

face to face with

Carlsberg Breweries

Carlsberg Breweries operates in a highly competitive marketplace. Its primary activities are production, sales and distribution of beers and soft drinks. Carlsberg prides itself on being a market orientated company with a leading position in the global brewing industry. The company emphasises the importance of quality and strong competitive positioning of brands and services to benefit all the links in the value chain. LRQA is the preferred supplier of management system services to Carlsberg plants; this includes the certification of quality and environmental management systems. The account is managed by the LRQA business centre in Copenhagen. Barbara Goldsack, Editor of LRQ Review, met key members of the Corporate Supply Chain at the company's headquarters in Copenhagen to find out more.



Erik Juul Rasmussen,
Vice President, Operations



Annette Lillie,
Group Quality Director



Hans Rosentoft,
Regional Technical Manager

Q What role does the Corporate Supply Chain carry out in relation to quality and environmental management systems?

A Erik Juul Rasmussen:

In relation to environmental management, I was tasked by our management with the introduction of ISO 14001 in all our Group companies; this included all the breweries, soft drink plants and maltings, a total of some 37 plants. However, this number has subsequently increased. The Corporate Supply Chain department is also responsible for worldwide quality assurance. This is wider than the Group companies and includes over 90 plants around the world. The Corporate Supply chain is responsible for ensuring that our quality assurance system is followed at all plants.

Q What motivated Carlsberg Breweries to undertake certification to ISO 14001 at its European sites and for these to be assessed by a third party?

A Erik Juul Rasmussen:

We are required by the Danish stock exchange to include environmental information in our annual accounts. Hans Rosentoft is responsible for collecting the data from the environmental management system and ensuring that the information is included in the annual accounts. We are also being asked increasingly by banks and other financial institutions for environmental information and our environmental credentials.



Above: On their way, the bottles are ready for dispatch to worldwide destinations



Hans Rosentoft:

ISO 14001 provides us with a systematic approach to managing the environmental management system. We aim to operate the same system at all plants, the Corporate Supply Chain provides the guidelines for the ISO 14001 system in relation to its interpretation and implementation. This ensures that the data we collect from the different plants can be used in collating the information for the annual report.

Q How does Carlsberg Breweries communicate its environmental credentials to stakeholders and customers?

A Hans Rosentoft:

We do this in a number of ways. We include environmental information in the annual report, we provide a more detailed environmental report on our web site, which is updated every two years, and we provide information to our suppliers. We also issue a yearly internal environmental report; this benchmarks the progress of the different companies and enables them to compare progress with other plants.

Q How is the environmental management system structured and implemented at the company's plants?

A Hans Rosentoft:

We operate a centralised system and the guidelines for this are produced by the Corporate Supply Chain. The decision to implement ISO 14001 at all Group companies was made by top management and communicated to the relevant companies. Corporate Supply Chain set up meetings with key environmental and quality representatives in the companies to help identify the important issues for Carlsberg Breweries. We also involved LRQA in a number of these meetings. The meetings enabled us to produce the guidelines for the system that are used at each plant. Training courses were an important part of the process. With the help of LRQA we produced courses to train internal auditors from the Group companies. This provided us with a nucleus of employees who can carry out training of others.

Q What benefits does the certified environmental management system bring to Carlsberg Breweries?

A Annette Lillie:

It gives us a systematic approach to managing our system. It also provides us with a visibility to interested parties.

Hans Rosentoft:

It ensures that we stay focused on environmental issues. We have also identified financial benefits in relation to a reduction in waste and consumption. At one of the UK plants, cost savings of £700,000 in relation to waste management were achieved in one year.

Q How do you ensure that top management are aware of the progress Carlsberg Breweries is making in relation to management systems?

A Hans Rosentoft:

LRQA has established an effective reporting system which provides us with an overview of the current status. The Key Account Lead Assessor, Jette Hansen, produces a quarterly report that provides the status of all the certification activities. This includes details of non-conformances at any of the plants. This enables us to follow up at a top level.

