

The future in our hands

MODERN RESPONSIBILITY REPORT 2010



About this report

Let us introduce MTG's third Modern Responsibility report. This is our first report that summarises our corporate responsibility progress world wide following the Global Reporting Initiative.

This is our first corporate responsibility report that follows the Global Reporting Initiative (GRI) framework, although this is actually our third annual Modern Responsibility report. Our previous report was published on 12 May 2010 and is available on mtg.se.

This report summarises our corporate responsibility progress and developments on a calendar year basis, from 1 January until 31 December 2010. We have used the GRI boundary protocol and completeness principle to define the report boundary, to reflect MTG's significant economic, environmental and social impacts. We have addressed and included the full value chain from customers to suppliers in our dialogues to help us define boundary and ensure completeness.

Included in the reporting scope are operations over which we have full control, as well as all subsidiaries and leased facilities unless stated otherwise. Also included are GES Media Holding in the Czech Republic where MTG owns 50% of the company and Viastrong in Ukraine with an 85% ownership.

Countries where we only operate pay-TV channels on other providers' platforms have been excluded from the reporting, because we don't have employees or facilities in these countries, and thus they don't have significant impact on MTG's sustainable development. The Russian digital satellite TV platform Raduga is also excluded because

the 50% acquisition was finalised in February 2010 and the figures would therefore not cover the whole year. TV broadcasting network CTC Media and the Finnish radio station Radio Nova are excluded as MTG doesn't exercise exclusive control over these entities.

The boundary has changed from the previous report – the CDON Group has been excluded from the environmental reporting for Q4, as they were demerged from MTG in Q4. The emission factors for MTG's environmental impact have changed slightly from the previous report and the due to improved data collection processes the 2010 environmental data is more accurate than in 2009 – more information is available on p.43-44.

This report focuses on corporate responsibility issues that were defined as relevant by stakeholder engagement in 2010 (see p.14). We have also included information on smaller scale social and environmental initiatives that we have done locally in the various countries of operation. The GRI index of this report can be found on p. 46. MTG has self-declared that this report meets the criteria for reporting level C of GRI's G3 Guidelines.

The report compliments the Annual Report and the Modern Responsibility pages on www.mtg.se, where you can follow our progress and recent activities.

We really want to hear your thoughts, be it regarding this report or our work with Modern Responsibility. Let us know what you think at responsibility@mtg.se.

Highlights 2010

We produced our first GRI report and set concrete targets for our CR work

We started our own foundation MTG United for Peace

We completed a Modern Responsibility tour to engage with all local MTG companies

We conducted a materiality analysis and stakeholder survey to further engage with our stakeholders

We started supporting Playing for Change's work with underprivileged children

We established a Crisis Support Team to be able to act fast in case of an emergency

We submitted our first public response to the Carbon Disclosure Project

Our Green Ambassadors trained 56% of all permanent employees in environmental issues

MTG Radio completed their environmental ISO 14001 certification



"I'VE NEVER STOPPED DREAMING"

ALICE KINGSLEY (MIA WASIKOWSKA)
ALICE IN WONDERLAND, 2010
WALT DISNEY STUDIOS MOTION PICTURES.
ON TV1000 SPRING 2011*

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Hands-on responsibility

It is said that with great power, comes great responsibility. As one of Europe's leading broadcasters, we recognise and respect the fact that we wield a significant amount of influence. During 2010 we have tried to assess how we can best utilise this influence for the benefit of all of our stakeholders and the world around us, and which specific areas we should be concentrating on in the future.

Our numerous stakeholder groups represent a diverse number of industries, businesses, organisations and individuals. In 2010 we have, both through ongoing dialogue and through our Stakeholder Survey, taken the views of all our stakeholders into account as part of our continued work. This dialogue, and other assessments, which include a materiality analysis and benchmarking, have strengthened our conviction that the focus of our Modern Responsibility work, which is based on the four pillars of Business, Broadcasting & Marketing, Colleague and Community Responsibilities, should be focused on fair employment terms, equality, anti-corruption and charity.

As we continue our expansion into Emerging Markets, we are responsive to the risks involved, and will work actively to combat corruption, human and labour rights abuse, as well as pollution. In terms of environmental impact and human rights, our stakeholders support the use of our powerful broadcasting network to inform and positively affect our audiences through positive programming and our charity work with our new foundation MTG United for Peace.

MTG United for Peace was a first step in what we hope will be a long history of charitable work that our stakeholders would like to see us pursue. MTG United for Peace brings together disadvantaged children from all backgrounds through the universal language of football, to teach them about peace, tolerance and respect. We believe that children both do and will need to be well equipped in these areas, to face the challenges of the future. Because of this, we also support Playing for Change; to help children play their way to a better tomorrow.

As an integrated free-TV and pay-TV operator, we benefit from a mix of advertising and subscription revenues, as well as the synergies, which arise from our competitive business model. Broadcasting is our core business and therefore our core responsibility. During 2010 we have continued our work on areas like anti-corruption, compliance and equality, and we have also set short, middle and long-term goals for what we aim to achieve in these areas. These goals have, and will continue to be, assigned to their respective departments. By doing so, we hope to increase measurability and accountability of their performance, as well as achieve an increased level of follow-through. One of our goals, which aims to address global concerns about corruption, is to have all of our managers trained in our anti-corruption programme by February 2012.

We are also sensitive to the challenges of the future. An increasingly digital world, where the importance of online media is increasing, brings new responsibilities for us as a broadcaster. In response to this we are continuously updating our controls and regulations to protect our younger audiences and to maximise accessibility for all our viewers. We are also aware of the challenges that lie in other areas, where we have not been equally successful. One example of this is our increasing efforts to reduce emissions from business travel, which grew by 36% year on year in 2010, and which primarily reflected a difference in reporting between 2009 and 2010. However, we continue to promote video and conferencing solutions across the Group in order to improve this going forward.

I also see a future where Modern Responsibility runs through the veins of all our employees. A future built on a continued collaboration between MTG and its stakeholders. A future where MTG can use its influence to bring about the right kind of change and minimise negative impact without compromising the quality of the entertainment we provide, and still maintain the high levels of growth and profitability we are famous for.



Hans-Holger Albrecht
President & CEO



All about us

MTG offers entertainment for everyone, pure and simple. But we like to think of it as *entertainment with a conscience*, and a mission to do that and a lot more.

It all started in 1987 when we launched TV3 in Sweden, Denmark and Norway, the first commercial TV channel in Scandinavia. Today MTG's Viasat Broadcasting reaches 125 million viewers and has more than 60 own branded channels in 33 countries.

