

UAB ŠVYTURYS - UTENOS ALUS

Part of the Carlsberg Group



# Social responsibility report



Company name:  
Švyturys-Utenos Alus, UAB

Country: Lithuania

Sector: Production of beer, soft beverages  
and long drinks

Reporting period: 2009

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# WORD FROM THE COMPANY'S MANAGER:



Last year Švyturys-Utenos Alus UAB presented its first social responsibility action report for the year 2008 publicly and to the Global Compact organisation of the United Nations that aligns socially responsible companies from all over the world. This year I am happy to be able to present a second report which aims to introduce the social responsible activities of the company to all parties concerned.

We are proud to be socially responsible towards our employees, the general public and business partners. A Spinter research survey carried out in December 2009 showed that Lithuanian public perceive Švyturys-Utenos Alus UAB as the Lithuanian company having the best image and the Lithuanian company No. 2 when it comes to reputation. For us, being socially responsible means continuous improvement and systematic advancement upwards.

The social responsibility report has been drawn under the principles of the Global Compact that cover protection of the 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.

The social responsibility report stands to evidence that we are 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.

**Rolandas Viršilas**

CEO

Švyturys-Utenos Alus

# 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 base our strategies and plans on this insight and continuously evaluate the ways we work to improve their experience of our brands, our services and our people.

• **Together we are stronger.** We respect and welcome differences in culture, people and brands, at the same time recognizing that working closely together and actively sharing best practices across functions, countries and regions is what it takes to grow and win.

• **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 of failure overcome the desire to succeed and learn from our mistakes. We work in an environment where good ideas and passion to deliver are recognized and rewarded.

• **We are engaged with society.** We are socially and environmentally responsible and believe it makes business sense to be so. We make a positive contribution to the societies in which we operate and the communities in which we live. We listen to and engage with our stakeholders and always strive for responsible use of natural resources.

• **We want to win.** We always strive for winning solutions and are willing to take bold steps to reach our goals. Whether big or small in the market place, we behave as entrepreneurs/underdogs – fast, proactive and action oriented in decision making as well as in execution. 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 A/S. 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. Following the reorganisation in 2008, considering the sharp competitive edge of Švyturys-Utenos Alus UAB and its exceptional performance, the Lithuanian business was assigned to the Nordic region of the Carlsberg Group.

## The assortment of the products of Švyturys-Utenos Alus UAB consists of the following brands:

- Beer Švyturio
- Beer Utenos
- Beer Blindos
- Beer Carlsberg
- Beer cocktails D-light
- Cider Kiss
- Long drinks Zip
- Drinking water Vichy Classique, soft drinks and ice team Vichy Vivafresh
- Drinking water Montavit and
- Energy drink Battery (imported).

All of the above brands are well known across Lithuania and are gaining increasing recognition abroad. In 2009, three brands of beer, Švyturio Ekstra Draught, Švyturio Baltas and Švyturio Baltijos won silver and bronze at the international competition The Australian International Beer Award (AIBA). At the international tasting contest World Beer Championships 2009, organised by the independent Beverage Tastings Institute of Chicago, the beer Baltas by brewery Švyturys claimed the Silver medal.

Comparing the volumes of exports with the 2008 figures, in 2009 exports to western markets went up by 6 per cent, increasing to 3.2 million litres (see Table 1). The company's total exports stood at 10.7 million litres, which was 7 per cent more than a year ago.

## Švyturys-Utenos Alus UAB export volumes

Year	Export to western markets (mil. l)	Total exports (mil. l)
2009	3,2	10,7
2008	3	10

Table 1

## The company's operating results:

In 2009, Švyturys-Utenos Alus UAB produced and sold 170.5 million litres of drinks, which were 11.5 per cent below the 2008 volume (see Table 2). The sales have been largely affected by the 10 per cent increase in the excise duty on beer and the 20 per cent increment in the excise duty on long drinks and cider as of January 1, 2009, as well as the recession of the Lithuanian economy.

The sales of the company's principal product, beer, in Lithuania stood at 123.3 million litres, down by 11.9 per cent from the previous year.

## Švyturys-Utenos Alus UAB products made and sold

Year	Drinks produced (mil. l)	Beer sold (mil. l)
2009	170,5	123,3
2008	192,7	135,2
2007	195,5	135,7

Table 2

Švyturys-Utenos Alus UAB sets high demands unto itself both when it comes to business and social life as well. Considering the long-standing experience of the Danish company Carlsberg, Švyturys-Utenos Alus UAB makes its own contribution to building society well-being, safeguarding the environment and improving financial indicators.

