

UAB ŠVYTURYS - UTENOS ALUS

Part of the Carlsberg Group

A hand holding a small green plant seedling against a bright, sunlit background with falling leaves.

# Social Responsibility Report



Name of the company:  
Švyturys – Utenos Alus UAB

Country: Lithuania

Sector: production of beer, soft drinks  
and alcoholic cocktails

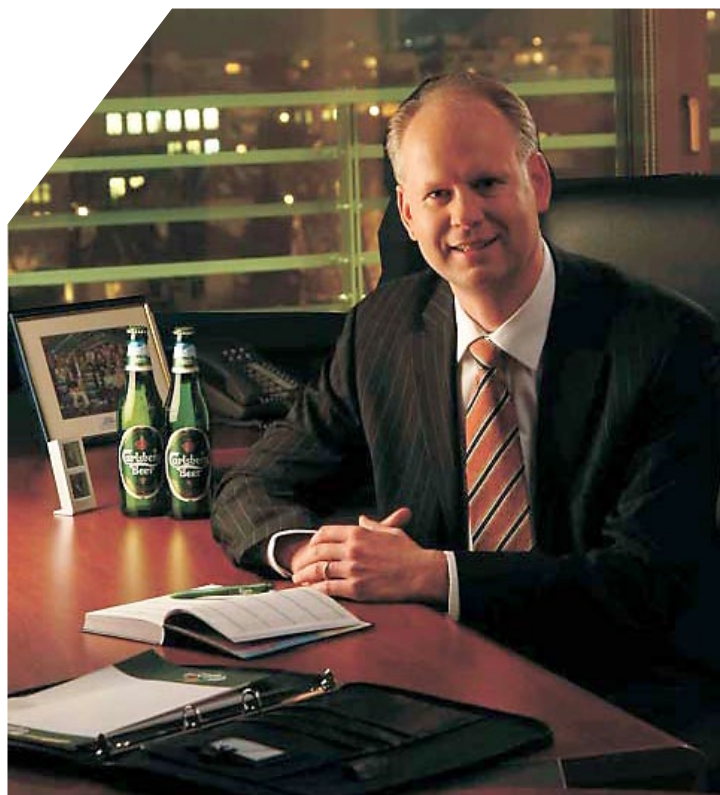
The report is for 2008

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# THE PRESENTATION BY THE HEAD OF THE COMPANY: “We seek to meet the highest standards of business ethics”



I am happy to present the first annual Social Responsibility Report of Švyturys – Utenos Alus UAB. It is the first complex Švyturys – Utenos Alus UAB presentation to the public of its principles and activities of social responsibility, where brief information and specific examples of how we practically implement the principles of social activity are presented.

The Social Responsibility Report of Švyturys – Utenos Alus UAB for 2008 systemically overviews the activities of the company throughout the year in the field of social responsibility, our annual results, the social responsibility policy implemented in internal and external processes of the company. Here you will find information about the principles of social responsibility of our main shareholder Carlsberg Group that are also followed by Švyturys – Utenos Alus UAB, operations of our company in the market, relations with employees, actions aimed at contributing to preservation of the environment and improvement of the society. The report overviews where and how the social responsibility policy is specifically implemented: in the market, environmental protection, relations with employees, relations with the society.

Švyturys – Utenos Alus UAB can be proud being one of the most desired employers of the country, a recognised leader in the field of business ethics, getting important awards in this field. We have been a member of the global network UN Global Compact, uniting socially responsible companies, for three years already.

That evidences that we play an important role in the field of social responsibility, that we not just develop our business but also overstep the limits of commercial activity, observe principles of business ethics and express our public spirit in this way.

Being a socially responsible company means for us constant improvement, aiming at the highest standards of business ethics. Besides, it is a huge responsibility, and the inner obligation of the company to act transparently, honestly and responsibly, which was assumed by the company at the very start of its activities, helps to justify it.

