

Ernst & Young Baltic UAB

Sustainability report 2007



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An Opening Word from Linas Dičpetris, CSR Leader at Ernst & Young Baltic UAB in Lithuania

To our readers,

This is the first Ernst & Young Baltic report on our performance in the area of corporate social responsibility (CSR) in Lithuania. It represents a balanced and reasonable presentation of our organisation's environmental and social performance in the area of CSR on various Ernst & Young Baltic UAB CSR initiatives.

With this report we want to emphasize our commitment in continuing CSR activities directed towards:

- ▶ Our people
- ▶ Our responsibility in the marketplace
- ▶ Our responsibility to communities
- ▶ Our responsibility to the environment

Being part of the Ernst & Young global network it is critically important for us to continue to invest in the development of our people – by providing the best and the brightest with the learning, experiences and training they need, as well as a great place to work; in serving companies – through relevant high-quality services, delivered seamlessly and consistently around the world; and in strengthening our communities – by promoting transparency, good governance and financial knowledge, and by focusing on our broader responsibilities to society.

Linas Dičpetris, Partner
Ernst & Young Baltic UAB
CSR Leader



What is Corporate Social Responsibility to Ernst & Young?

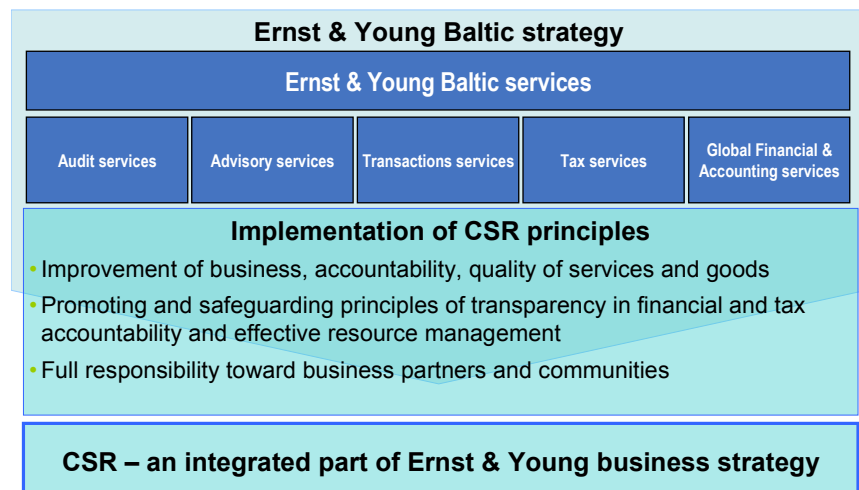
At Ernst & Young, Corporate Social Responsibility (CSR) means basing our decisions and our actions on an understanding that what we do matters.

We provide audit, tax, transaction, advisory, financial and accounting services both globally and locally. We believe our services are vital for building the confidence of investors and the strength of the capital markets wherever we operate.

Our people share a sense of purpose that starts with the work we do for clients, and extends into the communities where we live. With more than 250 people working at Ernst & Young Baltic in Lithuania and 120,000 people in over 140 countries, we can be a tremendous force for good.

CSR principles and socially responsible thinking are integrated in our services and into all aspects of Ernst & Young's business. Our specialists work in various business areas to ensure that Ernst & Young's approach to community engagement would create positive change in Lithuania as well as around the world.

Our values - building relationships based on doing the right thing - are the foundation for all that we do, and are at the heart of our social responsibility. At Ernst & Young, we consider the impact of our actions and decisions on all our stakeholders – our people, community, and the environment.



By drawing on our values, harnessing our strengths, and sharing our knowledge, we are helping to develop people, companies, and communities of tomorrow - and demonstrating that what we do matters.



Human and Labor Rights

We demonstrate our responsibility to our people - Ernst & Young partners, employees, and recruits - by valuing and developing them within an inclusive and flexible environment. We provide our people with the tools, knowledge, and support they need to be successful throughout their careers, no matter where that takes them. That includes a robust learning environment, formal performance evaluation and recognition processes, coaching relationships, and network that support alumni.

Our Ethics and Values

Our Values Statement Who We Are and What We Stand For

- People who demonstrate integrity, respect, and teaming.
- People with energy, enthusiasm, and the courage to lead.
- People who build relationships based on doing the right thing.

Ernst & Young Code of Conduct

At Ernst & Young we are committed to ethical behavior and delivering quality in everything we do.