What we do

We're here to entertain you and we've got something for everyone. We provide entertainment by offering a wide range of content through our media channels; 28 free-TV channels and 36 own branded pay-TV channels.

Viasat Broadcasting operates broadcast payouts in eight countries, including the main Broadcast Centre in the United Kingdom that broadcasts 36 of our channels, and a new broadcast facility in Riga that broadcasts 12 channels. We outsource our broadcast payouts in Russia (GTSS) and Norway.

Modern Studios incorporates companies which produce a wide range of media content. Strix Television is one of them, creating and producing TV formats for the Nordic and international TV markets.

MTG's radio business is the largest commercial operator in the Nordic region and the Baltic countries.

Modern Times Group MTG AB class A and B shares are listed on Nasdaq OMX Stockholm's Large Cap market ("MTGA" and "MTGB").

Changes 2010

In February 2010 MTG acquired 50% of Raduga in Russia, with offices in Moscow. Raduga is the sole owner of LCC DaoGeoCom, which operates the Russian nationwide DTH satellite pay-TV platform offering more than 50 TV channels. The figures showing the sustainability impact of Raduga will not be available until in 2011.

In December 2010 MTG demerged its Internet Retailing business by means of the distribution of shares in CDON Group to MTG's shareholders.

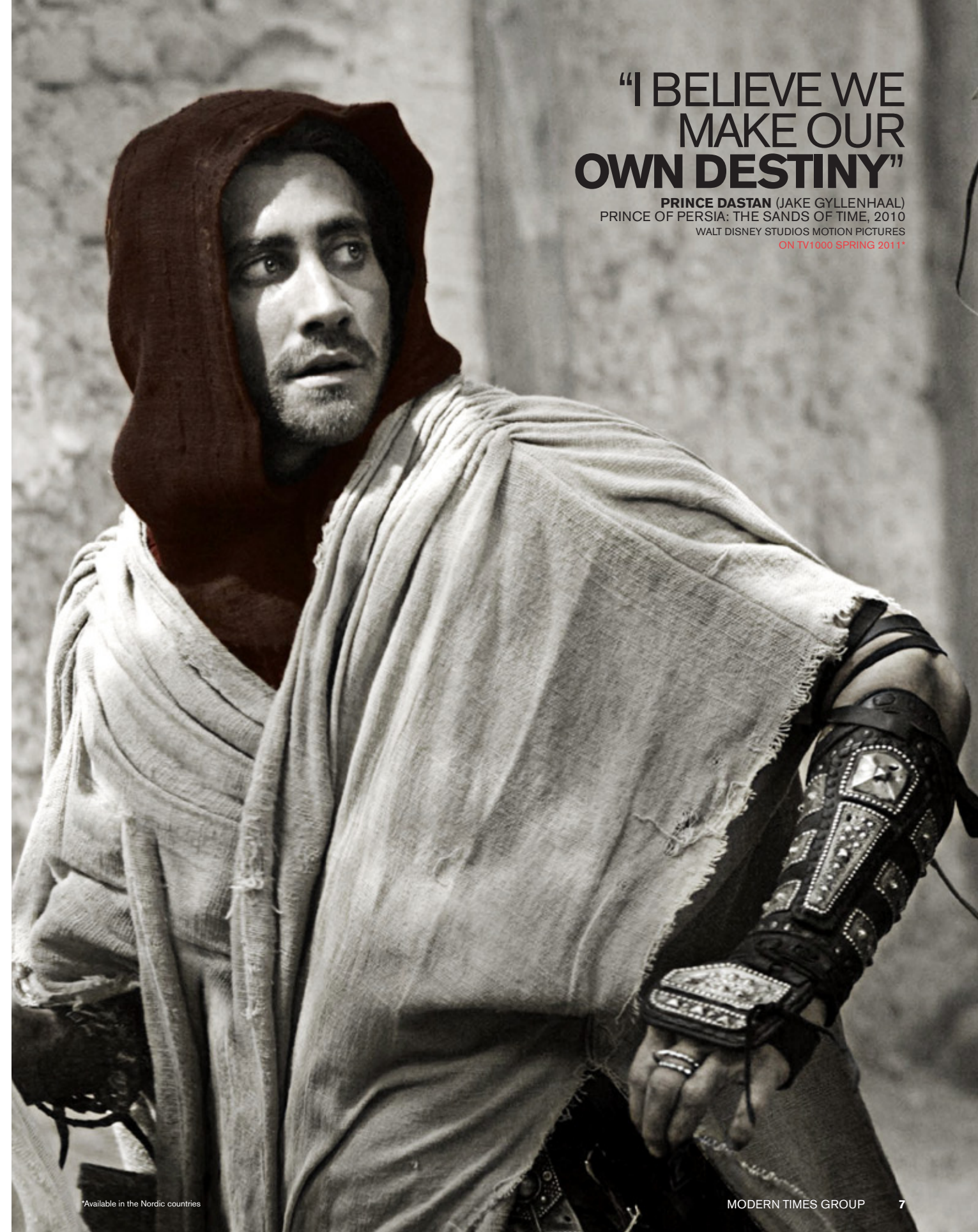
Following the demerger of CDON Group, MTG's results are now reported for six business segments – 'Free-TV Scandinavia', 'Pay-TV Nordic', 'Free-TV Emerging Markets', 'Pay-TV Emerging Markets', 'CTC Media', and 'Other Businesses'

The demerger has also had an affect on MTG's environmental impact. However, CDON Group's most significant environmental impact was caused by goods transports provided by third party suppliers.

The 2010 changes didn't cause significant changes in the ownership of MTG.

"I BELIEVE WE
MAKE OUR
OWN DESTINY"

PRINCE DASTAN (JAKE GYLLENHAAL)
PRINCE OF PERSIA: THE SANDS OF TIME, 2010
WALT DISNEY STUDIOS MOTION PICTURES
ON TV1000 SPRING 2011*