A photograph of three glasses of dark beer with a thick head of foam, arranged on a wooden table. In the background, a fireplace with a bright fire is visible, creating a warm and cozy atmosphere. A white diagonal line runs across the right side of the image.

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 second Social Responsibility Report for the year 2009. 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, but these principles, which guarantee the protection of human rights, employee relations, fair market and environment as well.

The company perceives the benefits of social responsibility as developing long-term prospects that are favourable for the business. Although short-term costs relating to social activity may be high, in the long run they can boost the profits, as local communities,

consumers and suppliers end up having an attractive impression about the company. Švyturys-Utenos Alus UAB feels a moral commitment to conduct socially responsible business, because the company is a member of the society. Hence, it lays its activities and conduct on a foundation of the existing moral norms.

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

- the market,
- environmental protection,
- employee relations,
- social relations.

## Ten principles of the Global Compact

<b>Principle 1:</b>	Businesses should support and respect the protection of internationally proclaimed human rights;
<b>Principle 2:</b>	Businesses should make sure they are not complicit in human rights abuses.
<b>Principle 3:</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
<b>Principle 4:</b>	Businesses should uphold the elimination of all forms of forced and compulsory labour.
<b>Principle 5:</b>	Businesses should uphold the effective abolition of child labour.
<b>Principle 6:</b>	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
<b>Principle 7:</b>	Businesses should support a precautionary approach to environmental challenges.
<b>Principle 8:</b>	Businesses should undertake initiatives to promote greater environmental responsibility.
<b>Principle 9:</b>	Businesses should encourage the development and diffusion of environmentally friendly technologies.
<b>Principle 10:</b>	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 <b>on the market:</b>	<ul style="list-style-type: none"> <li>• Products and their quality</li> <li>• Consumer information</li> <li>• Responsible supply management</li> </ul>
Švyturys-Utenos Alus UAB social responsibility policy <b>in environmental protection:</b>	<ul style="list-style-type: none"> <li>• Preservation and safeguarding of the environment</li> <li>• Pollution reduction</li> <li>• Efficient use of energy</li> <li>• CO<sub>2</sub> emissions control and reduction</li> <li>• Implementation of environmental initiatives</li> </ul>
Švyturys-Utenos Alus UAB social responsibility policy <b>in employee relations:</b>	<ul style="list-style-type: none"> <li>• Equal opportunities for employees</li> <li>• Motivation of and incentives for employees</li> <li>• Training and professional development</li> <li>• Healthcare and job safety</li> </ul>
Švyturys-Utenos Alus UAB social responsibility policy <b>in social relations:</b>	<ul style="list-style-type: none"> <li>• Maintaining transparent relations</li> <li>• Preparation and initiation of social and cultural projects</li> <li>• Improving social relations</li> </ul>

