinese Listed Companies
- Award of **"Annual Outstanding Management Team of Listed Companies in China"** and award of **"Top 100 Main Board Listed Company Value"** of the 16th Awards of the Value of Listed Companies in China
- The **"Strategic Restructuring of Carlsberg and Chongqing Brewery"** selected as **"a classic case of cross-border M&As in China's capital market"** by China Association for Public Companies
- Carlsberg (China) Beer Industry and Trade Co., Ltd. listed as one of **"China's Top 500 Agricultural Enterprises in 2022"**
- Included in **Hurun China "Food Industry Top 100"** again
- **"2022 TOP 100 China Model Employers & Model of Talent Attraction and Retention"** by 51JOB
- **"2022 Top 50 Best Employers in Guangzhou"** by Zhaopin.com
- **"The Annual ESG Special Award" of Golden Bottle Awards (GBA) 2022**
- **"Special Award of the Year" at the 10th Top Digital Innovation Marketing Awards** for "Vigorous Tiger Starting Auspicious New Year", a creative communication programme the Company created for the 2022 Spring Festival which integrated art, culture, and marketing
- "WUSU x XCMG Hard-from-the-core Celebration Campaign" won **"Seasonal Marketing Product Category Award" of 2022 EFFIE Awards Greater China**
- "WUSU x XCMG Hard-from-the-core Celebration Campaign" won the **9th TMA Marketing Awards "Gold Award in Cross-border Marketing"**
- "WFSM beer suitcase event" won the **"Gold Award for New Consumer Marketing" of 22th IAI AWARDS**
- SOMERSBY Blackberry won **"Youyisi Lifestyle Brand" of China News Weekly**

Our 11 products, including Carlsberg Smooth Draught, Brooklyn Lager, Tuborg and Chongqing Pure Draft, won the "Tianlu Award"
of the "China International Beer Challenge". We were the company with the most awards for the second consecutive year.

Three products, including Grimbergen Belgian Blond Ale, Brooklyn Stonewall Inn IPA and Tuborg MIX Special Cranberry and Lime-Flavored Beer,
won the "Green Drink Award", a national liquor award.

ESG PROGRAMMES

The Group launched the five-year corporate strategy SAIL'22 in March 2016, and developed the Together Towards ZERO (TTZ) ESG programme based on its strategic focus areas. As the platform for the Group to operate beer assets in China and the fourth largest brewery in China, Chongqing Brewery has made remarkable progress in facilitating the implementation of TTZ in the country.

In 2022, the Group launched another five-year corporate strategy, SAIL'27, which evolved from SAIL'22, and an enhanced ESG programme, Together Towards ZERO and Beyond (TTZAB) , which released as a pillar supporting the focus areas contained in SAIL'27. TTZAB builds on the original four ambitions, ZERO Carbon Footprint, ZERO Water Waste, ZERO Irresponsible Drinking and ZERO Accidents Culture, and adds two new ZERO Targets, ZERO Farming Footprint and ZERO Packaging Waste, which has expanded the ESG ambitions of the Group to new focus areas. Based on TTZAB, the Group has developed a roadmap to address material ESG topics, and has set new milestones towards 2030 and 2040, including a net ZERO value chain by 2040, where CO_2 emissions and removals are balanced. The Group has also upgraded its ambitions and clarified its targets for other focus areas such as water conservation, responsible drinking, diversity, equality and inclusion (DE&I), human rights and community engagement.

Adhering to the purpose of the Group, Chongqing Brewery actively participates in promoting TTZAB programme and releases latest progress in a timely manner. We also reinforce cooperation with stakeholders such as suppliers, customers, consumers, and the communities where we operate, manage our business impact responsibly, and take actions that make positive contributions to society. We are committed to brewing for a better today and tomorrow.

Purpose — **Brewing for a better today and tomorrow**

SAIL'27 priorities — Our portfolio choices | Our geographical priorities | Our execution excellence | Our winning culture | Funding our journey > Creating value for all our stakeholders

ESG programme — **Together Towards ZERO and Beyond (TTZAB)**

	2030 Targets	2040 Target
ZERO Carbon Footprint	> **ZERO** carbon emissions at our breweries > **30%** reduction in value chain carbon emissions > **All** renewable electricity must come from new assets (e.g. via power purchase agreements)	> **Net ZERO** value chain
ZERO Farming Footprint	> **30%** of our raw materials are from regenerative agricultural practices and are sustainably sourced	> **100%** of our raw materials are from regenerative agricultural practices and are sustainably sourced
ZERO Packaging Waste	> **100%** recyclable, reusable or renewable packaging > **90%** collection and recycling rate for bottles and cans > **50%** recycled content in bottles and cans > **50%** reduction of virgin fossil-based plastic	
ZERO Water Waste	> Water usage efficiency of **2.0 hl/hl** in the Company and **1.7 hl/hl** at breweries in high-risk areas > **100%** replenishment of water usage at breweries in high-risk areas > Reduce total breweries water consumption by **50%**	
ZERO Irresponsible Drinking	> **100%** responsible drinking messaging through packaging and brand activations > **100%** of our markets run partnerships to support responsible consumption > **100%** availability of alcohol-free brews > **35%** of our beers from the Company are low-alcohol or alcohol-free	
ZERO Accidents Culture	> **ZERO** lost-time accidents	

Diversity, Equity & Inclusion **Living By Our Compass** **Human Rights** **Responsible Sourcing** **Community Engagement**	• Focus on the continuous enhancement and implementation of policies, partnerships and other initiatives to manage the impacts on our employees, operations, value chain and wider society. • Set additional targets that are quantified and shorter-term, including 4% increase in the proportion of women in senior leadership positions by 2024, ramping up to one-third by 2027. • Continuously strive to Live By Our Compass and maintain a high-integrity culture through a robust compliance programme and source responsibly, respect human rights along the value chain, and engage communities responsibly.

ESG HIGHLIGHTS

ZERO Carbon Footprint

-75%
in carbon emissions per hl in 2022 compared to 2015

-32%
in comprehensive energy consumption in 2022 compared to 2015

100%
green electricity use

ZERO Irresponsible Drinking

0.0%
Availability of CQ AFB and WFSM lemon-flavored LAB

4.5 million+
consumers covered by responsible drinking initiatives throughout the year

ZERO Packaging Waste

-10%
bottle weight of Carlsberg, Tuborg and Kronenbourg 1664

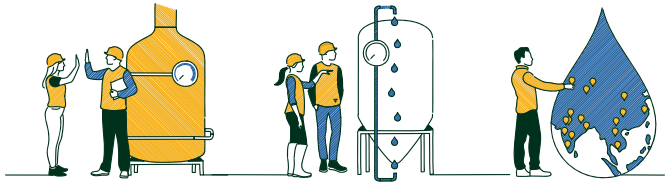
3,800t
paper reduced every year by carton weight reduction project

ZERO Water Waste

-42%
in water consumption per hl in 2022 compared to 2015

2.07 million kl
total water consumption saved from 2015 to 2022

1.77 hl/hl
lowest water consumption for the Company's breweries in 2022



ZERO Accidents Culture

100%
of breweries and the Company certified ISO 45001 Occupational Health and Safety management systems

-92%
in number of lost-time accidents in 2022 compared to 2018

0
employees and contractors' fatalities in 2022

ZERO Farming Footprint

100%
localized procurement of main auxiliary materials

190kt
waste yeast recycled for cattle fodder

ESG HIGHLIGHTS

Products and Services

100%

From 2018 to 2022, the Company and its breweries have passed the Annual COM Compliance Audit and obtained certification for both the ISO 9001 quality management system and HACCP from 2018 to 2022.

Zero product recalls

From 2018 to 2022, the Company did not experience any incidents of product recalls due to quality problems

100%

We carried out quarterly sampling inspections of 91 batches of beer products from 24 breweries in 2022 , all of which passed with a 100% qualification rate

98.2%

In 2022, our breweries carried out a total of 21,0 00 hours of training covering around 18,000 person-times, which accounted for 98.2% of the total workforce

Community Engagement

RMB3.46million

Since 2004, we initiated the student financial assistant campaign in Yibin City. We have donated a total of RMB 3.46 million to help around 1,800 students in Yibin for 19 consecutive years

100,000

In 2022, "Chongqing Brewery Scholarship" provided funds to support Chongqing Outstanding Youth League Work Brand Project. 100,000 college students are benefit from the scholarship

Diversity, Equity and Inclusion

96%

In the biennial employee engagement survey, 96% of employees would recommend Chongqing Brewery as a great place to work

+2.1%

The percentage of female employees in middle-level and above management positions increased by 2.1% compared to 2021

Corporate Governance

500+

In 2022, we held 4 public performance presentation meetings, attended over 500 online and in-person investor exchange meetings, and organised two special activities, including brewery visits and beer tastings

23 person-times

In 2022, we provided corporate governance training sessions for our board of directors, supervisors and senior management personnel with 23 participants

Responsible Sourcing

100%

In 2022, 100% of our material suppliers were certified to ISO 14001

100%

In 2022, 100% of our directly cooperated suppliers were certified to ISO 9001 or other equivalent certifications

Living by Our Compass

6,000+

In 2022, we conducted compliance training on topics such as ethics and code of conduct, anti-bribery and anti-corruption, and competition law compliance, with over 6,000 enrolments

Speak Up Helpline

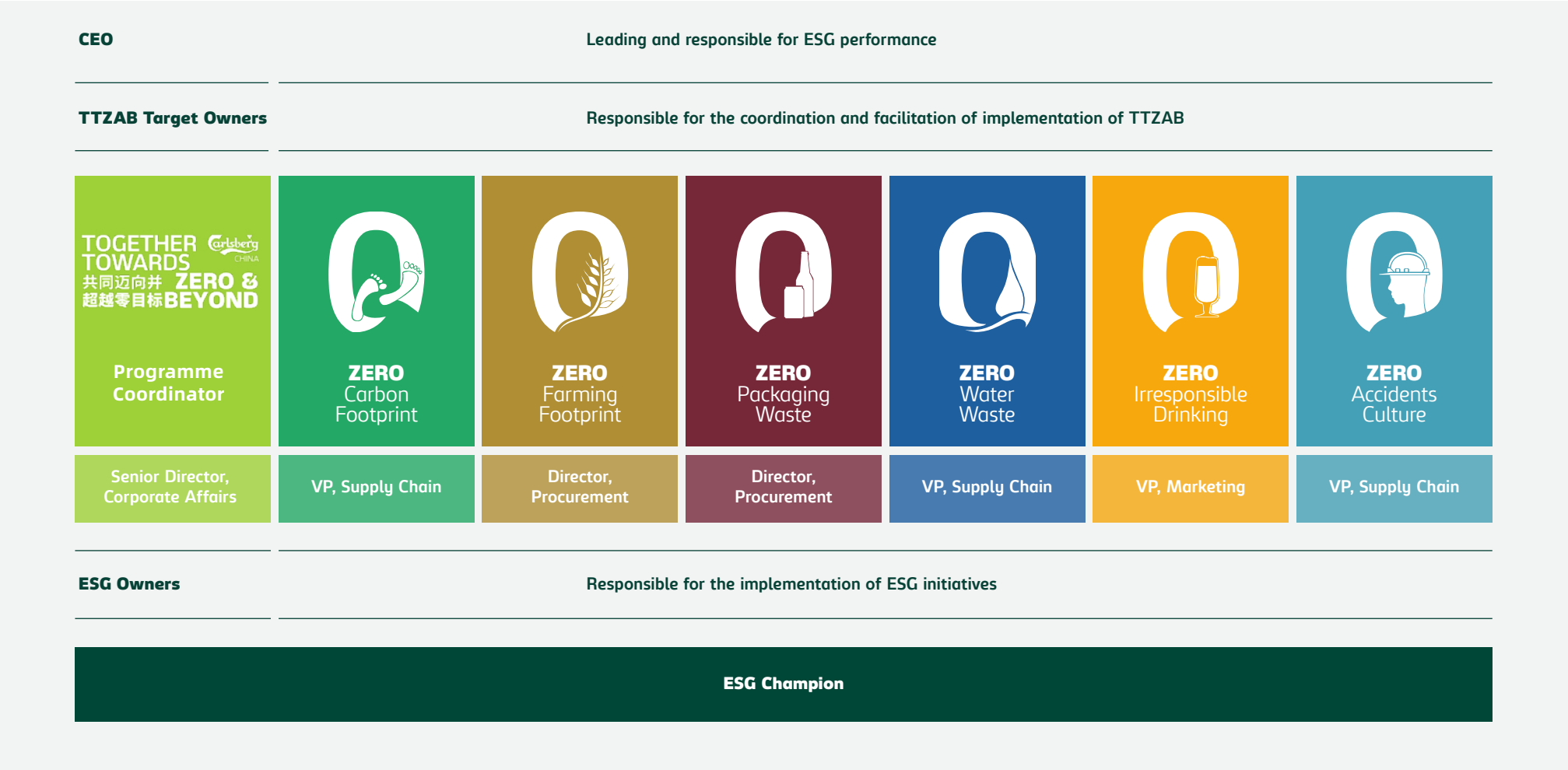
We established a reporting platform known as "Speak up Helpline" to protect the rights and interests of whistleblowers

100%

In 2022, of our suppliers had signed the agreements on business ethics and the *Honesty and Integrity Agreement*

ESG GOVERNANCE

The Company has successfully integrated ESG governance into its daily operations. We have developed a three-tier TTZAB management structure comprising the CEO, TTZAB Target Owners, and ESG Owners. These individuals are responsible for the planning, coordinating and implementation of our ESG strategies and establishing the KPIs, setting targets, and tracking progress to facilitate the implementation of our ESG strategies and to achieve efficient management of the TTZAB.



STAKEHOLDER ENGAGEMENT

In 2022, we actively engaged with stakeholders via various channels, maintained close contact with them, understood and responded to the expectations and requirements of internal and external stakeholders, continuously improved the transparency of corporate information, and created sustainable value.

Stakeholders	Engagement Channels	Topics of Interest	Our Responses
Employees	• Questionnaire surveys • Online and in-person activities • Emails • Meetings within departments	• Employee benefits • Employee development and training • Employee rights and care • Employee health and safety	• Encourage employees to speak freely on how to promote innovation and high performance, value employee growth and their, physical and mental health, as well as their legitimate rights and interests. We are committed to establishing diverse employee engagement channels to effectively listen to our employees' feedback and address their concerns. Our goal is to cultivate a culture that is diverse, equal, and inclusive, making our company a great place to work
Investors and Shareholders	• Periodic reports and interim announcements • Performance disclosure meetings • Strategy meetings held by securities firms • Investors' online roadshow and anti-roadshow • Visit the breweries	• Risk management • Return On Investment (ROI) • Corporate governance • Information disclosure	• Respond to investors' ESG expectations and keep them up to date with our TTZAB programme • Held four shareholder meetings in 2022 • High scores in ratings such as MSCI indicate that the risk of the Company's business to investors is low • Completed the disclosure of 4 regular reports and 48 temporary notices in 2022
Customers and Consumers	• Consumer satisfaction survey • Complaints Hotline • Channels at retail stores • Marketing activities	• Quality products • Diversified products • Sophisticated customer service • Smooth communication channels	• Proactively respond to and handle consumer complaints • Carry out responsible marketing and implement initiatives promoting responsible drinking
Suppliers	• Feedback channels for suppliers • Regular communication activities • Audit and assessment • Information sharing	• Fair, open and just procurement • Suppliers support	• Have established a complete and standardised supplier management system and implemented responsible procurement • Actively carry out supplier training and communication activities
Media outlets	• Regular and irregular media visits • Timely communication of Company's latest situation • Beer tasting for the media • Visit the breweries • Interview with the President	• Company's performance • Sustainability performance • Company's future development strategy	• After the release of the periodic report report, take the initiative to communicate with the media about the relevant situation • Proactively communicate with the media about the Company's progress in sustainable development • Held one beer tasting for the media • Held one brewery visiting in Dali • Invited media to conduct five interviews with the President
Government and Regulatory Agencies	• Regular visits and special reports • Participate in the research and selection activities organized by the government • Participate in the formulation and revision of policies and regulations	• Compliant business operations point • Pay taxes according to law • Driving local economic development	• Ensure compliance with all applicable laws and regulations • Proactively disclose information on our contribution to economic development and employment • Promote the TTZAB programme, and actively manage food safety and implement environmental governance • Actively participate in national demonstration pilot projects such as green factories and water efficiency leaders
Industry Associations	• Joining industry associations • Participating in formulating industry standards • Participate in industry events	• Product quality • Industry cooperation and development	• Actively seek partnerships and adhere to industry association guidelines • Influence industry association initiatives, strengthen ESG management, participate in events such as National Responsible Drinking Awareness Week
Industry-university-research partners	• Conduct programmes and cooperation with industry-university-research partners	• Product development and innovation • Talent training • Achieve win-win results	• Cooperate with colleges and universities such as Chongqing Technology and Business University and Chongqing Mechanical and Electrical Vocational and Technical University and set up a "Chongqing Beer Session" and conduct customised talent training through beer tasting, job rotation and other forms

MATERIALITY MATRIX

In 2022, we hired a third party to conduct a survey questionnaire on internal and external stakeholders, collect valuable inputs, and prioritise the topics of interest by following the material topic analysis process and methodology. The survey results will guide the Company's ESG management and TTZAB implementation, enabling us to better meet the expectations and demands of stakeholders.

High

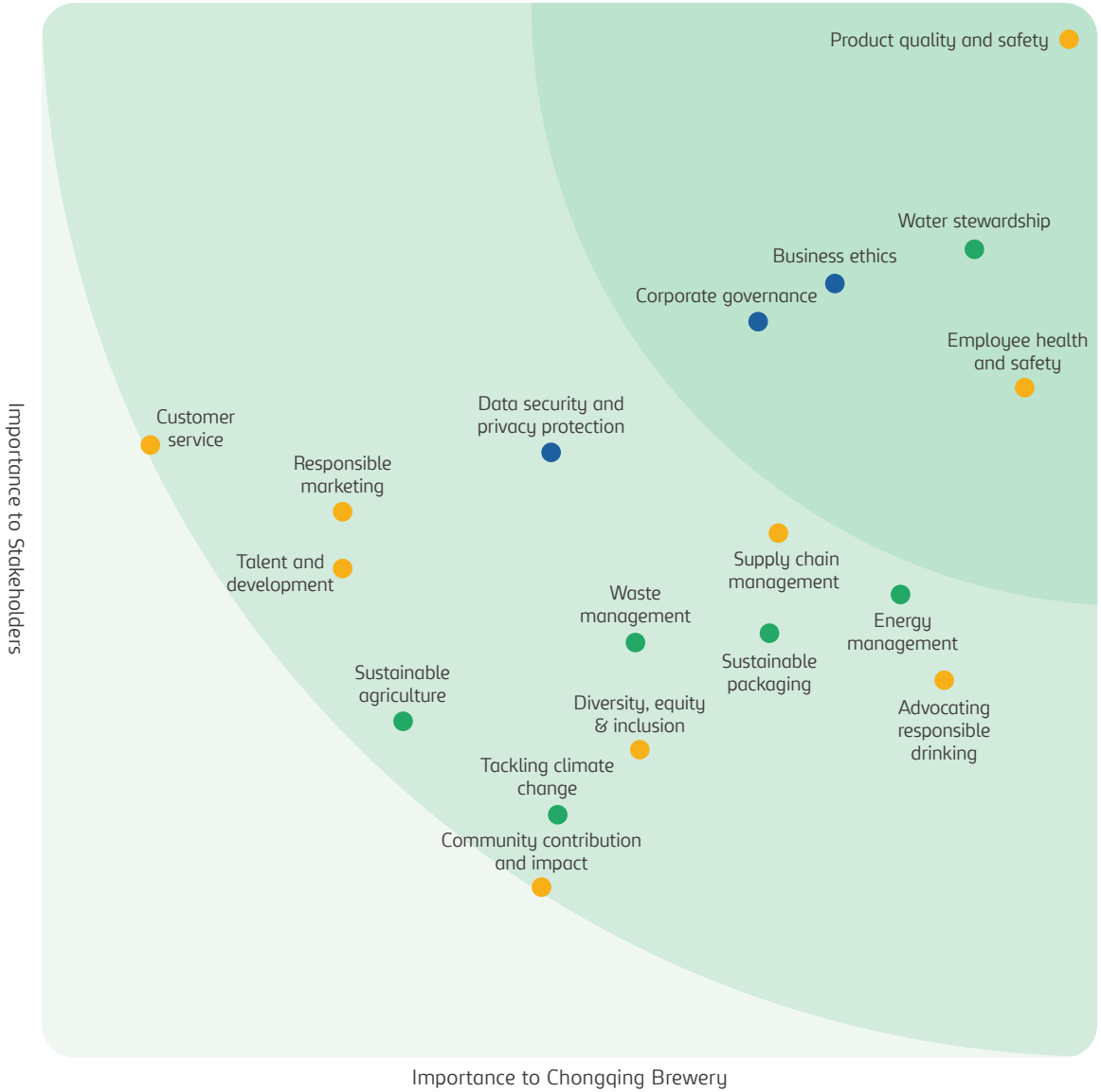
- Product quality and safety
- Water stewardship
- Business ethics
- Employee health and safety
- Corporate governance

Moderate

- Supply chain management
- Energy management
- Sustainable packaging
- Advocating responsible drinking
- Data security and privacy protection
- Waste management
- Responsible marketing
- Diversity, equity & inclusion
- Talent and development
- Tackling climate change
- Sustainable agriculture
- Customer service
- Community contribution and impact

- Environmental topic
- Social topic
- Governance topic

Chongqing Brewery's ESG Materiality Matrix in 2022



SIX TTZAB AMBITIONS

Together Towards ZERO and Beyond (TTZAB) is our response to global challenges such as inequality, climate change and water scarcity, and society's growing concern for health and well-being. The Company actively responds to the ZERO Carbon Footprint, ZERO Farming Footprint, ZERO Packaging Waste, ZERO Water Waste, ZERO Irresponsible Drinking and ZERO Accidents Culture ambitions set by the Group and promotes our vision of brewing for a better today and tomorrow.

