

The socio-economic impact of United Breweries Ltd. in Karnataka

Final report FY24-25

Table of contents

1. Executive summary

2. Introduction

3. Macroeconomic context

4. UBL's operations

5. Economic impacts

6. Community initiatives

7. Conclusion

8. Appendices

Executive summary

Executive summary (1/2)

Rationale

The economic impact of UBL extends beyond its manufacturing plants and offices, supporting value across its entire value chain. By sourcing from local suppliers, UBL drives upstream economic impact, while their distribution network and selling partners enables downstream benefits, making UBL a major economic player across multiple economic sectors in India. UBL commissioned this socio-economic impact assessment to understand the magnitude of these effects across India.

Scope

This study quantifies the economic impact of UBL in FY2024-25 across its entire value chain in India, including the impact of contracted brewing units (CBUs). Through input-output modelling, the study estimates how the operations of UBL contribute to local GDP (value added) and support employment. This report focusses on the impacts in Karnataka.

How economic impacts are estimated

When a consumer buys a bottle of UBL beer in an outlet, part of what is spent is taxes for the state government, a part is a trade margin for the outlet, and finally a part of revenues ends up with UBL. In order to produce its beverages, UBL must procure goods and services from its suppliers. All these actors in the value chain pay salaries and taxes, invest, make earnings, and support employment along the way. The economic model in this study traces money that ends up both at UBL as well as upstream and downstream, to estimate the value added and employment impacts related to the sales of UBL's beverages. This report narrows down on the value chain impacts in Karnataka.

UBL's impact drivers

The economic impact of UBL in Karnataka is driven by its procurement from its suppliers, its own activities, and trade margins that take place in the state:

- Local procurement: ₹300 crore
- Earnings, salaries and taxes (excluding excise) paid directly by UBL: ₹400 crore
- Trade margins: ₹1,200 crore
- Excise, VAT & other levies: ₹2,800 crore

Executive summary (2/2)

Impact on Karnataka's economy in FY2024-25

The total estimated socio-economic impact of UBL in Karnataka in FY2024-25 is:

- Value added: ₹4,500 crore (equivalent to 0.2% of state GDP)
- Employment: 36,400 employment opportunities (equivalent to 0.1% of state employment)

Value added / GDP contribution

The total economic impact is ₹4,500 crore and is split across UBL's value chain as follows:

- Direct value added at UBL (excluding excise): ₹400 crore
- Upstream value added supported: ₹300 crore
- Downstream value added supported (excluding excise): ₹1,000 crore
- Excise, VAT and other levies paid: ₹2,800 crore

Employment

The total employment impact is 36,400, and is split across UBL's value chain as follows:

- Upstream jobs supported: 3,300
- Direct jobs at UBL: 1,453
- Downstream jobs supported: 31,600

UBL in India

UBL is deeply integrated in the Indian economy

UBL has been part of India's consumer landscape for generations. From its early roots in Indian brewing to becoming the country's most recognised beer company, UBL has built a deep connection with millions of consumers, anchored by its flagship brand, Kingfisher.

Today, UBL operates as India's leading brewer, backed by majority shareholder Heineken N.V. Headquartered in Bangalore, the company maintains a pan-India presence through breweries and partners across multiple states. This footprint allows UBL to stay close to consumers, navigate diverse state regulations, and maintain consistent product quality nationwide.

UBL's portfolio spans mainstream, premium, and international offerings, from Kingfisher Premium and Kingfisher Strong to Kingfisher Ultra and globally recognised brands brewed or marketed in

India. The company is also responding to changing consumer preferences through innovations such as lighter, premium, and non-alcoholic variants.

In Karnataka, in FY2024-25, UBL sold over 21 million cases. This reflects not only UBL's scale and reach in the state but also its substantial contribution to state excise revenues, household incomes, and employment.

Beyond its commercial footprint, UBL invests in numerous CSR initiatives such as responsible drinking, water conservation, and community initiatives around its brewery locations, reinforcing its role as a long-term partner to local communities.



Key findings - Karnataka

Operations



21 mln cases

of UBL beverages sold in Karnataka



₹300 crore

worth of goods and services purchased from suppliers in Karnataka

Value added



₹4,500 crore

value added supported in the economy across the value chain



₹3,100 crore

supported in tax payments across the value chain, including sales tax payments

Employment



1,453

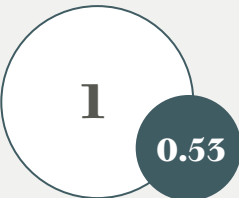
776 UBL employees;
677 contract workers



34,900

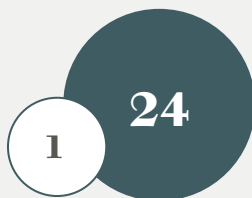
additional indirect employment opportunities across the value chain

Tax contribution



For every ₹1 consumers spend on UBL beverages, approximately ₹0.53 accrues to the state government in taxes

Employment multipliers



For every 1 person employed at UBL, an estimated 24 additional employment opportunities are supported across India's economy

Macro-economic contribution

0.2%

of state GDP

1.7%

of total state tax revenues

Introduction



The socio-economic impact study

This study captures the direct and indirect impacts supported by UBL across its value chain in Karnataka in FY2024-2025

United Breweries Limited (UBL) commissioned this assessment to understand its socio-economic footprint in Karnataka. The state, and Bengaluru in particular, widely regarded as India's beer capital, hosts both UBL's headquarters and a strong microbrewery culture, reinforcing the sector's relevance within the local economy. The analysis focuses on UBL's contribution to value added (wages, taxes and earnings) generated across the state through its operations and value chain, capturing both direct and indirect effects.

The assessment applies an input-output methodology to capture interlinkages between sectors and estimate how spending by UBL and its

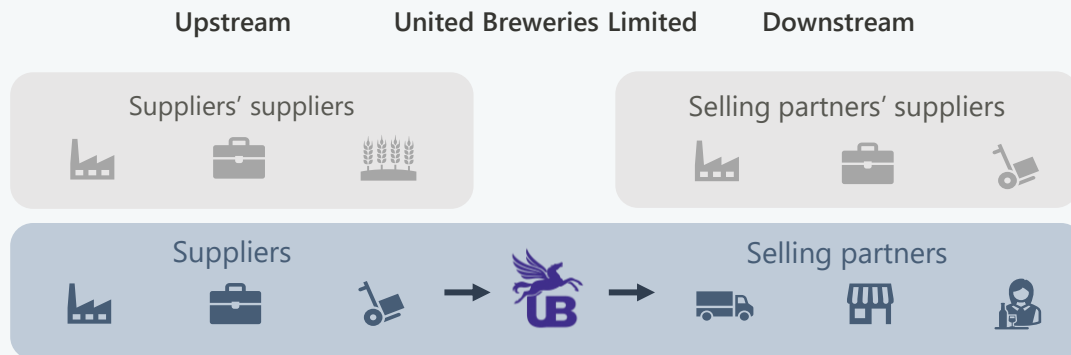
value chain partners translates into wider economic value. Developed by Nobel Prize-winning economist Wassily Leontief, this approach is widely used by economists and is well suited for analyzing large, multi-sector value chains such as that of UBL.

The scope of this study covers UBL's economic impact in Karnataka for FY2024-2025. While the analysis provides a robust estimate of UBL's contribution to economic value added, it is not exhaustive. In particular, the study does not quantify UBL's social or environmental impacts, which fall outside the scope of this assessment.

UBL supports impacts across its full value chain...

Scope of the study

Simplified representation of UBL's value chain in Karnataka and impacts measured



Impacts



Value added

Sum of taxes, salaries, earnings.
Comparable to GDP



Employment

Jobs supported throughout the
value chain

What the study measures

This study looks at how UBL contributes to Karnataka's economy through its own operations, but also through the wider network of companies and people it works with along its value chain.