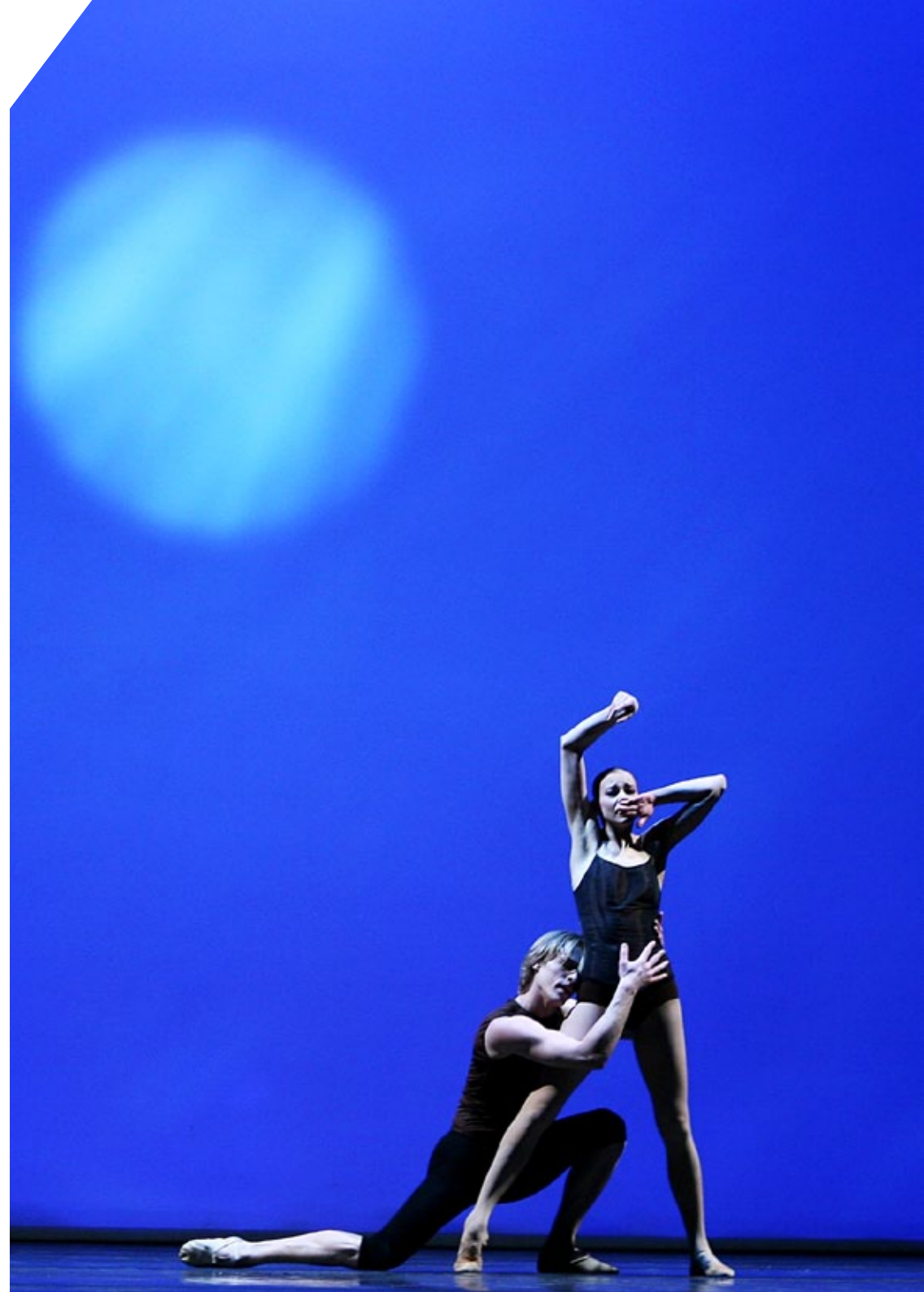
Table 4

## Employee contribution in raising social responsibility

The values of the Carlsberg Group provide a base for the company's strategy and its entire action plan. The whole team of Švyturys-Utenos Alus UAB makes its own contribution to developing social responsibility as well:

- Employees use the company's intranet to share their stories and examples of how they understand social responsibility.
- Special elections take place every quarter to award the "silver hop" to a socially responsible employee.
- In 2009, the leadership competences of the company's employees were supplemented by social responsibility for the company's social impact. All of the employees are being appraised for the progress attained in 2009.

- The company develops and promotes small-scale in-house initiatives, involving the whole of the staff: the sorting of waste, Darom '2009 working bees, September 1st events (the Social Security and Labour Ministry of the Republic of Lithuania), Save the Children campaign, the chanting of the Lithuanian national anthem at the millennium celebration.
- There are projects underway that are aimed at saving natural resources (water, electricity, heat 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 economical impact on the market first of all covers things like the effects of products on the 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 to in order to develop responsible marketing and competitive relations that are based on social responsibility.

The principal directions of responsible activity on the market are as follows:

- Products and their quality
- Consumer information
- Responsible supply management

## Products and their quality

One of the critical elements to help boost the competitive strengths of products is the quality and its stability. Both, corporate clients and consumers are concerned about the ability of each company to launch products that comply with the market requirements. The principal shareholder of Švyturys-Utenos Alus, the global beer concern Carlsberg makes consistent investments into the quality of its products and the production processes, thus ensuring the competitive advantages of products from both breweries. 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 quality control

system was tightened and a quality assurance department within the manufacturing division was founded in 2009. To ensure conformity with quality requirements, consumers could also track the suitability of products and report any violations using a toll-free quality hotline.

When it comes to responsible production, the year 2009 also saw the implementation of the covenant to refrain from making beer that is stronger than 8.5 per cent alcohol content by volume as stipulated in the Code of Honour of Lithuanian beer makers. Having complied with this covenant, Švyturys – Utenos Alus UAB reduced the alcohol content in its strongest beer down to 8 per cent.



## 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 2009, 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. That way, any violations of the law and moral norms were avoided in 2009.