Quality in Everything We Do is more than our tagline. It's a promise to deliver seamless, consistent, high-quality client service worldwide.

The Ernst & Young Code of Conduct provides the ethical framework on which we base our decisions - as individuals and as members of our global organization - and draws on the commitments contained in our Values Statement.

Our Code of Conduct creates a clear set of standards for our business conduct. It presents each of us with an ethical and behavioral framework to guide our response to the challenging and sometimes difficult choices we face.

Our Code of Conduct is anchored in our values and beliefs and underpins all that we do, across all areas of our activity:

- ▶ Working with one another
- ▶ Working with clients and others
- ▶ Acting with professional integrity
- ▶ Maintaining our objectivity and independence
- ▶ Respecting intellectual capital



Our Values Statement clearly spells out what is important to us as an organization and as individuals, and reminds us of the professionalism that is expected of the people of Ernst & Young.

Ernst & Young Ethics Hotline

Talented people with diverse backgrounds and perspectives.

The Ernst & Young Ethics Hotline is a method for reporting conduct that may be unethical, illegal, in violation of professional standards, or otherwise inconsistent with the Ernst & Young Global Code of Conduct. All reports submitted on Web site or by calling are given careful attention by Ernst & Young, ensuring confidentiality and anonymity if requested.

We Put People First

Trained professionals who consistently exercise good judgment.

We want our people to succeed. Without great people, we cannot be a great organization, so we strive to provide an environment where talented people can develop and flourish. We call it People First.

Our strength is in individuals who act as a team. We know that in a workplace where inclusiveness, flexibility, learning and growth are celebrated, everyone succeeds. That's the culture of Ernst & Young.

Ernst & Young is our people - their experience, competencies, and commitment to delivering high-quality client service defines our business. People are our first strategic driver - and it powers the other two: Quality and Growth.





At Ernst & Young,
corporate social
responsibility is about
helping our people
demonstrate a sense of
purpose through both their
daily work and their
community engagement.

We want the best people delivering the excellent quality that helps achieve our growth objectives and meet our market leadership goals.

People First is the mutual commitment between Ernst & Young and our people. It is a series of principles – supported by programs, processes, and behaviors – that aim to make Ernst & Young a place where the best people want to come and build their careers. People First is based on a simple proposition: when our people achieve their full potential, our clients benefit and our business prospers.

We all contribute to an environment where each Ernst & Young employee can grow and succeed; where they can realize their full potential and deliver quality service to our clients. We call that our People First environment. The three principles of People First require the dual commitment of both our organization and of each of employees to bring them to life. Crucially, they are underpinned by our Values Statement.

People First is based on the following three principles:

1 Maintaining a culture of care, understanding, and inclusion

We all cultivate an environment where employees know they are valued for who they are and what they do, and where they value others in the same way.

- ▶ We all consider the impact on each other when making decisions.
- ▶ We all strive to build a culture where we appreciate our diverse viewpoints and embrace our cultural differences. Employees' contributions, views, and experiences count, regardless of who they are.
- ▶ We all foster a flexible, supportive, and inclusive environment where employees' individual needs and personal time commitments are considered. Employees work with leaders and others in EY to develop the right balance that works for them, their clients, and their teams.

2 Taking charge of own careers

We all stimulate and support personal growth.

- ▶ We, as an organization, give employees access to the learning and knowledge, challenging opportunities, cross-cultural experiences, and coaching they need to grow, succeed, and follow the career that interests them most.
- ▶ Employees commit to pursuing the learning and experiences they need to build their skills and enhance their career value.



3 Striving for excellence

We all promote a high-performance culture where an employee can excel as an individual-both professionally and personally – and realize his/her potential.

- ▶ We, as an organization, encourage employees to stretch themselves, to perform at their best and deliver the highest quality, and they are recognized and rewarded accordingly.
- ▶ Employees commit to maximizing, and being accountable for, their own performance.