It captures direct impact, defined as the economic activity created by UBL's own operations in Karnataka. This includes:

- Jobs at UBL
- Salaries paid to its employees in Karnataka
- Taxes paid by UBL's entities in Karnataka
- Profits earned by UBL's entities in Karnataka

Furthermore, it captures the indirect impacts stemming from the economic activity supported upstream at companies that supply

goods and services to UBL, such as ingredient suppliers, packaging manufacturers, logistics companies, business service vendors. It also includes downstream partners such as small retailers, restaurants, and hotels that sell UBL's products.

The results are expressed using two main indicators:

- Value added – contribution to GDP, covering salaries, taxes, and earnings generated in Karnataka
- Employment – the number of jobs supported across the value chain

Together, these measures show how UBL's presence supports jobs and economic activity throughout Karnataka's economy.

... by stimulating economic activity among its value chain partners



Upstream impact

Buying locally

When United Breweries Limited buys from a supplier in Karnataka, that transaction sets off a chain of economic activity. The supplier receives revenue, which it uses to pay wages, remit taxes, and generate earnings – value added and employment that would not exist without UBL's procurement.

But the chain doesn't stop there. To fulfil UBL's orders, that supplier must buy inputs of its own – raw materials, packaging, services, logistics. Those purchases generate wages, taxes, and earnings at the next tier of the supply chain. And so on, up the chain.

The result: every rupee UBL spends on a supplier in Karnataka supports upstream impacts, which extend well beyond UBL's direct suppliers.



Direct impact

Operating locally

UBL's local operations in Karnataka support impacts by employing staff, paying wages, and remitting taxes directly to the state government. These are the immediate, direct contributions of the business to Karnataka's economy.

The larger UBL's operations, the greater that direct contribution.



Downstream impact

Selling locally

When UBL beverages are sold through a supermarket, restaurant, or bar, that transaction generates margins for these sales partners. They can then pay wages, remit taxes, and earn profit: value added that is supported by UBL's sales activity.

Again, the chain doesn't stop there. To sell UBL beverages, partners must buy inputs of their own: refrigeration, electricity, packaging, and other operational goods and services. Those purchases enable wages, taxes, and earnings at the next tier of the supply chain. And so on, down the chain.

The result: every product UBL sells through a partner in Karnataka supports downstream impact, which extends well beyond the selling partners themselves.

Impacts are estimated by tracing UBL's money flows

To assess UBL's economic effects in India, the study tracks how consumer spending on UBL products moves through the economy. When consumers buy a UBL beer in restaurants, bars, or retail outlets, part of their spending becomes margins that support taxes, wages, earnings, and jobs at these establishments. Another share flows to UBL and its partner breweries as revenue, which is then spent on brewing, packaging, distribution, and marketing.

This spending reaches domestic suppliers such as barley farmers, packaging producers, logistics companies, utilities, and business-service providers. Their activity in turn supports more taxes, wages, earnings, and employment across India. By following these flows, the study quantifies UBL's economic footprint.

The analysis uses an input–output modelling approach, a widely accepted method developed by economist Wassily Leontief. It shows how one sector's output becomes another's input. For example, barley into brewing, or fertilizers, energy, and transport into agriculture.

Using data from the World Bank, ILO, GTAP, and official Indian statistics, the model incorporates UBL's financial, sales and procurement data to estimate how far UBL-related spending travels through the economy and how much value added and employment it supports.

These impacts are presented in gross terms, meaning the analysis does not estimate what economic activity might have occurred without UBL. Therefore, the report refers to indirect impacts as “supported” rather than “created.”



Macroeconomic context

Macroeconomic context - Karnataka

As the undisputed technology capital of India, Karnataka has a dominant position in India's economic landscape. It is home to Bengaluru, the Silicon Valley of India. The state is thus the nerve centre of India's IT and software exports, hosting global tech giants, thousands of startups, and a world-class talent ecosystem. The IT sector alone accounts for a substantial share of India's total software export revenue, making Karnataka indispensable to the national economy.

Beyond technology, Karnataka's economy is impressively diverse. The state is a major centre for aerospace, machine tools and defence manufacturing. The state also has an important presence in the biotechnology and pharmaceuticals

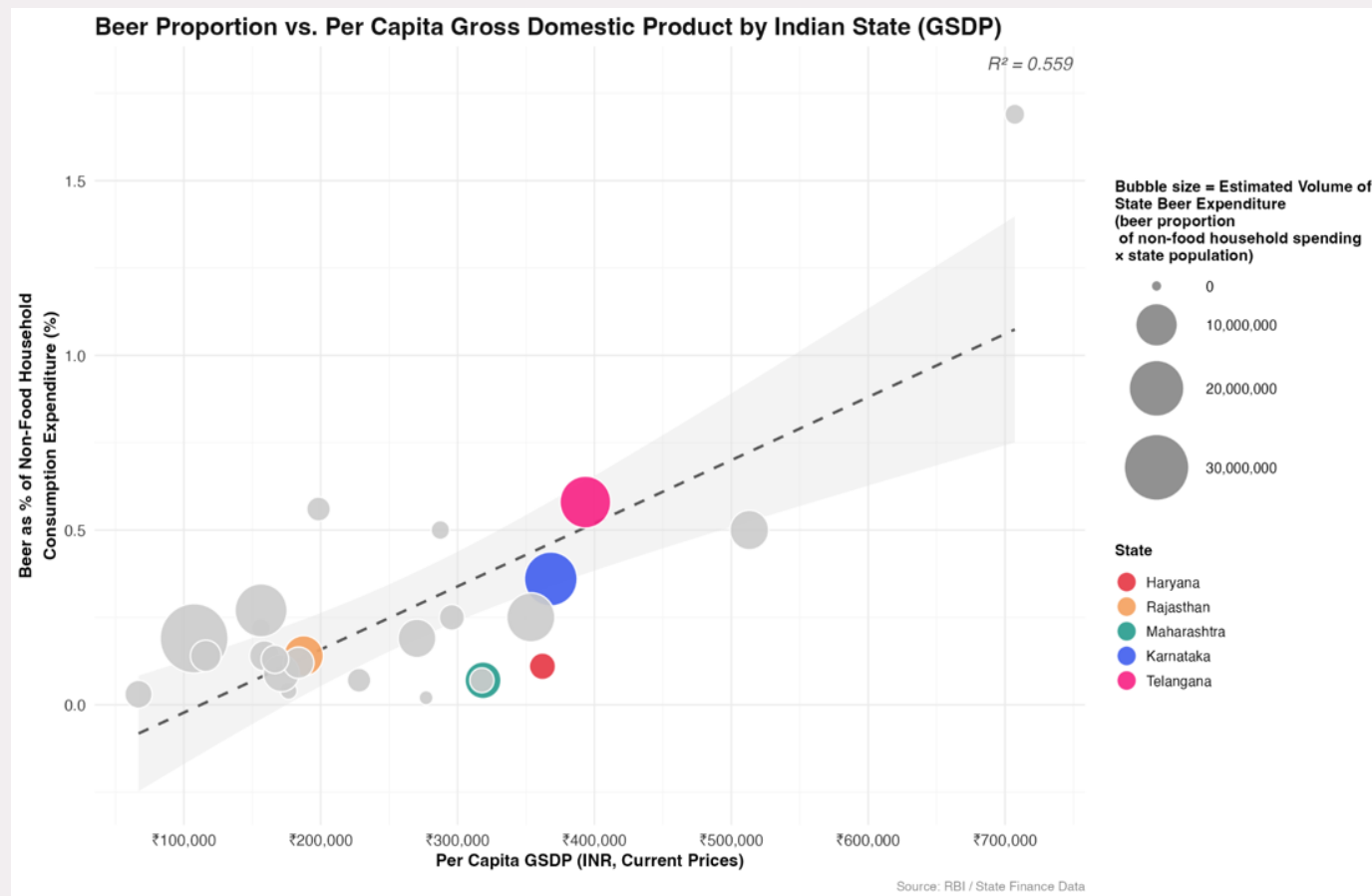
map of the country, supported by a concentration of research institutions and life sciences companies. Economic growth has been close to the double-digit mark in recent years.

On the farm front, Karnataka is a leading producer of coffee, silk, sandalwood, and spices. All these are products with strong global demand. The state also has a robust textile industry, particularly in cities like Hubli-Dharwad and Belagavi.