*Available in the Nordic countries



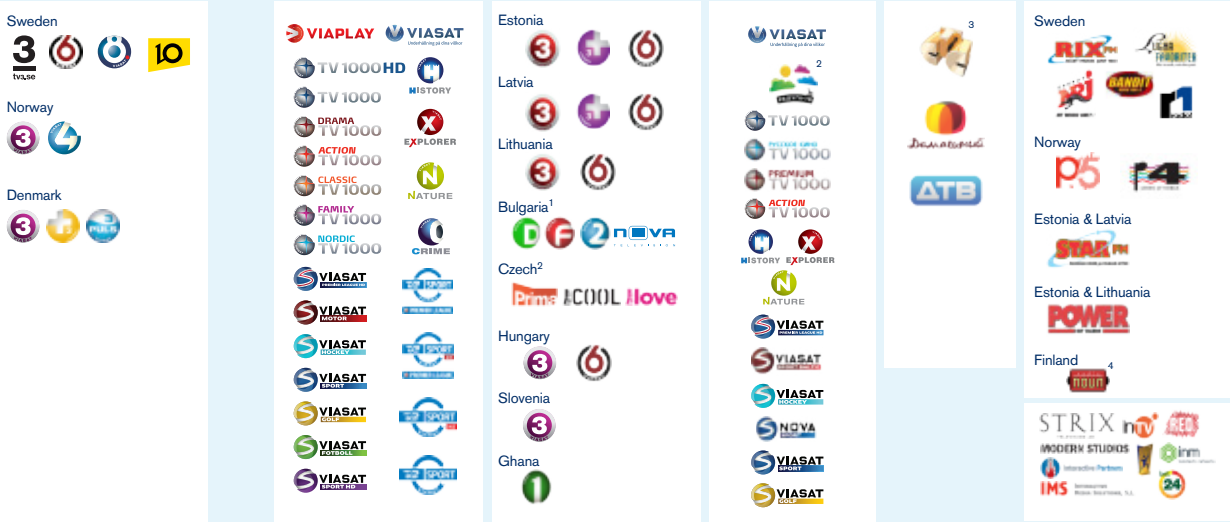
Armenia	Kenya	Slovakia
Azerbaijan	Kyrgyzstan	Slovenia
Belarus	Latvia	Spain ¹
Bosnia and Herzegovina	Lithuania	Sweden
Bulgaria	Macedonia	Ukraine
Croatia	Malta ¹	United Kingdom ¹
Czech Republic	Moldova	United States
	Montenegro	Uzbekistan

- MTG Headquarters Stockholm
- Viasat Broadcasting Headquarters, London
- Countries with offices
- Countries with operations but no offices

	2006	2007	2008	2009	2010 ¹
Net sales (MSEK)	10,136	11,351	13,166	14,173	13,101
Operating income (MSEK)	1,777	2,027	3,671	-1,428	2,355
Basic earnings per share (SEK)	21.57	20.35	43.25	-30.86	53.34
Average number of employees	2,008	2,341	2,644	2,906	3,069
Financial position	2006	2007	2008	2009	2010¹
Shareholder's equity	5,105	5,875	8,980	5,680	6,239
Long-term liabilities	304	429	5,263	4,175	3,311
Short-term liabilities	3,796	4,654	4,989	4,796	4,452
Total shareholders' equity and liabilities	9,205	10,958	19,232	14,651	14,002

Operational structure

Other Businesses



8 | ALL ABOUT US

We are here...

Building *a strong foundation for a responsible business is key* to long-term sustainability. This is how far we've come.

Where you are going is often dependent on knowing where you are. In the case of Modern Responsibility, we are still learning, but hope we have finally managed to build a sturdy foundation on which to build our sustainable future. Business Responsibility, Colleague Responsibility, Broadcast and Marketing Responsibility and Responsibility to the Community are the four key areas and corner stones of Modern Responsibility. With our role specified and the structure in place, 2010 has been a year of information gathering, analysis and goal setting. This process has shown us that it isn't always easy to determine how to best measure progress and only 2011 will tell how well we've done. But first, what is Modern Responsibility all about?

Our Modern Responsibility

Modern Responsibility (MR) is the name we have chosen for our corporate responsibility work. MTG is dedicated to entertainment – it's the core of our business and at the core of our opportunities to bring about change and fulfil our obligations. Our media channels give us both possibilities and obligations, and we believe in conducting honest and responsible business by running a responsible company.

Modern Responsibility in day-to-day business

We like to think of Modern Responsibility as a central coordinator of our business culture, a coordinator able to survey the situation, gather information and keep track of what goes on everywhere regarding sustainability. A coordinator that makes sure we're doing what we should in every country and every office in which we operate.

With the knowledge gathered, Modern Responsibility is where we meet up to touch base and get new ideas. Our aim and goal is to inspire and give guidance, and we are doing this efficiently by using our gathered best practice. This is also where we track the latest trends and possibilities for a more sustainable and responsible way of working.