Ernst & Young Baltic Workplace Programs

At Ernst & Young Baltic we provide additional benefits to employees to ensure the best working conditions they deserve:

- ▶ Additional compensation for illness or injury leave (compensation to full salary)
- ▶ Additional vacation/holiday days
- ▶ Child birth allowance for people with more than 24 months service
- ▶ Accident and travel insurance
- ▶ Health insurance
- ▶ Children day care centre in the office for employees

At Ernst & Young Baltic we encourage sports and social activities:

- ▶ Fully covered volleyball/ football and basketball facilities
- ▶ Fully covered dance lessons
- ▶ Discounts in sports clubs
- ▶ Social events and teambuilding activities

At Ernst & Young Baltic we encourage studies and professional development:

- ▶ Fully covered professional qualification learning and exams
- ▶ Partly covered (2/3) academic studies
- ▶ Provided paid hours for academic and professional studies

Ernst & Young Baltic supports/ sponsorships universities and student organizations through:

- ▶ Sponsorship of Vilnius University student representation
- ▶ Sponsorship of Kaunas Technical University career center
- ▶ Sponsorship and support for Stockholm School of Economics in Riga (as a source of our many new recruits)
- ▶ Assistance, mentoring and lectures for the university students
- ▶ Other contribution to education and development of students (internships, competitions)



Community

We demonstrate our responsibility to communities - the marketplace at large and the communities in which we live and work and the non-profits and non-governmental organizations that support them - with our people's time and our firm's charitable contributions. We create positive social change by using our workplace skills to make a difference – our focus on education and mentoring enables us to apply our talents and resources in ways that we hope will improve competitiveness for all businesses while helping communities to thrive.

Our role in the marketplace

We realize that results of our work are not simply audit opinions, review reports, comfort letters, tax advice and feasibility studies. The result of our work at large is confidence in the marketplace and capital markets. Without this confidence many of the everyday business transactions would not happen or would be much more difficult. Therefore, we do not simply execute our projects. We do them with realization of how they contribute to the confidence in the marketplace and capital markets. We also go further to work with regulators and other stakeholders in improving the markets infrastructure further by implementing better legislation and regulation both generally and in specific industries.

We carry out significant projects in the Lithuanian public sector at the central government, implementing agencies as well as municipalities' levels. Often these projects (e.g. creation and implementation of the public sector accounting and financial reporting standards; e-Government initiatives) are pioneering new ways of public administration that adopt modern methods and practices and contribute to the wellbeing of our society now and in the future. We have strategically undertaken a significant investment to develop our public sector practice because we believe this is a sound business that will pay off and because it makes contribution to the society in which we and our children live.



Ernst & Young Baltic Community Programs

Community Investment is implemented via pro-bono work and employee engagement:

- ▶ Audits of charitable organisations in the Baltics (Save-the-Children Lithuania, Jiezno vaikai, The Rostropovich Fund, etc.)
- ▶ Charitable support to various non-profit organizations

Ernst & Young Baltic sponsorships:

- ▶ Annual contributions to the Lithuanian Free Market Institute

Ernst & Young Baltic fundraising:

- ▶ Christmas gift campaign to support Save-the-Children Lithuania, as well as an arrangement of fundraising for the specific program of Save-the-Children Lithuania by presenting orphaned children's paintings to clients with accompanying letter asking for support.

Environment

We demonstrate our responsibility to the environment - and to conserving resources and energy - through our efforts to minimize our environmental footprint. That includes electronic data based procedures (such as time reporting and project management), virtual offices enabling efficient use of resources, encouragement of our employees to deliver results of our work to our clients in electronic form only where possible. In the nearest future we plan to implement further measures in this context: centralized printing, IT solutions to minimize unnecessary paper printing, etc.



Anticorruption

We demonstrate our responsibility in the marketplace - to our clients and capital market investors, regulators, legislators, academics and suppliers - by strictly adhering to regulatory and professional standards, and having internal channels and processes in place to provide our people with the tools and opportunities to do the right thing. Ernst & Young's Code of Conduct creates a clear set of standards for our business conduct, provides an ethical and behavioral framework for our decisions, and reflects the commitments contained in our Values Statement. This commitment enables us to deliver on our promise of seamless, consistent, high-quality client service both in Ernst & Young Baltic and worldwide.*

Planned Future Activities

In the years to come, we plan to continue our comprehensive Corporate Social Responsibility program to serve our people, community and the environment.

Ernst & Young Baltic will continue Workplace Program to improve work and rest facilities in Vilnius office; we constantly develop new employee benefit schemes and health programs to improve working conditions of our employees.

Community Investment will be maintained at the similar level with particular emphasis given to employee engagement, pro-bono work, fundraising, sports and arts sponsorships, and becoming social partners to Vilnius University.

A recent Ernst & Young Baltic management initiative aimed to conserve resources at the workplace will be encouraged to transform into continuous effort with considerable effects.

* **Delivering on our promise. Ernst & Young Global Review 2007**

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