Metric	Value
Population - 2011	6.11 crore
Population - 2024 (projected)	6.79 crore
GSDP (₹ crore)	₹25.01 lakh crore
GSDP (US\$ billion)	US\$277.86 billion
Per Capita Income (at current prices ₹)	₹3,80,906
Per Capita Income (US\$)	US\$4,232
Agriculture Share in GSDP	11.7%
Industry Share in GSDP	20.2%
Services Share in GSDP	68.1%
Fiscal Deficit as % of GSDP	3.0%
Public Debt as % of GSDP	25.4%
State Excise Collections	₹35,784 crore
Excise as % of Own Tax Revenue (OTR)	20.17%
Excise as % of Total Receipts	9.89%
Liquor Production as % of State Factory Production	0.70%
Share in Total National Liquor Production	7.56%

A contribution from Artha Global

Stability and rising incomes are shifting consumption toward beer and other discretionary categories



India's consumer transition is underpinned by strong economic growth combined with macroeconomic stability. GDP growth has averaged 6.8% since 2006, accelerating to 7.8% in the five years since the pandemic, without triggering high inflation. This has created a stable environment for consumer-oriented manufacturing and distribution.

Rising incomes are already reshaping household spending patterns:

- Analysis of household survey data suggests that spending on beer and foreign liquor rises with higher per capita incomes, indicating movement towards more premium alcoholic beverages
- Spending has shifted towards processed foods, entertainment and eating out

These factors will shape the pace and sustainability of demand growth in beer and other discretionary categories.

Linking Karnataka's macroeconomic context to UBL's economic impact study

Through Karnataka's growth trajectory, UBL not only fuels rising demand but also contributes to broader economic and fiscal outcomes

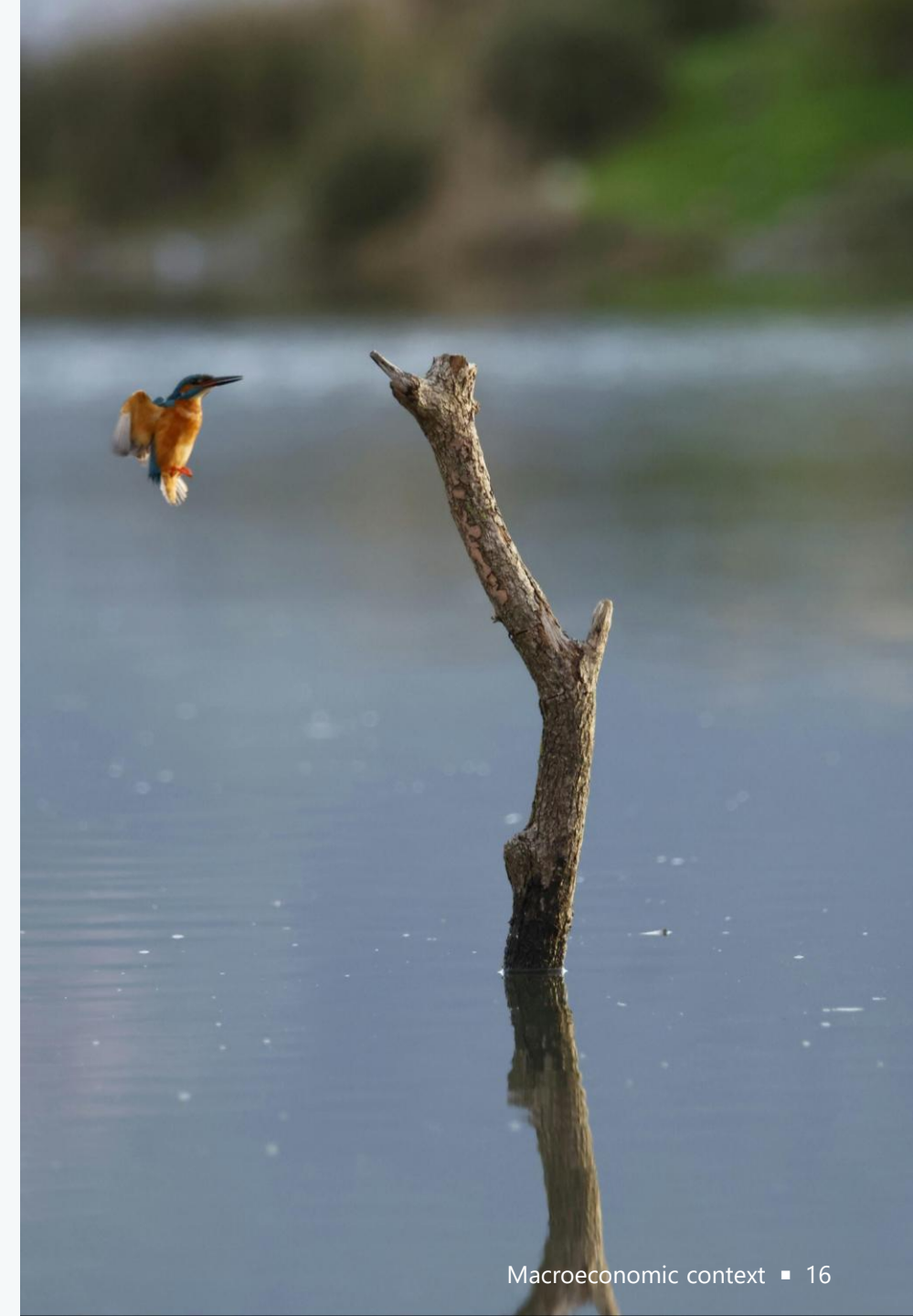
Karnataka's growth, driven by its position as India's technology capital, an expanding urban middle class, and rising discretionary consumption, creates strong trickle-down effects. These are shaped by the state's services-led structure, with Bengaluru as a key hub for technology, finance, and innovation, alongside established manufacturing and agricultural production.

The beer industry sits at the intersection of these dynamics. Beyond responding to rising demand, particularly in urban centres, it forms part of Karnataka's broader economic base, with linkages to packaging, logistics, retail, hospitality, and agricultural supply chains. Through these, the industry supports employment, supplier ecosystems, and

ongoing formalisation of economic activity.

At the same time, alcoholic beverages remain a significant source of government revenue in Karnataka, with excise duties contributing materially to state finances. This positions the industry not only as a consumption-facing sector, but also as an important component of fiscal capacity in a consumption-led growth model, with spillover effects on welfare schemes.

Against this backdrop, the following sections assess UBL's role in Karnataka's evolving beer market, focusing on how its operations translate into value added, employment, supply-chain linkages, tourism spillovers, and contributions to public revenues.