## Responsible supply management

Responsible supply management is employed to ensure that transactions are economical and efficient. Under the Carlsberg purchase contract rules as of 2009, 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 2009 abided by the business ethics policy and supervision to prevent unfair prices, unfair competition, money laundering, the dodging of taxes 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 honourable competition principles in 2009. There were no negative mentions of either the competition or its products in commercial communication.

To avoid incidents relating to business ethics on the market, Švyturys-Utenos Alus UAB holds lectures and trainings for its employees (70 employees were trained in 2009).

## Responsible investments

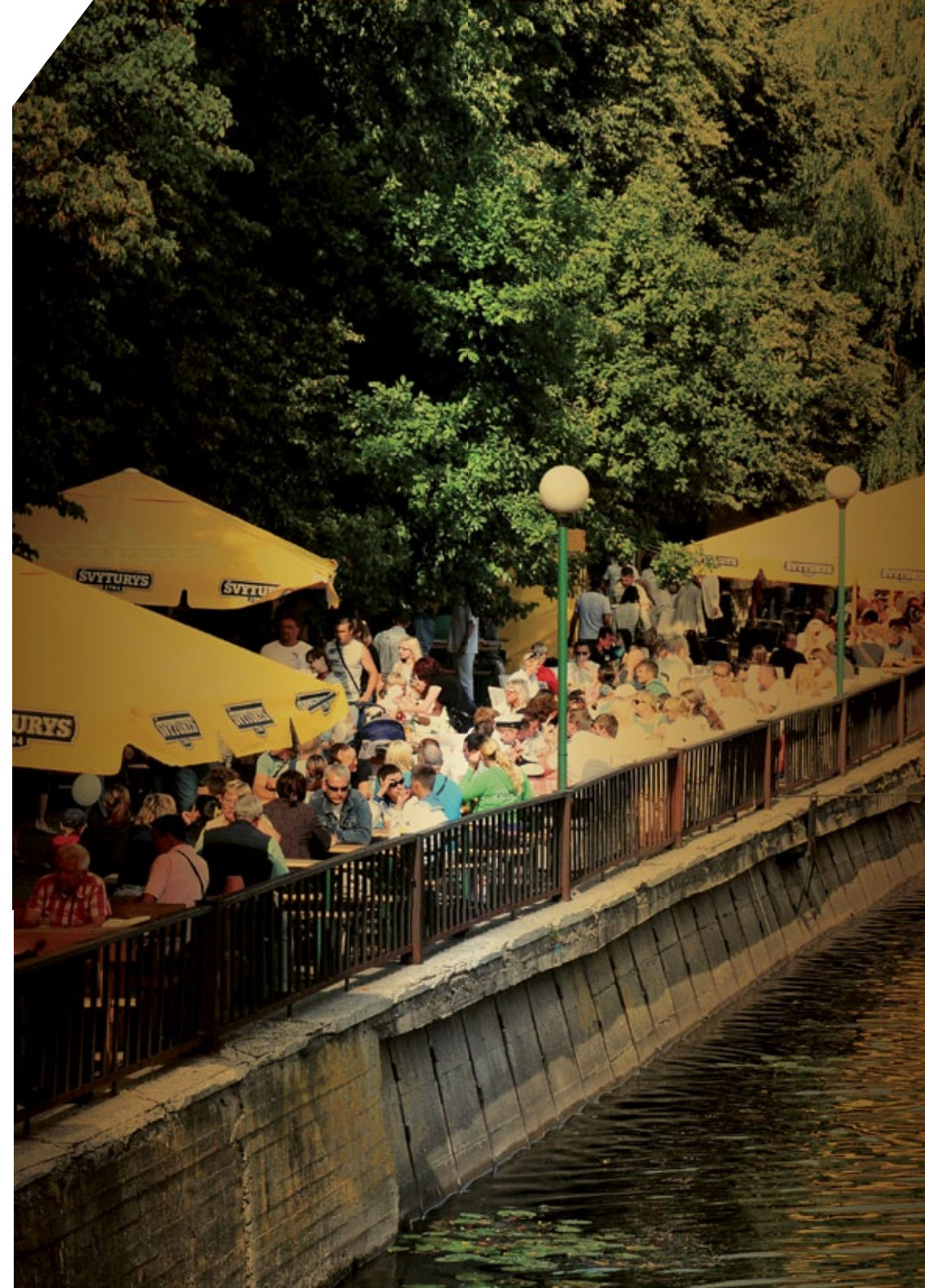
Socially responsible investments is a way to manage the investments, one that combines social, environmental and financial activities. In 2009, Švyturys-Utenos Alus UAB made most of its investments into improving work-places. This led to employee satisfaction, ecologically friendly production, consideration of the society's needs. The following responsible investments were made in 2009:

- Improving the working environment through computerisation of part of the manufacturing process. The load of repetitive, mechanical work that employees had to perform was reduced.
- Modernising the glass bottle transporter. This led to higher efficiency of the transportation line, reduced power consumption as well as a lower noise level in the production facility.
- Installing noise insulation shields at the Švyturys plant which led to noise reduction at operator work stations.



## The 2010 targets on the market are as follows:

- The target that has been set in the field of product quality for the year 2010 is to sign a Quality Declaration that would label the products manufactured as organic and of good quality and would specify that the production process is free from any genetically modified products.
- Development of organic packages.
- Adherence to fair advertising.
- Maintaining the competitive advantages.





Social  
responsibility  
in working  
environment

## Social responsibility in working environment

In 2009, following the Carlsberg Group labour and human rights policy, 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 and increasing number of initiatives within the working environment every year.

### The key areas of social responsibility in employee relations:

- Equal opportunities for employees
- Trainings and professional advancement
- Employee motivation and incentives
- Healthcare and on-job safety

## Equal opportunities for employees

Švyturys-Utenos Alus UAB employs people, pay 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, 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.

Employee breakdown by sex in 2009, based on position, the breakdown of directors of different departments was as follows: 5 men and 4 women. The breakdown of the 29 middle level managers was equally balanced, i.e. 13 women and 16 men.

Considering the breakdown of employees by age (see Table 5) one can note that there were no signs of discrimination observed in 2009.

### Breakdown of Švyturys-Utenos Alus UAB employees by age

Age	No. of employees
18 – 29	153
30 – 39	120
40 – 49	128
Over 50	80

Table 5

• **Discrimination for nationality** has no place in Švyturys-Utenos Alus UAB either. A lot of people of different nationalities work there, some of them holding managing or executive positions.

• **Harassment and intimidation issues at work** has been included in the collective agreement and relevant guidelines have been envisaged following directives of the European Commission and Council.





## Trainings and professional advancement

The 2009 training budget stood at LTL 401,600. In 2009, in-house trainings for managers of production, logistic shops on how to carry out fair and objective quarterly appraisal of operations covering employees of every level, setting SMART objectives at the same time were conducted.

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. The book *Develop at Working* (2009) provided employees with information on training programmes for employees of different fields from Švyturys-Utenos Alus UAB, giving them a chance to take advantage of such programmes.

The year 2009 saw two management conferences that discussed the issues of professional advancement, sought new solutions of how to improve the skills of management, interaction with employees, personal development and leadership.

## Interaction with trade union representatives

**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. In 2009, representatives of the trade union and an elected employee representative participated in the Carlsberg Group employee council, where the key executives of Carlsberg (including its President J.B. Rasmussen and representatives of other functions) introduced the company's future, answered all the questions that arise in the countries represented by employee representatives.

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.

Every quarter, **the general manager and top management meet with the entire staff of the company** in all regions to present the company's results and future plans and to hold discussions. In the fall of 2009, the company was visited by the president of the parent company Carlsberg, who had meetings with employees and discussed matters of relevance to them.

## 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 – products, accomplishments,



recognitions, market achievements. The company publishes the in-house magazine *Su Puta*, which is largely devoted to the staff, to inform the employees and to maintain a dialogue with them. Every division has info booths with access to the company's intranet (*ŠUANet*) and employees are free to use them, access all of the updated, latest information about what is going on within the company, read on developments in other Carlsberg companies.

## Employee surveys

Employees of all levels are involved in preparing the company's goals. Individual targets are linked with those of a group, shop, function and the company. An employee survey dedicated to employee representative elections was conducted in 2009, covering 75 per cent of the employees.

There has been a significant statistical improvement in employee opinion (compared to 2007, we carry out surveys once in two years) on the following areas:

Remuneration and incentives +7 per cent

Direct supervisor +5 per cent

Top management +5 per cent

Cooperation +4 per cent

Culture and winning values +4 per cent

Communication +3 per cent

Working conditions +3 per cent

Internal involvement of employees has improved by +17 per cent.

Having analysed the data, employees elected their representatives who attended a working session to further draw an action plan for 2010–2011.