ZERO Carbon Footprint ····· 13
ZERO Farming Footprint ····· 20
ZERO Packaging Waste ····· 23
ZERO Water Waste ····· 26
ZERO Irresponsible Drinking ····· 31
ZERO Accidents Culture ····· 36

ZERO Carbon Footprint

Climate change is a common challenge that mankind faces in the 21st century. It also poses a threat to the water, energy, and agricultural products that the Company's beer production depends on. The latest reports of The UN Climate Change Conference (COP26) and the Intergovernmental Panel on Climate Change (IPCC) have identified the urgent need for human beings to take action to address the climate crisis.

To address the impact and challenges of climate change on the Company's business, the Company actively pursues the ZERO Carbon Footprint proposed by the Group. The Company promises to achieve ZERO carbon emissions in breweries by 2030 and to achieve a net ZERO value chain by 2040. We have carried out actions covering the entire value chain to achieve low-carbon operations from raw material planting, production, packaging, and transportation, to cooling and storage.

Our Value Chain Carbon Emissions	Agriculture and Processing	Breweries	Packaging	Transportation and distribution	Cooling
% of total value chain emissions	20%	14%	38%	18%	10%

REDUCING OUR PRODUCT CARBON FOOTPRINT

The Company focuses on the carbon emissions of the entire product value chain, and has carried out product carbon footprint assessments under the guidance of the Group. We actively promote green and low-carbon measures in the five major sections of the value chain, namely agriculture and processing, breweries, packaging, transportation and distribution, and cooling, to reduce our product carbon footprint.

We regularly conduct product carbon footprint assessments according to the scope 1, 2 and 3 emissions stipulated in the *Greenhouse Gas Accounting System* (GHG protocol) compiled by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the *Product Environmental Footprint Guide* formulated by the European Commission (including rules for beers) and sectoral guidelines for greenhouse gas emissions in the beverage industry. Through these assessments, we can quantify the specific sources of carbon emissions and formulate targeted energy conservation and emissions reduction plans to effectively manage our corporate carbon footprint.

To evaluate our progress, we collaborate with the Group to conduct the product carbon footprint assessment every three years. According to the assessment results in 2020, our product carbon footprint had decreased by 15% since 2015. We will conduct the next detailed product carbon footprint analysis in 2023 based on data obtained in 2022 to assess our progress.

CUTTING CARBON FROM CROPS

The Company acknowledges that the growing and processing of raw materials emit enormous amounts of greenhouse gases and have a detrimental impact on the surrounding ecological environment. In line with our ZERO Farming Footprint target, we focus on the cultivation and processing of raw materials and commit to collaborating with our upstream suppliers in the value chain to reduce carbon emissions from the step. This will minimise the interference and impact of business production on the ecological environment. For a detailed account of our energy-saving and emission-reduction actions in planting and processing raw materials, please refer to the "ZERO Farming Footprint" section of this report.

ELIMINATING BREWERY EMISSIONS

To reduce carbon emissions during this step, we actively carry out energy-saving and emission-reduction measures in our breweries around the world, and constantly step up our investment in transformation of technologies and optimisation of the energy mix in the process.

TRANSFORMING BREWING EFFICIENCY : We make continuous efforts to increase energy efficiency and lower carbon emissions from beer brewing through performance benchmarking management, the application of good practices and lean production. We also undertake energy-saving technological transformation projects, including the application of dynamic low-pressure boiling, the comprehensive utilisation of thermal energy, the improvement of boiler efficiency, and the energy-saving transformation of bottle washing machines and sterilisers.

Some energy-saving and emission-reduction projects at our breweries:

In Chongqing, Mawangxiang, Shizhu, Hechuan, Liangping breweries have achieved comprehensive utilisation of packaging heat, which has effectively improved the heat utilisation efficiency of bottle washing machines and sterilisers. In 2022, Shizhu Brewery implemented this project and the heat consumption of the packaging department has been reduced by 7% compared to 2021.

In Xinjiang, Urumqi Brewery has proactively promoted the implementation of energy-saving and emission-reduction projects, including equipment insulation upgrades, improved boiler efficiency, and heat exchangers upgrades. Between 2018 and 2022, the heat consumption of Urumqi Distillery was reduced by 38%.

SWITCHING TO RENEWABLE ENERGY: We proactively explore clean energy alternatives and try to replace traditional fossil fuel energy with new energy such as biogas. The Company is also committed to increasing the proportion of renewable electricity used in beer brewing. In 2022, we achieved 100% green electricity use with a total consumption of 157,142 MWh, resulting in a carbon emission reduction of 97,741.7 tonnes. Additionally, in 2022, we had successfully reduced the carbon emissions per hectolitre of beer brewed by over 75% compared to 2015, with a total reduction of 230,000 tonnes of CO_2 from 2015 to 2022. This reduction is equivalent to planting 6,200,000 m^2 of trees or 80,000 cars stopping driving for a year.

In 2022, the Company had reduced its comprehensive energy consumption compared to 2015 by

32%

Achieved green electricity use

100%

A total consumption of green electricity of

157,142 MWh

achieved a carbon emission reduction of

97,741.7t

From 2015 to 2022, the CO_2 emissions in brewing per hl of beer have been reduced by over

75%

A total reduction of 230,000 tonnes of CO_2, equivalent to planting trees covering an area of

6,200,000m^2

DALI BREWERY ACTIVELY SWITCHES TO RENEWABLE ENERGY TO REDUCE CARBON EMISSIONS

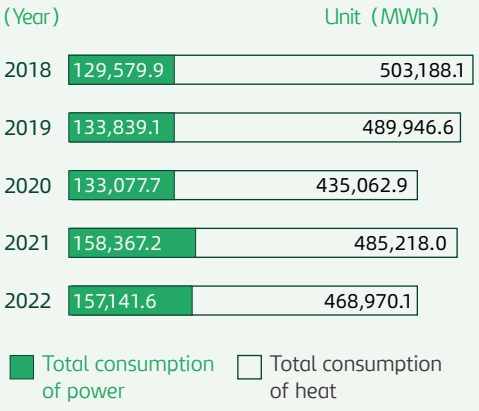
As a renewable energy utilisation technology, biogas power generation can not only save energy but also protect the environment, and has huge environmental and social benefits. The Company has long been committed to exploring and developing innovative solutions for renewable energy, such as biogas heating, in order to establish a new era of sustainable production in the beer industry.

Dali Brewery utilizes biogas boilers to produce steam to reduce energy consumption and decrease environmental pollution. In 2022, we have already consumed 1,318.9 MWh of heat from biogas, resulting in a reduction of 266.4 tonnes of carbon emissions.Additionally, Dali Brewery is also embracing photovoltaic power (PV) generation solutions, with more than 8,000 solar panels installed on the roofs of its buildings. These panels generated 1,931.0 MWh of power, meeting over 13% of the brewery's electricity demand and contributing to a reduction of 1,201.1 tonnes of carbon emissions over the course of the year.

Heat Energy

	Unit	2022	2021	2020	2019	2018
Heat energy from light fuel oil	MWh	2,514.4	/	/	/	/
Heat energy from heavy fuel oil	MWh	/	/	/	/	58.3
Heat energy from natural gas	MWh	387,254.1	396,071.7	324,766.3	350,204.7	321,316.4
Heat energy generated by biogas from sewage plants	MWh	1,318.9	1,367.1	1,136.0	931.0	803.6
Heat energy from coal	MWh	/	/	/	22,120.8	67,716.3
Heat energy from biomass fuel	MWh	10,167.5	28,966.4	62,223.2	60,954.5	53,013.2
Heat from district heating facilities (with standard heating systems)	MWh	77,829.6	66,877.9	57,111.4	61,353.0	66,721.3
Total heat consumed at the brewery	MWh	479,084.4	493,283.1	445,237.0	495,563.9	509,629.2

Energy Consumption



Energy Consumption Breakdown in 2022

Indicators	Unit	2022
Percentage of green electricity	%	100%
Natural gas	Nm^3	41,883,659.6
Diesel	Litre	266,025.6

MOVING TO LOWER-CARBON PACKAGING

Packaging materials are responsible for approximately 38% of beer product's carbon footprint, representing the largest source of carbon emissions throughout the value chain. We have collaborated with our upstream packaging material suppliers under the guidance of the Group's ZERO Packaging Waste initiative. Various activities have been carried out. For more information, please refer to the "ZERO Packaging Waste" section of this report.

MAKING OUR LOGISTICS SMARTER

Transporting and distributing products between breweries, warehouses, bars, restaurants and retailers account for 18% of beer product's carbon emissions, which makes it the third largest source of carbon emissions in the entire value chain. To reduce emissions in the transporting and distribution of products, the Company is transforming from diesel to electric forklift trucks at our breweries, leading to a reduction of 2.24 tonnes of carbon emissions since 2021. While vigorously promoting the electrification of our fleets, we have also initiated the forklift truck battery replacement project by replacing traditional lead-acid batteries with more environmentally-friendly lithium-ion ones. We also collaborate with logistics suppliers to strictly monitor fuel usage in product transportation and provide fuel efficiency-related training to drivers to enhance their awareness of energy-saving and environmental performance.

CUTTING IMPACTS FROM COOLING

The carbon emissions from beer cooling accounts for about 10% of beer product's carbon footprint. Although it is the least contributor of emissions in the whole value chain, it is still an indispensable area of our emission-reduction efforts. We actively promote the Group's philosophy that all newly purchased refrigerators must utilise LED lighting and environmentally friendly refrigerants. By implementing hydrofluorocarbon (HFC)-free refrigerants and energy-saving fridge , the Company can annually decrease final energy consumption[1] in cooling by 10%, effectively reducing greenhouse gas emissions from refrigerants. In 2021, we initiated the energy-saving fridge project, procuring approximately 18,000 energy-saving fridges every year.

From 2021 to 2022, converting from diesel to electric forklift trucks at breweries has effectively reduced CO_2 emissions

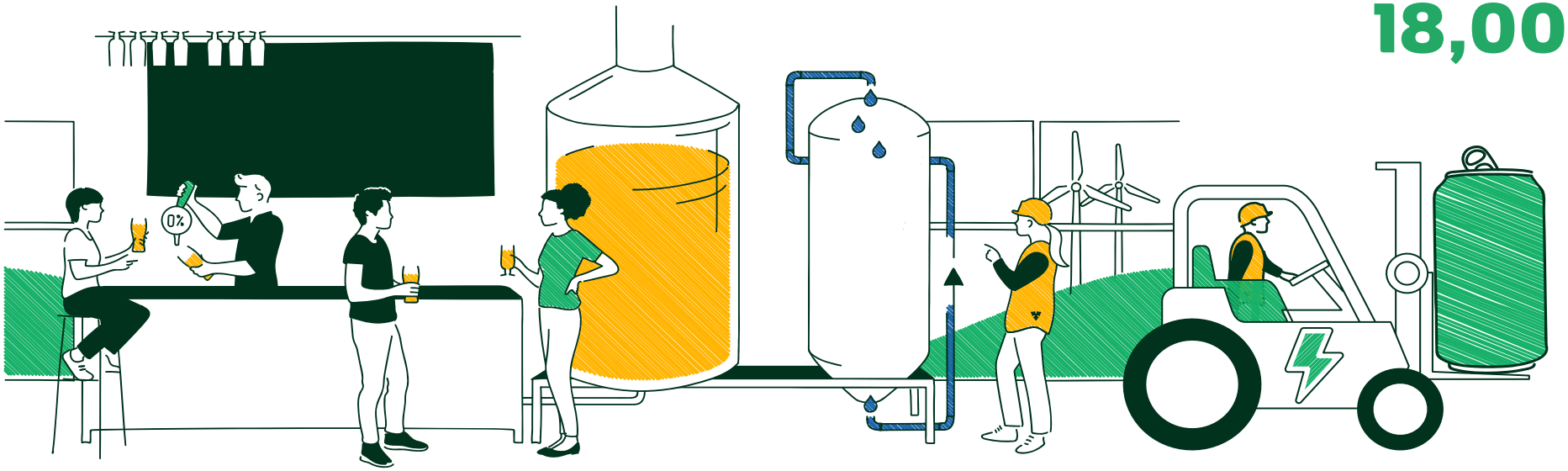
2.24t

Every year, using HFC-free refrigerants and energy-saving fridges can reduce energy consumption in cooling by

10%

Every year, implementing the energy-saving fridge project and purchasing energy-saving fridges about

18,000



1 There are two forms of energy consumption: one is one-time direct consumption, also known as final consumption; the other is processing and conversion consumption, also known as primary consumption. Final consumption, as opposed to primary consumption, means that energy is not used for intermediate processing and conversion, but is directly put into various heating, power and other equipment for consumption in production and non-production activities.

CUTTING DAILY OPERATING EMISSIONS

Our efforts extend to raising awareness about energy conservation and emissions reduction throughout the Company, encompassing procurement, production and sales to establish standardised energy usage management practices. To encourage employee participation in our low-carbon initiatives, we have instituted a monthly performance reward programme that recognises outstanding contributions to carbon reduction. Our aim is to promote a culture of shared responsibility for achieving the Company's low-carbon operational goals.

Greenhouse Gas Emissions

Indicators	Unit	2022	2021	2020	2019	2018
CO_2 emissions from the use of light fuel oil	tCO_2e	670.7	/	/	/	/
CO_2 emissions from the use of heavy fuel oil	tCO_2e	/	/	/	/	16.3
CO_2 emissions from the use of natural gas	tCO_2e	78,209.8	79,990.6	65,589.8	70,727.3	64,893.1
CO_2 emissions from the use of coal	tCO_2e	/	/	/	7,533.5	23,061.5
CO_2 emissions from district heating facilities (with standard heating systems)	tCO_2e	22,881.9	19,662.1	16,790.8	18,037.8	19,616.1
CO_2 emissions from the heat energy consumed	tCO_2e	101,762.5	99,652.8	82,380.6	96,298.6	107,586.8
CO_2 emissions from the use of electricity	tCO_2e	/	/	/	39,594.5	84,311.1
Total CO_2 emissions from factories	tCO_2e	101,762.5	99,652.8	82,380.6	135,893.1	191,897.9
CO_2 emissions from refrigerants	tCO_2e	3,773.2	3,728.9	6,951.8	10,753.7	1,646.1
GHG emissions (Scope 1) [2]	tCO_2e	82,653.8	83,719.5	72,541.6	89,014.5	89,616.9
GHG emissions (Scope 2) [3]	tCO_2e	22,881.9	19,662.1	16,790.8	57,632.3	103,927.2
GHG emissions (Scope 1+Scope 2)	tCO_2e	105,535.7	103,381.6	89,332.3	146,646.8	193,544.0

2 Scope 1 includes carbon dioxide emitted by direct fuels and carbon dioxide produced by refrigerants.
3 Scope 2 includes carbon dioxide emitted by indirect fuels.

ZERO Carbon Footprint
OUR PROGRESS & TARGETS

Planned Actions for 2022	Progress in 2022	2022 Targets	Status	2030 Targets	2040 Target
Actively implement energy-saving technological transformation activities at breweries and reduce the use of fossil fuel-based thermal energy (or heat generation) with renewables	Conducted energy-saving technological transformation projects, including the application of dynamic low-pressure boiling, comprehensive utilisation of thermal energy and boiler efficiency improvement. Our total CO_2 emissions in 2022 decreased by 225,000 tonnes compared to 2015. The CO_2 emissions in our brewing per hectolitre of beer in 2022 have been reduced by over 75% and total energy consumption by 32% compared to 2015	50% reduction in carbon emissions at our breweries	Fully achieved	ZERO carbon emissions at our breweries 30% reduction in value chain carbon emissions (compared to 2015) All renewable electricity in breweries, and all must come from new assets (e.g. via power purchase agreements)	Net ZERO value chain
Deploy PV facilities at breweries or purchase green electricity	Increased the proportion of renewable electricity used in beer brewing, and a total of 157,142 MWh green electricity was consumed in 2022	100% electricity from renewable sources	Fully achieved		
Positively influence upstream suppliers in the industry chain and raw material suppliers to carry out carbon emission reduction actions Reduce emissions from growing and processing raw materials, packaging, transportation and distribution, as well as other aspects	Continued to reduce carbon emissions from raw material procurement, logistics and transportation, terminal storage and other aspects The 2019 value chain carbon footprint measurement results showed a 15% decrease compared to 2015, and a new round of value chain carbon footprint assessment is planned to be carried out in 2023	15% reduction in value chain carbon emissions	Fully achieved		
Purchase new fridges using environmentally friendly refrigerants	Used HFC-free refrigerants and energy-saving fridges, reducing final energy consumption in cooling by 10% every year	Using low-climate-impact cooling systems	Fully achieved		

Fully achieved Partially achieved Not achieved

ZERO Farming Footprint

Our production and operation rely on various natural raw materials and resources, such as barley, hops and water. However, agriculture on which human beings depend faces unprecedented challenges and contradictions due to population growth, climate change, and overuse of farmland. In light of these challenges, we are committed to promoting sustainable agriculture by protecting farmland, saving and using water efficiently, managing environmental pollution, and restoring agricultural ecology. Our aim is to protect the healthy development of land, crops, and the human environment while reducing the impact of agriculture on natural ecosystems.

To achieve this, we have promoted the ZERO Farming Footprint target, which involves growing 30% of our raw materials using regenerative practices and sustainably sourcing them to 100% by 2040. We are committed to protecting biodiversity and soil health while improving the natural carbon sequestration capacity of farmland. By promoting regenerative agricultural practices, we help improve the resilience of the food system while further reducing carbon emissions from agricultural product cultivation. This will help the Company to achieve the target of a net ZERO value chain by 2040.

Furthermore, by selecting raw material suppliers in close proximity to our breweries, we can shorten the transportation distance, improve transportation efficiency, and reduce the carbon footprint of our products' entire life cycle.

PROMOTING SUSTAINABLE AGRICULTURE

Building on the long-term cooperative relations established by the Group with agricultural communities across the globe, the Company actively participates in and supports the Group's sustainable agricultural practices in China. This includes providing support to local farmers by helping them to bear the risks and costs associated with the transformation to regenerative agriculture, as well as offering training in sustainable agriculture practices. Our aim is to promote regenerative agriculture to customers and consumers in the future through brand and product promotion, raising awareness of the benefits of regenerative agriculture and building a more sustainable food system. Additionally, we actively respond to and support the efforts of the Group, its suppliers and partners in exploring scalable, climate-friendly regenerative agriculture programmes to promote a healthy ecosystem, establish a high-quality and stable agricultural supply chain, and promote agricultural development.

CASE SUSTAINABLE FOREST CONSERVATION

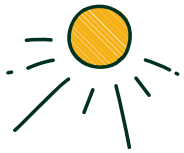
Forests play an irreplaceable role in mitigating global warming and safeguarding biodiversity. We support forest conservation regulations and initiatives and are committed to maximizing the conservation of forest resources at all levels of the industry chain in order to fulfill our sustainability commitments. We give preference to paper packaging materials certified by the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification Schemes (PEFC), and by using market-based economic systems to bring forests into sustainable management and avoid the risk of deforestation from over-consumption and over-harvesting.

30%

of our raw materials will be from regenerative agricultural practices and are sustainably sourced by 2030

100%

of our raw materials will be from regenerative agricultural practices and are sustainably sourced by 2040



THE COMPANY STRENGTHENS MATERIAL RECYCLING IN BEER PRODUCTION

To minimise a negative impact on the environment, waste such as spent grains and waste yeast produced in the production process of brewing enterprises are discharged directly. Transforming waste into energy and resources and reusing it not only helps tackle pollution issues but also produces by-products with significant economic and social benefits. The Company highly values the recycling of spent grains and employs natural ecological laws and ecological system methods to unleash their potential. We also reuse the by-products of beer brewing in agriculture and animal husbandry, achieving harmonious development with nature.

