

UAB ŠVYTURYS - UTENOS ALUS

Part of the Carlsberg Group

Social responsibility report



Company name:
Svyturys-Utenos Alus UAB

Country: Lithuania

Sector: Production of beer,
soft beverages and long drinks

Reporting period: 2010

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Rolandas Viršilas

CEO

Švyturys-Utenos Alus UAB

Švyturys-Utenos Alus UAB is presenting already its third social responsibility action report publicly and to the Global Compact organisation of the United Nations.

The social responsibility report has been drawn under the principles of the Global Compact that cover protection of human rights, improvement of employee relations, safeguarding of the environment and anti-corruption. We followed the guidelines set by Carlsberg and the corporate Carlsberg system for the presentation of corporate social responsibility data. The system covers all of the necessary information to enable comparison of results with other Carlsberg companies, share good information, experience and further promote social activity as well as utilise the possibilities with more efficiency.

I am glad that the company gives regular support to what we have best in the Lithuanian sports, arts and culture, and actively contributes to the welfare of Klaipėda and Utena municipal communities. Last year a significant support was given to Lithuanian men's basketball national team that brought bronze medals from the World Basketball Championship in Turkey, the basketball team *Lietuvos Rytas*, the club *Juventus* of Utena and the team *Neptūnas* of Klaipėda. It is already the eighth season that we gave support to the Lithuanian opera, we gave *Operos Švyturiai* awards to the best opera and ballet performers, we also support many big and small cultural and art projects.

A new guideline in our social responsibility policy is the environmental protection program the Land of Lakes. In this program we joined environmental initiatives the purpose of which is growth of the ecological production, consumers' and employees' education on environmental subjects and cleaning of the unique region – the land of one thousand lakes.

The data collected in the social responsibility report and our good practices stand to evidence that we are not only declaring but also performing a significant role in the field of social responsibility, that not only are we developing our business, but we are also transcending beyond the boundaries of commercial activity, adhering to the principles of business ethics and thus expressing our civil spirit.

The business philosophy of Švyturys–Utenos Alus UAB

The mission

To offer the people a possibility to enjoy best drinks.

The vision

To be the leader on the Lithuanian drinks market with the strongest brands representing Lithuania in the world with the maximum use of its distribution network and ensuring the highest level of corporate management. Švyturys–Utenos Alus is one step ahead when it comes to meeting consumer and client demands, using the advanced technology and launching innovations to the market. Švyturys–Utenos Alus is a sought-after employer and a most reliable business partner.



The values

- **Our customers and consumers are at the heart of every decision we make.**

We put ourselves in the shoes of our consumers and customers and have a detailed in-sight into their needs and preferences. We manage “to be in another’s shoes” not only by listening but also by keeping our ears open. We understand and perceive how personal behaviour helps to solve problems of both external and internal clients and how much added value it creates for the company.

- **Together we are stronger.** We respect and welcome differences in people, brands and culture across regions. We recognize that working closely together and actively sharing best practices is what it takes to grow and win. A perfect team is a team where everyone knows his role, place and professionally “plays his instrument”. It is like an orchestra where each musician is necessary in order that the piece sound perfect.

- **We are each empowered to make a difference.** We take ownership of challenges and problems, individually and in teams, and have the autonomy to deliver outstanding results. We do not let fear or failure overcome the desire to succeed. We understand the necessity to change, we challenge established standards, we remove barriers by changing ourselves and our environment.

- **We are engaged with society.** We are socially and environmentally responsible, we also feel responsible towards future generations as we want our grandchildren and great grandchildren to have something to enjoy. We believe it makes business sense to do so. We make a positive contribution to the societies in which we operate and the communities in which we live. We commit to those that are affected by our work.

- **We want to win.** We always strive for winning solutions and are willing to take bold steps to reach our goals. It takes daily fervour, discipline, persistence and inspiration by our colleagues to achieve the best results. We act fast and with determination, we never stop at what we achieve. We illustrate our desire to win with the words of Nelson Mandela: “after climbing a great hill, one only finds that there are many more hills to climb”.



About Švyturys–Utenos Alus UAB

The main shareholder of Švyturys–Utenos Alus UAB is the Danish company Carlsberg. The interest from one of the world's biggest beer-makers in the Lithuanian company has been spurred by the excellent financial performance and the popularity of the beer it produces. Carlsberg has shared its long-standing experience, upgraded the company, boosted its output, improved the skills of the employees and invested into quality improvements.