**Rolandas Viršilas**

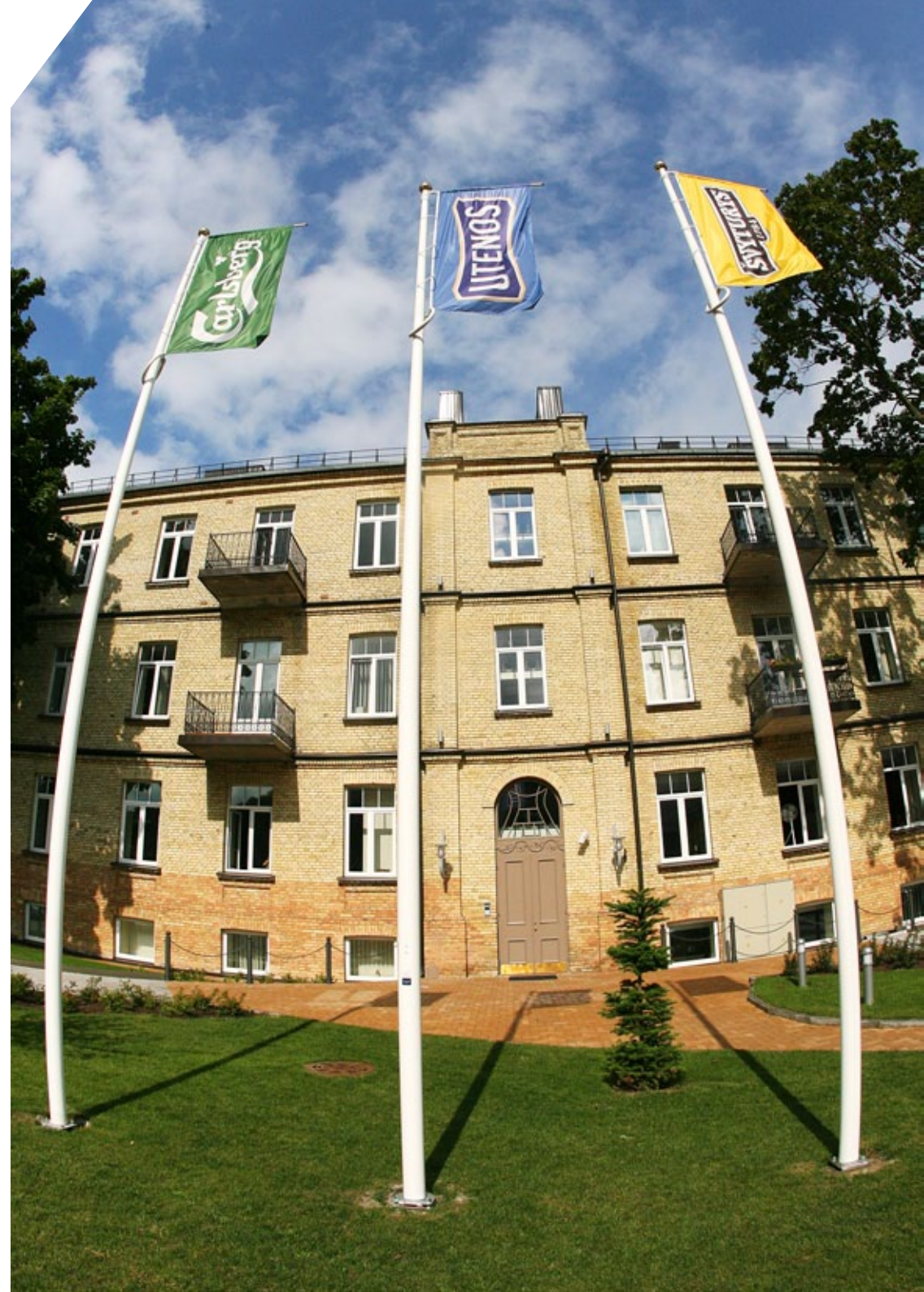
General Manager of Švyturys – Utenos Alus UAB

The main shareholder of Švyturys – Utenos Alus UAB is the Danish beer production company Carlsberg Group which is among the biggest in the world.