When it comes to social responsibility of the company, the true picture is best seen by the employees themselves. Therefore Švyturys-Utenos Alus UAB was among the companies that decided to conduct an employee opinion poll during the hard times, enabling the employees themselves to appraise the company's communication, conduct towards them during the economical hard time. The key conclusion was that the company, albeit it was forced to make unpopular decisions during the hard time, was able to do so in a responsible way, both preserving the employees who are most valuable and greatly bolstering the confidence and loyalty of its employees as well.

## Remuneration system

The remuneration regulations describe salary structures and procedure and dates of revisions. Living and doing business during the hard times, in 2009 salaries were paid on time and in full. The company kept benefits (including allowances, sports and wellness procedures, etc.) for all employees in 2009.

The real monthly salary per on employee (level 1–7, the most socially vulnerable level) in 2009 amounted to LTL 3,688. Compared to 2008, when salaries of employees of the same level stood at LTL 3,315, during the economical hard time the salary actually went up.

## Zero tolerance of forced and child labour

Švyturys-Utenos Alus UAB enforces the labour policy of Carlsberg, which prohibits all forms of forced labour, including labour to pay off arrears, slave labour and human

trafficking. Employees are allowed to move freely and leave their workplaces when the shift is over. The Carlsberg Group has zero tolerance of hired child labour. In 2009, just like any other year, Švyturys-Utenos Alus UAB did not record any violations to the forced and child labour principle.

## Keeping jobs

In 2009, the focus lay on keeping the jobs for the existing employees. The company sought to aid its staff during the hard times and to take account of their wishes. The company committed itself to keeping jobs in the production and logistics units in Utena and Klaipėda (where the employees have spent the most years with the company, fall into the older age group and hence are socially vulnerable the most). This commitment to employees has been fulfilled.

## Outplacement policy, assistance in seeking job

The Kaunas logistics unit was included in the reorganisation plan which led to the closing of a warehouse in 2009. The closure was carried out providing maximum protection to the employees:

- as jobs became available, we offered the people who were being dismissed temporary or permanent positions at other logistics units of the company;

- all of the employees who were made redundant were entered into the database of the recruitment company Starjobs and were granted priority status when seeking employment;

- the employees who were being made

redundant attended a seminar featuring external consultants to introduce them to principles of self-recognition, provide them with information about labour market tendencies, present them with the most effective methods to search for employment, general information on how to write a good resume, motivation letter;

- the company at its own expense organised individual consultations for the employees who were being dismissed, involving recruitment psychologists from other organisations to analyse the employees' skills, competences, motivation, opportunities to find job and to prepare their resumes, simulate job interviews, provide people with recommendation and advice on how to introduce themselves to the employer.

## Relations with employees' families

In 2009, the company was granted the family-friendly status (the Social Security and Labour Ministry of the Republic of Lithuania). The company staged festivals for employees' children, granted allowances to single parents; every family with three or more children were given quarterly grants. On September 1st, all the children of the company's employees were invited to get to know the working environment of their parents so that they feel safe and be unafraid to report any problems they may have.

## 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 bonus of up to 30 per cent and up to 50 per cent for certain jobs. Švyturys-Utenos Alus UAB has an employee safety and health committee consisting of representatives for the employer and the staff. It organises safety and health checks for employees of the company's departments, involving representatives from trade unions and employees. A Job Safety Programme for 2009 – 2010 was prepared in 2009 and is now being implemented. The company spent LTL 20,097 to train its employees in job safety and health in 2009.

In order to promote healthy living all the employees have access to fresh drinking water at their workplace.

During the flu epidemic in Lithuania in 2009 employees were encouraged to become inoculated and those willing were vaccinated at the company's expense. A memo on how to behave during the flu epidemic was in circulation. All of the company's departments were provided with protective disinfecting facilities.

## Improving working conditions

In 2009, the company focused on improving the working conditions for its employees, considering employees' opinions, the improvements involved the sorting out of the warehouses, the lease of bigger offices

in Panevėžys, the purchase of hands-free equipment for sales managers to enable them to drive safer and work with more comfort.