Brands produced:

- Beer Švyturio
- Beer Utenos
- Beer Blindos
- Beer Carlsberg
- Beer Tuborg
- Beer cocktails D-light
- Cider Kiss
- Long drinks Zip
- Drinking water Vichy Classique
- Soft drinks Vichy Vivafresh
- Drinking water Montavit
- Energy drink Battery (imported)
- Kvass Blindos Firminė (imported)

All of the above brands are well known across Lithuania and are gaining increasing recognition abroad. In 2010 the export of the company's products amounted to 19.1 million litres, i.e. 78.5% more than in 2009 (see Table 1). The export of own brands to foreign markets increased by 17%, up to 3.66 million litres.

Švyturys–Utenos Alus UAB export volumes

Year	Export of own brands (mil. l)	Total exports (mil. l)
2010	3,66	19,1
2009	3,2	10,7

Table 1

The company's operating results

In 2010, Švyturys–Utenos Alus UAB produced and sold 165.1 million litres of drinks, which is 3.13% less than in 2009 (see Table 2).

The sales by the company have been mostly affected by the decrease in the consumers' purchasing power in Lithuania last year.

Producing and selling not just beer, Švyturys–Utenos Alus UAB achieved good results in sale of soft drinks. The company sold 33.7 million litres of products produced and imported by others: drinking water, cider, alcohol cocktails, energy drinks and juices in the Lithuanian market in 2010.

Also, by use of efficient sales and logistics forces, Švyturys–Utenos Alus started distribution of a new product, namely juices, using the traditional sales channel in cafes and restaurants. 1.61 million litres of juices were sold during the reporting year.

Švyturys–Utenos Alus UAB products made and sold

Year	Drinks produced (mil. l)
2010	165,1
2009	170,3
2008	192,7

Table 2

Appreciations, awards:

Švyturys–Utenos Alus products were awarded even four gold medals in the annual awards "Lithuanian Product of the Year 2010" organised by the Lithuanian Confederation of Industrialists. In the category of beers and soft drinks, the highest awards were given to the beers Blindos Tradicinis, Švyturio Baltijos, Švyturio Baltas and Švyturio Ekstra. The main purpose of these awards is to popularise products of the country's industry both locally and internationally.

The beer Utenos Ice was recognised to be the best in its class and was awarded the gold medal "Europe's Best Ice Lager" in the World Beer Awards competition.

ŠVYTURYS-UTENOS
ALUS UAB SOCIAL
RESPONSIBILITY
POLICY



Švyturys–Utenos Alus UAB social responsibility policy

Corporate social responsibility consists of voluntary efforts of businesses to include social and environmental issues into their overall activities and relations with stakeholders. Social responsibility means that the organisation should be held liable for every act it performs to the extent it affects people, their communities and environment.

Following the responsible business principles of Carlsberg, Švyturys–Utenos Alus UAB conducts its business assuming responsibility towards the society, its employees, partners and other parties concerned, adheres to high standards pertaining to fairness, decency and safe working conditions. Švyturys–Utenos Alus UAB, a party to the Global Compact and member of the National Responsible Network of Companies, hereby presents its third Social Responsibility Report for the year 2010.

This report has been drawn on the basis of the 10 principles of the Global Compact (see

Table 3) as well as General Reporting and Carlsberg Group guidelines. Just like any other Carlsberg company, Švyturys–Utenos Alus UAB follows both the values and moral provisions adopted by the society and these principles, which guarantee the protection of human rights, employee relations, fair market and environment as well.

Švyturys–Utenos Alus UAB implements its social responsibility through focused corporate behaviour in five key areas (see Table 4):

- the market,
- the working environment,
- environmental protection,
- social relations,
- anti-corruption.

Ten principles of the Global Compact

Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights;
Principle 2:	Businesses should make sure they are not complicit in human rights abuses;
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4:	Businesses should uphold the elimination of all forms of forced and compulsory labour;
Principle 5:	Businesses should uphold the effective abolition of child labour;
Principle 6:	Businesses should uphold the elimination of discrimination in respect of employment and occupation;
Principle 7:	Businesses should support a precautionary approach to environmental challenges;
Principle 8:	Businesses should undertake initiatives to promote greater environmental responsibility;
Principle 9:	Businesses should encourage the development and diffusion of environmentally friendly technologies;
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.