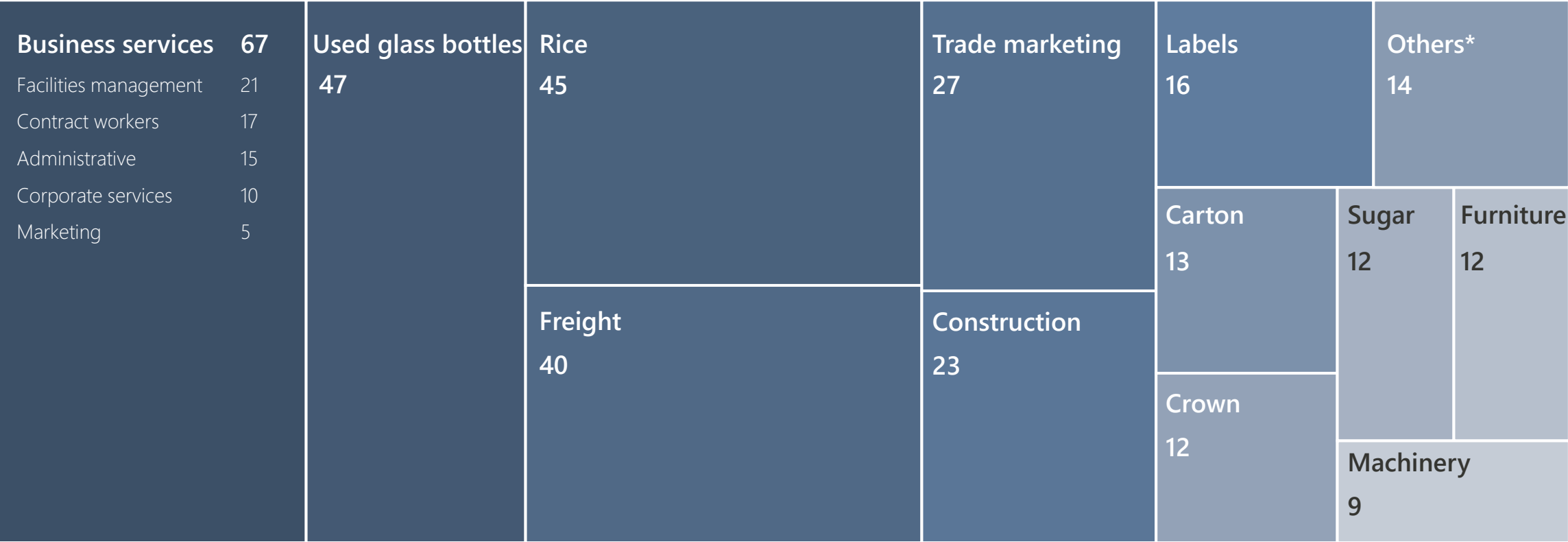


UBL's operations

In FY 24-25, UBL spent ₹300 crore on suppliers in Karnataka, equal to 5% of total domestic procurement

UBL’s spending in Karnataka is primarily directed towards business services and manufacturing, reflecting its Bengaluru-based headquarters and strong linkages with the state’s industrial ecosystem, and contributing significantly to regional value added

Breakdown of procurement spent (excluding GST of ₹187 crore) on suppliers in Karnataka in ₹crore



UBL sold 21 million cases of UBL beverages in Karnataka, equal to 11% of total sales in India

62% of cases are sold through the off-trade channel ...

Breakdown of sales volumes by sales channel
Share (%) of cases sold



... however, sales through the on-trade channel yield slightly higher margins, therefore driving higher downstream impacts per cases sold

Breakdown of sales partners' margins by sales channel
Share (%) of sales partners' margins



Economic impact

UBL supports ₹4,500 crore in value added across Karnataka's economy, with taxes accounting for the largest share

UBL directly generated ₹3,010 crore in value added in Karnataka. This total is dominated by excise duties, VAT, and other levies amounting to ₹2,620 crore, reflecting the heavily taxed nature of beer production. The remaining value added comprises ₹270 crore in other taxes (including income tax, corporate tax and GST), ₹50 crore in earnings accruing to UBL's domestic shareholders, excluding earnings accruing to foreign shareholders, and ₹70 crore in salaries paid to UBL employees.

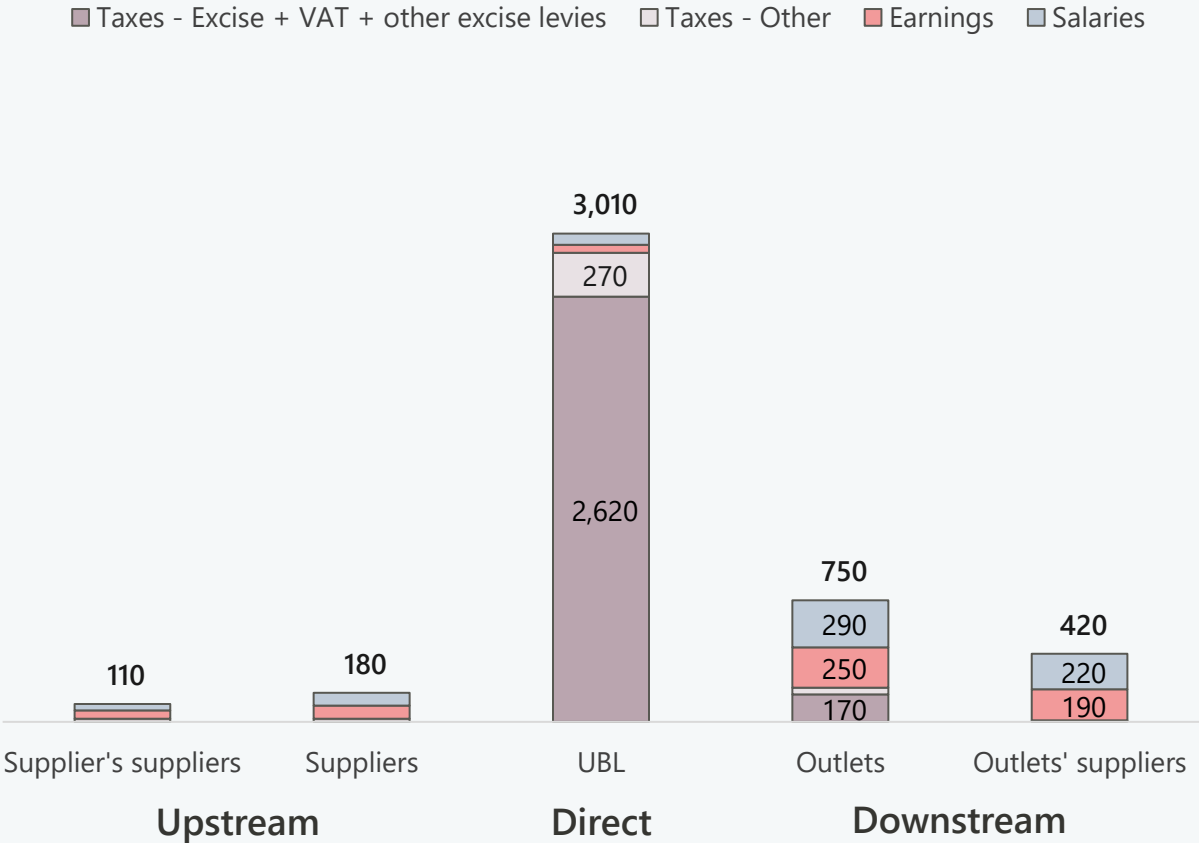
Upstream, UBL's procurement activities support ₹290 crore in value added, split between ₹180 crore generated by direct suppliers (such as producers of glass bottles, freight and business services) and ₹110 crore occurring at suppliers' suppliers (such as providers of raw materials and inputs to packaging and manufacturing). At the level of direct suppliers, value added consists primarily of ₹80 crore in salaries and ₹80 crore in earnings.

Downstream activities linked to the sale of UBL's beverages contribute ₹1,170 crore in value added across retail and on-trade outlets and their suppliers. The largest share, ₹750 crore at outlets, driven by ₹290 crore in salaries, alongside ₹250 crore in earnings, and ₹170 crore in excise, VAT and other levies embedded in consumer purchases. ₹420 crore generated at outlets' suppliers is more evenly split between ₹220 crore in salaries and ₹190 crore in earnings, with ₹10 crore in taxes.

Overall, the distribution of value added highlights UBL's dual role in Karnataka's economy: supporting labour incomes and business earnings across its supply chain, while simultaneously acting as a major platform for state tax collection through the production and sale of beer at scale.

These figures capture only the value added attributable to UBL and do not represent the total value added generated by its suppliers, distributors, or retail and on-trade outlets independently of UBL.

Value added by value chain link
₹ crore



Note: Karnataka's nominal GDP for FY2024-25 is estimated at approximately ₹28 lakh crore (Reserve Bank of India)
Subtotals may not sum to totals due to rounding

The government is the biggest beneficiary of UBL, receiving ₹ 3,100 crore in tax payments, accounting for 1.7% of state-level tax revenues

The total value added of ₹4,490 crore can also be broken down by beneficiary, illustrating how the economic benefits associated with UBL are distributed across government, businesses, and households throughout the value chain.

Tax payments supported by UBL across the value chain amount to ₹3,150 crore, representing the largest share of total value added. Of this, ₹270 crore is paid directly by UBL, while ₹2,790 crore corresponds to estimated excise, VAT and other levies on the sale of UBL beverages. UBL further supports ₹60 crore in tax payments generated by its suppliers, distributors, and retail outlets.