## The 2010 targets of developing employee relations are as follows:

- to involve employees in making important decisions and to ensure two-way communication
- to strengthen information of the Carlsberg Group
- to strengthen the social dialogue with the United Representation of Trade Unions based on partnership principles



# Social responsibility in environmental protection



## Social responsibility in environmental protection

Švyturys-Utenos Alus UAB makes its products using natural ingredients from natural sources. Feeling responsible for its environmental impact, in 2009 the company made a contribution to preserving the environment through implementation of environmental initiatives and adherence to legal norms. According to the environmental policy of the Carlsberg Group and the principles of the Global Compact, the company conducted its business responsibly in the environmental field, supported preventative programmes to ensure environmental protection, took initiatives to boost the environmental responsibility. Carlsberg's environmental policy encourages the members of the group to use natural resources responsibly and to foster well-proportioned development.

### The company's environmental targets for 2009 are as follows:

- protection and conservation of the environment
- pollution reduction
- efficient use of energy
- control and reduction of greenhouse CO<sup>2</sup> gas emissions
- implementation of environmental initiatives



In 2008, Švyturys-Utenos Alus UAB set itself a goal to achieve efficiency of at least 7 per cent when it comes to consumption of energy and water resources and to bring down the amount of sewage and CO<sub>2</sub> emissions accordingly in 2009. Having eliminated the drop in those ratios due to the decrease in production by 11.5 per cent, the ambitious target has been achievement for most of the parameters. CO<sub>2</sub> emissions went down two-fold against the 2008 targets, i.e. by 18.2 per cent. Water consumption was reduced by 7.2 per cent. Although the efficiency of consumption of power and sewage volumes fell short of the 2008 target, what is important is that Švyturys-Utenos Alus UAB used 6.6 per cent less energy to produce one litre of its products, and the quantity of sewage went down by 1.7 per cent.

Energy consumption (kWh)	2008	2009	Change	Adjusted for drop in production
	15803590	13067557	17,3 % drop	6,6 % drop

Water consumption (m <sup>3</sup> )	2008	2009	Change	Adjusted for drop in production
	744490	611317	17,9 % sumažėjo	7,2 % sumažėjo

Sewage (m <sup>3</sup> )	2008	2009	Change	Adjusted for drop in production
	487781	424193	13,0 % drop	1,7 % drop

Air pollution: CO <sub>2</sub> emissions (g/l of products)	2008	2009	Change
	45	36,8	18,2 % drop

Efficiency with regard to consumption of resources has been achieved through the exercise of the Carlsberg environmental policy and assistance from employees. Annual and quarterly bonuses are granted to employees as incentives for efficiency levels achieved. A project to minimise negative environmental effects was launched in 2008, involving the installation of a CO<sub>2</sub> gas recycling system. The system was finished in 2009, all according to the plans.

Packaging has a significant role in the manufacturing process at Švyturys-Utenos Alus, UAB. Products are bottled into glass and PET containers. Later on, in order to prevent pollution and contribute to cleaning the environment, containers are recycled (see Table 6) by Public Company Žaliasis Taškas, in which Švyturys-Utenos Alus UAB holds a stake. The key objectives of Žaliasis Taškas are to meet the targets of package handling for all of its members, to organise infrastructure for package handling and to reduce the amount of formalities and reports for its members.

## Packaging and its use and recycling in 2009

Packaging	Packaging used for products and launched on the domestic market, ton per year		Packaging waste utilisation and/or recycling targets, per cent	Quantity recycled, tons
	Primary	Secondary and/or tertiary		
2008	2,992	1,751	34,2%	1,622
2009	2,954	1,726	39%	1,806

Table 6

Compared to the year before, 1.3 per cent more tons of packaging was used for products, but package recycling went up by as much as 10 per cent. This demonstrates the company's responsible approach to waste management.

## Environmental initiatives

In 2009, Švyturys-Utenos Alus UAB contributed to protecting and safeguarding the environment with the following environmental initiatives:

- Employees were encouraged to sort waste both at workplace, and at home. More bins for sorting trash were set up at the office building in Vilnius as well as in the production units in Klaipėda and Utena. That way employees made their own contribution to building a nicer natural environment.
- A team from Švyturys-Utenos Alus UAB joined in voluntarily to the environmental campaign *Darom 2009*. That was a follow-up on *Darom 2008* project, which was aimed primarily at promoting environmental thinking, social activity of Lithuanian people, strengthen local communities and the understanding of equality of people.

### The environmental targets for 2010 are as follows:

- Achieving efficiency when it comes to consumption of energy and water and to minimise waste by at least 5 per cent
- Implementation of the environmental project Land of the Lakes in Utena. The goal of the project is to clean the environment of the

Aukštaitija regional park, educate the public in environmental protection, engage employees in the project to preserve the nature.