[<http://www.unglobalcompact.org/aboutTheGC/TheTenPrinciples/index.html>] Table 3

Areas of responsible activities of Švyturys–Utenos Alus UAB

Švyturys–Utenos Alus UAB social responsibility policy on the market:	<ul style="list-style-type: none"> • Products and their quality • Consumer information • Responsible supply management
Švyturys–Utenos Alus UAB social responsibility policy in environmental protection:	<ul style="list-style-type: none"> • Preservation and safeguarding of the environment • Pollution reduction • Efficient use of energy • CO₂ emissions control and reduction • Implementation of environmental initiatives
Švyturys–Utenos Alus UAB social responsibility policy in the working environment:	<ul style="list-style-type: none"> • Equal opportunities for employees • Motivation of and incentives for employees • Training and professional advancement • Healthcare and job safety
Švyturys–Utenos Alus UAB social responsibility policy in social relations:	<ul style="list-style-type: none"> • Maintaining transparent relations • Support for and initiation of social, sports and cultural projects • Improving social relations
Švyturys–Utenos Alus UAB social responsibility policy in anti-corruption:	<ul style="list-style-type: none"> • Ensuring transparent procurement processes • Honest tax payment and payments to employees • Constant smooth cooperation with the State Tax Inspectorate • Economic relations with business partners, eliminating any opportunity for corruption

Table 4

Employee contribution in raising social responsibility in the company:

The whole team of Švyturys–Utenos Alus UAB makes its own contribution to developing social responsibility strategy and integrating it into the business plans of Švyturys–Utenos Alus UAB:

- Employees use the company's intranet to share their stories and examples of how they understand good social responsibility practices;
- Special elections take place every half a year to award the “gold hop” and the “silver hop” to a socially responsible employee;
- The company develops and promotes small-scale in-house initiatives, involving the whole of the staff: the sorting of waste,

Darom 2010, the staff voluntary ecological program the Land of Lakes, September 1st events, support for Save the Children campaign and Foster's Home for Children in Pabrade;

- There are projects that are aimed at saving natural resources (water, electricity, thermal energy).





Social
responsibility
on the market

Social responsibility on the market

The social responsibility activities of Švyturys–Utenos Alus UAB relating to the market and economic impact on the market first of all include things like the effects of products on consumers, ethical trade and transparency of competition. According to the Global Compact, social responsibility on the market is not covered by the ten principles. Yet Švyturys–Utenos Alus UAB seeks to abide by moral and ethical standards both in its dealings with the public and employees, and also in order to develop responsible marketing and competitive relations that are based on social responsibility.

Products and their quality:

Products and their quality are the main factors ensuring competitiveness of and trust in the company. Švyturys–Utenos Alus UAB has always aimed at supplying only good quality products, conforming to all relevant standards and requirements, both to corporate clients and consumers. The principal shareholder of Švyturys–Utenos Alus, the global beer concern Carlsberg makes consistent investments into products and the production processes, thus ensuring the quality of products.

Utenos Alus, the largest brewery in the Baltic States, stands out with the high quality of its products, which conforms to the requirements of the ISO 9001 standard. Enforcing compliance with the quality management system requirements is the responsibility of quality managers. The company is open for customers – in 2010 consumers could also track the suitability of products and report any violations using a toll-free quality hotline.

Consumer-related matters:

- Consumer information on the ingredients and quality of products on labels.
- Information on the possibility to report defective products by calling a toll-free quality hotline, which is given on every label.
- Consumer information about the company and its products on the Internet and via advertising. In 2010, responsible ads would be placed considering the Code of Honour of Lithuanian beer makers. Moreover, the National Board for Control of Tobacco and Alcohol would be consulted before putting ads into production.

Švyturys–Utenos Alus and other members of the Lithuanian Guild of Beer Makers, understanding the importance of education in reducing alcohol abuse, in 2010 carried out a social campaign “For self-expression of young people without alcohol 18+”. This business-initiated social campaign, that is with the largest budget in Lithuania (the gross value of advertising amounts to LTL 1.4 million), is one of the first and largest business self-regulation initiatives in the country.



Ričardas Berankis, the best Lithuanian tennis player and the 87th ranking world player, Martynas Gecevičius representing the Euroleague basketball club *Lietuvos Rytas*, that is 8th by the rate of its audience, and DJ Mamania, one of the best Lithuanian disc jockeys, became faces of the campaign. The organisers of the action address young people in the language they understand and accept, in modern style, the *underground* trends ruling.