The remaining ₹20 crore in taxes is paid by suppliers of these companies, reflecting the successive rounds of economic activity created across the supply chain.

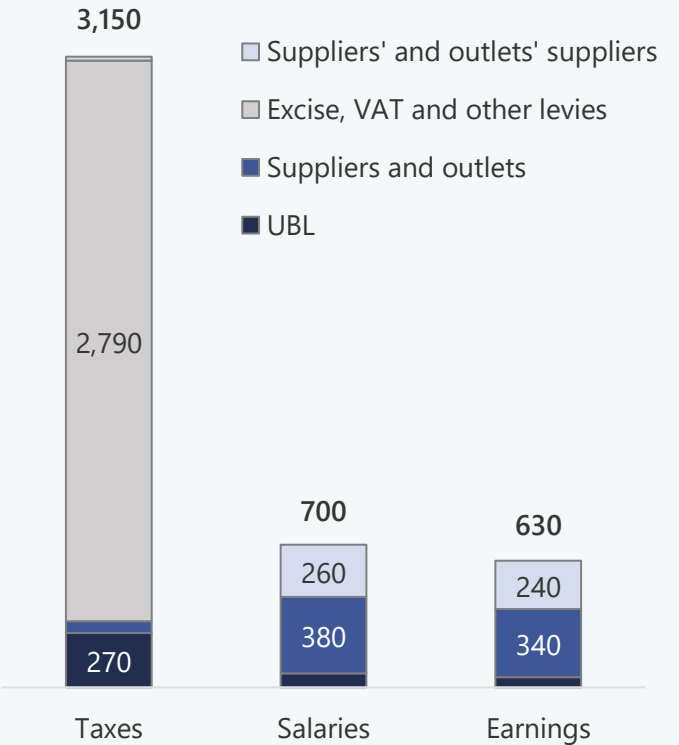
Overall, these tax impacts represent 1.7% of total tax revenues collected by the state government, underscoring the scale of UBL's contribution to public finances.

Households across the value chain benefited from ₹700 crore in labour income, making employees the second-largest beneficiary group. Of this, ₹70 crore was earned by UBL's own employees. Salaries include wages, bonuses, and other allowances paid directly to employees, reported net of taxes to avoid double counting within the analysis.

Companies across the value chain generated an estimated ₹630 crore in earnings linked to UBL. Of this total, approximately ₹340 crore accrues to suppliers and outlets, while their suppliers generate a further ₹240 crore in earnings. Earnings generated directly by UBL amount to approximately ₹50 crore and reflect only the share attributable to UBL's domestic (local) shareholding; earnings accruing to foreign shareholders are excluded.

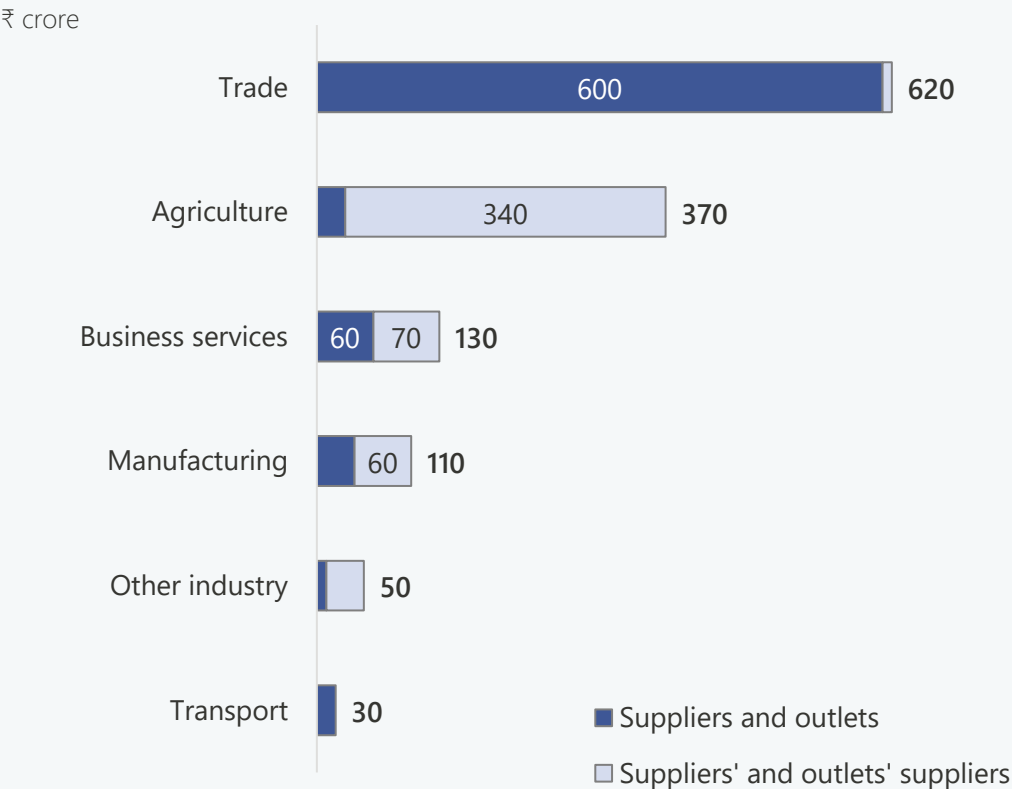
Value added by beneficiary

₹ crore



UBL mostly supports value added in the trade sector through the sale of beverages across Karnataka

Indirect value added of economic sectors, excluding UBL and excise, VAT and other excise levies



Trade

The trade sector was the primary beneficiary with ₹620 crore in value-added. Of this, ₹600 crore is mostly supported at the level of selling partners, such as restaurants, retail outlets and hotels.

UBL supports an additional ₹10 crore in the trade sector, at the level of suppliers' and selling partners' suppliers, for example, when UBL's suppliers procure office supplies from retailers.

Agriculture

In the agriculture sector UBL supports ₹370 crore value added, of which ₹30 crore at the level of UBL's direct suppliers of agricultural inputs such as rice and ₹340 crore at the level of suppliers' and selling partners' suppliers, these are, for example, farmers supported by the procurement of agri-goods by outlets or other value chain partners.

Business services

UBL supports ₹130 crore in the business services sector, of which ₹60 crore is through the direct procurement of marketing and similar services and ₹70 crore at suppliers' and selling partners' suppliers.

Manufacturing

The manufacturing sector accumulated ₹110 crore, with ₹40 crore coming from direct suppliers of goods like packaging materials. A further ₹60 crore is supported at suppliers' and outlets' suppliers, including producers of soda ash and aluminium used in packaging production.

Note: Figures show indirect value added of approximately ₹1,300 crore, broken down by sector. This excludes UBL's direct value added, excise duties, VAT and other levies. Subtotals may not sum to totals due to rounding.

UBL supports 36,400 jobs across Karnataka, representing 0.1% of total employment

UBL supports approximately 36,400 jobs across its value chain in Karnataka. This accounts for 12.3% of total jobs supported by UBL in India. This footprint illustrates how UBL's operations sustain employment not only within the company itself, but across a broad network of suppliers, distributors, and outlets throughout the economy.

Of these, 1,453 are directly employed by UBL. The remaining approximately 34,900 jobs are supported indirectly through upstream and downstream partners, reflecting the economic linkages created through procurement, distribution, and sales activities.

Around 3,300 jobs are supported upstream in the value chain, linked to the production of goods and services required for UBL's operations, including ingredients, packaging, manufacturing inputs, logistics, and business services. Of these, approximately 800 are supported at direct suppliers, while 2,500 are generated further along the supply chain as these suppliers source inputs from their own suppliers.