The Lithuanian company has been attributed to the North European region, together with Denmark, Norway, Sweden and Finland, Latvia and Estonia.

# Švyturys – Utenos Alus UAB is a member of the Carlsberg family

In the Carlsberg Group we are committed to making a positive contribution to society and the environment by developing and implementing responsible business practices and believe that this will support our financial success. In our minds, this is what CSR is all about.



## Social responsibility in day-to-day activities

Švyturys – Utenos Alus UAB, performing social responsibility activities, follows the guidelines set by Carlsberg Group: it believes that active development of corporate social responsibility helps to reduce the risk of crisis situations, to keep and attract new employees, to improve reputation, to reduce negative impact on nature and the society and strengthens the whole business of the company.

This attitude is a complex part of the business strategy of Carlsberg Group companies. The determination to act socially responsibly is set out as one of the rules of Winning Behaviour that are followed in all the countries where Carlsberg does its business. Švyturys – Utenos Alus UAB, as all other companies of the Carlsberg group, have undertaken to develop activities beneficial for the society and nature. Carlsberg follows the principles of responsible business, which permits it to be a financially successful company.

Each company of Carlsberg Group has always been an integral part of the society where it operates. The social responsibility of the company covers very diversified fields of activities starting from human and employee rights and ethics at work and ending with the environmental protection and promotion of responsible consumption of beer. CSR in the Carlsberg Group involves making a positive contribution to society and the environment by developing and implementing responsible business practices.

### Major fields of activities in 2008/2009

The social responsibility strategy of all Carlsberg Group companies, including Švyturys – Utenos Alus UAB, is implemented referring to the guidelines of the social responsibility policy, covering social responsibility aspects of various business functions.

In 2008/2009, in the field of social responsibility, the company plans to pay most attention to the following activities:

- Improvement of social responsibility standards;
- Management of responsible supply;
- Environmental protection;
- Responsible consumption.



# ABOUT ŠVYTURYS – UTENOS ALUS UAB

## **The mission of Švyturys – Utenos Alus UAB**

is to give people a possibility to enjoy best drinks, to create value for shareholders and consumers, offering quality products.

## **The vision of Švyturys – Utenos Alus UAB**

is the leader in the Lithuanian market of drinks, having the strongest trademarks, representing Lithuania in the world, with a maximally developed network of distribution, ensuring the highest level of corporate management, a step ahead of consumers' and customers' needs, reasonably expanding its business in categories of other drinks, expanding exports, the most desirable employer, a reliable business partner.

## **Results of the company:**

In 2008, Švyturys – Utenos Alus UAB manufactured and sold 192.7 million litres of drinks.

The volume of the main product of the company, i.e. beer, sold in Lithuania was 135.2 million litres.

In 2008, Švyturys – Utenos Alus UAB sold 27.5 million litres of drinking water.

Other products: soft drinks, ice teas, energy drinks, cider, alcoholic cocktails.

In 2008, the average number of employees in the company was 596.

## **Appreciations, awards:**

According to the survey published by the magazine Veidas in August 2008, Lithuanian people think that Švyturys – Utenos Alus UAB is the second best reputation company in Lithuania.

In 2008, Lithuanian people also admitted Švyturys – Utenos Alus UAB to be the second best employer in the country (joint survey of TNS Gallup and CVOnline).

In 2008, products of Švyturys – Utenos Alus UAB were given the best awards in such international contests as “The Australian International Beer Award” (Australia), “The Siberian Fair” (Russia).

In November 2007, the Ministry of Economy of the Republic of Lithuania nominated Švyturys – Utenos Alus UAB as a socially responsible company and awarded it a medal “For Merits to Lithuania”. The company was appreciated for its merits in developing business in Lithuania and creation of a favourable business and investment environment.