The persons in TV clips, in ads placed in the press, on the Internet and in outdoor advertising, who are authority among young people, show by their own example that you can be original and interesting for yourself and your peers without alcohol.

The guild that joins five beer makers, including the largest beer maker in the country, i.e. Švyturys–Utenos Alus, during this campaign marked their products with special caps with the trade mark “18+”. This mark indicates that consumption of alcohol in the Republic of Lithuania is permitted only after you are 18 years old. During the action, this mark was put on 1 million bottles of Švyturys–Utenos Alus UAB.

Responsible supply management

Responsible supply management is employed to ensure that transactions are economical and efficient. Under the Carlsberg purchase contract rules as of 2010, responsible supply management offered equal opportunities to suppliers. While choosing the supplier, account was taken of their social responsibility policies and practices, the aim being for them to match the special responsible business principles of Švyturys–Utenos Alus UAB. Švyturys–Utenos Alus UAB is

interested in developing responsible ties with suppliers and therefore, in order to promote the proliferation of social responsibility, the company dedicated 50 hours to educate its suppliers.

Ethics standards

Švyturys–Utenos Alus UAB in 2010 abided by the business ethics policy and supervision in order to prevent unfair prices, unfair competition, money laundering, tax evasion and bribery.

Following these standards of ethical business as well as the Code of Honour of Lithuanian beer makers, there were no violations of the fair competition principles in 2010. To avoid incidents relating to business ethics on the market, Švyturys–Utenos Alus UAB gives lectures and training for its employees.

In 2010 Carlsberg Group companies approved a new policy of business ethics that was also introduced in Švyturys–Utenos Alus UAB. It sets out specific rules of conduct for employees of Švyturys–Utenos Alus UAB to ensure ethical business conduct and compliance with all relevant laws and regulations throughout the company. The policy addresses 8 key topics:

- 1. Bribery.** The Carlsberg Group and its employees shall not accept or offer bribes in any form. Gifts, meals and entertainment offered to the companies or employees must be appropriate and related to legitimate business purposes.
- 2. Facilitation payments.** The Carlsberg Group does not endorse the practice of facilitation payments.
- 3. Gifts, meals and entertainment.** Gifts, meals and entertainment offered or accepted



by the Carlsberg Group and its employees must be appropriate. The Carlsberg Group and its employees shall not offer to or receive from public or private stakeholders, gifts, meals or entertainment that go beyond legitimate business purposes.

4. Donations. The Carlsberg Group shall not make political contributions or use donations to obtain improper business advantages.

5. Conflicts of interest. Employees in the Carlsberg Group shall not engage in activities that might create a conflict between personal interests and the Carlsberg Group's business interests.

6. Confidential information. Employees in the Carlsberg Group shall not disclose or misuse confidential information obtained through business transactions or otherwise. Confidential relationships between the Carlsberg Group and its stakeholders shall be duly protected.

7. Competition law. The Carlsberg Group and its employees shall ensure that Carlsberg's business practices comply at all times with applicable competition rules and with the Carlsberg Competition Law Compliance Programme.

8. Fraud. Employees in the Carlsberg Group shall not steal company assets or resources. Employees shall not use company assets or resources for anything other than Carlsberg business purposes. Employees shall observe the anti-fraud procedures described in the Carlsberg Group accounting policies.

Responsible investments:

Socially responsible investments are a way to manage the investments that combines social, environmental and financial activities. In 2010, Švyturys–Utenos Alus UAB made investments into improving workplaces. This led to employee satisfaction, ecologically friendly production, consideration of the society's needs. The following responsible investments were made in 2010:

- In 2010 Švyturys beer makers launched a new Eco-malt program, the purpose of which is to promote ecological farming in Lithuania and propagate growing of organic barley for malt. Organic barley for malt is already grown according to the Eco-malt program in farms located in Panevėžys, Biržai, Pakruojis districts, the total volume of organic barley grown in the first year of the program amounted to 150 tons. Švyturys–Utenos Alus invested into this program LTL 120,000.
- Švyturys installed a pallet wrapping equipment. Automation of this work facilitates the process and saves time, also reduces the quantity of the wrap used for this purpose by almost to a half.
- The car fleet was upgraded. New cars with hands-free equipment were ordered for the staff driving corporate cars.

The 2011 targets on the market are as follows:

1. Maintaining competitiveness;
2. Development of consumer education programs;
3. Development of social responsibility programs:
 - a) Consumers' ecological consciousness program the Land of Lakes;
 - b) Implementation of social responsibility programs against minors' drinking and drunk driving.





