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Carlsberg to Invest $32M in Green Projects

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Carlsberg Group, the nation's largest beer producer with its Baltika brand, plans to invest a billion rubles ($32 million) in environmental protection and conservation in Russia over the next five years.

The Denmark-based holding aims to cut back its natural-resource consumption and greenhouse-gas emissions with a raft of programs dealing with agriculture, water and climate change, Baltika chief Isaac Sheps said Tuesday.

"Primarily, projects will be realized in the company's Russian factories," Sheps, who is also Carlsberg's vice president of Eastern European operations, told reporters in St. Petersburg.

For implementation of the projects, the firm signed a partnership agreement with the United Nations Industry and Development Organization, or UNIDO. Danish Crown Princess Mary,

who was on an official visit to the northern capital, attended the signing.

UNIDO's Russia director, Sergei Korotkov, said his agency would provide "technical assistance in the application of high environmental standards," Interfax reported.

Sheps said his firm would publish an implementation plan next year and would finish initial projects in 2014.

The firm hailed the memorandum of understanding as the first "public-private partnership" of its kind in Russia. But details of the deal remain hazy.

When contacted by The Moscow Times, the brewery would not elaborate on the plans, saying only general "areas," not specific projects, had been announced.

When asked for clarification about the division of roles between the two parties, the firm said only that "UNIDO can help Baltika Breweries access, generate and further disseminate industry-related knowledge."

"The memorandum of understanding is the institutional framework that allows for a close cooperation between Baltika Breweries/Carlsberg Group and the United Nations Industrial Development Organization to unfold," the firm said in response to e-mailed questions.

"The MOU focuses on the development of joint projects in the Russian Federation, which will ultimately lead to wider environmental benefits," the firm added.

Carlsberg-Baltika follows the lead of several large beverage companies seeking to boost their image in Russia with environmental corporate-responsibility programs.

Coca-Cola said in April that it had raised $2 million for World Wildlife Fund Arctic conservation programs since the firm began its Arctic Home campaign last year.

In 2010, beverage producer Wimm-Bill-Dann, part of PepsiCo, began a tree-planting program while promoting its Russian Springs mineral water.

Carlsberg Group is in the process of buying out minority shareholders to take 100 percent ownership of Baltika. It raised its stake from 85 percent to 97 percent in September, the Financial Times reported.

Baltika, whose product portfolio includes the beers Carlsberg and Tuborg, owns 11 breweries in nine regions of Russia.

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