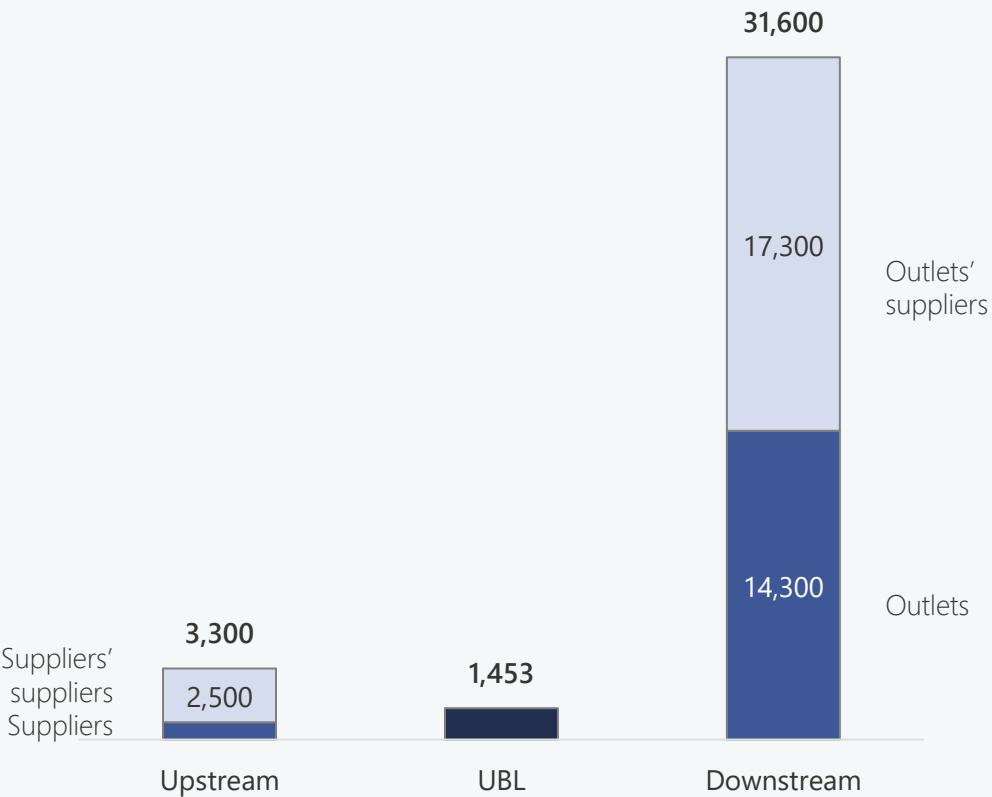
A further 31,600 jobs are supported downstream,

linked to the distribution, retail, and on-premise sale of UBL beverages across Karnataka. Of these, around 14,300 are supported at distributors and selling outlets such as supermarkets, restaurants, and pubs, while 17,300 are supported at the level of their suppliers.

These figures capture only the jobs attributable to economic activity generated by United Breweries Limited, not total employment at its suppliers, distributors, or partner outlets, and therefore represent a conservative estimate of its contribution to employment in Karnataka.

Employment by value chain link

Number of jobs



1 in every 700 employment opportunities in Karnataka is supported by UBL

Comparing direct versus indirect employment supported by United Breweries Limited in Karnataka illustrates the breadth of its workforce footprint across the value chain.

For every direct job within UBL, an additional 24 jobs are supported elsewhere in Karnataka's economy across UBL's value chain. Of these 24 indirect jobs, 2 are supported upstream through the procurement of goods and services, and 22 are supported downstream, linked to the distribution and sale of beverages.

India's labour market stands out for its mix of formal employment and a large number of small, informal businesses. This means the same level of economic activity can support more jobs where productivity is lower and work is organised through

smaller outlets. UBL's role as a formal employer is therefore an important starting point for estimating its wider impact. Jobs supported closest to UBL's own operations and core suppliers reflect more formal working conditions, while further along the supply chain and in retail, employment is more labour-intensive and supported through smaller outlets.

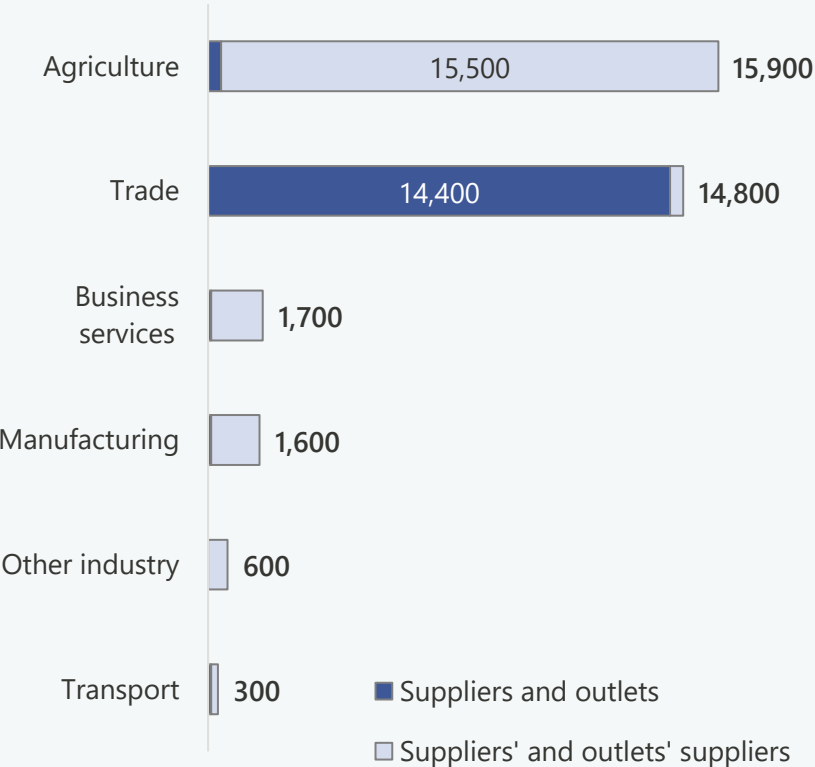
By tailoring our approach to India's still predominantly informal economic structure and to UBL's role as a formal employer, the employment estimates provide a realistic picture of how UBL supports employment across the country, from modern suppliers and organised distribution networks to the many small outlets that play a crucial role in bringing beer to consumers.



UBL mostly supports employment in agriculture and trade sectors across Karnataka

Indirect employment by economic sector

Number of jobs



Agriculture

UBL supports the most jobs in the agriculture sector, mostly due to the labour-intensive nature of this sector. Of the 15,900 jobs supported, 400 jobs are supported at the level of direct suppliers of agricultural inputs such as rice, reflecting UBL's sourcing relationships with farmers.

The remaining 15,500 jobs are supported further in the value chain, through procurement of agricultural inputs by UBL's suppliers and hotels, restaurants, and other outlets selling UBL's beverages..

Trade

In the trade sector, UBL supports 14,800 jobs, of which 14,400 jobs at the level of UBL's outlets and direct suppliers. This reflects the labour-intensive nature of retail and on-trade outlets selling UBL's products, such as bars, restaurants, cafés, and retail points of sale, where employment is closely tied to daily sales and service activities. A further 400 jobs are supported at the level of suppliers' and outlets' suppliers. Overall, this sector represents the most immediate and visible employment

linkage in UBL's value chain.

Business services

UBL supports 1,700 jobs in the business services sector, of which 100 jobs are supported through UBL's direct procurement of services such as legal, marketing and consulting.

Manufacturing

In the manufacturing sector, 1,600 jobs are supported, of which 100 are through UBL's direct procurement of manufactured goods.

Tourism's contribution to beer revenue and taxes in Karnataka

Karnataka's expanding tourism base is creating a structural uplift in beer consumption across the state. With sizeable domestic and international visitor inflows, anchored by Bengaluru as a major gateway city, demand is rising steadily across hotels, restaurants, and leisure venues.

Beer is particularly well-positioned given Karnataka's dominant on-trade ecosystem, where a large share of premium beer sales is driven by tourists and business travellers skewing toward experiential, less price-sensitive consumption.