Social
responsibility in
working environment

Social responsibility in working environment

In 2010, following the Carlsberg Group labour and human rights policy, Švyturys-Utenos Alus UAB focused primarily on a discrimination-free working environment that would promote learning and professional approach and would allow reaching a balance between work and other aspects of life.

The company employs people of different nationalities and respects human rights, guarantees social justice and does not tolerate forced and child labour. Švyturys-Utenos Alus UAB has both included these principles of the Global Compact into its activities and designs and implements an increasing number of initiatives within the working environment every year. The company believes that its employees are its biggest assets and the key to its success. Švyturys-Utenos Alus UAB seeks to create a working place where employees could develop themselves professionally, realise their potential in an open and inspiring working environment. The company is committed to conforming to high standards of justice, decency and safe working conditions with regard to all employees of Švyturys-Utenos Alus.

Equal opportunities for employees:

Švyturys-Utenos Alus UAB employs people, pays salaries, promotes its staff members and makes other employment-related decisions on the basis of such legitimate factors as qualifications and work success, regardless of race, sex, skin colour, religion, age, origin, sexual orientation, disability or any other grounds as protected by the laws. The

goal is to develop a working environment that is free from any forms of harassment, illegal discrimination and repressions. A decision relating to employment, from hiring to dismissing is based exclusively on important and objective criteria.

Forced and child labour:

Švyturys-Utenos Alus UAB prohibits all forms of forced labour, including labour to pay off debts, slave labour and human trafficking. Employees are allowed to move freely and leave their workplaces when the shift is over. Švyturys-Utenos Alus does not request that employees leave originals of their personal identity documents or the original of another official document with the company, or pay a deposit for employment.

Švyturys-Utenos Alus UAB does not hire employees under 18 for jobs requiring to work in dangerous conditions and risk one's health, safety or ethics.

In 2010, just like any other year, Švyturys-Utenos Alus UAB did not record any violations to the forced and child labour zero toleration principle.

Training and professional advancement:

Training programmes for employees of different levels consist of a social dialogue with employee representatives, which dialogue is being developed and promoted on a continuous basis, as well as possibilities for self-sufficient learning, using the in-house library.

Cooperation with trade unions' representatives is actively ongoing in the company.



The company has two unions representing employees' interests: the trade union of Švyturys AB and the association of Utena workers, which both make the United Representation of Trade Unions. Any material decision in the company is made subject to approval by representatives of the trade union.

During the economical crisis, the dialogue with trade unions became much more intensive. This demonstrates a high level of democracy at the company when it comes to addressing social issues. Diverse opinions are always welcome, provided they are voiced in a legal manner.

Openness and publicity of information:

The company strives at openness and publicity of information. Every region (division) has message boards featuring classified information like "New employees, organisational changes", "Employee information", "Press releases". Furthermore, the company publicises information relating to its social policy – employee motivation, events, achievements, including products, accomplishments, recognitions, market achievements. The company publishes the in-house magazine *Su Puta*, which is largely intended for the staff, in order to inform the employees and to maintain a dialogue with them. The company has the intranet (*ŠUANet*) and employees are free to use it, access all of the updated, latest information about what is going on within the company, read on developments in other Carlsberg Group companies.

The general manager and the top management of the company meet with the entire

staff of the company four times per year to present the company's results and to answer employees' questions. Dialogue and partnership are encouraged during such meetings.

Employee surveys:

An employee survey is performed every two years. Last time it was performed in 2009, therefore, in 2010, in order to get a feedback from its employees, Švyturys-Utenos Alus UAB performed a short survey C15. Answers to C15 questions are used to foster the culture of feedback and to develop organisational leadership. The goal of the survey is to create a structured and regular dialogue between supervisors and subordinates on important matters and to support it with mutual cooperation.

Also, a 360 survey was performed, i.e. the manager's behaviour was evaluated by his colleagues and upper management. During the survey, the anonymousness of participants is kept, but the manager is given a possibility to see differences in answers. That allows achieving more accurate evaluation. The survey helps managers to continue working in the right direction – correct their mistakes and eliminate shortcomings, as well as consolidate their advantages.

Considering the breakdown of employees by age (see Table 5) one can note that there were no signs of discrimination observed in 2010.