Spent grain in beer brewing is rich in fibre, crude protein, crude fat, trace elements, amino acids, and aromatic substances of alcohol. The high nutritional value makes it the perfect fodder and raw material for fertilisers. In 2022, the Company recycled 190,000 tonnes of spent grains and 1,660,000 tonnes of waste yeast most of which was used for cattle fodder. A fraction was dried and sold to feed companies for animal husbandry, and waste yeast was dried and sold to feed companies for same purpose. The use of recycled waste yeast and spent grains as fodder and fertilizer can also cushion the demand for fodder and fertiliser in agriculture and animal husbandry, thereby reducing greenhouse gas emissions generated during the production and use, and effectively reducing the agricultural carbon footprint of our products.

SUSTAINABLE RAW MATERIAL PROCUREMENT MANAGEMENT

In order to ensure the traceability of raw materials, the Company strictly follows internal policies such as *Requirements on Direct Material Quality and Suppliers' Requirements on Non-contact Material Quality* to improve the environmental impact of the supply chain. We also continue to promote the process of local procurement of raw materials, provide employment opportunities for the origin of agricultural products, facilitate local economic development, and reduce the negative impact on human and labour rights in farming. We currently source 100% of our key ingredients locally, with a further 50% of our hops and 30% of our malt products being sourced locally.

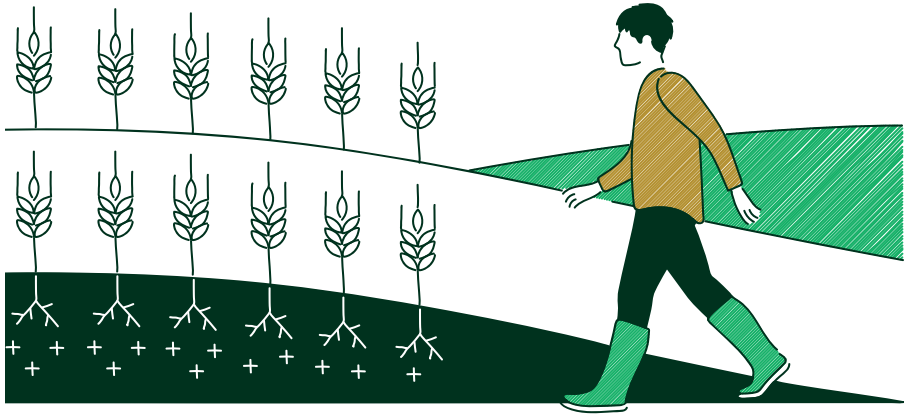
At present

100% main auxiliary materials

50% hops

30% malts

Localized procurement



ZERO Farming Footprint OUR TARGETS

2030 Target

30% of raw materials from regenerative agricultural practices and sustainably sourced

2040 Target

100% of raw materials from regenerative agricultural practices and sustainably sourced

ZERO Packaging Waste

Packaging materials are essential in the product life cycle. Advancing circular packaging not only enables us to reduce the impact on the limited natural resources, but also brings long-term economic benefits to the Company.

We promote the Group's ZERO Packaging Waste ambition, which is to make all our beer bottles and cans 100% recyclable, reusable or renewable. Our targets also include collecting and recycling at least 90% of our packaging materials and reducing virgin fossil-based plastic usage by at least 50%, while ensuring no less than 50% recycled content in bottles and cans. We aim to explore sustainable packaging alternatives and minimise the environmental impact of disposable packaging by proactively researching and collaborating on recycling initiatives, contributing to building a green and low-carbon circular industry chain.

SUSTAINABLE PACKAGING

The Company is dedicated to innovating for sustainable packaging and continuously improving our packaging portfolios to reduce packaging materials' environmental impact.

INNOVATING FOR MORE SUSTAINABLE PACKAGING

In designing packaging, we use glass bottles containing 60% recycled materials and adopt environmentally friendly inks and labels without PVC materials to minimise the pollution of materials to the environment.

REDUCING USE OF MATERIALS

In procuring materials, we implemented lighter-weight glass bottles for Carlsberg, Tuborg and Kronenbourg 1664, resulting in an around 10% reduction in weight, as well as a reduction of over 10,000 tonnes of glass usage and over 3,000 tonnes of carbon emissions this year.

Additionally, we have piloted the use of lighter-weight board, leading to an overall weight reduction of about 4.7%. It is expected that this programme will reduce paper consumption by about 3,800 tonnes and lower carbon emission by approximately 3,100 tonnes per year. At present, we have completed pilot projects, and plan to gradually promote these changes to other breweries and carton suppliers over the next two years in batches.

Actions on lightweight packaging

- Cutting the weight of bottles
- Reducing the thickness of the cap metal and the liner compound weight
- Lightweighting board for corrugated cartons
- Reducing the thickness of aluminium cans
- Cutting the thickness of shrink warp

Use of Packaging Materials and Related Data in 2022

Indicators	Unit	Data of 2022
Metal	tonnes	25,452
Glass	tonnes	546,641
Plastics	tonnes	26,514
Paper	tonnes	113,112

* The data refer to the amount of brand new glass bottles, and do not include the old recycled bottles.

The percentage of recycled materials used in glass bottles is

60%

Cutting the weight of Carlsberg, Tuborg and Kronenbourg 1664 glass bottles by around

10%

cutting material use by

10,000t

This year, reducing carbon emissions by over

3,000t

The programme is expected to reduce paper consumption by about

3,800t/year

reducing carbon emissions by approximately

3,100t/year

RE-SHAPING THE FUTURE: GROUP AND RAINS COLLABORATE TO PROMOTE SUSTAINABILITY

We are continuously exploring the synergy among its brands, fashion, and environmental protection. In 2021, Carlsberg brand collaborated with the Danish fashion lifestyle brand Rains to jointly design an "environmentally friendly capsule series" that includes raincoats, fisherman hats, and backpacks made of recycled polyester materials to facilitate the synergy between fashion and environmental protection.

Among them, the co-branded waterproof jacket, which is a light and popular fashionable item, uses recycled polyester fibre made from about 31 recycled plastic bottles. It is not only lightweight but also waterproof, showcasing the Group's commitment to lightening the burden on the earth and reshaping the future of environmental protection. The Company also actively upholds the Group's philosophy of environmentally friendly development by minimising the carbon content of its glass bottles, thereby contributing to a low-carbon future and achieving a ZERO Carbon Footprint.

SUPPORTING COLLECTION, RECYCLING AND REUSE

We actively carry out product packaging recycling projects, add recyclable information labels on product packaging, and encourage suppliers and distributors to participate in recycling to increase the utilisation rate of packaging materials. Starting with data analysis, we identify the vulnerable areas of recycled product packaging bottles, referred to as "bottle return", analyse the value chain with sales regions and distributors, and publicise and implement the bottle return process to continuously promote the return of bottles by distributors and bottle return merchants, reducing the pollution of packaging and waste. In 2022, the bottle return rates of Wusu beer glass bottles outside Xinjiang increased from less than 30% to 50%.

Actions on recycling and reuse of packaging materials

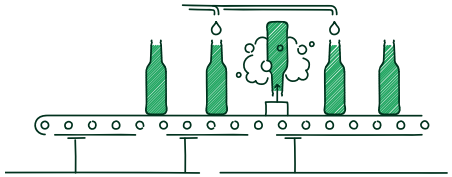
- Collection and sale of cullet from production to beer bottle manufacturers
- Promote the trade-in of plastic pallets
- Provide a higher percentage of incentives to distributors to increase bottle return rates
- Increase deposits for beer barrels and plastic pallets
- Sell waste cardboard boxes, waste plastic boxes, waste pallets and other recyclables to recycling suppliers for recycling

Collection of Packaging Materials and Related Data

Indicators	Unit	Data of 2022
Number of returnable glass bottles used for packaging	/	3,202,814,016.0
Number of glass bottles returned to the brewery from market	/	2,711,441,249.0
Return rate	%	71.7%

The return rates of Wusu beer glass bottles outside Xinjiang has been increased to

50%



ZERO Packaging Waste OUR TARGETS

2030 Targets

- 100% recyclable, reusable or renewable packaging
- 50% reduction of virgin fossil-based plastic
- 90% collection and recycling rate for bottles and cans
- 50% recycled content in bottles and cans

ZERO Water Waste

Water is fundamental for the survival and development of all living things on the earth. It is not only indispensable for the agricultural products we purchase, but also for the production of beer. Hence, water resources are crucial to maintaining the sustainability of the earth's ecological environment.

We continuously strive to improve water management by promoting processes and measures that increase water efficiency, applying wastewater treatment and reuse technologies at more breweries, to contribute to the Group's target of achieving an industry-leading water usage efficiency of 2.0 hl/hl in the Company and 1.7 hl/hl at our breweries in high-risk areas. For high-risk breweries, we partner with experts, NGOs and communities to carry out water replenishment projects to help breweries in high-risk areas achieve the goal of 100% replenishment of water consumption by 2030 and promote the circulation of water resources.

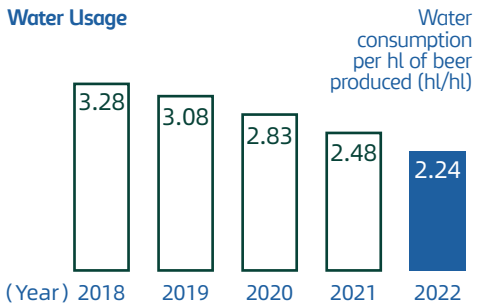
WATER MANAGEMENT

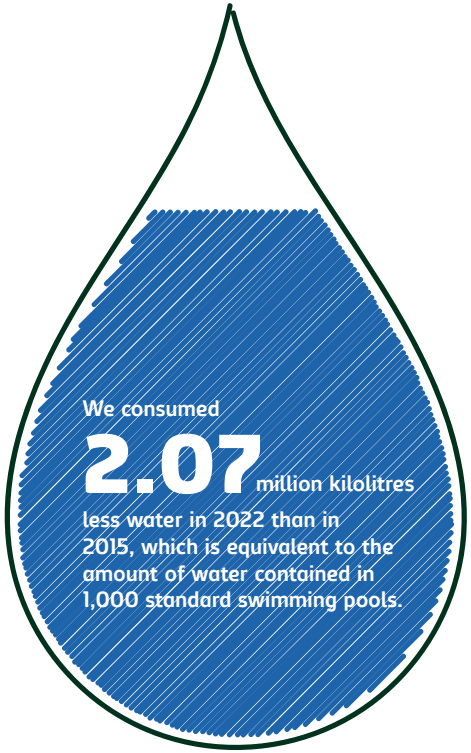
The Company values the reasonable use of water resources and upholds the ambition of ZERO Water Waste, which aims to reduce water usage at our breweries by 25% by 2022 and 50% by 2030.

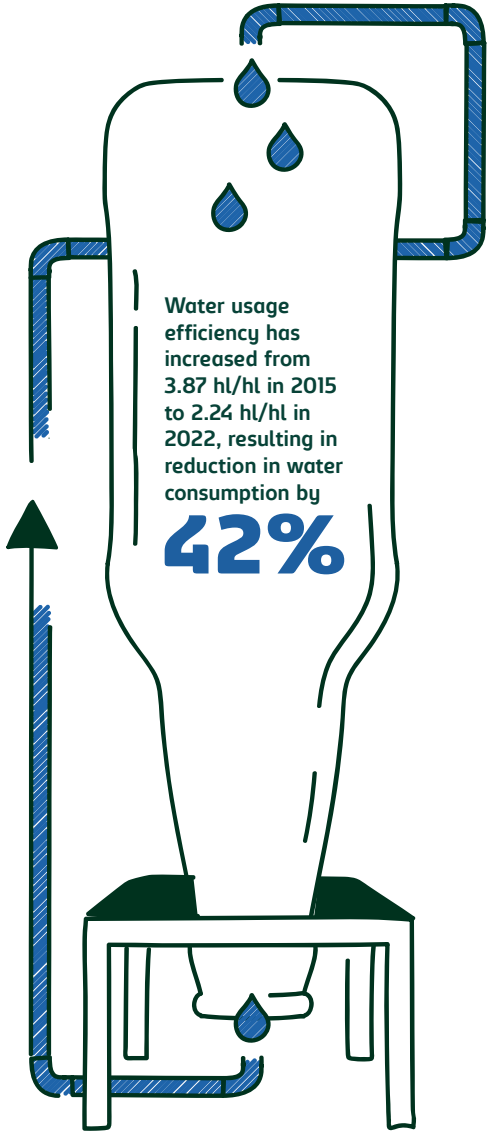
We strictly abide by the *Water Law of the People's Republic of China* and other laws and regulations. The Company actively improves water efficiency by adopting advanced technologies, processes, and equipment transformation to recycle the wastewater generated in the production process. In achieving the ZERO Water Waste ambition, we have surpassed the target set by the Group for 2022 with an annual average water usage efficiency of 2.24 hl/hl, far above the industry average in China of 3.5 hl/hl.

ELIMINATING BREWERY WATER WASTE

We have always been committed to protecting and conserving water resources. Through our lean production management, we have implemented a series of water-saving measures, such as transforming bottle washers,recycling packaging water, using water-saving vacuum pumps, and reusing reclaimed water. These measures have helped us to continuously reduce water consumption in the production of each hectolitre of beer. Water usage efficiency has increased from 3.87 hl/hl in 2015 to 2.24 hl/hl in 2022, resulting in a 42% reduction in water consumption. In 2022, we consumed 2.07 million kilolitres less water compared to 2015, which is equivalent to the amount of water contained in 1,000 standard swimming pools.







The Company's achievements in water conservation in 2022 won many honours:

- Carlsberg (China) Beer Industry and Trade Co., Ltd. won the national "Water efficiency Leader" title
- Carlsberg Co., Ltd. (Dazhulin Brewery) and Liangping Branch of Carlsberg Co., Ltd. (Liangping Brewery) under the Company were awarded the "2022 Chongqing Municipal Water Efficiency Leader" title
- Carlsberg Co., Ltd. (Dazhulin Brewery) was awarded the "Chongqing Municipal Water-saving Enterprise" title
- Carlsberg Beer (Guangdong) Co., Ltd. (Huizhou Brewery) won the title of "Huizhou Water-saving Enterprise"

CASE "LIGHTHOUSE" WATER-SAVING PROJECT OF DAZHULIN BREWERY

Dazhulin Brewery in Chongqing is an excellent example of the Company's water-saving projects. Since its launch of the "Lighthouse" project in March 2020, Dazhulin has aimed to reduce its water consumption. Through measures such as continuously optimising operation processes, improving the production efficiency of the can line, upgrading its water treatment plants, and bolstering tap water pipe networks, Dazhulin has been able to decrease its water consumption per hectolitre of beer produced. As of the end of 2022, the average water consumption per hl of beer produced of Dazhulin was only 1.77 hl/hl, making it the champion of water conservation within the Group.

At present, Dazhulin uses reclaimed water that has been treated up to the standard for toilet flushing, floor cleaning, and refilling evaporative condensers. It is estimated that the use of reclaimed water treatment systems and the reuse system for spray water used in packaging can save up to 50,000 tonnes of water annually.

LIANGPING BREWERY BECAME THE "WATER-SAVING CHAMPION" AMONG THE GROUP'S BREWERIES WITH ONLY GLASS BOTTLE LINE

The beer production line is mainly divided into two forms: glass bottle lines and cans lines. Breweries with only glass bottle lines face more urgent and difficult challenges in water conservation due to the high water consumption of bottle washing, compared to breweries with can lines.

Liangping only has glass bottle lines, and thus significant challenges in reducing water consumption. In response, Liangping Brewery launched a special water-saving project in 2022 which involved examining all sections of its production line, including brewing and packaging, to identify potential areas for water-saving measures.

Through optimising daily cleaning methods and upgrading production processes and technologies, 93 points with water-saving potentials were identified and acted upon. To encourage employees to actively participate in water-saving efforts, the Company incentivises employees to offer suggestions and rewards employees whose suggestions are adopted. So far, more than 80 water-saving suggestions have been implemented.

With the joint efforts of all at the brewery, Liangping achieved an average water consumption efficiency of 1.98 hl/hl in the first quarter of 2022, down from 2.76 hl/hl in 2020. This makes Liangping the first company with only glass bottle line of the Group to achieve a water consumption efficiency of lower than 2.0 hl/hl. Hence, it has been awarded the title of "water-saving champion" among the all the breweries of the Group with only glass bottle lines, and the "2022 Best Performer in Asia on Water Conservation Award" offered by the Group. The Company will actively promote the successful experience of Liangping to other breweries to contribute to urban water conservation efforts.

CASE RECLAIMED WATER REUSE PROJECT

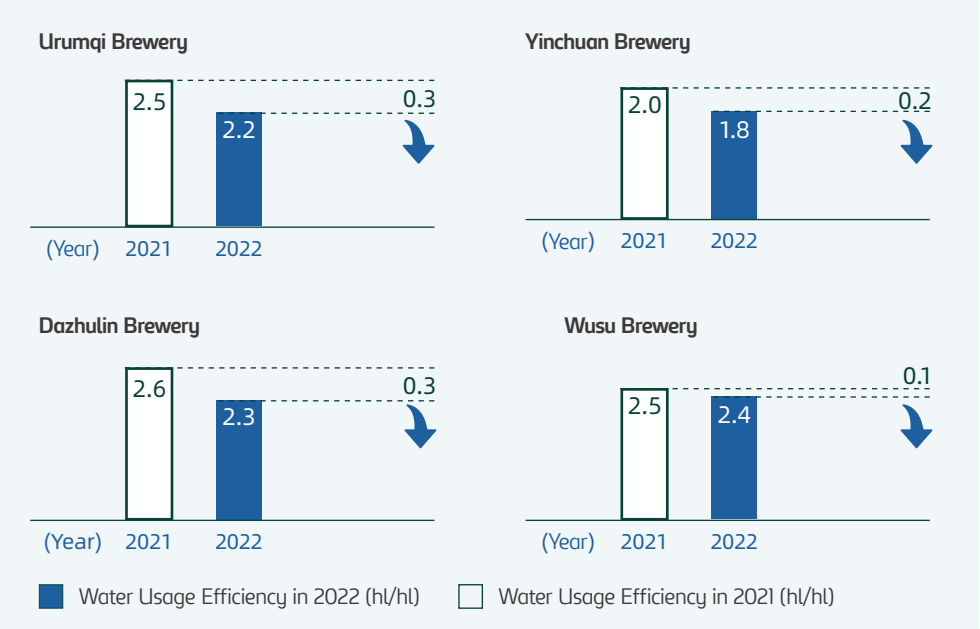
The reuse of reclaimed water not only cushions the demand for freshwater but also mitigates wastewater pollution, making it an effective way to achieve sustainable development. In beer brewing, a large amount of fresh water is used and also plenty of wastewater is generated. Hence, the Company is committed to employing reclaimed water reuse technologies in its daily operations to increase the circulation of water.

In order to reduce the waste of water resources, the Company has invested in the construction of reclaimed water treatment stations in several breweries in Xinjiang, Ningxia, Chongqing, etc.. The sewage discharged from the factory is treated at the wastewater treatment plant and then sent to the reclaimed water treatment plant, where it is further treated up to the required standard and used for cooling, watering plants or flushing toilets.

In 2022, the Company's water reuse projects saved a total of 130,696 tonnes of water. In 2023, the company will Implement the project in more breweries.

The Reclaimed Water Treatment Plant of Xinjiang Wusu Brewery

Water Usage Efficiency of Reclaimed Water Reusing Projects (hl/hl)



UNDERSTANDING OUR WATER RISK

We place great importance on water management in regions that face water scarcity. In 2020, the Group collaborated with the World Wildlife Fund (WWF) to carry out water risk assessments and identified 17 areas with high water risk, seven of which are located in China.

