

**GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS.  
MG BALTIC GROUP**

<b>Company Name</b>	MG Baltic Group	<b>Date</b>	02.06.2008
<b>Unit (if applicable)</b>		<b>Membership date</b>	
<b>Address</b>	J.Jasinskio str. 16 B Vilnius	<b>Number of employees</b>	4125
<b>Country</b>	Lithuania	<b>Sector</b>	
<b>Contact name</b>	J.Pupkeviciene		
<b>Contact Position</b>	Marketing and PR Director		
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**Brief description of nature of business**

MG Baltic is one of the largest groups in Lithuania, involved in production, retail sales, real estate, construction and media industries.

**Statement of support**

**Signature**

**Position**

**PRINCIPLE 1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS**

**Our Commitment or Policy**

MG Baltic Group as a patron company uses all its power to guarantee protection of human rights according to the Universal Declaration of Human Rights in all its controlled companies.

**A brief description of our Processes or Systems**

Health and leisure management policy.  
The other systems are under preparation.

**Actions implemented in the last year / planned for next year**

Special prices in the Tennis complex for all the workers and their families of MG Baltic companies.

During school holidays children teenagers of personnel are engaged in work at the Groups' companies in order to ensure their useful leisure time.

Collective agreements ensure a possibility to complain confidentially to managers of highest level.

The Group promotes and supports non-violent culture in its media channels – television, Internet, magazines.

Publishing of books for children is sponsored.

Projects of culture and art (events, films, publishing of books), museums are supported as well.

The complex of medical check up for the Group's employees is under preparation this year. Additional vaccination against particular diseases is organized in the Group every year.

A collective agreement of AB "Stumbras" personnel stipulates far more possible benefits for personnel of the company than is regulated by the Labour Code of the Republic of Lithuania. Under the collective agreement personnel of "Stumbras" shall be paid fringe benefits in the following cases:

- 1) when disabled children are raised;
- 2) in case of any misadventure;
- 3) after birth of a child;
- 4) when three or more children are being raised (in this case benefits shall be paid annually for Father's and Mother's Day);
- 5) when anniversaries are celebrated (for example, when an employee turns 50 years old);
- 6) in the event of wedding.

Health care surgery functions within AB "Stumbras" as well, and there employees of the company are able to regularly check their health, consult with medical specialists, have an additional vaccination against particular diseases, and etc. Various presents are made for separate event of personnel as well as for holidays' occasions.

### **Measurable Results or Outcomes**

Experienced employees come back from their child care leave to their primary workplaces and continue their career.

Number of women leader has grown up within a scope of the Group.

Support for an author of books for children is rendered.

The National Museum of Lithuania is regularly sponsored.

## **PRINCIPLE BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT 2 IN HUMAN RIGHTS ABUSES**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee protection of human rights in all its controlled companies and ensure that the aforementioned companies do not cooperate with any companies abusing human rights.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation.

### **Actions implemented in the last year / planned for next year**

The Code of Ethics of the Group was prepared this year, and it is obligatory in all companies controlled by the Group.

### **Measurable Results or Outcomes**

There were no representations about human rights abuses in the Group during the last year.

## **PRINCIPLE 3 BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee possibility of their employees to make any associations and unions without any restrictions in all its controlled companies.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation.

### **Actions implemented in the last year / planned for next year**

Currently the Code of Employees' Rights and agreement of collective bargaining is under preparation, and it will be obligatory in all companies controlled by the Group.

### **Measurable Results or Outcomes**

A task of systems and processes was formed at a Corporate division of the Group.

The Code of Ethics of the Group guarantees freedom of association for all employees of the Group.

There were no representations about violation of freedom of association in the Group during the last year

## **PRINCIPLE 4 BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee that in all its controlled companies:

1. No forced labour shall be used.
2. No cooperation with companies using forced labour shall be present.
3. No products for production of which forced labour is used shall be purchased.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation

### **Actions implemented in the last year / planned for next year**

The prohibition of all forms of forced and compulsory labour is one of the main points in the Code of Ethics of the Group. The elimination of all forms of forced and compulsory labour is obligatory in all companies controlled by the Group.

### **Measurable Results or Outcomes**

During last year:

No forced labour was used.

There were no cooperation with companies using forced labour.

## **PRINCIPLE 5 BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee that in all its controlled companies:

1. No work of children shall be used.
2. No cooperation with companies using work of children shall be present.
3. No products for production of which forced labour is used shall be purchased.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation.

### **Actions implemented in the last year / planned for next year**

The Code of Ethics of the Group is not supporting child labour at any form.