Social responsibility.  
Human rights,  
responsibility in the  
market and to the  
society





## Social responsibility. Human rights, responsibility in the market and to the society

Responsibility of Švyturys – Utenos Alus UAB in the market and to the society includes responsible behaviour of the company with the following groups:

- product consumers;
- business partners;
- suppliers;
- competitors;
- state authorities.

**Ethical business attitude.** In cooperation with its suppliers and customers, the company follows standards of ethical business. It unconditionally complies with all

applicable laws, requirements of regulatory authorities, principles of fair competition, its relations with customers and partners are based on rules of ethical business.

**Responsibility to the society.** Understanding its responsibility to the society as that of a producer of alcoholic beverages, the company:

- has consistently complied not only with laws of the Republic of Lithuania, but also the principles of self-regulation set out in the “Code of Honour of Lithuanian Brewers”, the main provisions of which are:
  - 1) not to produce beer that is stronger than 9.5 degrees;
  - 2) not to sell beer that is stronger than 6 degrees in mass events;
  - 3) anyone appearing in our marketing communications should be, and appear to be, at least 25 years old.



## In 2008, not a single complaint of the Code partners regarding possible violations was received.

- The company, as well as other partners of the Lithuanian Breweries Association, has undertaken to cooperate with state authorities and to contribute to solutions that would encourage struggle against excess consumption of alcohol and alcohol abuse.
- Together with the Ministry of Transport of the Republic of Lithuania and the Lithuanian Breweries Association, the company was involved in an active campaign aimed at reducing the level of traffic accidents and financed more than a half of expenses of this social campaign (in 2007).
- The company was involved in public actions: campaigns “Volunteers wanted for interesting work” and “It is your choice...” directed against drunk driving (in 2007).
- **In 2008, the company implemented a new self-regulation rule** – all commercial communication the purpose of which is formation of image and promotion, before its release into the market, is to be approved by the State Tobacco and Alcohol Control Service, so minimising a possibility of violating the law.

### Sponsorship and charity figures:

2008	LTL 4,256,000
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**Sponsorship and charity.** The company has been consistently sponsoring the best sports, cultural projects, traditional festivals for over a decade. The amount expended for sponsorship and charity purposes throughout the decade is more than LTL 20 million.



T. Gutauskas photo archive

## Directions of sponsorship :

### Main sports organisations sponsored in 2008:

- Lithuanian National Olympic Committee
- Lithuanian national men's basketball team
- Basketball clubs Lietuvos Rytas and Neptūnas
- Lithuanian Football Federation
- Football club Atlantas
- National Sailing Centre

### Festivals sponsored in 2008:

- Sea Festival in Klaipėda
- Traditional music festivals "Blues nights", "Rock nights", "Visagino country"

### Main cultural projects and charity funds sponsored in 2008:

- Alma Adamkus Support Fund
- Lithuanian State Symphony Orchestra
- Lithuanian National Opera and Ballet Theatre
- Talent award project "Beacons of Opera"
- Staging of the opera "Magic Flute"
- Vilnius jazz club
- House of Culture of the city of Utena



Social responsibility.  
Labour relations



## Social responsibility. Labour relations

The company values, gives incentives to and motivates every employee. In addition to the standard employment contract, the benefits available to employees of Švyturys – Utenos Alus UAB are defined in the Collective Agreement. It was prepared in order to determine additional work and social guarantees for employees, privileges, work remuneration and organisation conditions that are not provided for in laws and regulations of the Republic of Lithuania. The essential subject of the agreement is that the employer and the employee are partners and any issues and problems are to be solved by way of negotiations, seeking to ensure a dialogue and mutual respect.