Contribute to the reducing water consumption of breweries in high-risk areas to

1.7 hl/hl

List of breweries in high water risk areas

- Changzhou
- Chongqing
- Korla
- Yinchuan
- Kunming
- Urumqi
- Wusu

Data on Water Resources

Indicators	Unit	2022	2021	2020	2019	2018
Own boreholes	cubic meters	451,203.0	470,627.0	503,297.0	261,898.0	173,488.0
Municipal water	cubic meters	5,459,109.4	5,944,091.6	5,466,992.4	6,215,047.8	6,097,217.2
Surface water	cubic meters	380,982.0	472,525.0	485,496.0	717,632.0	631,715.0
Total water use	cubic meters	6,291,294.4	6,887,243.6	6,455,785.4	7,194,577.8	6,902,420.2
Total water consumption	cubic meters	6,221,452.7	6,792,689.5	6,384,578.6	6,958,425.7	6,813,266.1

ZERO Water Waste
OUR PROGRESS & TARGETS

Planned Actions for 2022	Progress in 2022	2022 Targets	Status	2030 Targets
Continue best-practice efficiency improvements and investments in more efficient water treatment and bottle washers	Continued to employ advanced technologies, process and equipment transformation to recycle the wastewater generated in the production process Water usage efficiency decreased from 3.9 hl/hl in 2015 to 2.2 hl/hl in 2022, reducing water consumption by 42%	25% reduction in water usage at our breweries	Fully achieved	50% reduction in water usage at our breweries
Roll out water recycling treatment plants at breweries in high-risk areas	Launched the "Lighthouse" water-saving project at Dazhulin Brewery Saved over 2.07 million kilolitres of water in 2022 compared to 2015	Explore going below 2.0 hl/ hl at all breweries in high-risk areas	Fully achieved	Water usage efficiency of 2.0 hl/hl in the Company and 1.7 hl/hl at breweries in high-risk areas 100% replenishment of water consumption at breweries in high-risk areas

Fully achieved Partially achieved Not achieved

ZERO Irresponsible Drinking

As public living standards improve, consumers are embracing healthier and better consumption habits. As a leading brewer, we actively undertake corporate social responsibility, one of which is to help reduce and prevent consumers from the harmful use of alcohol. We encourage consumers to establish a consumption concept of responsible drinking, enjoy a healthy and moderate drinking life, and make brews a bright aspect of their better life.

We are committed to achieving the ZERO Irresponsible Drinking targets set by the Group, which promise that 100% responsible drinking messaging through packaging and brand activations, 100% of our markets run partnerships to support responsible consumption, 100% availability of alcohol-free brews, and 35% of our brews from the Company will be low-alcohol or alcohol-free before 2030. We promote the concept of responsible drinking among the public, provide more alcohol-free brews to the market, ensure that consumers obtain reliable information when purchasing brews, and carry out campaigns to prevent drinking while driving, underage drinking, or excessive drinking to build a healthy and responsible brand image.

ENCOURAGING RESPONSIBLE BEHAVIOUR

We strictly abide by the Marketing Communication Policy issued by the Group and implement the following measures to promote a rational, moderate and healthy drinking culture.

Encouraging employees to drink alcohol in moderation

In order to better implement the initiatives of responsible drinking, we require marketing-related employees to complete the study and training of the *Marketing Communication Policy* during their orientation and review it annually. In 2022, we updated the *Employee Manual of Carlsberg Enterprise Management Consulting Co., Ltd.*, which explicitly requires employees to abide by the initiative of responsible drinking, not to drink alcohol during work hours, and to promote the benefits of moderate drinking in communications that promote beer products.

PROMOTING SAFE DRIVING

Drunk driving and drunken driving pose a serious threat to public safety. Our Business has taken various measures to protect the public and appeal for safe driving and road safety. For several years, we have partnered with Chongqing Municipal Civilization Office, Chongqing Public Security Bureau Traffic Management, and other departments to carry out public welfare campaigns themed "No Drunk Driving". Additionally, in the Company's annual Safety Day activities, a number of breweries, such as Tianchang, Yinchuan, Yancheng, carried out that all employees pledged to "keep rational and civilized, refuse to drink and drive", as well as practised safe driving behavior. In addition, our brand Wusu Beer has set up signs of "Wusu Beer · For Love Driving" in some brand activity exhibition areas to actively convey the civilized drinking concept of "No driving after drinking" to consumers.

CASE YANCHENG BREWERY LAUNCHES REPONSIBLE DRINKING INITIATIVE

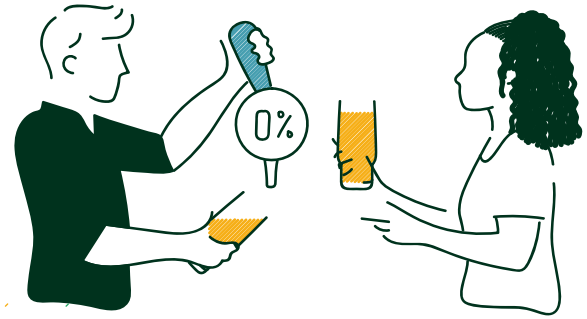
Yancheng Brewery has taken a proactive stance on responsible drinking by displaying signs in its office area that prohibit drunk driving, drunk working and underage drinking. When hosting the visits of government officials, Yancheng Brewery also included its achievements in promoting responsible drinking, enabling the local government to gain a better understanding of the brewery's responsible drinking policies and culture.

Signs Putting up in Yancheng Brewery Office Area

Local Government Officials Visiting Yancheng Brewery

EXPANDING CHOICE WITH NO- AND LOW-ALCOHOL BREWS

As consumers embrace healthy patterns of consumption and diversified demands, the Company has actively enriched its product categories, and improved its alcohol-free and low-alcohol brew portfolio to meet different market demands.



Having launched Chongqing 0.0% Beer and WFSM Lemon-flavoured Low-alcohol Beer, having achieved the Group's objective of having "

100%

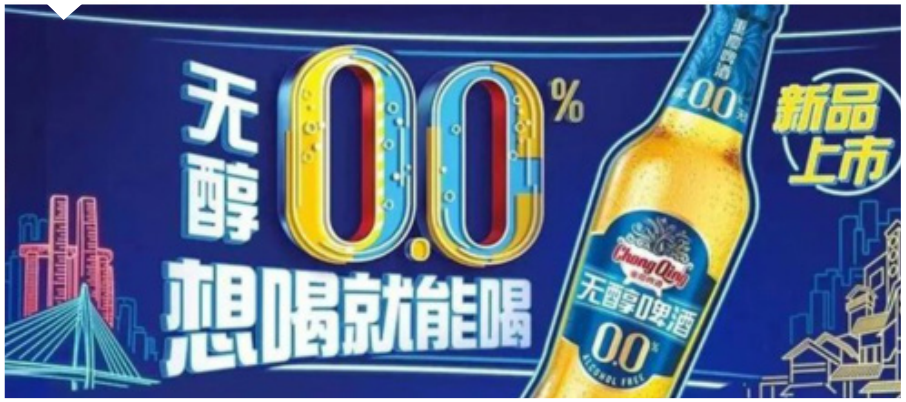
availability of alcohol-free brews (AFBs) by 2022" in the Chinese market.

Up to now, the alcohol-free and low-alcohol brews that we have put into mass production and sell are as follows:

Name of brew	ABV	Type	Place of origin
Chongqing 0.0% Beer	<0.05%vol	AFB	Chongqing
WFSM Lemon-flavoured Low-alcohol Beer	0.6-1.5%vol	Low-alcohol	Huizhou, Guangdong
Jolly Shandy Lemon-flavoured Low-alcohol Beer	0.6-1.5%vol	Low-alcohol	Huizhou, Guangdong

CASE WE LAUNCHED CHONGQING 0.0% BEER

In 2022, we launched "Chongqing Alcohol-Free Brew", which uses an advanced dealcoholisation process to achieve an alcohol content of 0.0% while maintaining the flavour of ordinary beer, meeting consumers' demand for AFBs and providing a product guarantee to promote the concept of responsible drinking. We also participated in the development of the group released T/CBJ 3108—2021 "Non-alcohol Beer" standard by the National Wine Industry Association in 2021, and contributed our own efforts to standardize the market and promote beer innovation and achieve high-quality development of the industry.



INFORMING AND EMPOWERING CONSUMERS

To better inform consumers of our brews and promote responsible consumption, we are committed to responsible marketing and providing consumers with product information that is clear, specific and reliable.

Information on ingredients

In compliance with the relevant provisions of the Group's *Marketing Communication Policy*, we indicate the real product ingredient information, shelf life, alcohol content, product standards and grades on the labels, making it easy for consumers to access information and make informed choices.

Clear messaging

In order to help more consumers understand the meaning of responsible drinking and the dangers of excessive drinking, we have labeled all our products with the words "Excessive drinking is harmful to health" and promoted rational consumption behavior among consumers. At the same time, we actively promote the addition of labels such as "Pregnant women and minors are prohibited from drinking" and "No driving after drinking" on our products, and have added messages such as "Say no to drunk driving" and "Pregnant women and minors are prohibited from drinking" on our product introduction pages on online sales platforms, implementing more responsible marketing practices.

Training on responsible marketing

We encourage a responsible drinking culture and behaviour. We require 100% marketing-related employees to complete the study and training of the *Marketing Communication Policy* during their entry. This training should be reviewed annually to ensure familiarity with requirements of the Company on product marketing wording. We also attach the *Marketing Communication Policy* to distributor contracts and require 100% distributors to strictly implement our responsible drinking initiative.

Campaigns on responsible drinking

We actively deepen our customers and consumers' understanding of the responsible drinking initiative. We promoted responsible drinking publicity and advocacy by beer festivals, music festivals and other forms, to enhance the public and consumers' awareness of rational drinking practice.

CASE TUBORG LAUNCHED RESPONSIBLE DRINKING INITIATIVES

Tuborg launched several responsible drinking initiatives in 2022. These initiatives organising beer carnivals and music festivals and setting up engaging and ingenious games at the booths to help the public and consumers better understand responsible drinking and increase public awareness.

Games at the Musical Festivals Held by Tuborg

Carnival Activities Held by Tuborg

NATIONAL RESPONSIBILITY DRINKING AWARENESS WEEK

Since the establishment of the National Responsible Drinking Awareness Week by the China Alcoholic Drinks Association in 2015, the Company has participated for 8 consecutive years, collaborating with the Chongqing Civilization Office, Chongqing Public Security Bureau Traffic Management, Chongqing Motorist Association, Chongqing Liquor Management Association, and other units to vigorously promote concepts such as "no drinking for minors", "do not drink and drive" and "moderate drinking", helping consumers make responsible consumption choices.

During the eighth National Responsible Drinking Awareness Week from December 26, 2022 to January 2, 2023, the Company invited Tuborg brand spokespersons GAI Zhouyan, Ouyang Jing, VAVA, Tuborg Music Alliance Bridge, Kungfu-Pen, and Nachiwolf, Tuborg's special ambassador Jinx Zhou, and "Ji Shi Xing Le" Ambassador Jiang Yunsheng, as well as Chongqing brand spokesperson Zhang Yanqi, to shoot advocacy videos together, promoting responsible drinking concepts such as "caring for growth, no drinking before adulthood" and "do not drink and drive".

ZERO Irresponsible Drinking
OUR PROGRESS & TARGETS

Planned Actions for 2022	Progress in 2022	2022 Targets	Status	2030 Targets
Continue to roll out age and ingredients symbol labels on our all alcohol and alcohol-free extensions	100% "excessive drinking is harmful to health" responsible drinking messaging through packaging and the content of such messaging will be enriched in the future	100% responsible drinking messaging through packaging and brand activations	Fully achieved	100% responsible drinking messaging through packaging and brand activations
Develop consumer campaigns and expand responsible drinking partnerships across our markets	Some distributors have been informed of the requirements for conducting responsible drinking campaigns	Run partnerships to support responsible consumption	Fully achieved	100% of our markets run partnerships to support responsible consumption
Explore the development and launch of AFBs	Launched Chongqing 0.0% Beer	Offer AFBs	100%	100% availability of alcohol-free brews (AFBs)
	Have launched three kinds of alcohol-free or low-alcohol brews			35% of our brews from the Company are low-alcohol or alcohol-free

Fully achieved Partially achieved Not achieved

ZERO Accidents Culture

At the Company, we prioritize the health and safety of our employees and contractors on-site. We follow strict safety standards in our operations, designed to keep everyone safe at work in breweries, warehouses, offices, and on the road.

To this end, we are committed to achieving the ZERO Accidents Culture ambition set by the Group, with the goal of achieving ZERO lost-time accidents by 2030. Ensuring the health and safety of employees in work is a core value that we uphold in our business practices, and we strive to provide a safe and healthy work environment for everyone at all of our operating locations.

PROGRESS TOWARDS ZERO ACCIDENTS

Upholding the philosophy of "life first, safety first", the Company constantly improves the safety management system, actively carries out various safe production practices, and continues to improve safety awareness and emergency management capabilities in order to comprehensively consolidate its foundation and level of safety management.

SAFETY MANAGEMENT SYSTEM

We strictly abide by relevant laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases.* We also refer to the Group's *Carlsberg Operation Manual* (OCM) to formulate 63 management systems and procedures, including the *Environmental Health and Safety (EH&S) Policy* and *the Environmental & Occupational Health Management Manual,* to continuously improve the safety management systems.

Management system certification

During the reporting period, we ensured that 100% of our breweries have certified ISO 45001 occupational health and safety management systems. Additionally, we conducted an annual internal audit and a three-year external audit cover 100% of our breweries to help achieve our goal of "ZERO Lost-time Accidents".

ISO 45001 occupational health and safety management systems certification

Internal assessment

In health and safety management, we have employed Carlsberg's COM standard for centralised and standardised management and implemented the SHAPE assessment system, which consists of the EHS maturity assessment system and a self-assessment and rectification mechanism. This enables us to discover and repair defects and loopholes in the EHS system in a timely manner, and continuously update and improve the EHS management system to ensure that it meets the needs of the Company's growth and business.

The SHAPE assessment system

The Safety and Health Assessment Program Excellence (SHAPE) is our comprehensive EHS management system that includes 63 procedures related to EHS management for health, safety, and environmental issues. Its purpose is to continuously bolster the health and safety management of each brewery. We update and upgrade the system every year according to actual needs and conduct system audits at all breweries annually.

SHAPE EHS maturity assessment system

Through the EHS maturity assessment system, we assess the maturity in four aspects: EHS management system and structure, safety and health indicators, environmental indicators, and culture and awareness. In assessing the maturity of safety and health indicators, we audit and improve the indicators such as high-risk operating procedures, traffic safety, protective measures, occupational health, basic safety, and toxic substances. This assessment system can effectively enable us to identify our deficiencies in EHS system management and guide us in making further improvements.

SHAPE Self-assessment and rectification mechanism

Every year, relevant employees are required to conduct a COM self-assessment on relevant procedures and health and safety measures. By reviewing their own practices, facilities and equipment to ensure they meet the requirements of the mechanism, employees identify items that need correcting until it is ensured that all work practices comply with our occupational health and safety management system.

To implement our ambition of a ZERO Accidents Culture, we require the management to lead by example, and call on the participation of all employees. To ensure the progress towards this goal, we have also set KPIs for everyone in the Company, and we tie the remuneration of executives, including the president, VP, and GM at each business unit to progress on "ZERO Lost-time Accidents". This incentivises them to enhance their awareness and further lowering risks in health and safety.

MANAGING SAFETY RISKS

In managing occupational health and safety, we follow our occupational health and safety management system and employ various measures, such as:

Offering personal protective equipment (PPE)

we provide employees with PPEs to protect their head, face, hands, feet, and respiratory-protecting, anti-collision and anti-cut equipment, to protect their health and safety.

Conducting safety inspections

We strictly manage the operating specifications of employees. In 2022, the Company has set a target of conducting inspections on potential unsafe behaviours of each employee 6 times per year. We actively carried out the inspections. As of the end of the reporting period, Line managers made 54,542 safety inspections and optimised 34,581 safety measures, which exceeded our annual target. We achieved a 95% completion rate of potential safety hazards investigation and rectification.

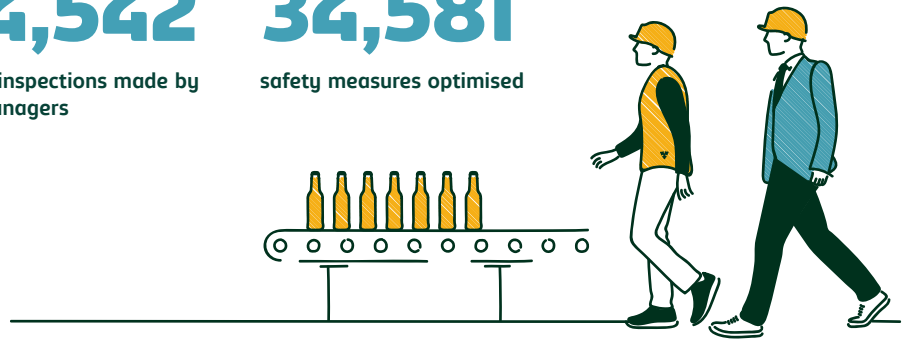
Upgrading facilities and equipment

We actively promoted the improvements and upgrades of facilities and equipment for further safety. In 2022, we made our efforts in three major areas, namely, lowering the risk of traffic accidents, transformation of ammonia refrigeration systems, and reducing the risk of falls, to continue to reduce EHS risks and improve risk prevention and control in key areas.

Lowering the risk of traffic accidents:
To prevent traffic accidents in breweries caused by mixed traffic flows of people and vehicles, we developed a three-section division plan that divides each brewery into pedestrian-free area, vehicle-free area, and pedestrian-vehicle mixed area based on the different functions of each area of the brewery. This effectively reduced the area where pedestrians and vehicles are mixed together, significantly reducing the risk of traffic accidents.

54,542
safety inspections made by line managers

34,581
safety measures optimised



Transformation of ammonia refrigeration systems:
According to the safety production requirements of ammonia process, refrigeration system specifications and other relevant rules, we carried out a comprehensive and systematic risk identification of our ammonia refrigeration systems, and upgraded equipment and improved management efforts for system safety, hardware, and operation specifications to reduce accidents.

Transformation of Ammonia Refrigeration Systems

Reducing falls:
We upgraded standard platforms, horizontal lifelines, and installed anchors with sufficient strength for safety belt suspension for high-altitude operations, reducing the unsafe factors of high-altitude operations.

Transformation of High-Altitude Operations Equipment

TRAFFIC SAFETY IMRPOVEMENT AT BREWERIES

In crowded factories, the risk of traffic accidents is extremely high. To reduce the risk of traffic accidents in breweries, we have established an on-site traffic risk control mechanism through which the responsibilities of different departments are implemented to avoid mixed vehicles and pedestrians flows, thus reducing traffic risks for employees.

To ensure separation, we set up extensive vehicle-free and pedestrian-free areas. In the pedestrian-vehicle mixed area, we have installed guardrails to prevent employees from entering the driving lanes. We advise employees to choose safe lanes only for pedestrians for further safety. Additionally, we have also installed several pedestrian detection systems that sound alarms to passing vehicles when pedestrians cross the zebra crossing.

We also optimised the time management of the pedestrian-vehicle mixed area. For a certain period each day, we only allow either pedestrians or vehicles to use this area. Furthermore, we have deployed traffic guides at high-risk locations to improve traffic efficiency while safeguarding people's safety.

INSTILLING A SAFETY-FIRST MINDSET

Considering the requirements of laws and regulations and the characteristics of different posts, we have developed a sophisticated safe production training system. The system includes a training portfolio with 30 courses covering topics such as hazardous waste management, chemicals handling and storage, and mechanical protection safety. We set up internally development and certified TTT trainers[4] and also provide training on 32 specific topics to ensure that employees are familiar with safety management requirements throughout the entire production process.

To protect the occupational health and personal safety of employees, we regularly carry out multiple and multi-category emergency drills and Safety Month activities every year. In 2022, we carried out a month-long safety production promotion campaign, and we performed exercises related to six high-risk aspects, including hydrochloric acid leakage at sewage treatment stations, fire and dust explosion accidents at raw material feeding ports, emergency rescue for limited space operations, and liquid ammonia system leaks. These drills have significantly improved employees' ability to respond to emergencies.

Drill on six kinds of high safety risk aspects

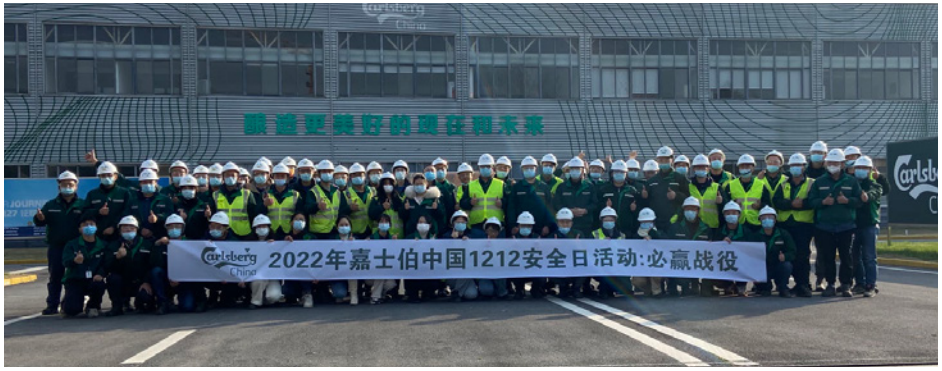
6

CASE SAFE PRODUCTION MONTH ACTIVITIES HELD AT DAZHULIN BREWERY

To promote a "Zero Accidents Culture", the company holds an annual "Safety Day" event on December 12th, and has been carrying out related activities in various breweries for 12 consecutive years.