- The following projects have been prepared to boost the production efficiency and preserve the nature in 2010:

- **Minimising the reduction volume of mash.** The goal of this project is to reduce the consumption of thermal energy used to brew beer and the amount of steam emissions, and to use the resultant excess heat optimally for other production needs like heating, hot water preparation, washing.
- **Minimising beer losses.** The plans include installation of special facilities with high-sensitivity sensors to increase the efficiency of separating products from water used to wash the systems. This will lead to a lower amount of product losses and a 12.5 per cent decrease in the quantity of BOD (biological oxygen demand) emitted to the environment with the sewage.
- **Albumen collection.** The goal is to use albumen produced in the manufacturing process for agriculture purposes. Albumen will be sold to farmers who will be able to use it as a feed additive. This will result in a lower amount of production waste deposited in landfills.





Social  
responsibility in  
social relations

## Social responsibility in social relations

Social responsibility in social relations is based on the Community Involvement Policy, which applies to every Carlsberg company. Its purpose is to feel the responsibility and commitment towards the society and the communities in which we work and live. Švyturys-Utenos Alus UAB conducts its business responsibly, taking account of the society's interests.

### The social relations targets for 2009 are as follows:

- Maintaining transparent relations;
- Cooperation with local communities;
- Preparation and initiation of social and cultural projects;

Within the framework of exercising social responsibility, the largest emphasis is placed on Utena and Klaipėda communities, as these are the cities in which the company has its production facilities. In 2009, the company supported a community relations programme, staged meetings to address significant issues. Feeling responsible towards the communities, the company granted **over LTL 2.5 mil of sponsorship funds to different organisations:**

### Klaipėda community:

- Klaipėda's team Neptūnas;
- the Sea Fiesta;
- Klaipėda's Tourism and Culture Information Centre;
- Klaipėda's Football Academy;
- organisations in the towns of Nida, Garģždai;
- an Oak Park was planted in association with the basketball team Lietuvos Rytas on the territory of the University of Klaipėda.

### Utena community:

- Utena district municipality;
- Utena's culture centre;
- Utena's basketball team Juventus.

### In 2009 Švyturys-Utenos Alus UAB lent active support to the following sports organisations:

- basketball team Lietuvos Rytas;
- the Lithuanian national men's basketball team;
- the Lithuanian Football Federation;
- the Lithuanian National Olympic Committee;
- the Lithuanian Sunday Football League;
- Vilnius handball club;
- Vilnius tennis club;
- the sports veterans' association Penki Žiedai;
- the Lithuanian women's basketball league.

### Sponsorship was awarded to other social cultural and arts organisations as well:

- Public Company Bliuzo Naktys;
- the Jazz House;
- the Lithuanian National Symphonic Orchestra;
- the National Grill and Barbecue Association;
- the Lithuanian Opera, which has been sponsored for an eighth season, best opera and ballet performers being awarded the Opera Lighthouse trophies.

As we have mentioned elsewhere in this report, the year 2009 saw the development and promotion of small-scale in-house initiatives, involving all of the employees: September 1 events (the Social Security and Labour Ministry of the Republic of Lithuania), the Save the Children action, the chanting of the Lithuanian national anthem at the millennium celebration.

## Fight against corruption

Following the ten principles of the Global Compact, Švyturys-Utenos Alus UAB has included targets pertaining to fight against corruption into its responsible business strategy as well. In 2009, the company continued to uphold 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.

## Responsible consumption

Realising its responsibility towards the society as that of a producer of alcoholic beverages, the company in 2009 consistently adhered both to the laws of the Republic of Lithuania and the principles laid down in the Code of Honour of Lithuanian beer makers. Spending on responsible consumption initiatives and activities in 2009 stood at around LTL 34,500.

In 2009, Švyturys-Utenos Alus UAB initiated a responsible consumption project of Enjoy Responsibly. The goal of this project is to inform the public on responsible and moderate consumption of alcohol. The inscription on product containers, advertisement stands, posters and in videos warned the consumers of potential risks of alcohol consumption and urged the public to consume it responsibly.

To attain better results when it comes of educating the public in responsible consumption, Švyturys-Utenos Alus UAB and the Brewers' Guild in 2009 designed another project, this one called the Beer Academy. This project featured seminars and lectures aimed at informing the public of moderate and responsible consumption of alcohol.

### The 2010 targets of building social relations:

- to continue supporting the communities;
- to be involved in educating the consumers in responsible consumption;
- to be involved in educating the public in ecology.



# 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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