### Collective Agreement

The newly signed Collective Agreement of Švyturys – Utenos Alus UAB came into effect on 20 October 2008. It provides for bigger and additional social guarantees for employees than provided for in the Labour Code:

- financial assistance to families (raising 3 and more children under 18; when the employee raises children alone),
- financial assistance to families with children of school age on the occasion of the 1st of September,
- allowance for the funerals of the employee or a family member of the employee,
- celebratory allowance (on the occasion of marriage and childbirth),
- allowance on the occasion of retirement due to old age,
- additional vacation pay to 30% of employees who earn least,
- payment for the first 2 days of inability to work (95%),
- insurance against accidents,
- better guarantees in case of dismissal of employees according to Article 129 of the Labour Code (the severance pay is bigger by 30% and a longer term of notice),
- additional vacation days referring to the length of service, for employees working shifts, study vacation and vacation in cases of marriage, death, childbirth.



Expenses of the company for fulfilment of provisions of the Collective Agreement in 2008:

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Assistance to families, celebratory and additional financial allowances, allowances "1 September" and funeral allowances **LTL 213,152**

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Additional vacation pay **LTL 199,090**

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Study vacation and additional vacation according to the Collective Agreement **LTL 98,329**

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**Employee Handbook.** In 2008, the company revised and distributed to employees the Employee Handbook – a memo giving information about the company, answering questions, employees can find all the necessary information there about the policy of the company, labour relations, work pay and additional benefits, necessary contacts, etc.

**Employee awards.** Silver Hop Branch and Golden Hop awards. These awards are incentives to employees which show that their work is noticed and appreciated. Winners are nominated and elected by employees taking votes. Silver Hop Branch awards are given each quarter, whereas Golden Hop awards are given at the end of the year. **In 2008, 19 Silver Hop Branch awards and 6 Golden Hop awards were given.**

**Training.** Employees of the company regularly improve their qualification in various courses, seminars, qualification raising programs both in Lithuania and in training courses and conferences organised by Carlsberg Group abroad.

- Potential employees study in the International School of Management and the Baltic Management Institute at the expense of the company.
- Employees involved in the production process are regularly trained for safety at work.
- Starting from 2007, all employees of the company participate in the operation management program, which allows to find the most talented employees, to measure the competences of each person and his or her contribution to the results of the company.

**The amount assigned for training of employees in 2008 was LTL 700,000.**



## Additional benefits for employees.

- Throughout 2008, Švyturys – Utenos Alus UAB insured each employee of the company working under the employment contract of unlimited duration against accidents for the sum insured of LTL 100,000.
- Employees who are subject at work to occupational risk factors must undergo a medical examination before employment and after they are employed, they must undergo a regular medical examination. Mandatory health examinations are performed during working hours.
- The company subsidises the employees' visits to sports clubs, theatres, concerts.

**The amount assigned for employee events and additional occupation of employees (sports, leisure programs) was LTL 413,289 in 2008.**

### **Fight against discrimination at work.**

Švyturys – Utenos Alus UAB hires employees, pays them a work remuneration, promotes them and takes other work related decisions referring to such valid factors as qualification and success at work, disregarding race, sex, colour of skin, beliefs, age, origin, sexual orientation, disability or any other grounds as provided for in applicable laws.

### **Violence or coercion at work.**

Švyturys – Utenos Alus UAB does not tolerate employees' violence

at work or threats of violence to employees or property. Violence at work means violent actions or threats of violence to another person, wilful damage to the employer's or another person's property, or behaviour that makes others feel unsafe at work. **The Collective Agreement signed in 2008 contains a clause specially dealing with "Harassment and intimidation at work" and sets out the procedure of examination of relevant complaints following the directives of the European Commission.**

This field is the responsibility of the direct manager of a unit and the Human Resources Department.

**Safety at work.** The employees' safety at work and health are ensured by the following means:

Everyone who has started employment with the company must listen to the initial instructions on employees' safety and health and be instructed at their place of work, get familiar with internal rules of procedure, comply with requirements set in technical documents and instructions on employees' safety and health. **In 2008, an evaluation of occupation risk was performed, a plan for improving conditions deviating from normal working conditions was prepared. Project documents for getting the EU assistance for improving harmful conditions were drafted and submitted.**



Social responsibility.  
Environmental  
protection. Saving  
of resources



## Social responsibility. Environmental protection.

### Saving of resources

The priority objectives of the company in the field of environmental protection are preservation and saving of the environment, reducing pollution, efficient use of energy, control and gradual reduction of greenhouse (CO<sub>2</sub>) gas emissions.