For the Safety Day in 2022, by the way the management teams at all levels lead, all breweries organized safety video learning and safety-themed activities for all employees in the factory and office areas. We also conducted emergency drills on themes such as ammonia leakage and fire evacuation to enhance employee safety awareness and create a safe production atmosphere. The factory area also carried out a health and safety campaign at all levels, with all employees participating in LSR safety red line regulations awareness training and on-site practical training to strengthen their understanding of safety behaviors.

Ammonia spill disposal emergency drill of Safety Day of Yancheng Brewery



The site of Safety Day activities of Yancheng Brewery

4 TTT, or Training the Trainer to Train, refers to the training of trainers.

SOPHISTICATED EMERGENCY RESPONSE MECHANISM

We prioritize the prevention of work-related injuries in our operations. We have established a dedicated emergency response mechanism to address such incidents promptly. This mechanism involves analysing the causes of the accidents and delivering effective solutions to enhance occupational health and safety management which would avoid similar incidents from happening again, thus mitigating the risk of future occurrences.

OCCUPATIONAL HEALTH

We are committed to protecting the occupational health of employees and have formulated internal management systems such as the *Occupational Health Management Procedures* and the *Employee Health and Happiness Procedures* to ensure employee health is protected. Additionally, we have developed the Regulations on *Safety Red Lines,* which clearly stipulates 25 rules and 18 prohibited items in five major categories of safety issues in the production process to protect employees' occupational health and safety.

Our various measures in occupational health and safety management mainly include:

Organizing physical check-ups

Employees in positions exposed to occupational hazards have undergone pre-job, on-job, and off-job occupational health check-ups in accordance with relevant national laws and regulations. We also provide benefits such as pre-employment and annual physical exams for all employees.

Monitoring occupational hazards

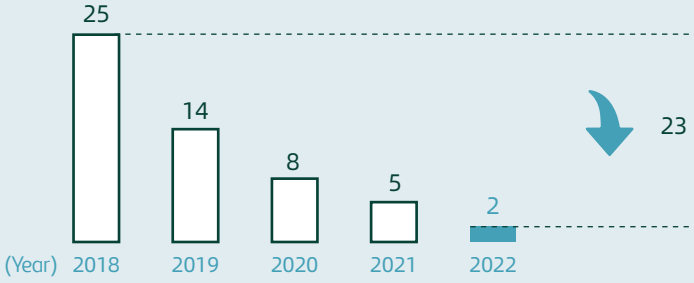
By enhancing the monitoring and evaluation of occupational hazard factors, identifying occupational hazard positions and factors, we are able to effectively prevent occupational diseases.

Conducting health trainings

We provide training for employees on various topics such as first aid, basic safety knowledge, seasonal disease prevention, health maintenance, in order to promote awareness about living a healthy lifestyle.

Indicators	Unit	2022
Number of lost-time accidents of employees	/	1
Number of employee fatal accidents	/	0
Number of lost-time accidents of contractors	/	1
Number of contractor fatal accidents	/	0

Number of lost-time accidents[5] of employees



5 Number of lost-time accidents: it included the number of lost-time accidents for employees and contractors

ZERO Accidents Culture
OUR PROGRESS & TARGETS

Planned Actions for 2022	Progress in 2022	2022 Targets	Status	2030 Targets
Continue to improve occupational health and safety management systems and conduct internal and external audits on a regular basis	100% of our breweries have the ISO 45001 occupational health and safety management systems certification	Reduction in accident rate year on year	Fully achieved	ZERO lost-time accidents
Equip employees with protective equipment and continue to upgrade safety facilities and equipment	In 2022, the number of employee lost time accidents decreased to 2, 92% reduction from 2018 There were no employees or contractors fatalities			
Provide systematic safety training for employees	A sophisticated safety production training system has been established, and a safety production training portfolio of 30 courses has been constructed			
Carry out special safety rectification and improvement efforts targeted at safety risks	Line managers made 54,542 safety patrols and optimised 34,581 safety measures, which exceeded the annual target. The completion rate of potential safety hazards investigation and rectification reached 95%			

Fully achieved Partially achieved Not achieved

KEY FOCUS AREAS

In line with TTZAB, we are also committed to conducting green operations, improving products and services quality, protecting and caring for our employees, promoting the growth of partners, ensuring compliance and independence in our management,and fulfilling our corporate social responsibility.

Emissions Management ····· 43

Products and Services ····· 46

Diversity, Equity & Inclusion ····· 50

Responsible Sourcing ····· 59

Community Engagement ····· 60

Compliance Management ····· 61

EMISSIONS MANAGEMENT

We have always been aware of our environmental protection responsibility. We actively pursue the sustainable development of the environment and resources in our management and operations. We are committed to establishing a sound environmental management system, complying with the Group's *Environmental Policy*[6]. We strictly manage waste and exhaust emissions while minimising noise impact. In 2022, no major pollution incidents occurred, and all our breweries are certified to the ISO 14001 environmental management system (EMS) standard.

WASTEWATER MANAGEMENT

The Company complies with national and local sewage discharge standards and takes stringent measures to control the risks in sewage discharge. We have equipped all of our breweries with their own sewage treatment stations, where sewage is treated and discharged up to standard after the anaerobic and aerobic treatment processes. Additionally, we have installed automatic monitoring facilities at our breweries to monitor discharge indicators in real time. To further enhance the efficiency and efficacy of sewage treatment, Yibin Brewery has partnered with Veolia, a professional third-party sewage treatment company, to design and deploy its sewage treatment station.

The Sewage Treatment Station at Yibin Brewery

6 Environmental Policy: https://www.carlsbergchina.com.cn/media/37606/environmental-policy.pdf

CASE WASTEWATER RESOURCE UTILISATION

In the wastewater treatment industry, the mixed wastewater to be treated often has a low and insufficient level of "carbon source" to meet the biochemical reaction demand. Therefore, an additional "carbon source" is required.

In December 2020, the Ministry of Ecology and Environment and the State Administration of Market Supervision and Administration jointly revised the "Pollutant Emission Standard for the Beer Industry" (GB 19821-2005). The amendment specifies that wastewater from alcoholic beverage enterprises can be a stable and high-quality carbon source for wastewater treatment plants and can be used as a synergistic carbon source. The new policy allows alcohol manufacturing enterprises and downstream sewage treatment plants to sign legally binding written contracts to agree on the concentration limits of water pollutant emissions. This agreement forms the basis for environmental supervision and enforcement.

With the support of this policy, our company has been actively seeking opportunities for wastewater resource recovery in various regions. In December 2022, Carlsberg Tianmu Lake Brewery (Jiangsu) signed an agreement with a local town wastewater plant for the resource recovery of beer production wastewater. This agreement saves the company RMB600,000 per year in wastewater operation costs, and the wastewater treatment plant RMB400,000 per year in carbon procurement costs.

The signing ceremony of Carlsberg Tianmu Lake Brewery wastewater connecting to Dai Tou wastewater plant

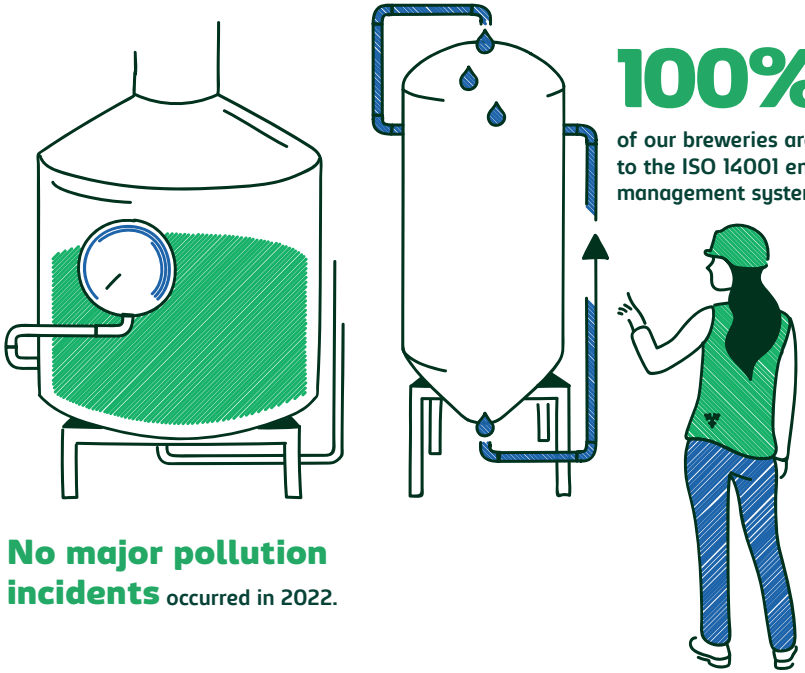
SOLID WASTE MANAGEMENT

The Company strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and implements waste management in accordance with relevant laws and regulations. We strictly classify hazardous waste and non-hazardous waste in our production and operations and have set up temporary warehouses to standardise the storage and disposal of solid waste.

Non-hazardous waste is handed over to qualified recyclers for recycling and disposal, and we take strict measures such as anti-scattering, anti-loss, and anti-leakage to prevent environmental pollution in the non-hazardous waste warehouses. If the shipment of non-hazardous waste cannot be completed on the same day, we store it in designed warehouses and ship it off as soon as possible.

Regarding hazardous waste, each brewery and responsible department collects, stores, and transfers it to hazardous waste warehouses according to their hazardous waste catalogues. We have equipped the ground of warehouses with anti-seepage functions and stored all hazardous waste on trays designed for containing liquids as a supplementary measure to prevent leakage. We hand hazardous waste over to relevant qualified third parties for law-compliant disposal, and maintain hazardous waste generation ledgers and transfer-for-disposal ledgers for effective follow-up.

Storage of hazardous waste



100%

of our breweries are certified to the ISO 14001 environmental management system (EMS) standard.

No major pollution incidents occurred in 2022.

Types of Pollutants in Wastewater and Related Data

Types of Pollutants	Unit	Data of 2022
Ammonia	tonnes	17.1
Total phosphorous	tonnes	3.2
Suspended solids	tonnes	147.1
COD of raw sewage from per hectolitre of beer produced	kg/hl	0.3
Amount of sewage from per hectolitre of beer produced	hl/hl	1.1
Average COD of raw sewage	g/m^3	66,800.9
Total sewage discharge	cubic meters	3,052,268.7
Sewage that has been recovered, treated and reused	tonnes	130,696

WASTE GAS MANAGEMENT

We adhere rigorously to the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other relevant waste gas management regulations to ensure that our emissions meet national and local emission standards. The main sources of effluent production in our company are our treatment stations. To minimise our environmental impact and the impact on surrounding communities, we collect and dispose of the effluvium generated at the sewage treatment stations and ensure that its treatment meets the required standards.

NOISE MANAGEMENT

The Company places great importance on noise management and we have established policies such as the *Noise Control and Hearing Protection Procedures.* To minimise the impact of our noise, we monitor the noise levels produced at our breweries to ensure that our noise management meets national and regional standards. Additionally, we have upgraded and maintained our equipment to reduce noise at its source and implemented measures such as noise isolation and separation. In 2022, we replaced some aging equipment at our sewage treatment stations, such as the Roots blower in Kunming, which effectively reduced the noise impact.

Types of Pollutants in Waste Gas and Related Data

Total exhaust emissions

885,520,558.0 cubic meters

Scoot (dust)

49.9 cubic meters

NOx emissions

47.8 t

SOx emissions

7.0 t

PRODUCTS AND SERVICES

Customers' recognition is what drives us forward. As a player in the brewing industry, the Company has always been committed to offering high quality products and services.

PRODUCT QUALITY ASSURANCE

The Company takes responsibility for ensuring excellent product quality and food safety In product quality management, we follow the *Carlsberg Operational Manual* (COM) formulated by the Group with reference to the FSSC 22000 Food Safety System Certification and the Hazard Analysis Critical Control Point (HACCP). Our 27 documents and 389 quality management rules form comprehensive quality management system standards, and we developed the *Quality Management Manual* to further refine the requirements. We require our breweries to conduct annual quality COM compliance audits to ensure effective product quality management.

From 2018 to 2022, the company and its breweries have all passed the annual quality COM Compliance Audit, and obtained the certification for both the ISO 9001 quality management system and HACCP.

We have implemented a sophisticated quality management system that covers the entire production process, from manufacturing and storage to logistics, sales, and after-sales. Our focus on key management areas ensures that we meet our consumers' high standards for quality.

the ISO 9001 Quality Management System Certification

HACCP Certification

Notice of Qualification for Supervision and Examination

CONDUCTING PRODUCT QUALITY TESTING

We have developed the Standard Operating Procedures for Brews Quality Testing, and inspect incoming raw and auxiliary materials, semi-finished products and finished products of the production. Each department of the production line is required to conduct batch-by-batch inspections of finished products according to our self-inspection standards. Only qualified products are permitted to be shipped off for sale. We have also established a quality monitoring programme at our breweries to identify and manage potential risks. This includes physicochemical testing[7], encapsulation testing[8], microorganisms testing and bottled microorganisms testing. In addition, we have also set up a testing centre, which is responsible for conducting quarterly sampling inspections of beers from all 24 breweries. In 2022, we sampled 91 batches of products, all of which passed with a 100% qualification rate.

In addition to internal inspections, we mandated our breweries to send their products to third-party inspectors for independent external assessments, which ensured that we are able to provide reliable and high-quality products to our consumers. In 2022, our breweries sent 829 batches of products for external inspections, and regulators on-site randomly selected another 52 batches for testing. The results of the inspections showed that 100% of our products met the required standards.

100%

of our breweries have all passed the 2022 Annual COM Compliance Audit

100%

of our breweries have passed the certification of both the ISO 9001 quality management system and HACCP

100%

of our products passed the internal quarterly sampling inspections in 2022

100%

of our products inspected by independent third-party inspectors and regulators passed the tests

7 physicochemical testing of beer: The process of testing carbon dioxide concentration, bubble characteristics, turbidity and alcohol content of beer.

8 encapsulation testing of beer: The process of testing the physicochemical properties and appearance of the bottle body, label and cap.

ORGANISING BEER TESTINGS

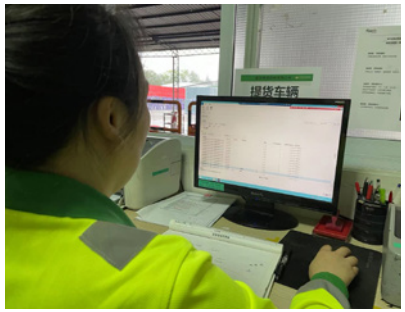
We not only concentrate on ensuring product quality and safety, but also endeavour to provide our customers with consistently unique taste and flavours. Every month, our Beer Tasting Centre invites beer sommeliers to taste our breweries' beer. In 2022, a total of 674 beer samples were evaluated for taste.

PRODUCT RECALL MECHANISM

We have formulated the Product Recall (Withdrawal) Management Procedures, and require our breweries to carry out product recall (withdrawal) drills on a regular basis to ensure the effectiveness and feasibility of the product recall procedures. In 2022, the Company did not experience any incidents of product recalls due to quality problems.

Case **Mawangxiang Brewery conducted the product recall (withdrawal) drill**

In 2022, Mawangxiang Brewery carried out a product recall (withdrawal) drill. Using the Enterprise Resource Planning (ERP) management system to locate any unqualified products and prevent their distribution to the markets. Strict inventory checks were conducted on site to ensure that the quantity and batches of related products were accurately identified. With these measures, Mawangxiang Brewery was able to complete the product recall drill successfully.



Mawangxiang Brewery Conducted Product Recall (Withdrawal) Drill

PRODUCT QUALITY TRAINING

We place great value on cultivating a corporate culture that emphasises product quality, and therefore offer a wide range of quality and safety training courses for employees across various positions.

Our quality management personnel attended two training sessions on FSSC 22000 food safety management system certification standards in 2022. These sessions were designed to help quality managers and system supervisors at each brewery improve their management capabilities.

We regularly organised training sessions on quality and food safety systems, as well as COM compliance, for our production employees. In 2022, our breweries carried out a total of 21,400.5 hours of training to 17,527 employees, which accounted for 98.2% of the total workforce.

98.2%

of production employees received training on quality and food safety

We recognise that the quality of products provided by our suppliers also has a significant impact on the quality of our beer. Hence, we conduct annual product quality audits on our suppliers and provide training on quality standards and food safety requirements to further enhance their understanding of our company's product quality and food safety requirements, and to improve product quality management.

DELIVERING HIGH-QUALITY SERVICES

Providing high quality services to our customers is one of our primary responsibilities. We focus on improving the customer experience by constantly optimising our service quality, enhancing customer feedback and interactions, and striving for customer satisfaction.

EFFICIENTLY RESPONDING TO CONCERNS

We solicit consumer' feedbacks on our products and services through various channels, including phone, WeChat, email, and more. To ensure that we handle customer complaints effectively, we have formulated the procedures for managing customer and consumer complaints related to both our products and breweries. We define, classify, report and evaluate customer concerns and send relevant personnel to conduct telephone interviews on critical issues to convey customer opinions accurately to the relevant departments of the Company. Our goal is to improve the quality of products and services continuously.

For different types of concerns, we have established different procedures to handle them and developed targeted solutions to respond. In the case of product quality concerns, we have established a joint controlling management and implementation mechanism involving by the Quality Management Departments of both the Company and related breweries. The breweries are responsible for product testing and follow-up of special improvement actions while the Company is responsible for regularly summarizing collected quality concerns, developing action plans, and tracking improvement effects to create products that satisfy our customers.

BOOSTING SERVICE EXPERIENCE

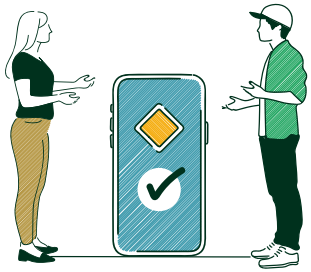
To improve the service experience, we focus on strengthening digital marketing experience and launching various online and offline customer activities. These efforts aim to maintain positive interactions with consumers, improve brand awareness and build customer loyalty.

More online sales platforms

We have reached strategic business cooperation with well-known online platforms such as JD Supermarket and Meituan Flash to expand sales channels, providing consumers with real-time retail shopping experience.

Improved member interaction experience

We have established an online membership mechanism that utilises a "one QR code for one product + Mini Programme" approach. Through the mechanism, we have built a member centre that can be quickly iterated and adjusted. We distribute marketing materials through our official WeChat and Weibo accounts, as well as through in-person promotional events. In the Mini Programmes, bonus points/red envelope rewards are provided to incentivise customers to scan the QR codes. All these efforts contribute to enhanced integrations with our core customers.



Create an immersive consumer experience

Using platforms such as immersive art experience halls, pop-up stores, offline tasting sessions during specific periods, we attract consumers in immersive on site interactions and provide them with a diverse range of consumption scenarios and rich product experience.

Create surprise experience

In response to the changing consumer demands, we offer customised packages designed for festivals, as well as artistic and innovative packaging methods, to further impress consumers with our brands.

While continuously improving customer experience, we innovatively developed the F&B retail business, by building new consumption scenarios, enhancing interaction with consumers and upgrading service system, which is regarded by the industry as an innovation in the integration of two industries (advanced manufacturing and modern service industries).

We have launched "Jing A Taproom", "Wusu Big Barbecue" and "Chongqing Brewery Hot Pot", which provide consumers with the opportunity to enjoy wine through bars, grills and hot pots. through bar, grill and hotpot, providing consumers with a diverse and immersive through bar, barbecue and hotpot scenarios to provide consumers with a diverse and immersive brand experience.

CASE **JING-A TAPROOM BREAKS DOWN THE BOUNDARY BETWEEN MANUFACTURING AND SERVICE INDUSTRIES**

By finding interesting brewing ingredients, cooperating with the industry, and introducing seasonal limited items, Jing-A brand is constantly innovating. We speed up the layout of "Jing-A Taproom" tavern to provide consumers with in-depth experience of beer culture and try innovative beer products. By the end of 2022, we have successfully opened 11 Jing-A tavern in Beijing and Shenzhen.