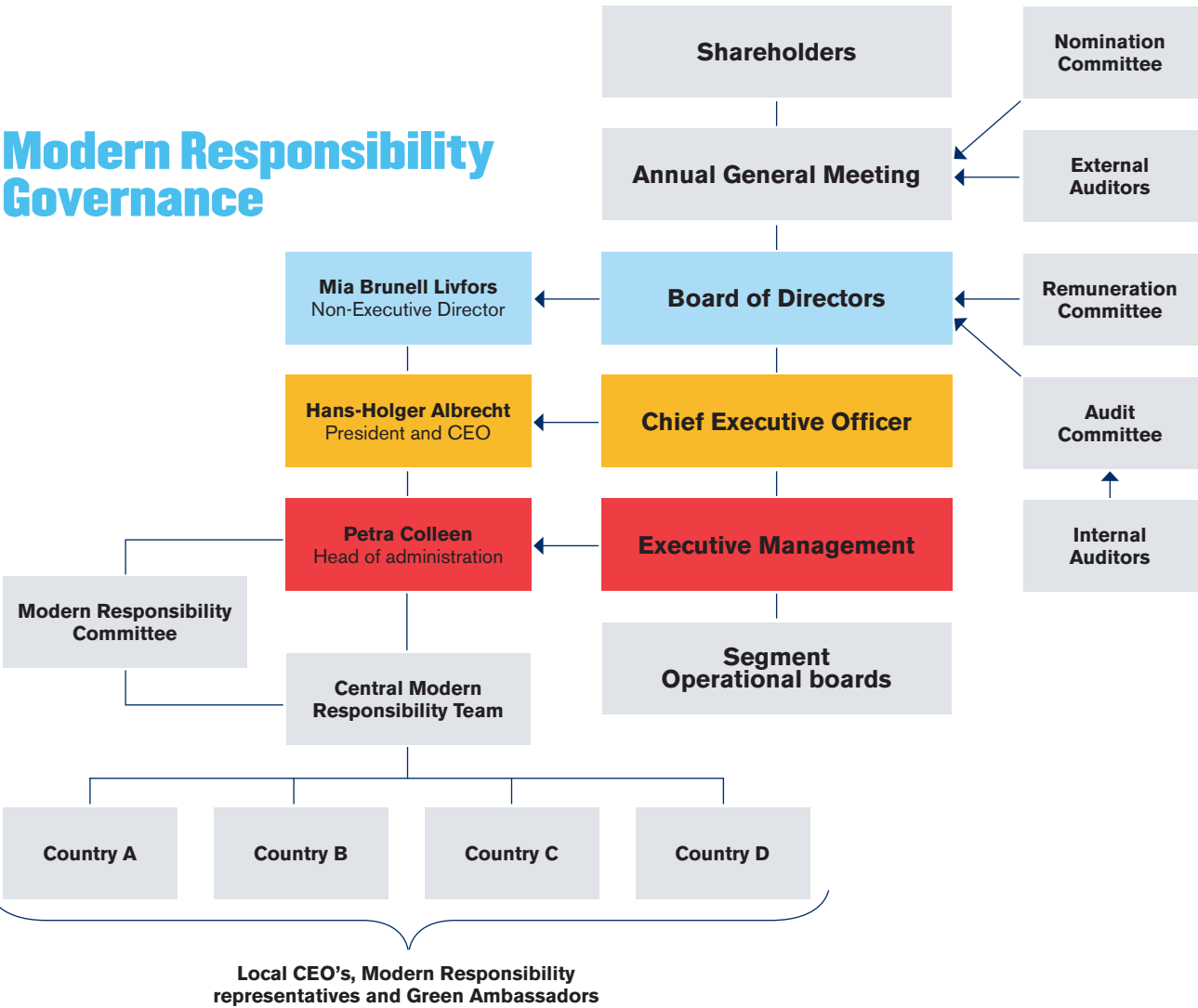


“ALL OF YOUR
QUESTIONS WILL
BE ANSWERED
SOON”

QUORRA(OLIVIA WILDE)
TRON LEGACY, 2010,
WALT DISNEY MOTION PICTURES
ON VIAPLAY SPRING 2011*

Governance

Modern Responsibility Governance



Mission statement

- **We conduct business responsibly** – We encourage a culture of openness and accountability within the organisation and conduct business honestly and with integrity at all times.
- **We broadcast and market responsibly** – We offer a diversity of entertainment to all age groups and protect young people from unsuitable material. We sell and market responsibly and ensure high levels of customer service.
- **We act responsibly towards our colleagues** – We guarantee equal opportunity employment, invest in employee development and ensure MTG is a great and safe place to work.
- **We act responsibly towards the community** – We promote chosen social causes to make a positive difference in the local communities around us. We tackle climate change and encourage positive environmental behaviour among our employees, the broader public and society at large.

Corporate Governance

Corporate Governance

Modern Times Group MTG AB is a Swedish public limited liability company. The company's governance is based on the Articles of Association, the Swedish Companies Act, the listing rules of Nasdaq OMX Stockholm, the Swedish Code of Corporate Governance, and other relevant Swedish and international laws and regulations.

The governance of MTG is exercised through a number of corporate bodies. At the Annual General Meeting (AGM), the shareholders exercise their voting rights with regard to the composition of the Board of Directors of MTG and election of external auditors. Shareholders wishing to have matters considered at the AGM should submit their proposals in writing at least seven weeks before the AGM to have their proposals included in the notice to the Meeting.

The duties of the Board are partly exercised through its:

Audit Committee; focuses on ensuring quality and accuracy in financial reporting, changes in accounting policies, the internal controls, risk assessment, the qualification and independence of the auditors, adherence to prevailing rules and regulations and transactions with related parties.

Remuneration Committee; responsible for issues related to salaries, pension plans, Long Term Incentive Plans, and the employment terms for the CEO and Executive Management within MTG.

Chief Executive Officer of MTG (CEO); The CEO is in charge of the day-to-day management of the Group in accordance with guidelines and instructions from the Board.

The Chairman of the Board is independent of the Company and management, as well as independent of major shareholders. The seven-member Board consists of six Non-Executive Directors of which six are independent of the Company and management, and five independent of major shareholders. Five of the Board members are male and two female.

Modern Responsibility structure

Our Modern Responsibility work is governed by MTG's Board of Directors who periodically get reports on the performance of our Modern Responsibility. Non-Executive Director Mia Brunell Livfors (also the CEO of our largest shareholder, Investment AB Kinnevik) and Hans-Holger Albrecht, our CEO, have overall responsibility for the Group's sustainability and corporate responsibility strategy, agenda and practices, including issues relating to human and labour rights, anti-corruption and environmental performance.

Petra Colleen, who is a member of MTG's executive management team, is tasked with the management and development of Modern Responsibility, and MTG's Head of Modern Responsibility runs the day-to-day business with the central MR team. The central team, working full-time with our corporate responsibility agenda, is responsible for monitoring and reporting progress within Modern Responsibility and communicating our efforts both internally and externally.



Mia Brunell Livfors



Petra Colleen



Hans-Holger Albrecht

Strategic decisions regarding Modern Responsibility are made by executive management, and the central MR team has the mandate to implement them and follow them through.

A central Modern Responsibility committee, established in 2009, includes representatives from MTG's various business areas. Each Group country also has an appointed Modern Responsibility Representative and a Green Ambassador, who work as a link between the central MR team and the local operations in sustainability matters.

Internally we communicate our actions via committees, Modern Responsibility Representatives and Green Ambassadors. To let our employees get information about our development, we use newsletters, the intranet, and local company events.

To report our progress and initiatives to external stakeholders we rely on our website www.mtg.se, and of course our Modern Responsibility Report.

Four key responsibility areas

In order to make Modern Responsibility more understandable, manageable, accountable and measurable we have divided it into four different areas. Each of the four segments reflects our responsibilities towards our stakeholders.

1 Business Responsibility

What it means to us: This is the responsibility we have to protect MTG and our stakeholders' interests. We have central and internal policies and control systems to help us to be responsible along the way. We work with all aspects of moral and ethical issues.

Our aim: We want to be trustworthy and transparent and provide reports on our activities, which is especially crucial as we operate in so many different countries and cultures.

2 Broadcast and Marketing Responsibility

What it means to us: Since media is a powerful tool, it should be used with care, and therein lies immense responsibility. We protect young viewers through careful scheduling, and help parents protect their children from unsuitable material. We offer a broad variety of entertainment to all customer groups.

Our aim: Our customers have different needs, and we try our best to meet all those needs, protecting young viewers. We strive to provide an excellent service for everyone.

3 Colleague Responsibility

What it means to us: We invest in our employees, giving anyone who's got the right skills the opportunity to work for us, and make sure we provide them with a great work experience. We aim to be flexible and we strongly believe in equal opportunities and diversity.

Our aim: We want our employees to know and feel they are valued and nurtured. We welcome people from all backgrounds to work for and with us, and we want to ensure they enjoy their work, help them excel in their roles and make it possible to combine work with family life.