### **Measurable Results or Outcomes**

During last year:

No work of children was used in the companies of the Group.

There were no cooperation with companies using work of children.

## **PRINCIPLE 6 BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee that no employees shall be discriminated in all its controlled companies.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation.

### **Actions implemented in the last year / planned for next year**

## **Measurable Results or Outcomes**

No cases of discrimination concerning sex, nationality, sexual orientation within the Group and within the companies controlled by the Group was observed during the last year.

## **PRINCIPLE 7 BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee that all companies controlled by the Group shall save the environment in its activities and takes all precautionary means to pollution of nature and ecological catastrophes.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation.

### **Actions implemented in the last year / planned for next year**

The Code of Environmental Protection is planned to be prepared, and it will be obligatory in all companies, where the Group has decisive influence.

Administration of the Group's companies takes care that employees of the Group should have low-powered cars, which should economically use fuel with minimal usage of carbon dioxide.

## **Measurable Results or Outcomes**

A preparation task of system and processes was formed at a Corporate division of the Group.

## **PRINCIPLE 8 BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee that all companies controlled by the Group shall save the environment in its activities and takes all precautionary means to pollution of nature and ecological catastrophes.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation.

### **Actions implemented in the last year / planned for next year**

The Code of Environmental Protection is planned to be prepared, and it will be obligatory in all companies, where the Group has decisive influence. MG Valda pursues to guarantee effectiveness of energy usage and minimize input of energy in all its controlled and developed buildings. Also projects of MG Valda contribute to the developing process of a modern city: clean city without traffic jam thus it allows to significantly decrease the amount of exhaust gas and protect the environment.

Several companies of the Group are initiators of the Green Dot (ecological packaging)

development.

AB "Biofuture" continues to expand bioethanol production capacities by using locally grown grain and supporting agricultural sector of the country.

### **Measurable Results or Outcomes**

A preparation task of system and processes was formed at a Corporate division of the Group.

Input of electrical energy for 1 sq. m. did not exceed on average 260 kWh per year and stopped continually growing tendency of electric energy consumption in buildings controlled by MG Valda. The applied architectural and engineering solutions will enable to reduce consumption of electric energy about 12 percent in newly built objects of similar purpose.

Since 2007 premium unleaded fuel is compulsory mixed with 5 percent of bio-fuel in Lithuania and all countries of EU. - AB - "Biofuture" produced 13 650 tons of bioethanol in 2007, the majority of which was sold to Lithuanian fuel producers.

## **PRINCIPLE 9 BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee that in all its controlled companies environmentally friendly technologies in their business should be used and to encourage diffusion of such technologies within society.

### **A brief description of our Processes or Systems**

Processes and systems are under preparation.

### **Actions implemented in the last year / planned for next year**

The Code of Environmental Protection is planned to be prepared, and it will be obligatory in all companies, where the Group has decisive influence.

The Group has made investments worth of millions into the plant of bio-ethanol, and that was a contribution to the development of renewable energy in Lithuania.

Lithuanian real estate market leader UAB "MG Valda" is planning to develop a new multifunctional complex of residential and commercial premises (Sustainable Development Project) of 80 thousand sq. m. Investment of LTL 0.5 billion is intended for the project based on ecological architecture and sustainable development principles. MG Valda prefers ecological construction materials and innovations that reduce negative impact on the environment. In order to implement these objectives, UAB "MG Valda" will invite Vilnius Gediminas Technical University, other educational institutions and Vilnius Municipality for cooperation.

### **Measurable Results or Outcomes**

Alternative renewable sources of energy in Sustainable Development Project that would reduce building maintenance costs and environmental pollution is under consideration.

Integrity of the surrounding green areas to the project is under consideration.

## **PRINCIPLE 10 BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

### **Our Commitment or Policy**

MG Baltic Group as a patron company uses its power to guarantee that in all its controlled companies:

1. No corruption means shall be used for pursuing favourable solutions in their business.
2. No cooperation with companies using corruption measures shall be present.

### **A brief description of our Processes or Systems**

#### **Actions implemented in the last year / planned for next year**

This is obligatory for the Group companies not to effect and not to encourage their partners to use any corruption means pursuing favourable decisions – this statement is clear in The Code of Ethics of the Group.

#### **Measurable Results or Outcomes**

During the last year no cases of corruption within the Group and within the companies controlled by the Group was observed. No cases of cooperation with companies using corruption means were observed during the last year.

#### **How do you intend to make this COP available to your stakeholders?**

COP shall be sent to all the main business partners, employees, and executives of the Group.