Erik Juul Rasmussen:

This report is presented to the Quality Council, which is responsible for quality and environmental activities. The Quality Council has a representative from the Board of Directors and meets five times a year. At each meeting there is an agenda item for environmental status and the certification programme. This enables the Quality Council to supervise what is happening and to be aware of and monitor any problems.

Fact | box

Carlsberg Breweries

- Established in Denmark in 1847 and is now one of the leading brewing groups in the world
- Produces 7.9 billion litres of beer per year, equivalent to about 65 million 33cl bottles a day
- Sells beer in more than 140 markets
- Employs nearly 30,000 people
- Brews in 90 locations in 45 countries
- Achieves over 94 per cent of beer sales outside Denmark
- A strong portfolio of global, regional and national beer brands, including Tuborg in western and eastern Europe, Baltika in Russia, Pripps in Sweden, Tetley's in the UK, Super Bock in Portugal and Hite in Korea.



Q Continual improvement is an important aspect of ISO 14001, how does Carlsberg Breweries ensure this is achieved?

A Hans Rosentoft:
Carlsberg Breweries is committed to reducing its impact on the environment and to optimise the consumption of natural resources. We aim to reduce our resource consumption (mainly water, electricity and heat energy) and reduce the discharge of carbon dioxide and waste water. Companies are required to provide information relating to the consumption of water, electricity and heat energy and targets are set for the coming year. Through this system we can measure and monitor the progress at each plant and for the Group. Each plant may also set its own local targets relating to continual improvement and these will also be audited by LRQA.

Q Why did you select LRQA as the certification body for this work?

A Erik Juul Rasmussen:
We considered a number of companies. What was important for us was to ensure that the certification body could conduct assessments in all parts of the world, including the more outlying areas of our organisation. We wanted to be sure that the certification body had representation for all plants. We also wanted to make sure that there was a consistency in the assessment process and that the progress report that we receive is structured in the same way. We found that LRQA could meet these requirements.

Q What future plans does Carlsberg Breweries have in relation to management systems?

A Erik Juul Rasmussen:
We are working towards a common management system in our business models. And we plan to have an increasingly centralised structure for management systems with the Corporate Supply Chain providing the guidance for the systems. Through the systems we will pinpoint areas where there are problems and our role will be to help to rectify the difficulties.

Our plan in relation to the environmental management system is to have a single system for all companies for ISO 14001 and for this to

be assessed by a single certification body. We are also looking at our quality management systems; this is a smaller task as more companies have already achieved ISO 9001:2000 and nearly all should have achieved the standard by the end of this year.

We want to investigate LRQA conducting a single assessment for both systems. We have made a plan for the implementation of the systems; we plan to complete implementation of the environmental management system this year. Then we aim to introduce a combined system by the end of 2006.

Hans Rosentoft:

LRQA is developing a course to train auditors for ISO 9001 and 14001 and we are planning for our auditors to do this course so that they can audit both areas.

Q Corporate social responsibility is becoming increasingly important to organisations; do you have any plans to verify this activity?

A Annette Lillie:
Carlsberg Breweries has contacts with many consumers, customers, employees and other stakeholders and we are conscious of our responsibility to operate in a responsible manner based on sound business ethics. We have introduced a Code of Responsible Management. The implementation of this has started and we are also conducting compliance auditing.

We also issue guidelines to suppliers which act as a set of shared principles wherever we do business. Wherever we operate we want to ensure that we act responsibly and in an ethically and environmentally sound way which is in accordance with ethical, legal and other internationally recognised standards.

This is a new and developing area and defining what to audit and how to measure your effectiveness is very complex. We want to be able to prove what we have done and ensure that the data is accurate. Verification of such data by a third party provides increased credibility. However, developing such a system will be a challenge for us and LRQA but we would like to work together to find the best approach for Carlsberg Breweries.