4 Responsibility to the community

What it means to us: MTG has internal and external responsibilities. We work to reduce our environmental impact and to be more sustainable, and at the same time take responsibility through working with NGOs to support causes close to our hearts.

Our aim: We want to raise awareness and make a positive difference by broadcasting things that really matter. We hope we can create a snowball effect in both social and environmental issues. We encourage positive environmental behaviour among our employees.

Engaging with our stakeholders

Acting responsibly towards our stakeholders has always been of utmost importance to us, but the Modern Responsibility framework has enabled our actions to become more tangible and comprehensive.

In 2004 we commissioned a mapping of our stakeholders (based on the analysis of all people and organisations that may be affected by our business), recognising the importance of establishing a dialogue with all stakeholders for the future success of the business. That mapping identified seven stakeholder groups.

In 2010, in an internal review by MTG management, the seventh stakeholder group, Society, was removed due to the fact that all members of that group were also represented in one of the six other stakeholder groups.

The six stakeholder groups around which our business revolves now are: customers, shareholders, employees, suppliers, non-governmental organisations, regulators and governments.

Ongoing Dialogue with Stakeholders

We constantly look for ways to improve our business. Last year we interviewed a number of key people working in corporate responsibility, media and investments to learn more of what they believe should be expected from a responsible media company. But perhaps our most important resource in establishing the right direction for a sustainable business is the ongoing dialogue with our stakeholders. By engaging with our stakeholders we can better understand what is expected from us and how we can improve and develop further.

1 MTG Customers

Free-TV, pay-TV, radio and business-to-business – we have a lot of different customers. All of them require different approaches, and the dialogue we have with them has various aspects:

For the free-TV business we look at the programmes that we purchase, produce and air. To better determine which ones to broadcast, we conduct focus groups and attitude research both for individual programmes and branding of the different channels.

We constantly keep up-to-date with

what our viewers actually watch by following viewing figures and the audience appreciation index.

For the pay-TV business we have our Viasat customer support centre, where we handle our customers' questions and needs through email and phone, Twitter, Facebook, YouTube and other social media.

For the radio business, the contact between radio and its listeners is more direct than in many other media. Listeners are in constant contact through listener hotlines, competitions, websites and blogs.

Media buyers are our free-TV and radio-channels' main customers. The media buyer is often a media agency or a company's marketing department. Our sales teams work closely with the customers to provide them with relevant information and find creative media solutions. Our pay-TV retailers have to be up-to-date with our products since they market our products to end-users, so an ongoing dialogue is natural. The retailers also give us important feedback from their customers regarding what the market requires.

2 Shareholders

We maintain an active dialogue with current and potential shareholders through Annual General Meetings, the Annual Report, quarterly reports and press releases. Most interaction occurs at road shows in major global financial centers and participation in international and local conferences in conjunction with our quarterly reports.

3 Employees

We want to make it easier for our employees to make their voices heard and we encourage a regular dialogue. Every year we conduct anonymous internal surveys to determine how well our employees embrace the policies, their view of management and the company, and how well the policies are being, and could be implemented. The results are evaluated and presented and action is taken where necessary.

4 Suppliers

In our free- and pay-TV businesses we work with a number of different suppliers for our content: international studios, international channels, local production companies

and sports right's suppliers.

Generally the number of suppliers is low, so regular dialogue is a natural step in the co-operation. This ensures that we have a good overview of all current collaborations and can get better deals, closer relationships and have a longer term perspective.

Where our major suppliers are within distribution and box hardware, as in our pay-TV business, the dialogue is frequent and developing new sustainable technology is a priority for all parties (see p.42 for more information). In businesses other than free- and pay-TV, we work with many different types of suppliers with whom we have a varied dialogue.

5 Non-governmental organisations

We work with NGOs representing causes close to our hearts, such as less fortunate children and the environment. We have a regular dialogue with these organisations about what we can do to improve our relationship with them in order to increase the public's awareness about the issues in their areas, as well as work internally with our employees to spread the word of these important issues. See p.32-41 for examples on how we engage with NGOs.

6 Regulators and Governments

We have continuous contact with our regulators. Our core business, broadcasting entertainment, is regulated by the Audio-visual Media Services EU-directives and national regulations. Ofcom, the communications regulator and watchdog in the UK, has licensed the majority of our channels.

Materiality Analysis & Stakeholder Survey

In order to gauge what issues are important to be reported on and given weight to in future sustainability strategies, in 2010 a materiality analysis was conducted in accordance with the GRI G3 guidelines, by a certified external third party, Ethos International. The analysis identified 15 key issues within the control of MTG that are important, both internally and externally, and have a high impact on sustainable development.

As part of our on-going dialogue with

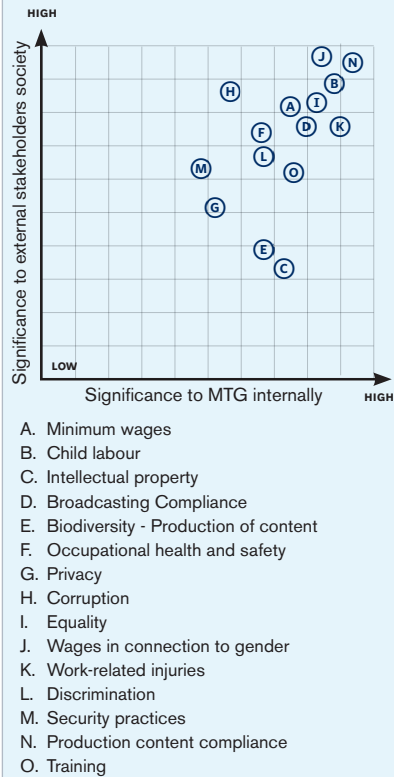
our stakeholders, we conducted a stakeholder survey to help verify the results of the materiality analysis and choose, from the key issues identified in the analysis, those issues stakeholders think MR should focus most on.

“Developing new sustainable technology is a priority for all parties”

The survey also aimed to gather more insight on those issues our stakeholders believe need the most improvement.

The results of the materiality analysis and the stakeholder survey form the foundation for both the short-term and long-term MR goals. You will find more specific information about our goals on p.17 and within the relevant sections in this report.

