



March 22, 2022 (response updated on June 1, 2022)
Business and Human Rights Resource Center
London, UK

Dear Business and Human Rights Resource Center:

We appreciate your interest in the Carlsberg Group. We strongly condemn the Russian invasion of Ukraine, which has led to so much loss of life, devastation, and human tragedy.

Carlsberg is committed to respecting human rights, as outlined in Carlsberg's Human Rights Policy. To learn more about our work with human rights please refer to our corporate [website](#).

In regard to the invitation to respond BHRCC's survey explaining our approach to human rights due diligence in connection with the conflict in Ukraine, please find our responses below.

Kind regards
Vanessa Rivera
Sr. Manager Responsible Sourcing & Human Rights

Business & Human Rights Resource Centre Survey Questions

For companies operating or investing in Ukraine

Nature of involvement

1. **How long has your company or subsidiary been operating or investing in Ukraine? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?**

Carlsberg Group has been present in Ukraine since 1996, through 3 breweries in Kyiv, Zaporizhzhia and Lviv, employing 1350 employees. Operations were suspended in the 3 facilities on February 24. We have partly resumed operations in Kyiv in mid-April and in Lviv in late March.

Assessing risks

1. **How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?**

We have gathered a cross-functional emergency response team, which is continuously assessing what are the most pressing issues and defining appropriate actions to address them, considering their overall impact, and prioritizing people's safety.

- a. **What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?**

We have established communication channels for our employees in Ukraine and potentially affected countries, to get continuous and quality feedback on the areas where support is needed.

Additionally, we are engaging with organisations working on the ground to learn about their assessment of needs and provide support through formal structures with expertise in humanitarian aid, migration, and conflict.

Mitigating risks and tracking effectiveness

2. **What measures is your company or subsidiary taking to ensure that your business relationships, products, services, operations, or other actions do not contribute to Russian military activities or occupation in Ukraine (including Crimea and occupied parts of Donetsk and Luhansk Oblasts)?**

Early in the war we scraped the ammonia within the cooling systems at our breweries in Kiev and Zaporizhzhya to reduce the risk of an environmental catastrophe and casualties which could have occurred had the brewery been hit directly by a Russian artillery or bomb attack. We have since progressively taken a series of measures in connection with our presence in

Russia, which can be read on the next page. Additionally, we are not operating in the mentioned areas.

- 3. Is your company or subsidiary planning to scale-down or suspend your operations in Ukraine? If so, what are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate the negative impacts of this decision on affected communities and your workers?**

Our operations in Ukraine stopped on February 24. We have partly resumed operations in Kyiv in mid-April and in Lviv in late March. We are constantly adjusting activities to use our influence to minimize the impact on people.

- 4. What steps is your company or subsidiary taking to ensure that your risk prevention and/or mitigation measures do not negatively impact Ukrainian civilians?**

In addition to the measures in place to minimize impacts on our employees and their families. We have identified that the availability of some items to cover basic needs is limited and that we could use our skills and resources to enable access to certain basic supplies such as bottled water, which we are providing. We have also adapted one of our facilities close to the border as a shelter for employees and their families.

Exercising leverage

- 5. Is your company or subsidiary taking any other actions to promote respect for humanitarian law, human rights, democracy, and peace in Ukraine?**

We have publicly condemned the Russian invasion and the war, and we are continuously identifying potential partners with expertise in humanitarian law and human rights, among others.

For companies operating or investing in Russia

Nature of involvement

- 1. How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?**

Carlsberg Group has been present in Russia since 2000, with 8 Breweries across the country producing beer, alcoholic and non-alcoholic drinks and employing 8400 employees

Assessing risks

- 2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?**

This is also part of the aspects the cross-functional emergency response team mentioned above is continuously assessing, always prioritizing people's safety.

- a. **What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?**

Our cross-functional emergency response team has daily contact with workers in the country.

Mitigating risks and tracking effectiveness

3. **As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia? If so:**

Carlsberg Group has taken a series of actions to progressively reduce the company's presence in Russia while living up to our responsibilities towards employees.

The process started with the halt of new investments and exports into Russia. Subsequently, the company ceased all advertising by both the Carlsberg Group and Baltika Breweries in Russia and stopped the production and selling of the company's flagship brand, Carlsberg, in the Russian market.

From that point, Baltika Breweries was run as a separate business, with the sole purpose of sustaining employees and their families, and all profits generated by the business in Russia since then started being used to support relief efforts.

This was a careful and difficult evaluation process that culminated with the decision to seek full disposal of our business in Russia, after which Carlsberg Group will have no presence in Russia. Until the completion of the process, we will maintain a reduced level of operations to sustain the livelihoods of our employees and any profits generated during the humanitarian crisis will continue to be donated to relief organisations.

- a. **What have been the key considerations informing this decision and did you consult with your workers and/or other affected stakeholders as part of your decision-making process?**

Our decision was the result of a careful and difficult evaluation process that took a big variety of aspects into account. These aspects were guided by a strong commitment to respect people, which can be found embedded in our company policies.

- b. **What are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate any negative impacts of your exit on affected communities and your workers, including addressing any loss of income?**

We are continuously assessing potential impacts connected to the full disposal of our business in Russia and we will identify the possibility to carry out appropriate preventive measures.

- 4. If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?**

See the responses above.

- 5. What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?**

We always operate in alignment with the law and have a robust compliance program, including sanctions. As part of this program, business partners posing a risk are screened on different aspects including corruption and ethical issues.

Exercising leverage

- 6. How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?**

This is part of the Carlsberg Human Rights Policy and any violations of such policy can be raised through the company's Speak Up system.

- 7. Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine?**

Not at this point.