"Jing-A Craft Brew" Tavern

DIVERSITY, EQUITY & INCLUSION

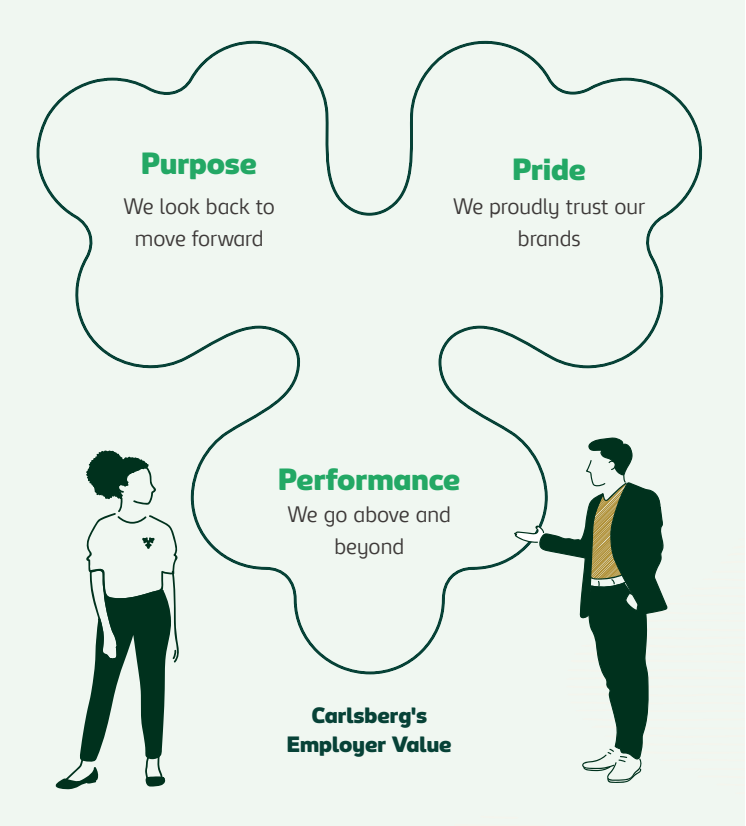
Our employees are the most precious partners, and we are committed to building a workspace that is diverse, equal and inclusive. We strive to care for every employee, regardless of their background, and provide them with ample training and development opportunities to grow together with the Company.

EMPLOYEES RESPECTING AND BLENDING

We promote the corporate vision of diversity and inclusion that is based on four pillars: global perspective, diverse talent pool, inclusive leadership, and equal opportunities. We follow the Diversity and Inclusion Policy issued by the Group to create a diverse and inclusive workplace for all employees.

We have been hiring and promoting employees only based on their performances and strictly prohibit any form of discrimination, bias or harassment based on race, religion, disability, gender, marital status, age, social status, nationality, sexual orientation, or any other factors that should not be considered by local laws. We respect and value the unique qualities and characteristics of each employee and are committed to creating and encouraging an inclusive, supportive, fair, and transparent workplace for all.

Our employer value, "Something's Brewing", reflects our commitment to promoting diversity, equity, and inclusion in the workplace. We uphold these values and attract more like-minded talents to the Company.



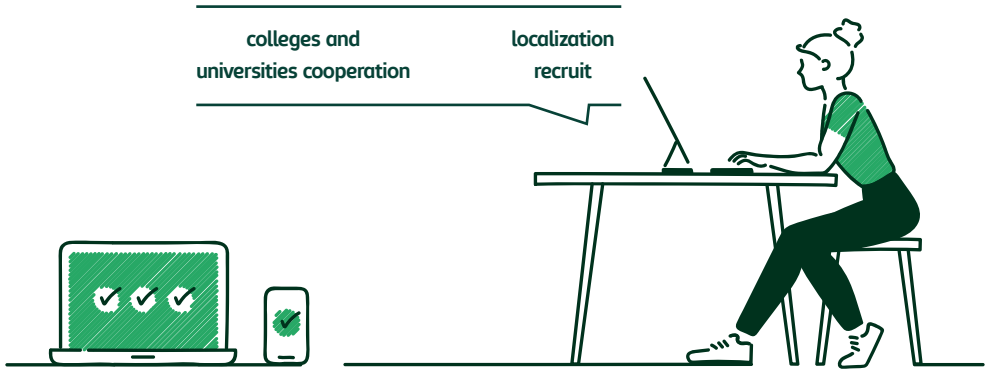
Diversity, Equity and Inclusion (DE&I) are key priorities for the Company's management efforts. In 2022, we focused on improving the four aspects of "diverse recruitment", "young talents", "gender representation", and "inclusive leadership" to provide employees with a more engaging and dynamic workplace.

DE&I Posters in the Office Area

DIVERSE RECRUITMENT

We strive to promote diverse recruitment and strengthen talent attraction by using various channels such as partnerships with universities and localised recruitment.

We offer a range of opportunities for college students, including construction internship base, guidance on resumes, sponsorship activities, and joint construction of practice bases. Additionally, we provide job opportunities to local residents and promote localised recruitment through channels such as local recruitment websites, government special job fairs, local talent exchange centres, and special recruitment events.



CASE **LECTURE SERIES TITLED"INTERVIEWERS OF MANAGEMENT TRAINEES FROM MULTINATIONALS TEACH YOU HOW TO DEVELOP A GOOD RESUME FROM THEIR PERSPECTIVE"**

The "Interviewers of management trainees from multinationals teach you how to develop a good resume from their perspective" series of lectures are a special programme in our collaboration with universities. In 2022, our company's Human Resources Department interviewers provided customised lectures from this series to students from Central South University and Jiangnan University. The aim of these lectures was to provide students with consultations on how to highlight their advantages on their resumes and improve their employability in preparation for future employment.

The Site of "Interviewers of Management Trainees from Multinationals Teach You How to Develop a Good Resume from Their Perspective" Series of Lectures

CASE **"CHONGQING BREWERY SESSION" CONTRIBUTES TO THE ENRICHMENT OF THE COMPANY'S TALENT RESERVE**

On April 13, 2022, we established a "Chongqing Brewery Class" in collaboration with Chongqing Mechanical and Electrical Vocational and Technical University. The programme provided intensive training for 23 students over three months, followed by eight months of job rotations and paid internships, giving them valuable hands-on experience. To support the students, we assigned experienced employees as mentors, enabling them to gain further insights into the industry and providing a pool of skilled workers for our company.

Students Group Photo of Chongqing Brewery Class

YOUNG TALENTS

To enhance our appeal to Generation Z, we have conducted a six-month training programme focused on managing the new generation of talents. The training sessions cover topics such as "communication and counselling for Post-95s employees in the digital era," "portraits of the new generation and their needs in workplaces," and "activating Gen Z" to help managers better understand the younger employees and foster a more inclusive and harmonious workplace.

Additionally, we have organised various activities to show our care for younger employees, such as establishing youth clubs, hosting social events, and holding mobile game competitions. We value the needs of young talents and encourage them to inject vitality into the Company and provide more innovative ideas.

In 2022, we established the "Carlsberg China Young Talent Empowerment League" and invited 80 trainers specializing in young talent development to offer regular training and coaching to our young employees. We have also designed five training programmes tailored to their unique areas of expertise to cultivate exceptional talent. For further information, please refer to the "Employee Training and Development" section.

Carlsberg China Young Talent Program
Growing Future Leaders

Logo of the Carlsberg China Young Talent Empowerment League

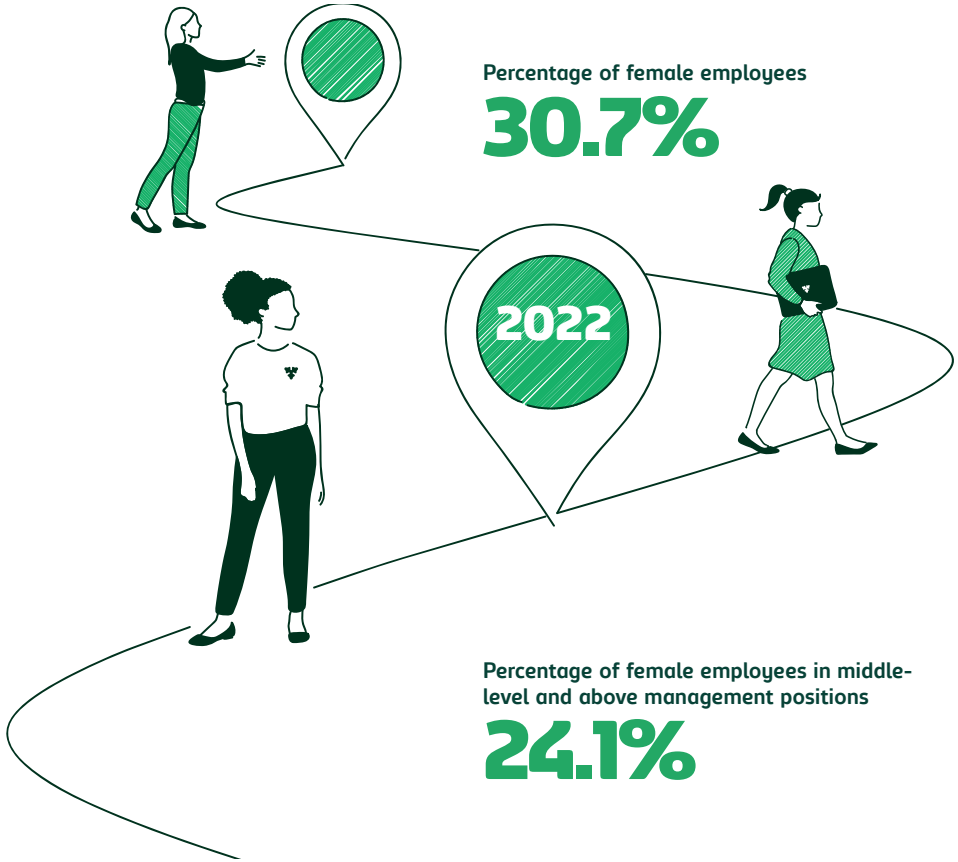
GENDER REPRESENTATION

Carlsberg China is committed to establishing a corporate culture that values diversity, equity and inclusion. We have set a target: by 2027, female employees in middle-level and above management positions should be up to one-third. We conduct monthly analyses and evaluations of the percentage of women in all job positions, with a particular focus on specific indicators such as the proportion of female employees, female promotions, and female turnover rates. Improvement measures will be implemented in response to any anomalies in the data, in order to further improve gender diversity.

We hold great respect for the achievements of our female staff and are dedicated to fulfilling their needs across all level of our organisation. We actively encourage women to strive for greater independence and constantly offer opportunities for them to enhance their skills and become "experts" in their related fields. Through ongoing mutual learning and cooperation, our female employees continue to improve their abilities, work together to overcome emergencies and difficulties, and achieve collective yet independent growth.

By 2027, female employees in middle-level and above management positions should be up to

35%



Percentage of female employees

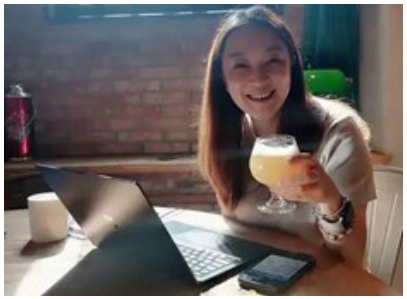
30.7%

Percentage of female employees in middle-level and above management positions

24.1%

CASE LEADERSHIP OF FEMALE EXECUTIVES--EXPANDING RETAIL CATERING BUSINESS

Sun Yi serves as the general manager of the Retail Catering Department at our company. She has made significant contributions to the expansion of our retail catering business and has become a key backbone of our development due to her rich experience in FMCG and catering. We firmly believe that female leadership is a vital component of a first-rate company. Women possess unique traits such as affinity, empathy, resilience, and attention to detail, which play an important role in the Company's growth.



Sun Yi, General Manager at the Company's Retail Catering Department

CASE FACING DIFFICULTIES HEAD ON: QUALITY MANAGER DEDICATED HERSELF TO WORD

Xie Yuanling, the current quality manager at Wanzhou brewery, has been transferred to and worked at four different breweries, continuously improving her work ability. In addition to her administrative responsibilities, Xie also works in the laboratories and provides after-sales services, demonstrating her versatility and valuable experience as a female manager. She compares every new work transfer to climbing a mountain, acknowledging that there may be obstacles and risks along the way, but the sense of accomplishment and purpose in her work at the top makes it all worthwhile.

Xie Yuanlin, Quality Manager at Wanzhou brewery

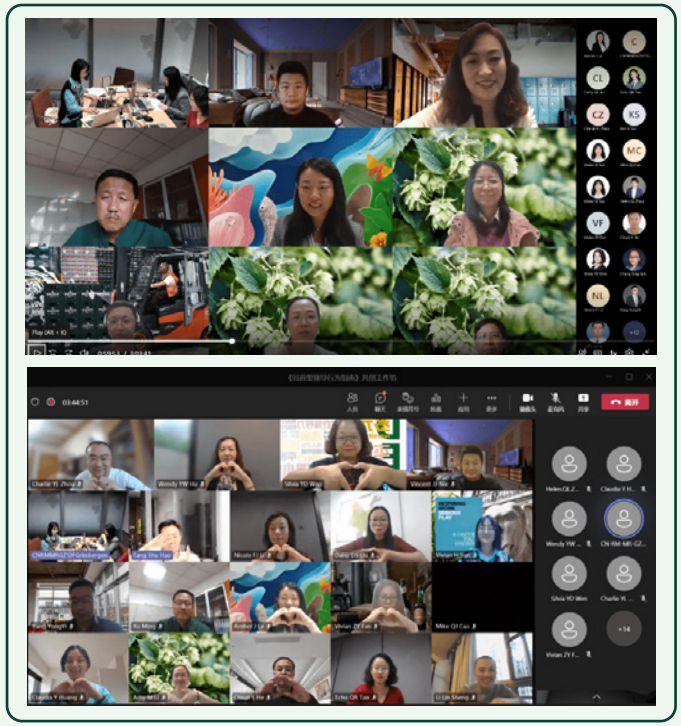
INCLUSIVE LEADERSHIP

To create a corporate culture of diversity, equity and inclusion, we conducted a questionnaire survey on DE&I among team managers and organised a workshop on the *Carlsberg China Inclusive Leadership Behaviour Guidelines* in 2022. These efforts were aimed at gaining a better understanding of managers' expectations on inclusive leadership and analysing the core behaviours that demonstrate the concept of inclusive leadership. We received a total of 40 suggestions for revisions to the draft Guidelines, and 25 of them were accepted. The final version of the Guidelines has already been officially released during the general staff meeting on February 15th, 2023.

To address the issue of unconscious bias that team managers may experience, we conducted 6 training sessions on coping strategies and tackling unconscious bias in 2022. Through discussions, we encouraged managers to think about how to engage in inclusive communication and eliminate prejudice. The training sessions were attended by directors and senior managers in roles at L3 and above.

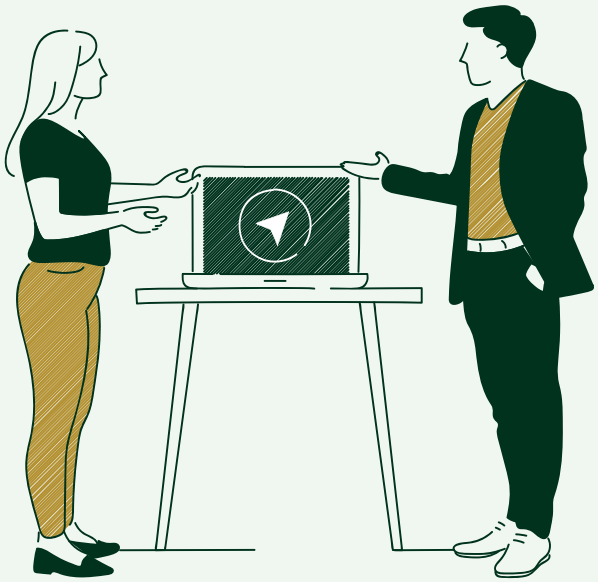
6

training sessions to address the issue of unconscious bias and coping strategies were held



Discussions at the Workshop on the *Carlsberg China Inclusive Leadership Behaviour Guidelines*

Training to Address the Issues of Unconscious Bias and Coping Strategies



EMPLOYEE TRAINING AND DEVELOPMENT

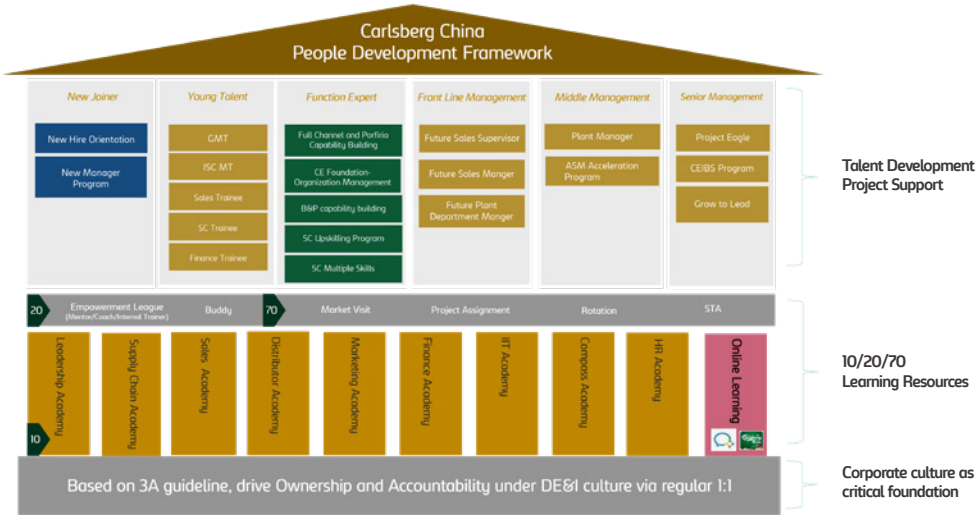
The Company places great value on the development of its employees. We continually improve our talent training system and provide employees with equal opportunities for promotion to support their growth.

CAREER GROWTH

Talent is a valuable resource of any enterprise. We have developed a fair and open selection mechanism for employees using professional competence and performance as evaluation standards for promotion. Talent evaluation meetings provide employees with promotion opportunities. We also encourage the healthy flow of talents within the Company through various methods such as talent inventory, job rotation and short-term dispatch. We have developed an Individual Development Programme (IDP) to promptly transfer talents to open vacancies and support the steady growth of the Company.

EMPLOYEE TRAINING

We value the growth of our employees and have established a comprehensive talent training system. We have established the Carlsberg China Training Academy, consisting of the Academy of Leadership, Supply Chain, Sales, Distributor, Marketing, Finance, Information Technology, Compass, and Human Resources. The training content provided covers daily company management and business operations, with customised courses developed for different types of employees. We have also implemented different support measures such as partner programmes, mentor/coach programmes, challenging projects, benchmarking market learning, short-term dispatch, and job rotations to help employees realise their self-worth through multiple channels.



Carlsberg People Growth Framework

System for Young Talent Growth

We have developed a practical and suitable career development system for young talents. Our management trainee programmes utilise a "10-20-70" learning framework and growth tracking system to support young talents in areas such as career development, physical and mental health, professional competence, self-motivation, and self-discipline. The training courses cover topics such as business speeches, project management, data analysis, and leadership training.

To further support the growth of young employees, we also assign trainers to provide one-on-one guidance and support. Mentors, trainers, and post-specific coaches meet with young talent every month to exchange ideas and provide feedback on their progress. Young talents are required to report their learning progress on a seasonal and annual basis, ensuring that their growth is tracked effectively. Based on the progress made, job rotation plans, and future development goals, mentors and post-specific coaches provide suggestions to ensure effective promotion of talent training.

Employee training coverage reaching

100%

CASE TRAINING CAMP FOR YOUNG TALENTS

We have formulated a growth plan for young sales professionals, and in 2022, we selected 10 promising talents to participate in the programme. The training was conducted in August., and upon its completion, we designed an on-the-job practice plan for the sales professionals. Through our talent tracking system, we monitored their progress on a monthly basis to help them enhance their skills and professionalism. Our aim is to assist them in swiftly transitioning from students to professionals.

The 2022 Sales Professionals Sailing Training Programme

EMPLOYEE RIGHTS, INTERESTS, AND CARE

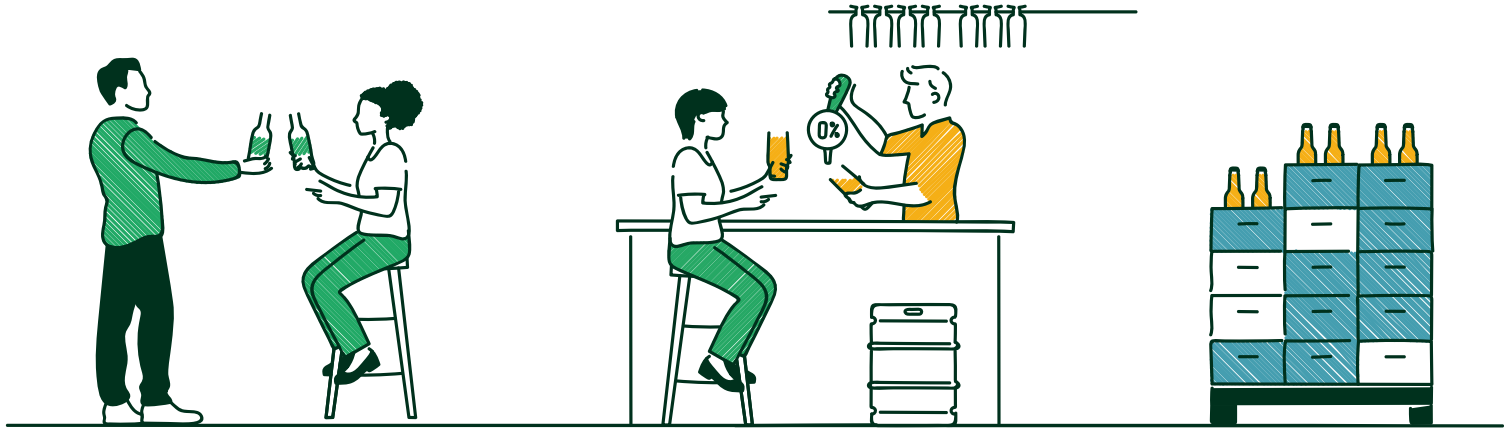
We recognise that talents are what drive the Company forward. Therefore, we cultivate a corporate culture that values and respects our employees, and we provide them with diverse remuneration and benefits, organise a range of activities, and emphasise their overall experience.