Breakdown of employees by age

Age	Number of employees
19 – 29	123
30 – 39	132
40 – 49	126
Over 50	98

Table 5



Remuneration system and professional advancement:

Švyturys–Utenos Alus UAB ensures that the company strictly adheres to all applicable requirements set by the law regarding the salary, working hours, overtime and extra payments. Payments for overtime are always made in accordance with the statutory coefficients. The remuneration regulations describe salary structures, as well as the procedure and dates of revisions. Living and doing business during the hard times, in 2010 salaries were paid on time and in full. The company kept the main benefits (including all allowances) for all employees in 2010.

Švyturys–Utenos Alus UAB is committed to uninterrupted development of employees' skills and abilities and providing career opportunities. Employees of the company regularly improve their qualification in courses, seminars and qualification raising programs in conferences and training sessions organised both in Lithuania and in countries where the Carlsberg Group operates.

Outplacement policy, assistance in seeking job:

People are dismissed in accordance with the provisions of the Collective Agreement – it is a written agreement between the employer and the team of the company's employees concerning work, remuneration and other social and economic conditions.

As jobs become available, we offer the people who are being dismissed temporary

or permanent positions at other units of the company under the priority procedure;

Healthcare and job safety:

Job safety and working conditions are defined in the provisions of the Collective Agreement that has effect in the company. Working conditions that deviate from the norm are subject to the bonus of up to 30% and up to 50% for certain jobs. Švyturys–Utenos Alus UAB has an employee safety and health committee consisting of representatives of the employer and the staff. Safety and health checks for employees of the company's departments are organised, involving representatives of trade unions and employees. A Job Safety Programme for 2009–2010 was being implemented in 2010. In order to promote healthy living, all the employees have access to fresh drinking water at their workplace for free.

Improving working conditions:

As every year, Švyturys–Utenos Alus UAB does everything it can to improve conditions for its employees.

In 2010, the company focused on improving the working conditions for its employees, considering employees' opinions. New cars with hands-free equipments were ordered for employees driving corporate cars, fresh drinking water is available at offices without limit, a canteen was repaired and reopened in the *Utenos* brewery. The equipment for lifting of structures was installed in the logistics unit.

The 2011 targets of developing employee relations are as follows:

1. To improve leadership and organisational development;
2. To improve management of talents:
 - a) To carry out the talents program;
 - b) To increase international and domestic appointments;
3. To increase employees' involvement and the culture of feedback;
4. To conclude a new Collective Agreement.



Social
responsibility in
environmental
protection



Social responsibility in environmental protection

Švyturys–Utenos Alus UAB makes its products using natural ingredients from natural sources. The company makes a contribution to improving and preserving the environment through participation in environmental programs and implementation of environmental initiatives and adherence to legal norms. The company's environmental priority targets are protection and conservation of the environment, constant reduction of CO2 gas emissions, responsible use of produced resources.

Starting from 2010, the incentives and bonuses system for employees engaged in production is linked to saving of natural and energy resources, in this way striving to reduce the impact the company makes on the environment.

The ISO 14001 environmental management standard was introduced and certified in the company in 2010.

Švyturys–Utenos Alus UAB implemented its environmental targets raised in 2010 to the maximum and even surpassed them, improving the preceding year results.

In comparison with 2009, the company managed to reduce the volume of power used in the production process by the total of 8.8%, and having eliminated the drop in production – by 5.95% (see Table 6). After optimisation of water consumption in the production process, the water consumption dropped by the total of 9% and by 6.16% after the drop in production is eliminated. The total reduction of sewage volume was even 17.6% and 14.95% after the drop in production is eliminated. The target to reduce CO2 gas emissions every year to produce one litre of the company's products is successfully implemented. Last year Švyturys–Utenos Alus UAB managed to reduce it even by 9.54% and by 6.41% after the drop in production is eliminated.

Reduction of power consumption	Adjusted for drop in production
-8,8%	-5,95%

Reduction of sewage discharged to the treatment facilities	Adjusted for drop in production
-17,6%	-14,95%

Reduction of water consumption	Adjusted for drop in production
-9%	-6,16%

Reduction of air pollution in the entire product chain: CO2 emissions (g/1 l of products)
-9,54%

Table 6

Packaging utilisation and recycling in 2010

Year	Packaging used for products and put on the domestic market, tons per year		Packaging waste utilisation and/or recycling targets, %	Quantity recycled, t
	Primary	Secondary and/or tertiary		
2009	2954	1726	39%	1806
2010	2453	1867	44%	1882

Table 7

The mechanism of recycling and utilisation of packaging waste is becoming more and more efficient. In comparison with 2009, 76 tons more of packaging waste were recycled (see Table 7).