Materiality Analysis



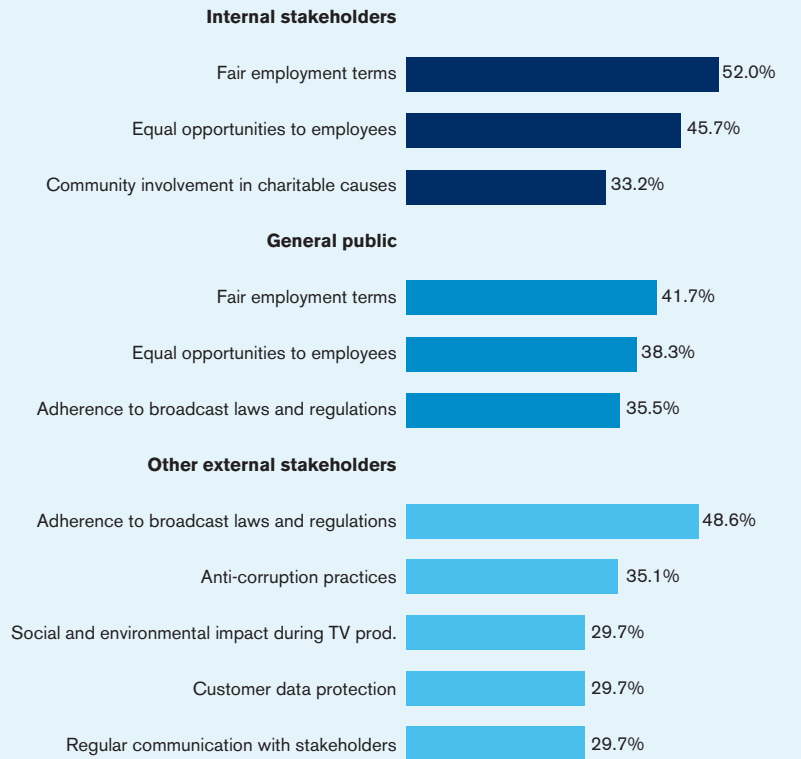
Stakeholder survey

During 2010 we asked our stakeholders what they thought we should focus on in our work with Modern Responsibility. We did this because we want to make sure we work with and report on those issues that matter the most to the people that are important to our business.

We sent out an online survey to representatives from all of our stakeholder groups. We had quite varied response rates, and therefore decided to divide the stakeholders into three groups when presenting the results to make everyone's voice heard in the best possible way: internal stakeholders, general public and other external stakeholders. Internal stakeholders include our employees (top management, middle management and regular employees); general public consists of TV viewers, radio listeners, our pay-TV subscribers and Bet24 customers; and other external stakeholders include business-to-business customers, shareholders, suppliers, NGOs and regulators.

The results show that the most significant issues according to our stakeholders are adherence to broadcast laws and regulations in all the countries we operate in, fair employment terms, equal opportunities to our employees, strong anti-corruption practices and engagement in charitable causes in local communities. Social and environmental impact during production, customer data protection and regular communication with stakeholders are also considered important by our external stakeholders.

These results, and the results derived from the materiality report, will form the basis for our MR goals, both in the short and long term, and will be reviewed in our 2011 MR Report. We have already taken action to set goals in compliance, equal opportunities and anti-corruption to address some of these issues considered important by our stakeholders. Furthermore, we will continue to expand our work with MTG's charity foundation MTG United for Peace.



... and this is where we are going!

Our foremost aim with Modern Responsibility is to **spread our sustainability throughout the organisation**. Acting responsibly should be second nature to us.

So where do we go from here? As we outlined in the previous section of this report, we have set specific goals in our key focus areas based on our materiality analysis. These goals are outlined in the table on p. 17. But we also have more general ideas as to what direction we should be heading in, in regards to issues that face us today.

We want to spread examples of best practice, be someone who can listen, provide ideas and give concrete feedback when MTG employees need guidance or advice.

We also hope that we can involve our viewers and listeners and inspire them to engage more with society and help make our planet a greener place.



Our goals

Focus	Short Term Goals	Mid Term Goals	Long Term Goals
Anti-corruption	<ul style="list-style-type: none"> Our anti-corruption programme will become part of our management boot-camps in the second quarter of 2011 We aim to have 50% of the managers trained by June 2011, at which time we aim to have our e-learning programme scheduled 	<ul style="list-style-type: none"> We strive to have 100% of the managers trained in anti-corruption by February 2012 	<ul style="list-style-type: none"> By January 2013 we will have all employees trained
Suppliers	<ul style="list-style-type: none"> Complete self-check document for suppliers, aimed to assess suppliers on compatibility with MTG standards by June 2011 	<ul style="list-style-type: none"> 50% of all our suppliers will have completed and signed the self-check document by February 2012 	<ul style="list-style-type: none"> By February 2014 we aim to see the document completed and signed by 100% of our suppliers, and to have a new routine in place for all new suppliers
Code of Conduct	<ul style="list-style-type: none"> By February 2011 we will have our Code of Conduct e-learning course up and running 	<ul style="list-style-type: none"> By January 2012 all employees will be trained in our updated Code of Conduct 	
Equality	<ul style="list-style-type: none"> We will benchmark salary differences by gender in Scandinavia by June 2011 Strategies based on benchmarking in place in Scandinavia by August 2011 	<ul style="list-style-type: none"> Will benchmark salary differences in rest of world by February 2012 Strategies based on benchmarking in place in rest of the world by August 2012 	
Female Leadership	<ul style="list-style-type: none"> To implement female leadership network in Scandinavia and UK in 2011 	<ul style="list-style-type: none"> Evaluation of implementation of female leadership network in Scandinavia and UK to determine next steps 	
Mobility	<ul style="list-style-type: none"> Have in place a dedicated person working on HR transfers and emerging markets in 2010 Achieved Update all current policies for international transfers in emerging markets by June 2011 		<ul style="list-style-type: none"> We aim to have all international transfers working smoothly and working as a tool to decrease employee turnover by 2014
Life Balance		<ul style="list-style-type: none"> Roll out a Life Balance Policy, in line with local business practice and regulations, in Scandinavia & UK by February 2012 	<ul style="list-style-type: none"> Life Balance Policy, in line with local business practice and regulations, to be fully integrated in Baltics, Eastern Europe and Africa by 2015
Compliance with broad-casting regulations	<ul style="list-style-type: none"> Review & train 50% of relevant employees on latest compliance information by December 2010 Achieved 100% of all relevant employees will have been reviewed and trained on latest compliance information by December 2011 	<ul style="list-style-type: none"> New routines in place to ensure 100% of relevant employees are updated when compliance changes occur by 2012 	
Accessibility	<ul style="list-style-type: none"> Benchmark and report on subtitling on all free- & pay-TV channels by February 2011 	<ul style="list-style-type: none"> Evaluate and create a new strategy on subtitling by August 2012 	
Environment	<ul style="list-style-type: none"> MTG Travel will promote & recommend more environmentally friendly ways to travel by June 2011 Green action lists will be written locally for all countries in 2011 Aim to increase video conferencing by 20% to reduce the carbon footprint created by airtravel, by December 2011 	<ul style="list-style-type: none"> 80% of all employees will be trained in green thinking by February 2012 We aim to reduce CO2 emissions by 5% per employee against the 2009 baseline by February 2012 	<ul style="list-style-type: none"> Joint Co2 reduction strategies to be developed in cooperation with suppliers. No target date set

How we do business

At MTG we share a common goal: to create shareholder value within a responsible business framework. We know how to play ball, but just as importantly, *we make sure we play fair.*

Business Responsibility is the responsibility we take to protect the interests of MTG and its stakeholders. We ensure this through internal policies as well as control systems and transparency. In each of the countries in which we operate we follow local laws and regulations in addition to local business standards.