EMPLOYEE RIGHTS AND INTERESTS

We strictly adhere to the *Human Rights Policy* issued by the Group, and we respect and value employee voices while providing comprehensive protection of their rights and interests. We are committed to identifying potential issues and their adverse impacts, such as discrimination, forced labour, child protection, freedom of association and collective bargaining, harassment, remuneration and benefits, health and safety, and we have developed corresponding prevention and mitigation actions.

Through the *Letter on Carlsberg's Employment Policy* to each employee, we are committed to not violating the Group's Human Rights Policy, such as forced labour and child labour, during our employment relationships. We have opened the "Speak Up" hotline system so that employees can immediately report any violations of their rights. For more information on the "Speak Up" hotline, see the section on "Business Ethics".

In 2022, no incidents of discrimination, forced labour, child labour, or harassment were identified in the Company's business operations.



EMPLOYEE ENGAGEMENT

We highly value employee voices and have established a variety of communication channels to enhance communication between management and employees. These channels include face-to-face strategic forums with our president, HRBP interviews, line manager interviews, the Speak Up Helpline, and employee communication meetings. These channels help to protect employees' rights to know, participate, express themselves, and supervise. Furthermore, they serve as effective bridges for management to listen to the voices of front-line employees and understand their needs.

We regularly conduct employee satisfaction and engagement surveys, the "Employee Voice Survey", every two years. In May 2021, a total of 5,978 employees participated in the survey, with a response rate of 99.9%. The survey results showed that our employee engagement score was 95.5, higher than both the average scores at Carlsberg Asia and Carlsberg Group. We use the results of these surveys to further improve our human resource management efforts.

The employee engagement survey covered employees

5,978

Survey response rate of

99.9%

Employee recommendation rate of

96%

CASE **THE COMPANY HOLD NATIONWIDE STAFF COMMUNICATION CONFERENCE**

We organise national staff communication conferences on a quarterly basis to strengthen the direct communication between the management and employees. During these conferences, management directly interact with employees, shares company developments, listens to their feedback and questions, and takes an interest in their feelings and opinions.

National Staff Communication Conference in 2022

CASE **FACE-TO-FACE STRATEGIC FORUM WITH PRESIDENT**

During this year's forum, Mr. Lee Chee Kong, our president, elaborated the Company's development strategies and team goals to employees, helping them gain a better understanding of on Company's direction, guiding their work, and boosting their enthusiasm and morale.

Poster for the "Face-to-face Strategic Forum with President" Event

REMUNERATION AND BENEFITS

We participate in research and benchmarking with the FMCG industry to establish a comprehensive remuneration system. By taking into account market trends and business development, we have developed monthly/quarterly/year-end bonuses, timely incentives, innovation incentives and other recognition schemes to reward teams and individuals with outstanding performance. According to industry and market trends, we adjust the salary based on two dimensions: the employee's salary competitiveness and performance results. It encourages high performance while also considering payment levels.

At the same time, in addition to strict compliance with statutory benefits (e.g. social security, provident fund, statutory annual leave, etc.), the company's employees are also rewarded for their performance. provident fund, statutory annual leave, etc.), we also provide our employees with diversified benefits:

9 The benefits above may vary depending on the location of the company.

Employee Welfare[9]

Healthy Welfare	Additional business insurance covering travel, accident, life and medical
	Physical examination
Goods Welfare	Holiday money or gifts
	Welfare liquor
	Union gift benefits
Work-life Balance	Extra company leave
	Xinjia hotline
	Happy hour activity
	Sports club
	Meal (canteen) benefits
	Beer tasting event

EMPLOYEE CARE ACTICITIES

We are committed to ensuring the well-being of our employees. Each of our business units is equipped with labour unions responsible for safeguarding the rights and interests of our employees fostering communication, and organising various activities. We provide comprehensive care and create a harmonious working atmosphere for our employees. In addition, we have organized a variety of online care activities to help them adapt to the working from home and improve their happiness in work and life.

Furthermore, we recognise the importance of our employees' mental health. In 2018, we partnered with a professional psychological counselling institution to launch the Xinjia program, an employee care program. The Xinjia programme leverages various interactive health activities to provide employees with information on mental health, helping them release stress and anxiety, and engage in work with sound physical and mental health.

CASE THE XINJIA PROGRAMME IN 2022

In 2022, we provided employees with interesting remote classes each month. During the classes, psychological knowledge such as communication skills, vacation syndrome, and emotional stability were offered to employees, and more information was shared through pictures and H5, etc.

In addition, we also carried out the "Xinjia Program Carnival Event", providing employees with painting analysis, massage and other special activities to further help them alleviate work fatigue and pressure.

CASE "CARLSBERG'S LOVE NAVIGATION" EMPLOYEES CARE EVENT

"Carlsberg's Love Navigation" is one of the key focuses of the Company leadership expectations for organisational health. In 2022, we launched a series of online activities for employees working from home, such as online fitness, online singing events, virtual toasts, and online knowledge competitions, which aimed to alleviate psychological stress and help employees better balance work and life during remote working conditions.

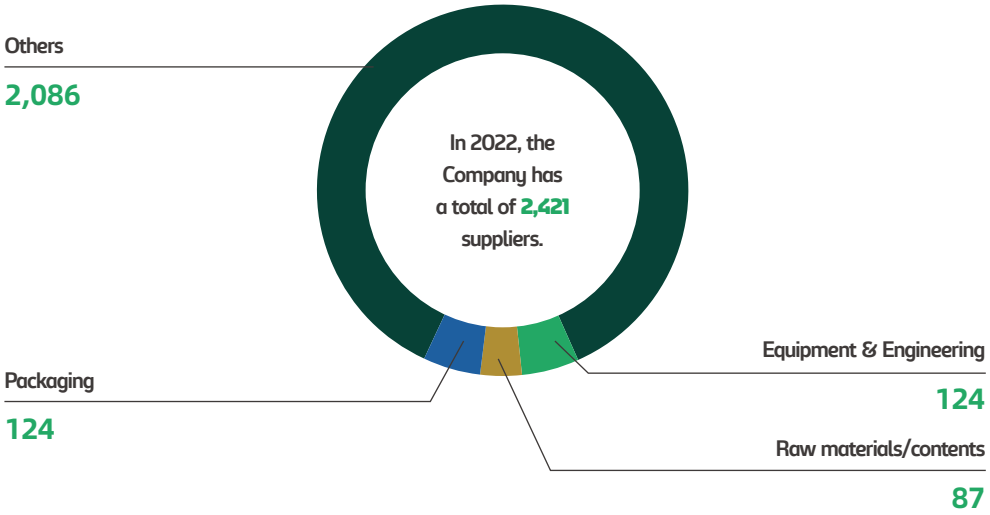
RESPONSIBLE SOURCING

The Company is committed to establishing a long-term, stable, mutually beneficial and win-win cooperative relationship with suppliers. We integrate the concept of sustainable development into the whole supply chain management process, continue to promote coordinated development with suppliers, and jointly create a high-quality, sustainable and responsible supply chain.

STANDARDISING SUPPLIER MANAGEMENT

We comply with the Group's *Requirements on Direct Material Quality, Suppliers' Requirements on Non-contact Material Quality, Suppliers and Licensees Code of Conduct*, and other supplier management regulations. Additionally, we have formulated the Chongqing Brewery Co., Ltd. Procurement Policy to improve supplier management system.

We follow the principles of open, fair and impartial procurement and standardise the management of the procurement process and supplier selection, evaluation, inspection, rectification, and exit. We hope that the third parties will abide by the applicable laws and regulations, act according to the highest standards of integrity, and conduct anti-bribery and trade sanctions screening on all cooperative third parties before signing the contract. For suppliers in our database, we adopt a hierarchical and classified management method and conduct annual performance evaluations, covering dimensions such as product quality, service quality, and safety compliance. We also carry out quality and food safety audits on suppliers every year. For suppliers that fail the audit, we require them to improve and be re-included in the database after meeting the requirements. For suppliers that continue to perform poorly, we eliminate them according to corresponding regulations.



PROMOTING RESPONSIBLE PROCUREMENT

We attach great importance to sustainable sourcing. We enter into agreements with our suppliers, including *Carlsberg Supplier & Licensee Code of Conduct* and the *Business Service Safety Code of Conduct*, to clearly define their code of conduct regarding environmental sustainability, labour and human rights, health and safety, and business ethics. We also place great emphasis on the product quality and food safety of suppliers. We require our establish to establish a quality management system in accordance with the requirements of ISO 9001 standards. Raw material and packaging material suppliers are required to be certified under a Global Food Safety Initiative (GFSI) recognised food safety scheme. In 2022, 100% of our material suppliers were certified to the ISO 14001 environmental management system and 100% of our directly cooperated suppliers certified to the ISO 9001 quality management system or other equivalent certifications.

SUPPLIERS IMPROVEMENT

We proactively strengthen exchanges and cooperation with our suppliers. We provide targeted empowerment training to educate and guide suppliers on food safety, quality management and sustainable development, achieving win-win development with suppliers.

100%

of our material suppliers certified to ISO 14001

100%

of our directly cooperated suppliers certified to ISO 9001 or other equivalent certifications

CASE **SUPPLIER QUALITY AND FOOD SAFETY TRAINING**

Every year, we provide standard auditing training for our auditors and suppliers who participate in quality audits. Additionally, we offer trainings on relevant quality standards and food safety requirements tailored to the specific needs of our suppliers, helping them to gain a thorough understanding of our quality and food safety expectations and improve their performance accordingly.

Supplier Quality and Food Safety Training

COMMUNITY ENGAGEMENT

We have a strong commitment to social responsibility and strive to give back to the community. We actively participate in various public welfare undertakings and encourage our employees to participate in community activities.

To ensure that our charitable donations are effective and impactful, we have formulated the *Management Measures for Charitable Donation Management*. Through measures, we actively respond to donation activities initiated by local governments, standardise our charitable donation practices, and support and encourage all business units and employees to actively participate in charitable donations, in line with our goal of building a decent corporate citizenship image.

SUPPORTING EDUCATION

We are also committed to supporting education and organising activities to provide financial aid to college freshmen who face financial difficulties in pursuing their academic goals and to help them achieve their full potential.

- Chongqing Brewery's Yibin Brewery, partnering with the Yibin Municipal Committee of the Communist Youth League of China, initiated the student financial assistant campaign since 2004. For 19 consecutive years, we have donated a total of RMB 3.46 million to help 1,786 college freshmen in Yibin who face financial difficulties to chase their dreams.

- In 2022, the "Chongqing Brewery Scholarship" provided funds of RMB 10,000 to support Chongqing Outstanding Youth League Work Brand Project. The scholarship has funded 10 projects and benefited over 100,000 college students to date, providing them with support for their future development.

COMMUNITY CARE

Our business units have initiated or participated in community public welfare activities to demonstrate our care for the communities. These includes visits to the fire departments and making donations to the community.

CASE **XIXIA JIANIANG BREWERY VISITED THE HELAN FIRE DEPARTMENT AND EXTEND GRATUTUDE TO THEM**

On June 14, 2022, employees of Xixia Jianiang Brewery visited the Helan Fire Department and extended gratitude and respect to the hard-working firefighters.

Xixia Jianiang Brewery Visited the Helan Fire Departments

COMPLIANCE MANAGEMENT

The Company sticks to the principles of integrity management and strict business ethics while closely monitoring any related risks. We continuously enhance our corporate governance and promote the healthy growth of the Company by leveraging our sound and sophisticated corporate governance structure. We are dedicated to building and maintaining a compliant, clean and trustworthy business environment.

CORPORATE GOVERNANCE

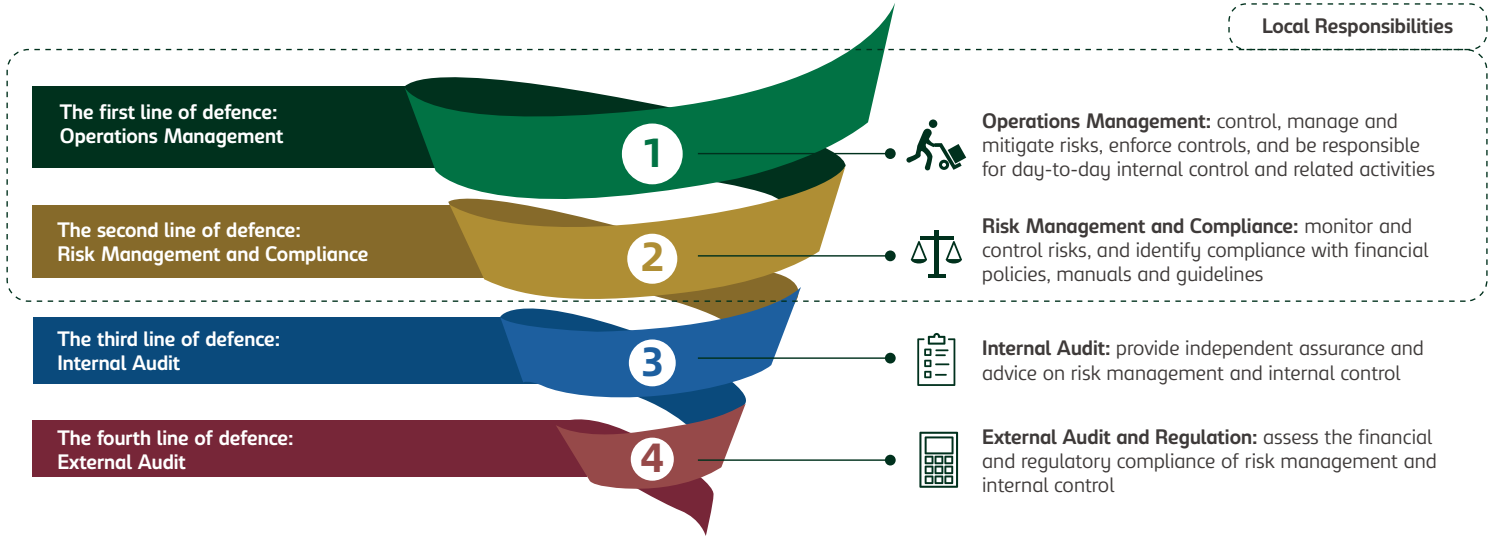
Sound corporate governance is the foundation on which the Company maintains stable operations. We have established a governance structure with clear roles and responsibilities in place, and continuously improve our corporate information transparency and risk management capabilities to ensure the stability of our business operations.

THE BOARD OF DIRECTORS

The Company's current independent directors have different professional backgrounds and have rich professional experience in law, financial accounting, marketing, management and other aspects. The Board of Directors actively promotes corporate governance, communicates with investors, and performs management duties by holding multiple internal and external meetings. In 2022, we held a total of 11 board meetings, 5 meetings of the board of supervisors, and 4 general meetings of shareholders. At the same time, according to *Articles of Association of the Company*, the general election of the 10th board of directors and the board of supervisors was completed. We also held 4 public performance presentation meetings, attended over 500 online and in-person investor exchange meetings, and organised two special activities, including brewery visits and beer tastings.

The Board of Directors attaches importance to timely and effective information disclosure, and regulates disclosure to promote transparency. The Company completed the disclosure of 4 regular reports and 48 interim notifications in 2022.

We actively carried out various training among the management to improve their capabilities and the efficiency of corporate governance. Some board of directors the Company attended the training entitled *2022 Third Follow-up Training for Independent Directors of Listed Companies* organised by the Shanghai Stock Exchange and the *Training on Corporate Governance* organised by the China Association of Public Companies in July 2022, which helped improve the management capabilities of our directors. In December 2022, some members of the board of directors, supervisors and senior executives attended the training sessions organised by the Chongqing Public Companies Association under the guidance of the Chongqing Public Companies Association. They also attended our internal training entitled *Current Regulatory Forms and Key Concerns*, which strengthened their awareness of compliance and information disclosure.



INTERNAL CONTROL AND RISK MANAGEMENT

Risk management is vital for us to maintain stable operations. We have established a sound and effective normal risk management mechanism, continuing to improve the risk management and internal monitoring mechanism while promoting comprehensive risk management.

We have established four lines of defence for risk prevention and control. Risk owners are responsible for reviewing on a quarterly basis, explaining the status of risk control activities, and verifying their effectiveness. Risk owners compile quarterly risk reports and list newly identified high risks, which are then reported to the Company's risk management team.

We have formulated internal policies such as the *Risk Management Policy* and the *Internal Control Self-Assessment Manual* to ensure that all employees understand their roles and responsibilities in identifying, assessing, and controlling risks. Additionally, we focus on potential ESG-related risks and have shortlisted various risks, such as product quality, occupational health and safety, pollutant discharge, and internal control risks. We continuously evaluate and score these risks and provide rectification opinions to prevent potential ESG risks from arising.

To ensure that all employees understand the importance of risk management and compliance, we provide training courses to all employees, including executives. These training courses include new hire training courses courses and special training for key risk functional departments. At the same time, we held four staff meetings to enhance the risk awareness of all employees. In 2022, we conducted compliance training on topics such as ethics and code of conduct, anti-bribery and anti-corruption, and competition law compliance, with more than 6,000 enrolments.

BUSINESS ETHICS

Living by Our Compass is a core value in our business operations. We strictly adhere to the Company *Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and other national laws and regulations. Additionally, we abide by the *Code of Ethics & Conduct*, the *Anti-bribery & Corruption Policy*, the *Third-party Screening Manual*, and other rules on business ethics developed by the Group. We have formulated a series of codes of conduct and contract templates, such as the *Employee Manual*, the *Manual on Gifts, Banquets* and *Receptions, the Product Distribution Agreement*. These guidelines clarify our management requirements for business ethics among employees, suppliers and distributors. We also strictly manage undesirable practices such as anti-corruption and anti-bribery, trade sanctions and export control, unfair competition, conflicts of interest, and information confidentiality risks through these rules.

At the governance level, the Company's business ethics is supervised by the CEO and CFO, and the senior legal director is also the chairman of the Company's Supervisory Board responsible for compliance management and reporting to the CFO on a regular basis. We also conduct investigations into business ethics issues including anti-bribery and corruption in various internal audits to ensure that business ethics and management systems are in place.

ANTI-BRIBERY & ANTI-CORRUPTION

Bribery and corruption are strictly prohibited. Employees are banned from accepting any gifts or dinner invitations from other employees or cooperative partners (agents, distributors, consultants or middlemen) in a non-disclosed and non-transparent manner. We also require all new employees to fill in a conflict-of-interest declaration form. Employees above a certain level and all in the procurement departments are required to update the declaration once a year. When a possible conflict of interest arises, employees are required to report any transactions or relationships that may present a conflict of interest to their supervisors, HR department, or local compliance officers. The Company was not involved in any corruption or bribery lawsuit in 2022.

PROMOTING FAIR COMPETITION

We participate in market competition in a fair and just manner, adhere to the laws and regulations of the places where we operate, and promote business compliance management. We oppose unfair competition and prohibit any practice that will impair competition and harm consumers.

REGULATING PARTNER PRACTICES

We expect our business partners to adhere to our ethical standards. Our suppliers, licensees and distributors are required to comply with the *Supplier & Licensee Code of Conduct* as well as other applicable local laws and regulations. In 2022, we conducted an audit of distributor management process at all business units, randomly checked the content in distributors contracts, and found no violations. In 2022, 100% of our suppliers signed the agreements on business ethics and the *Honesty and Integrity Agreement*.

PROTECTING WHISTLEBLOWERS

We have formulated the *Speak Up Helpline Handbook* to provide employees and business-related personnel with various reporting channels such as emails, calls, and the third-party anonymous reporting platform known as the "Speak up Helpline". These measures aim to encourage any employees and business-related personnel to report any violations of our business ethics and code of conduct. After we receive the reported information, our full-time investigators will be responsible for collecting and analysing relevant clues, and conducting interviews with the whistleblowers while maintaining strict confidentiality. We have specific procedures in place to ensure that the personal information of whistleblowers is kept confidential. We strictly prohibit any form of retaliation against them.