Environmental initiatives:

In 2010, Švyturys–Utenos Alus UAB contributed to improving, protecting and safeguarding the environment by organising and joining various projects.

Švyturys–Utenos Alus UAB, in cooperation with the non-governmental organisation *Labanoro Klubas*, is carrying out the environmental program “For clean nature of the Land of Lakes!” since the beginning of 2010. The goal of the project is to reduce pollution in the Aukštaitijos National Park and its environs, to make the environmental protection important for the society and employees of the company, also to set an example for communities by active participation in environmental initiatives, to initiate new ones.

Constituent parts of the program “For clean nature of the Land of Lakes!”:

1. The set-up and maintenance of eco-stations in the Land of Lakes (organised collection of garbage from tourists in the

National Park and its environs, transfer of such garbage for recycling);

2. Eco-march 2010 for the company's employees and project partners (garbage collection in the National Park);

3. Ecological consciousness and environmental measures for beer consumers (decomposing garbage bags in product packaging and urging to be ecologically responsible);

4. Raising the ecological standard for packaging (saving the packaging materials);

5. Increasing the beer production ecology (production ecology projects).

Program performance results:

1. The set-up and maintenance of eco-stations

Eco-stations set up in the summer of 2010 became the main focus of the ecological project the Land of Lakes. The volume of garbage left by tourists in 7 garbage collection points, i.e. eco-stations, set up in Molėtai, Ignalina, Švenčionys and Utena districts and disposed of during three summer months amounted to **more than 1,600 cubic metres**. At first, Švyturys–Utenos Alus planned a budget of LTL 80,000 for set-up and maintenance of eco-stations in the Land of Lakes, but as the summer went, it saw that the disposal of garbage is much more than

planned, therefore, it assigned the additional amount of LTL 30,000 for this project.

2. Eco-march 2010 for the company's employees and project partners

On 24 July 2010, the team of Švyturys–Utenos Alus UAB employees organised an eco-march in kayaks in the Aukštaitijos National Park. On that day 150 employees of the brewery collected **2 tons (a full truck) of garbage** by the river Būka and the lake Baluošas. The event was accompanied by an active ecological education action.

3. Ecological consciousness and environmental measures for consumers

In the summer of 2010 the company offered its customers free ecological garbage bags that get easily decomposed in the natural environment, inviting customers not to leave garbage behind and in this way raising the level of ecological consciousness. In the summertime, garbage bags were enclosed with each pack of *Utenos Alus*.

4. Raising the ecological standard for packaging

The Company is actively searching for possibilities to use labels from recycled paper on its beverages. In 2010 the company reduced the excess packaging of beverages – in 2010 the company planned and implemented a saving program: **the consumption of cardboard was 16 tons less and of plastic wrapping – 4 tons less.**

5. Projects for increasing the production ecology and environmental protection

Reduction of heat loss. The goal of this project is to reduce the consumption of thermal energy used for beer making and the volume of vapours emitted to the environment. In 2010 **the volume of heat emitted to the environment was reduced by 2 percentage points** – the heat loss dropped from 9.5 to 7.5%.

Reduction of production waste. After optimisation of processes, the separation of products from the water for washing of systems became more effective. This resulted in a lower amount of product losses **and a decrease** in the quantity of **BOD (biological oxygen demand)** emitted to the environment with the sewage **by about 12.5%.**

Albumen collection and re-use. The goal is to use albumen produced and separated in the manufacturing process for agricultural purposes. Albumen was started to be sold to farmers who use it as a feed additive. This results in a lower amount of production waste deposited in landfills. The volume of **secondary raw materials suitable for feed** sold to farmers during 2010 amounted to **50 tons.**

The total budget of the program “For clean nature of the Land of Lakes!” amounted to LTL 250,000 for 2010. Most activities within this project will continue into 2011.

In 2010 the team of Švyturys–Utenos Alus UAB actively participated in the environmental action Darom 2010. Darom 2010 is a project of larger scope than its earlier versions. During this action, the organisers sought to combine cleaning of nature sites with an educational program and interactive training related to public spirit and ecology.

The environmental targets for 2011 are as follows:

1. Continuing the Land of Lakes program;
2. Electing and awarding the employees who contributed to the environmental protection most;
3. Reducing consumption of energy resources.