But Business Responsibility is also about moral and ethical questions. We acknowledge and aim to in our daily business implement the ten principles in the UN Global Compact. Read, for example, about our work with anti-corruption below and our environmental work on p.40-45. We also follow the OECD Guidelines for Multinational Enterprises relevant to our operations.

Anti-corruption

We believe that business decisions should be made purely for business reasons and not based on any favours offered by a third party. Since we broadcast TV in 33 countries, it is extremely important that we protect our independence by taking measures to fight corruption.

We have strict guidelines regarding what kind of gifts are accepted and which ones are not. Gifts can be accepted if they are within the boundaries of accepted business practice and do not violate any laws. We want to avoid confusion and allegations of bribery.

We also have a policy of not being politically involved. Our internal audit function carries

Anti-corruption: our goals

All employees will be trained in our updated anti-corruption policies and practices:

- Our anti-corruption programme will become part of our management boot-camps in the second quarter of 2011.
- We aim to have 50% of the managers trained by June 2011, at which time we aim to have our e-learning programme scheduled.
- We strive to have 100% of the managers trained in anti-corruption by February 2012.
- By January 2013 we will have all employees trained.

out independent audits in order to make sure anti-corruption guidelines are followed.

We are currently reviewing our anti-corruption policies to make sure we stay on top of our game, especially now that we are expanding into new territories. We have also started a project to train employees in MTG's anti-corruption policies and practices.

Supply chain

At MTG we look to work with suppliers that not only give us a good price but also good overall value for money. Since we are cost-conscious, the price tag is of course important, but we are also looking at the quality and sustainability of the products and services we choose to buy.

As we seek to do business in a responsible way ourselves, we also look to build business relationships with suppliers that support and apply similar principles to those we do. We work with many different types of suppliers – everything from office equipment suppliers to big international film studios and set-top-box hardware suppliers. We have a Supplier Principles policy in place (see

Suppliers: our goals

We will implement a self-check document for our operational suppliers:

- Self-check document, aimed to assess suppliers on compatibility with MTG standards, will be completed by June 2011.
- 50% of all our suppliers will have completed and signed the self-check document by February 2012.
- By February 2014 we aim to see the document completed and signed by 100% of our suppliers and to have a new routine in place for all new suppliers.

p. 20) and we are currently working on a self-check document for suppliers, in order to assess the sustainability of their business and ensure they adhere to the same ethical and environmental standards we do.

Fair Competition

We like to compete in a fair and open way; we comply with all competition and anti-trust laws wherever we conduct business. MTG is keeping up the spirit by competing vigorously; breaking up monopolies has been one of the keys to our success.

We want our employees to compete in an ethical and honest way without contravening the law or engaging in restrictive practices.

Publicly available policies

An important part of how we run our business are policies, which we aim to follow in our day-to-day work and use to guide us in the long-term.

For us at MTG it's important to make sure we always try to work in the right way. Some of our policies are made public, other policies remain internal guidelines. These are our public policies:

“WHEN DOES THE GOOD FAIRY COME IN?”

EVELYN SALT (ANGELINA JOLIE)

SALT, 2010

COLUMBIA PICTURES

ON VIAPLAY NOW*

*Available in the Nordic countries

“IF YOU’RE BUILDING FOR THE FUTURE, YOU NEED TO KEEP YOUR FOUNDATIONS STRONG”

ROBIN LONGSTRIDE (RUSSEL CROWE)
ROBIN HOOD, 2010
UNIVERSAL PICTURES
ON TV1000 SUMMER 2011*

Code of Conduct

This is a basic standard expected to be followed by our employees, making sure MTG and its stakeholders’ interests are protected at all times. It exists to enable each and every one of us to always follow the guidelines we’ve established in moral and ethical mat-

Code of conduct: our goals

In 2011 we aim to spread our updated Code of Conduct to all of our employees:

- By February 2011 we will have our E-learning up and running.
- By January 2012 all employees will be trained in our updated Code of Conduct.

ters, and to make sure we don’t break the law. This Code applies to all our employees in all the countries in which we operate and will prevail, subject to local law.

[Read the full policy on **www.mtg.se**](#)

Environmental Policy

We have an environmental policy, known to all MTG offices. We’re trying to prevent environmental exploitation in two different ways:

- Minimise the adverse impact of our operations by using best practice in environmental management.
- Collaborate internationally with an environmental organisation to promote responsible behaviour.

[Read the full policy on **www.mtg.se**](#)

Supplier Principles

We want to do business with our suppliers in a decent way and we seek to develop relationships with suppliers working in an ethical way. In regards to our suppliers and subcontractors, fairness and honesty are core values. The Supplier Principles document outlines what we expect from our suppliers – we expect them to support universal human rights and to employ in accordance at all times. human dignity, as well as follow the law and work in an environmentally friendly manner.

[Read the full policy on **www.mtg.se**](#)

Whistleblowers Policy

Even if we try to ensure that everything works the way it should in our organisation, sometimes it just doesn’t. Things do sometimes go wrong unintentionally and if that happens we have to deal with it. Our Whistleblowers Policy ensures our employees can raise concerns about suspected wrongdoing and try to prevent such things from happening. We want our employees to know that they can do so without fear of being reprimanded.

In 2010 two issues were reported through the Whistleblower process, but both issues were confirmed as operational issues rather than cases of malpractice.

[Read the full policy on **www.mtg.se**](#)

MTG people

MTG is only as good as its people. Invest in them and they will invest in you, and together we can invest in a sustainable future.

We are proud of our company and we want our colleagues to know how much we value them, how important they are to the business. We encourage employee development and aim to provide employees with the extra skills and knowledge they need to excel in their work.

The media world is very fast-paced and things happen and change rapidly. We are aware that this can be stressful at times and are therefore doing our best to improve our employees' chances for a balanced work-life ratio.

Our idea is simple; if we're having a good time at work and are engaged in what goes on, that will reflect positively on the service we provide to our customers.