Karnataka's growing stature as a technology and tourism hub fueling beer demand

- Consumption across Bengaluru's thriving on-trade and microbrewery scene skews toward experiential and premium purchasing, accelerating category premiumization
- Beer's outsized contribution to Karnataka's excise revenue means incremental tourist demand carries a disproportionate fiscal benefit for the state

What this means

Tourism acts as a meaningful demand driver for the beer category, supporting not only producer revenues but also generating substantial fiscal value. As Karnataka continues to scale its tourism ecosystem, this channel is likely to become an increasingly important contributor to both industry growth and public finances.

Tourism-driven beer revenue

- Domestic tourism makes up +90% of total tourism expenditure, whilst we assume foreign tourists to spend a higher share of their budget on beer
- ~1% of total net sales revenue (NSR) is estimated to be driven by tourist consumption
- Total tourism-attributable beer spending: **₹64 crore**, of which:
 - ₹34 crore is captured as government taxes
 - ₹15 crore accrues to UBL
 - ₹15 crore flows to downstream outlets (on- and off-trade outlets)

Community initiatives

UBL embeds community impact considerations into long-term value creation

UBL's approach to CSR and community impact is anchored in its "Brew a Better India" (BaBI) sustainability strategy, which aligns UBL's business priorities with long-term social and environmental outcomes. Guided by HEINEKEN's *Brew a Better World* framework and the UN Sustainable Development Goals, UBL embeds community impact directly into how it operates, invests, and grows.

CSR at UBL moves beyond compliance to focus on locally relevant, measurable impact in the communities surrounding its breweries and operations. Initiatives are designed around inclusive, need-based development, with particular emphasis on geographies facing water stress, livelihood vulnerability, and social risk.

Community impact is delivered through four integrated focus areas:

1. Environment (water stewardship, watershed restoration, circularity);
2. Women Empowerment (skills, livelihoods, and economic independence);
3. Addressing Harmful Use (responsible consumption and road safety); and
4. Community Development (access to safe drinking water and essential infrastructure).

These priorities reflect both India's sustainability challenges and UBL's material business impacts.

Overall, UBL's CSR strategy represents a shift from standalone philanthropy to a strategic value-creation model, where community resilience, environmental stewardship, and responsible business practices reinforce long-term business sustainability.



Project Jal Unnati Phase 2 - Karnataka

Activities

Safe drinking water infrastructure

Strengthened access to safe drinking water through RO plant upgrades, overhead tank renovation, and provision of water storage tanks

Water availability and groundwater

Improved water availability through borewells, hand pumps, open well renovation, recharge structures, and cattle water tanks

Community awareness and informed water use

Installed information boards to promote safe and informed water-use practices

Outcomes

Improved access to reliable water

Restored dependable, round-the-clock access to water for domestic and livestock needs, reducing dependence on intermittent piped supply

Enhanced water security and resilience

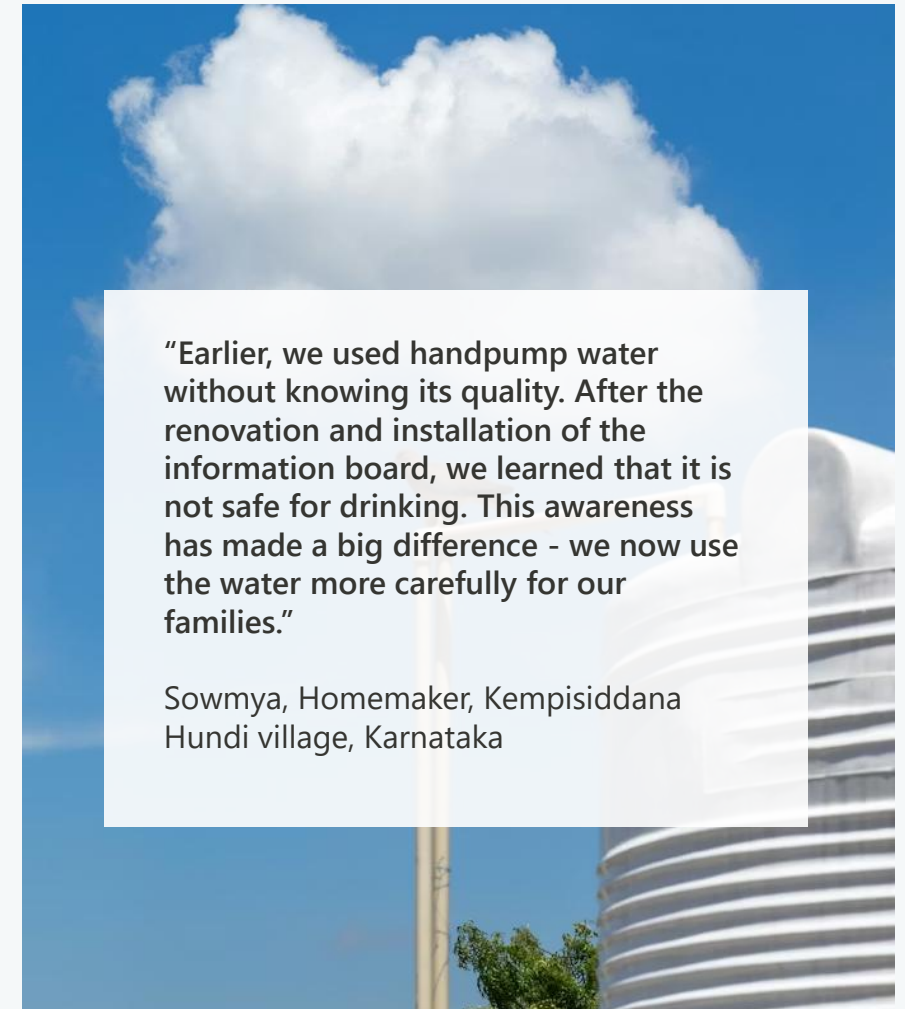
Strengthened household and community water security through revitalisation of existing infrastructure and recharge interventions

Informed and safer water use

Increased community awareness on water quality, enabling households to make safer decisions on drinking and domestic water use

Lives benefited

Improved water access and reliability for over 2,454 community members across seven villages in Mysore district



“Earlier, we used handpump water without knowing its quality. After the renovation and installation of the information board, we learned that it is not safe for drinking. This awareness has made a big difference - we now use the water more carefully for our families.”

Sowmya, Homemaker, Kempisiddana Hundi village, Karnataka

Conclusion

UBL as an economic platform in Karnataka

UBL plays a meaningful role in India's economy by anchoring formal production, enabling large-scale employment across value chains, and acting as a major platform for state tax revenues.

Through its nationwide brewing, its procurement and distribution network in Karnataka, UBL supports economic activity well beyond its own operations. For every job within the company, many more employment opportunities are supported across suppliers, distributors, and local outlets that collectively form the backbone of India's consumer economy.

₹4,500 crore

value added supported across Karnataka through its value chain

At the same time, UBL's value chain enables substantial and predictable tax collection for Karnataka's state government, particularly through excise, VAT and other levies, reinforcing the company's role not only as a market participant, but as part of the state's wider fiscal ecosystem.

Taken together, the results show that UBL's presence supports jobs, incomes, and public revenues at scale, aligning the company's growth with India's ongoing transition toward a more formal, consumption-driven economy.