Social
responsibility in
social relations

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Social responsibility in social relations

Švyturys–Utenos Alus UAB is engaged in a transparent business and shares its success with the society. For the purposes of successful cooperation, in 2010 the company adopted Carlsberg Community Engagement Policy, covering five key categories. Its purpose is to feel responsibility and commitment to the society and communities where we work and live.

1. Stakeholder relations. Carlsberg Group subsidiaries are encouraged to follow the community engagement policy together with their stakeholders and must try to keep good relations.

2. Community investment. Each Carlsberg Group subsidiary must identify interests of the community in which it operates. Needs differ depending on region, country, culture, therefore, it is important to take them into account and, if possible, offer help. Carlsberg does not accept separation on the basis of gender, race, nationality, therefore, the group companies must seek that work and financial support be directed transparently, efficiently and fairly.

3. Assistance in solving problems. Carlsberg Group subsidiaries must actively react to problems they see and look for possibilities to solve them. The main purpose of social actions and community support by Carlsberg Group is not sales promotion but improving the reputation of the company.

4. Sponsorship. In sponsorship activities Carlsberg Group subsidiaries must at first assess the impact of relevant actions on the company's brand, the company itself and the reputation of the entire Group.

5. Economic impact. The success of the Carlsberg Group has an impact on the national economy. Carlsberg creates jobs and gives its employees every opportunity to develop.



Sponsorship in 2010:

Within the framework of exercising social responsibility, the largest emphasis is placed on Utena and Klaipėda communities. In 2010, the company supported a community relations programme, staged meetings to address significant issues. Feeling responsible towards the communities, in 2010 the company **granted LTL 2.658 million** of sponsorship and charity funds to different organisations.

Support of UAB Švyturys–Utenos Alus

Klaipėda community:

- Sea Fiesta;
- Basketball club *Neptūnas*;
- Klaipėda city club of sport dances *Žuvėdra*;
- Gargždai football club *Banga*;
- Klaipėda Basketball Amateurs League;
- Klaipėda Football Academy;
- Sailing ship *Meridianas* support foundation;

Utena community:

- Utena centre of culture;
- Administration of Utena district municipality;
- Basketball club *Juventus*.

This is only a small part of the long list, as support and charity was also given to other community events and teams.

Sponsorship was also given to other sports, cultural, art organisations:

- Lithuanian Basketball Federation;
- Basketball club *Lietuvos Rytas*;
- Lithuanian Football Federation;
- Lithuanian National Olympic Committee;
- Vilnius University Hospital Santariškių Clinic;
- Lithuanian National Opera and Ballet Theatre;
- Lithuanian Musicians' Support Foundation;
- St Christopher Chamber Orchestra;
- VšĮ Kino Pavasaris;
- Vilniaus Festivaliai;
- VšĮ Džiazio Namai, etc.

The 2011 targets of building social relations:

1. To be involved in educating the public in ecology;
2. To continue supporting the communities;
3. To facilitate the development of self-expression of young people without alcohol;
4. To maintain transparent relations.

Social responsibility in anti-corruption



Social responsibility in anti-corruption

Following the ten principles of the Global Compact, Švyturys-Utenos Alus UAB has included targets pertaining to fight against corruption into its socially responsible business strategy as well. In 2010, the company continued upholding the idea of transparent relations with the society and partners. While interacting with current or future clients, suppliers, producers, the company did not accept nor grant privileges aiming at personal gain. There were no cases of accepting bribes, thank-you gifts or other extraordinary gratuities.

Social responsibility. Anti-corruption measures:

- All procurements by the company must be transparent.
- In communication with current or future clients, suppliers or producers, accepting or giving privileges for one's own personal benefit or for the benefit of family or friends is prohibited.
- It is prohibited from accepting bribes, gifts of gratitude or other extraordinary gratuities from organisations or persons willing to do business or doing business together with Švyturys-Utenos Alus UAB or competing with it.
- Even symbolic gifts and/or entertainment are not acceptable if it may seem that such gratuities may affect the employee's business decisions.



Publication and availability of the social responsibility report

The social responsibility report is available on the website of Švyturys-Utenos Alus UAB at <http://www.svyturys.lt/> and is sent to the UN Global Compact partners.

The report is presented to every shareholder and employee of Švyturys-Utenos Alus UAB. The report can also be accessed by every stakeholder using the contact details as indicated below.

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