RAISING AWARENESS OF ANTI-CORRUPTION

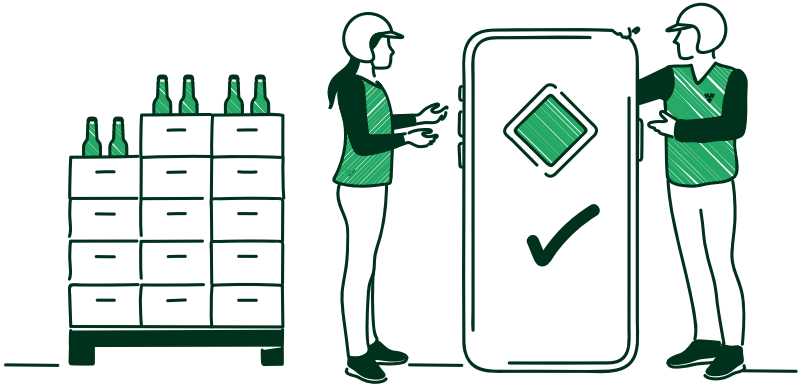
We attach importance to the promotion of employees' business ethics awareness. We require all new hires to complete trainings on ethics and code of conduct, competition compliance, anti-bribery and anti-corruption within 30 days of joining the Company. They are also required to review the course at least once every three years. We share information about our Speak Up Helpline through lectures, emails, computer lock screen wallpaper, and the Company's intranet to encourage employees to report any violations and clues. In 2022, we conducted targeted anti-bribery and anti-corruption training to employees in key positions to ensure that the Company conducts business in an upright, responsible and honest manner.

100%

of our suppliers had signed the agreements on business ethics

100%

of our suppliers had signed the *Honesty* and *Integrity Agreement*



DATA SECURITY & PRIVACY PROTECTION

The Company highly values data security and privacy protection, respects the privacy of employees, contractors, suppliers, consumers, and other third parties with business dealings, while effectively protecting their data.

DATA SECURITY MANAGEMENT

We strictly comply with the *Data Security Law of the People's Republic of China* and other related laws and regulations, as well as the Group's *IT Assets Management Procedures* and other requirements for data security management. To build an information security management framework we have formulated internal polices, such as the *Information Security and Acceptable Use Policy*, the *Records Management and Personal Information Protection Guideline* among others.

Data security management system:

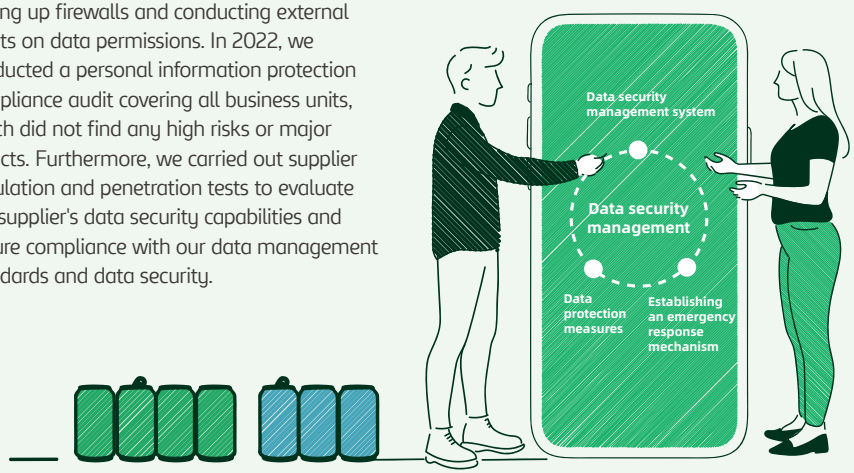
We standardise the principles, classification, processing and protection measures regarding information record management and have developed a specific process for personal information protection. In addition, we have specified rules and requirements on computer and network management, data security, and privacy protection in the *Employee Manual*. We also require all employees to sign a confirmation letter of the *Information Security and Acceptable Use Policy* to ensure their compliance with the policy as our joint efforts to safeguard data security.

Data protection measures:

We enforce strict management of user and employee data through various measures such as setting company access control permissions, setting employee data access permissions, setting up firewalls and conducting external audits on data permissions. In 2022, we conducted a personal information protection compliance audit covering all business units, which did not find any high risks or major defects. Furthermore, we carried out supplier simulation and penetration tests to evaluate our supplier's data security capabilities and ensure compliance with our data management standards and data security.

Establishing an emergency response mechanism:

The Company has formulated the *Emergency Plan for Personal Information Security Incidents* and updated it according to changes in laws and regulations. We also regularly conduct emergency training and drills. In the event of a personal information security incident resulting from unauthorised access, public disclosure, tampering or loss of information, the Company will promptly launch an emergency plan, take necessary remedial measures, and report to the relevant agencies to minimise the impact. In the meantime, we will inform consumers of the basics of the security incident and the possible impact and other information, and report on the handling results. No major data leakage incidents were reported within the Company in 2022.



PRIVACY PROTECTION

We understand the significance of personal information to consumers and have developed *Personal Information Protection Policy*. This policy regulates the collection and use of customer personal information by WeChat official accounts, mini programs, apps and platforms, sets clear rules on personalised advertising and data sharing. We offers channels such as customer service and email to ensure consumers' rights to know and control their personal information. We provide multiple approaches to protect consumers' right to know and control of their personal information,and prevent personal information from being accessed, publicly disclosed, used, modified, damaged or lost without authorisation.

Measures for protecting customer privacy

- Guarantee the security of sensitive information stored
- Control the access and operation rights of Mini Programs
- Provide channels for reporting privacy violations
- Conduct supplier data reviews

DATA SECURITY AND PRIVACY PROTECTION TRAINING

We attach importance to promoting our employees' awareness of data security and privacy protection. We require all new hires to complete information security training within 30 days of joining the Company and review the course at least once every three years. We conduct regular information security education and training for personnel in relevant positions, with a focus on strengthening the awareness of key personnel in protecting the personal information of employees and consumers and improving the Company's information security management capabilities.

INTELLCTUAL PROPERTY RIGHTS PROTECTION

The Company highly values the protection of intellectual property rights (IPR) and fully implements its management. We have established a robust management system for protecting brands, patents, and trademarks. We strictly adhere to laws and regulations such as *the Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China* to strengthen IPR protection and enhance the Company's market competitiveness.

We strictly regulate the process of application, maintenance, use, licensing and transfer, risk prevention and control of trademarks, patents, copyrights, and other IPRs. We also actively respond to infringements, and our local sales team and external third-party organisations conduct spontaneous monitoring of market infringements. In 2022, we collaborated with relevant internal and external parties and effectively cracked down on product counterfeiting and infringements, thereby safeguarding the Company's legitimate rights and interests.

DISTRIBUTOR MANAGEMENT

The Company has a diverse range of brands and a large sales network. Our distributors play a crucial role in the market as they are the traditional sales team. We highly value our relationship with our distributors to ensure the quality and efficiency of the sales network and the top-quality services to consumers.

STANDARDISED DISTRIBUTOR MANAGEMENT

We have created the *Product Distribution Agreement* which we update yearly. It clearly stipulates the quality standards, packaging, branding, and promotional requirements, and business ethics and codes of conduct for our distributors. Additionally, we require all distributors to sign the commitment letter indicating their agreement to abiding by the *Product Distribution Agreement*, as well as agreements or regulations regarding distribution areas and channels (including e-commerce sales channels). This helps to establish a fair and equitable sales network, ensuring high-quality products and services for all our consumers.

We have developed evaluation criteria for selecting distributors to enter our database. Furthermore, we also manage distributors at different levels and develop targeted development, cultivation, and cooperation plans correspondingly. We conduct quarterly and annual comprehensive assessments and evaluations of distributors based on four dimensions: business performance, business capabilities, channel management, and warehousing, logistics, and data. Any distributors who violate regulations or conduct major malicious practices during our cooperation will be added to a distributor exit list to ensure the dynamic management of distributors.

DISTRIBUTOR ENGAGEMENT

We emphasise close communication with distributors. We gather their feedback on the Company and our business development through various channels such as distributors' conferences, monthly visits, and satisfaction surveys. We carefully consider their suggestions and use them as a basis for adjusting our future marketing strategies. In addition, we conduct reputation surveys to understand distributors' satisfaction rate with the Company. To foster strong and stable cooperative relations with our distributors, we empower them through special training and themed activities. Through these initiatives, we work effectively with our distributors to provide customers with high-quality products and services.

CASE **THE COMPANY LAUNCHED THE "BAIJIAHUI (COLLECTIVE WISDOM)" PROGRAMME**

To promote business development, we launched the "Baijiahui" programmes for distributors and other business partners. Our market research team and other internal and external top sales reps shared trends in Fast Moving Consumer Goods (FMCG) industry, brewing industry, e-commerce, and retail through lectures. They also shared success stories in market development, terminal management, e-commerce, and new retail transformation to enhance the distributors' comprehensive capabilities.

On December 21, 2022, the programme was first livestreamed, providing insights on food and beverage consumption, analysis of product driving factors, and changes in category patterns. A total of 542 employees and distributors from 26 provinces across the country attended the live programme, and 363 interactive messages were sent. The satisfaction score of participants reached 4.7 out of 5 points, and the event was well recognised by the distributors.

CASE **THE NEW RETAIL TEAM EMPOWERS DISTRIBUTIORS**

The new retail team of our international brand business unit partnered with business representatives of distributors to organise an online training session themed "Building a distributor Mini Program to boost new growth". The training focused on the distributor Mini Programme and community bulk purchases, guiding distributors on leveraging new channels to empower their businesses.

APPENDIX

THIRD-PARTY COMMENT

The year 2022 holds immense significance for the high-quality development of the beer industry. Despite the complex intricacies of the domestic and foreign economic and market conditions, the beer industry has displayed remarkable resilience and allure. Through demand-side management and supply-side structural reform, the industry has continuously improved the potential for high-quality development while enhancing the distribution of mid-to-high-end products. This has resulted in a comprehensive improvement in the industry's management capabilities, profitability, competitiveness, and service provision. Overall, the Chinese beer industry's high-quality development has presented a favourable trend of "both quantity and price rising".

Concurrently, we are pleased to see that the high-quality development of the Chinese beer industry is not only reflected in robust performance, but also in outstanding ESG performance. Under the guidance of the national "3060" carbon target and the call for a green and low-carbon transformation, China's leading beer companies have already launched ESG plans and continue to promote related work, achieving tangible progress.

Chongqing Brewery is a typical case of this progress. In terms of performance, Chongqing Brewery proactively responds to market changes and consistently satisfies consumer demand for high-quality beer. As a result, the company has achieved sustained and comprehensive growth in terms of sales, revenue, and profits, indicating that it has embarked on a path towards high-quality development. At the same time, Chongqing Brewery continues to promote the "Together Towards ZERO" sustainable development programme, having successfully completed various targets by the end of 2022 whilst embarking on a new journey of the "Together Towards ZERO and Beyond" ESG programme.

In terms of the environment, Chongqing Brewery eagerly responds to the national carbon peaking and carbon neutrality goals, achieving good results such as 100% use of green electricity and average water usage efficiency of 2.24 hl/hl. At the same time, by joining the ZERO Farming Footprint and ZERO Packaging Waste targets, it is moving towards the vision of achieving net zero emissions along the entire value chain by 2040. In terms of society, Chongqing Brewery actively takes part in the national rational drinking promotion week activities of the association. Giving back to society through a series of scholarship and community participation projects. In terms of corporate governance, Chongqing Brewery has held more than five hundred investor communication activities, strengthened responsible procurement, continuously updated compliance management, and further improved the corporate governance system.

This inaugural Chongqing Brewery Environmental, Social and Governance report signifies a new phase in the brewery's efforts towards ESG-related initiatives. The report provides a systematic summary and disclosure of Chongqing Brewery's ESG plan, progress, and goals, along with specific case studies. This not only facilitates further improvements in Chongqing Brewery's own ESG work but also positions it as a leader in promoting the strengthening of ESG governance, the practice of ESG concepts, and the improvement of ESG performance within the Chinese beer industry.

中国酒业协会
CHINA ALCOHOLIC DRINKS ASSOCIATION

SHANGHAI STOCK EXCHANGE ESG INDEX

Focus areas and KPIs	Location
Environmental protection	
Environmental policies and strategies	ESG Programme
Environmental monitoring	Emissions Management
Key information required to be disclosed by the environmental regulators	Emissions Management
Pollutants	Emissions Management
Usage of resources	ZERO Carbon Footprint ZERO Packaging Waste ZERO Water Waste
GHG emissions	ZERO Carbon Footprint
Biodiversity	ZERO Farming Footprint
Environmental risks	Emissions Management
Environmental accidents	Emissions Management

Focus areas and KPIs	Location
Social responsibility	
Corporate responsibility	ZERO Irresponsible Drinking Community Engagement
Employee rights protection	ZERO Accidents Culture Diversity, Equity & Inclusion
Product quality and responsibility	Products and Services
Privacy and information security	Compliance Management
Public responsibility	Responsible Sourcing Community Engagement
Stakeholder objections	Stakeholder Engagement
Corporate governance	
Disclosure requirements	Compliance Management
Governance system	Compliance Management
Shareholders' meeting	Compliance Management

CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT GOALS

SDGs	Target	Focus Area(s)	Page
2 ZERO HUNGER	**2.3** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	ZERO Farming Footprint	P20
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	ZERO Farming Footprint	P20
3 GOOD HEALTH AND WELL-BEING	**3.5** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol	ZERO Irresponsible Drinking	P31
	3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	ZERO Irresponsible Drinking ZERO Accidents Culture	P31, 36
	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	ZERO Carbon Footprint ZERO Water Waste	P13, 26
5 GENDER EQUALITY	**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Diversity, Equity & Inclusion	P50

SDGs	Target	Focus Area(s)	Page
6 CLEAN WATER AND SANITATION	**6.1** By 2030, achieve universal and equitable access to safe and affordable drinking water for all	ZERO Water Waste	P26
	6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	ZERO Water Waste	P26
	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	ZERO Water Waste	P26
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	ZERO Water Waste	P26
	6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	ZERO Water Waste	P26
	6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	ZERO Water Waste	P26
7 AFFORDABLE AND CLEAN ENERGY	**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix	ZERO Carbon Footprint	P13
	7.3 By 2030, double the global rate of improvement in energy efficiency	ZERO Carbon Footprint	P13
	7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support	ZERO Carbon Footprint	P13

SDGs	Target	Focus Area(s)	Page
8 DECENT WORK AND ECONOMIC GROWTH	**8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Diversity, Equity & Inclusion Human Rights	P50
	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Diversity, Equity & Inclusion Human Rights Responsible Sourcing	P50, 59
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	ZERO Accidents Culture Human Rights Responsible Sourcing	P36, 50, 59
10 REDUCED INEQUALITIES	**10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Diversity, Equity & Inclusion Human Rights	P50
	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	Diversity, Equity & Inclusion Human Rights Responsible Sourcing	P50, 59

SDGs	Target	Focus Area(s)	Page
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources	ZERO Carbon Footprint ZERO Farming Footprint ZERO Packaging Waste ZERO Water Waste	P13, 20, 23, 26
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	ZERO Packaging Waste	P23
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Through our TTZAB programme, we are implementing and enhancing our sustainable practices, and report progress on our TTZAB focus areas annually.	P6
	12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	ZERO Carbon Footprint	P13
13 CLIMATE ACTION	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	ZERO Carbon Footprint ZERO Farming Footprint ZERO Water Waste	P13, 20, 26
14 LIFE BELOW WATER	**14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	ZERO Farming Footprint ZERO Packaging Waste	P20, 23

SDGs	Target	Focus Area(s)	Page
15 LIFE ON LAND	**15.3** By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world	ZERO Farming Footprint	P20
	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	ZERO Farming Footprint ZERO Water Waste	P20, 26
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.5** Substantially reduce corruption and bribery in all their forms	Living By Our Compass	P61
	16.b Promote and enforce non-discriminatory laws and policies for sustainable development	Diversity, Equity & Inclusion Human Rights Responsible Sourcing	P50, 59
17 PARTNERSHIPS FOR THE GOALS	**17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	ZERO Carbon Footprint ZERO Water Waste Community Engagement	P13, 26, 60

ESG KPIS

Focus areas	Indicators	Unit	2022
Environmental KPIs			
GHG emissions	CO_2 emissions from the use of light fuel oil	tCO_2e	670.7
	CO_2 emissions from the use of heavy fuel oil	tCO_2e	/
	CO_2 emissions from the use of natural gas	tCO_2e	78,209.8
	CO_2 emissions from the use of coal	tCO_2e	/
	CO_2 emissions from district heating facilities (with standard heating system)	tCO_2e	22,881.9
	CO_2 emissions from the heat energy consumed	tCO_2e	101,762.5
	CO_2 emissions from the use of electricity	tCO_2e	/
	Total CO_2 emissions from factories	tCO_2e	101,762.5
	CO_2 emissions from refrigerants	tCO_2e	3,773.2
	GHG emissions (Scope 1)	tCO_2e	82,653.8
	GHG emissions (Scope 2)	tCO_2e	22,881.9
	GHG emissions (Scope 1+Scope 2)	tCO_2e	105,535.7
Energy consumption in production	Heat energy from light fuel oil	MWh	2,514.4
	Heat energy from heavy fuel oil	MWh	/
	Heat energy from natural gas	MWh	387,254.1
	Heat energy generated by biogas from sewage plants	MWh	1,318.9
	Heat energy from coal	MWh	/
	Heat energy from biomass fuel	MWh	10,167.5

Focus areas	Indicators	Unit	2022
Energy consumption in production	Heat from district heating facilities (with standard heating system)	MWh	77,829.6
	Total heat consumed at the brewery	MWh	479,084.4
	Total consumption of power	MWh	157,141.6
	Total consumption of heat	MWh	468,970.1
	Percentage of green electricity	%	100%
	Natural gas	Nm^3	41,883,659.6
	Diesel	Litre	266,025.6
	Own boreholes	cubic meters	451,203.0
Water	Municipal water	cubic meters	5,459,109.4
	Surface water	cubic meters	380,982.0
	Total water use	cubic meters	6,291,294.4
	Total water consumption	cubic meters	6,221,452.7
	Total exhaust emissions	cubic meters	885,520,558.0
Waste gas emissions	Scoot (dust)	cubic meters	49.9
	SOx emissions	tonnes	7.0
	NOx emissions	tonnes	47.8
	Ammonia	tonnes	17.1
Waste water discharge	Tot-P	tonnes	3.2
	Suspended solids	tonnes	147.1

Focus areas	Indicators	Unit	2022
Waste water discharge	COD of raw sewage from per hectolitre of beer produced	kg/hl	0.3
	Amount of sewage produced per hectolitre of beer	hl/hl	1.1
	Average COD of raw sewage	g/m^3	66,800.9
	Total sewage discharge	cubic meters	3,052,268.7
	Sewage that has been recovered, treated and reused	cubic meters	130,696
Packaging management	Metal	tonnes	25,452
	Glass	tonnes	546,641
	Plastics	tonnes	26,514
	Paper	tonnes	113,112
Social KPIs			
Production safety	Number of lost-time injuries of employees	/	1
	Employee fatalities	/	0
	Number of lost-time injuries of contractors	/	1
	Contractor fatalities	/	0
Workforce	Total workforce	person	6,765
	Number of new employees	person	928
	Number of male employees	person	4,686
	Number of female employees	person	2,079

Focus areas	Indicators	Unit	2022
Workforce	Permanent employees	person	6,700
	Full-time employees	person	6,700
	Part-time employees (including interns)	person	65
	Younger than 18	person	0
	19-29	person	1,121
	30-39	person	2,561
	40-49	person	1,999
	50 or older	person	1,084
	Senior management	person	11
	Middle management	person	952
	Blue-collar workers	person	1,961
	Administrative employees	person	3,849
Employee turnover percentage[10]	Employee turnover	%	13.4
	Male	%	67.8
	Female	%	32.2

10 Employee turnover percentage = total number of employees turnover / number of employees;
Employee turnover percentage by category = number of employees turnover by category / total number of employees turnover

Focus areas	Indicators	Unit	2022
Employee turnover percentage	19--29	%	28.6
	30-39	%	38.9
	40-49	%	15.2
	50 or older	%	17.3
	Senior management	%	0.1
	Middle management	%	9.8
	Blue-collar workers	%	24.0
	Administrative employees	%	66.1
Average hours of training per employee		hours	4.4
Percentage of employees covered by collecti ve bargaining agreements		%	48.8
Number of employees with legal labour rela :ions		person	6,765

BREWING FOR A BETTER TODAY

酿造 更美好的现在 和未来 & TOMORROW

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