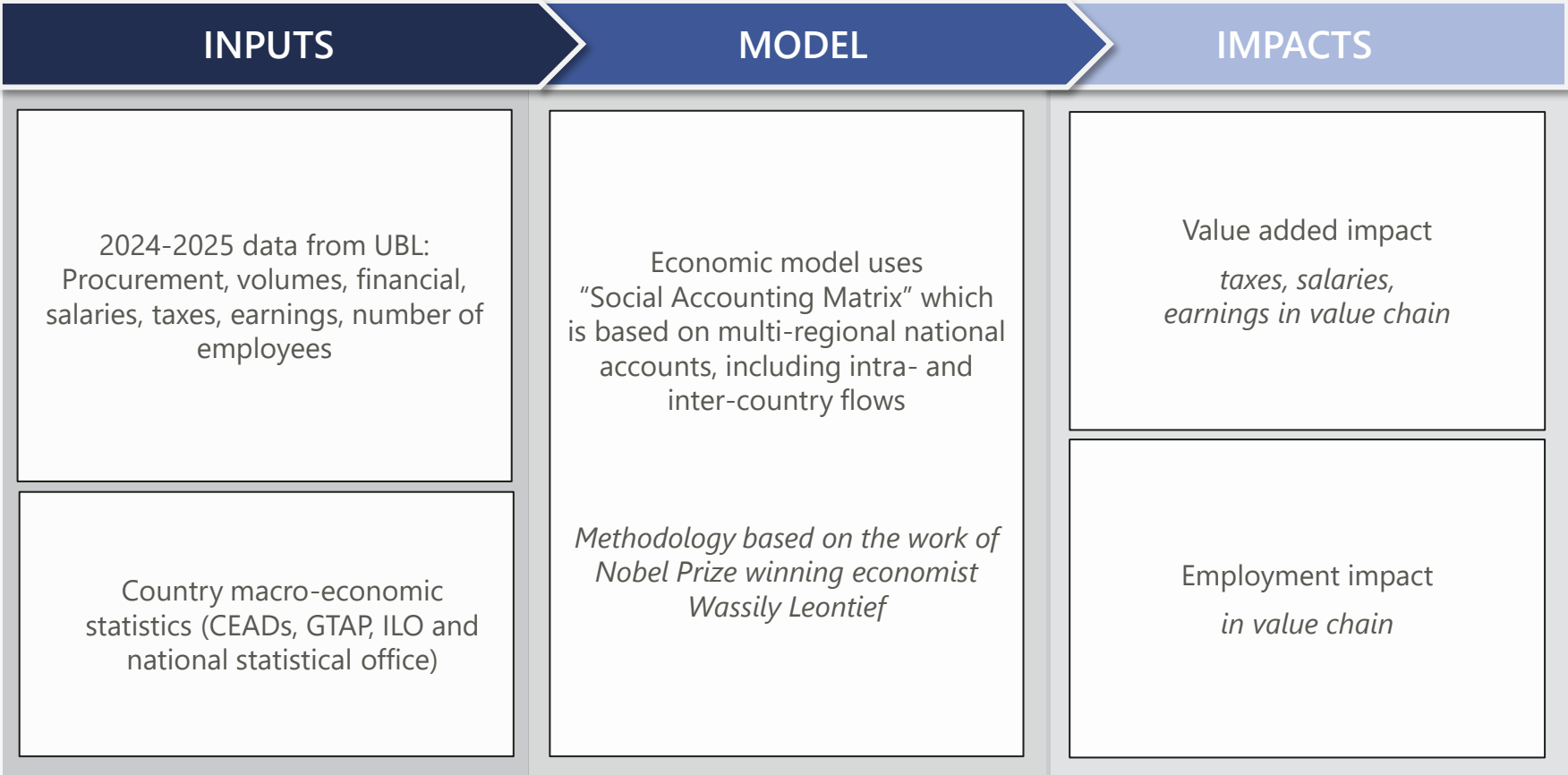
36,400 jobs

supported across UBL's full value chain in Karnataka



Appendix 1: Methodology

The model combines UBL’s financials and official statistical data to quantify impacts



Tourist-driven revenue & tax estimation

Step 1a Estimation framework

$$\text{Foreign tourist spending on UBL beverages} = FEE \times F\&B \text{ share}_F \times \text{Beverage portion}_F \times \text{Product fit}_F \times \text{UBL market share}$$

$$\text{Domestic tourist spending on UBL beverages} = DVS \times F\&B \text{ share}_D \times \text{Beverage portion}_D \times \text{Product fit}_D \times \text{UBL market share}$$

Step 1b Parameter tables

Foreign tourist parameters		
Parameter	Value	Rationale
Foreign Exchange Earnings (FEE)	₹6,798 cr	MoT Compendium 2025. BoP measure, treated as lower bound; may understate total in-country foreign spend.
F&B share of travel spend	14.5%	NCAER Tourism Satellite Account. Higher than domestic: foreign visitors dine out more in organised venues.
Beverage portion of F&B	28%	Foreign tourists in Karnataka show high beverage consumption due to Bengaluru's café, nightlife, and premium hospitality culture.
Beer product fit	40%	Beer has strong appeal among foreign visitors, supported by Bengaluru's pub, craft beer, and premium casual dining ecosystem.
UBL market share	46%	Based on our estimate of the beer market, assumes tourist beer spend mirrors the overall market share structure.

Domestic visitor parameters		
Parameter	Value	Rationale
Domestic Visitor Spending (DVS)	₹160,115 cr	Asian Hospitality / WTTC. Covers all domestic overnight and same-day visitor expenditure. MoT 2025 state share
F&B share of travel spend	9.2%	NCAER TSA. Lower than foreign, domestic travellers frequently stay with family, reducing paid F&B spend.
Beverage portion of F&B	18%	Domestic travelers remain relatively food-focused, though urban café and organized dining culture support healthy beverage spend.
Beer product fit	25%	Domestic beer demand is supported by Karnataka's urban drinking culture.
UBL market share	46%	Based on our estimate of the beer market, assumes tourist beer spend mirrors the overall market share structure.

Step 2 Consumer spend

Manufacturer realisation (NSR)

Net selling price received by UBL
Excludes excise, VAT and downstream margin

Government taxes

State excise + VAT/sales tax
~53% of consumer price; varies by state and channel

Downstream margin

Distributor, wholesaler and retailer/outlet margin
Residual of consumer spend after NSR and taxes

Appendix 2: Sector definitions and glossary

Sector classifications

Trade

Retail, wholesale, accommodation and food service companies, including hotels, restaurants and cafes

Business services

Companies providing services to companies, including marketing and advertisement, consultancy, legal, finance, insurance services

Other industry

Companies involved in energy industry – providing electricity and gas – in water supply, and in the mining industry

Agriculture

Companies involved in activities related to agriculture, forestry and fishing industries

Transport

Land, water and sea transportation companies, as well as any other company providing logistics services

Manufacturing

Companies involved in the manufacturing of goods, such as machinery and equipment, packaging, chemical products, vehicles, furniture, etc.

Public sector

Public sector entities, involved in public administration

Glossary

Socio-economic impact

The contribution of UBL's operations and value chain to the Indian economy, measured in terms of value added (GDP contribution) and employment supported

Scope of the study

Covers UBL's direct, upstream, and downstream economic impacts in India for FY2024–2025, including contracted brewing units (CBUs). Social and environmental impacts are out of scope.

Direct impact

Economic activity generated by UBL's own operations in India, including employees, wages, taxes paid in India, and earnings attributable to domestic shareholding.

Upstream impact

Economic activity supported at suppliers and suppliers' suppliers that provide goods and services to UBL (e.g. agriculture, packaging, logistics, utilities, business services).

Downstream impact

Economic activity supported through the sale of UBL products via distributors, retailers, and on-trade outlets (restaurants, bars, hotels), including trade margins, employment and taxes.

Value added (comparable to GDP)

The contribution to the economy measured as the sum of salaries (labour income), taxes, and earnings (profits) generated in India. Value added avoids double counting and is the standard measure used in national accounts.

Employment supported

The number of jobs associated with economic activity linked to UBL across its value chain. Figures represent the share of jobs attributable to UBL-related activity, not total employment at partner firms.

Input–output (IO) modelling

An economic modelling approach that traces how spending flows through the economy between sectors. Based on the framework developed by Wassily Leontief, it is widely used for large, multi-sector impact assessments.

Supported impacts

Impacts are presented in gross terms and therefore described as *supported* rather than *created*. The analysis does not estimate what economic activity would have occurred in the absence of UBL.

Taxes and levies

Include state excise duties, VAT/sales tax, and other indirect levies linked to the production and sale of beer, as well as other taxes such as income and corporate taxes where applicable.

Contract brewing units (CBUs)

Independent breweries that produce beer on behalf of UBL under contractual arrangements. Their production-related impacts are included in the analysis.

steward redqueen

Teerketelsteeg 1
1012 TB Amsterdam, the Netherlands
Tel: +31.(0)23.553.0400

www.stewardredqueen.com
info@stewardredqueen.com