The company has set these objectives not only for its own activities, but also for its partners and suppliers. In 2008, Švyturys – Utenos Alus UAB started various environmental initiatives, supported projects saving the environment, reacted to natural disasters important for the society initiating and implementing projects aimed at overcoming consequences of such disasters.

**Consumption of energy** in 2008: 15,803,590 kWh

**Consumption of water** in 2008: 744,490 m<sup>3</sup> (cubic metres)

**Wastewater** in 2008: 487,781 m<sup>3</sup> (cubic metres)

**Packaging, its use and recycling** in 2008.

Packaging	Packaging used to package products and released into the domestic market, t (in 2008) 4,743 t		Packaging waste utilisation and/or recycling tasks in 2008, %	Recycled in 2008, t
	Primary	Secondary and/or tertiary		
All types of packaging	2,992	1,751	34.2%	1,622

**Air pollution:** CO<sub>2</sub> emissions (g/l of product): 45

**Forecast for 2009.** The company has a goal to save at least 7% of energy and water resources in 2009 and to reduce the volume of wastewater and CO<sub>2</sub> emissions accordingly.





### Encouraging saving of resources:

- For achievement of saving goals (reducing consumption of water, heat, power and other resources) employees are given additional annual and quarterly bonuses.
- In 2008, the Production Department had a goal it managed to achieve – reduction of wastewater, creation of a system of possibilities of utilisation of used yeast.
- In 2008, a project of reduction of negative impact on the environment was started – installation of the system of secondary use of CO2 gas. It is planned to finish the system by 2009.
- Starting from 2006, suppliers of equipment procured by the company are to meet not only efficiency and price requirements but also environmental requirements. Selecting a supplier of equipment, the company takes into account the lowest energy consumption indicators, environmental protection indicators and indicators of safety for people (dangerousness, noise).
- The company participates in the activities of Žalasis Taškas VšĮ (Green Point).

### Support to environmental protection projects:

- In 2008, the collective assistance given by most of the employees of the company helped to complete the action of replanting the Smiltynė forest ruined by fire. During the action in 2006 – 2008, the company collected and transferred to the Neringa National Park LTL 103,000 as financial support.
- In 2008, the company assigned LTL 100,000 for the ecologic community project “Land of lakes”, during which banks of water bodies and recreational places are put in order. From the beginning of the project in 2005, the company assigned for this project LTL 300,000.
- In 2008, a new ecological action “Save the dunes, 2008” was started. The company assigned LTL 15,000 for restoration of a strip of dunes eroded by storms, employees of our company took part in the collective assistance given for restoration of dunes, the initiative of restoration of dunes was popularised during the Sea Festival.



Social  
responsibility.  
Anticorruption  
means



## Social responsibility. Anticorruption means

- All procurements made by the company are performed in a transparent manner.
- When communicating with present or future customers, suppliers or producers, it is prohibited to accept or give privileges for personal benefit or benefit for family or friends.
- It is prohibited to take bribes, gifts of gratitude or other unusual expressions of gratitude from organisations or persons willing to engage in business or engaging in business with Švyturys – Utenos Alus UAB or competing with it.
- Even symbolic gifts and/or entertainment are unacceptable if it can seem that such expressions of gratitude can affect business decisions taken by the employee.



# Publishing and availability of the social responsibility report

The social responsibility report is published on the website of Švyturys – Utenos Alus UAB at <http://www.svyturys.lt> and is sent to partners of UN Global Compact. The report is presented to all shareholders of Švyturys – Utenos Alus UAB. The report is also available to all interested parties, contact information is given below.



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