At MTG we encourage our employees to be enterprising, take initiatives and voice their own opinions. We listen to and use the advice of our employees. It is our individual opinions and differences that make MTG the creative and vibrant workplace it is.

Sales, showmanship and cost control; these are the three lead words for MTG people. Words that represent what we stand for and what we're supposed to achieve. We also have a set of twelve rules that we live

"MTG sells entertainment, and this means that the more fun we have – the better results we achieve. Who could think of a better workplace?"

JURGIS JEFREMOVAS, 38, "EMPLOYEE OF THE YEAR" 2010, PROGRAMME MANAGER AT TV3/TV6 LITHUANIA.

by, born from previous experience on how to lead a successful business, plus a Group-wide Code of Conduct that sets the moral and ethical standards we follow.

However, having employees in so many different countries with different cultures, we realise it's not always easy to implement the MTG company culture and central policies while also considering local customs and business practices. It is a question of finding the right balance – a challenge we embrace.

To ensure we are on the right track we carry out employee surveys every year, which we use as tools for planning and determining necessary changes.

Investing in our employees

In this fast changing world it's important to keep abreast of developments in order to stay ahead of the game. Keeping our people up-to-date is therefore of fundamental importance for our company to stay successful and innovative.

We encourage internal promotions and reward great performance. We want to make sure we fully appreciate individual efforts within the company. That's why our human resources team is working with a development and competence tool for managers and employees, which will enable them to develop even further within the company.

Investing in our employees is essential. MTG has an international training department called MTG Academy whose mission is to strengthen the MTG culture and develop individuals particularly in sales and leadership.

MTG Academy's Sales Programme offers broad training and development for the company's salespeople. The focus is to develop our salespeople's knowledge, attitude and abilities necessary for success. The Leadership Programme offers comprehensive training for everyone with direct reports. The Leadership Program trains

MTG's three lead words

How well can you apply the lead words in your everyday work (scale 1-10):

8.28

Average rating for lead word **sales**.

82%

of employees say they look forward to coming to work. (2009: 83%)

8.43

Average rating for lead word **showmanship**.

70%

are familiar with MTG's environmental work. (2009: 46%)

8.28

Average rating for lead word **cost control**.

66%

are familiar with MTG's work with Modern Responsibility. (2009: 51%)

Source: The Performance Survey made in 2010.

managers on company culture, policies and people management among many things. 'Other training' consists of individual courses, such as presentation skills, communication and project management. These courses are available for all employees.

Rewarding performance and innovation

We believe in recognition. We are proud of our colleagues' creativity, curiousness and ideas and when we can, we reward it.

If an employee is innovative, comes up with new solutions resulting in increased efficiency or cost effectiveness, or shows entrepreneurial thinking in developing new revenue streams, they could win our quarterly internal innovation competition "MTG Innovation". The winning idea will be rewarded and put into action.

We also arrange a big celebration every year, MTG Awards, where we give out awards to motivate and celebrate our employees, encouraging them to aim even higher. We give recognition in a number of categories; best sales representative, leadership and employee of the year – to name a few. President's Club is an exclusive reward

"This is my greatest achievement in my life so far."

JURGIS JEFREMOVAS, 38, "EMPLOYEE OF THE YEAR" 2010, PROGRAMME MANAGER AT TV3/TV6 LITHUANIA, AWARDED FOR GREAT VIEWING SHARE RESULTS IN 2009 AND 2010

for the top sales people in the Group. Ten new members are selected twice a year, based on top sales results and outstanding attitude, and they get to attend three club meetings with fun-filled activities and exclusive dinners with MTG's President and CEO Hans-Holger Albrecht.

Equal opportunities for all

At MTG we value diversity and are committed to being an equal opportunities employer. In other words, we want all of our current and potential employees to receive equal treatment when it comes to filling positions and working for us. We also believe it is possible to have a successful career and raise a family at the same time. We do our best to provide our employees with a healthy, safe and positive work environment free from discrimination.

Choosing the right person for the job

For every vacancy at MTG, we want to employ the best person available. No matter what race, ethnical background, religion, nationality, gender, mental or physical handicaps, marital status, age, sexual orientation, or any other status unrelated to the individual's ability to perform his or her job. We believe that an employee should only be judged by his or her performance and attitude, since those are the factors that create an effective organisation.

We would like our organisation to reflect the ethnic mix of the communities surrounding it in all of the countries we operate. Having a diverse workforce enables us to create a culture and work practices which respect, recognise and value differences. We aim to ensure that everyone can enjoy equal opportunities in a workplace free from discrimination and harassment.

At MTG we think both equality and diversity are important; cultural diversity at MTG is essential since we are a group that broadcast in 33 countries. We are proud of the fact that in our London office alone, we have employees of 27 different nationalities.

Considering all the markets we're in, it's vital we hire employees locally. This is not only

“To get nominated and stand there alone in front of MTG was fantastic; it made me incredibly proud and very happy, even if I didn’t win.”

PETER SYLVEST, 41, NOMINATED “FOR HIS DEDICATION AND THE CONSISTENT AND EXTREMELY HIGH QUALITY OF HIS WORK OVER THE PAST TEN YEARS”, FOR THE 2010 MTG LOYALTY AWARD, SENIOR DIRECTOR AT VIASAT DENMARK.

important to gain the necessary local business know-how, but also to ensure sensitivity to local cultures and values. So really, hiring locally is natural considering the business we’re in, the products we sell and our many target markets. In fact, competent local employees is a requirement for the continued success of our business.

Gender equality is yet another area where we are continuously trying to improve. Our employees consists almost equally of men and women. We realise however that the higher up the corporate ladder you climb the wider the gender gap, and that’s an issue we are trying to address.

Making female managers stronger

To be a woman in a leading position can be a challenge. In Sweden we have acknowledged this and we’re trying to make life easier for our female managers by involving them in a network of women in leading positions within the company. The managers meet up once every quarter to discuss issues, exchange

Equality: Our goals

- We will enhance our work in this area and improve equality:
- We will benchmark salary differences by gender in Scandinavia by June 2011
 - Will benchmark salary differences in rest of world by February 2012
 - Strategies based on benchmarking in place in Scandinavia by August 2011
 - Strategies based on benchmarking in place in rest of world by August 2012

experiences and share ways of solving problems. They also invite guest speakers and hold seminars to promote new thinking.

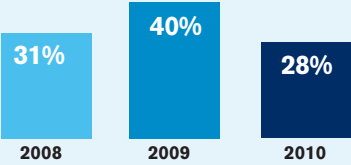
This network has been going on for a couple of years in Sweden and its foremost aim is to inspire the female managers, get them together and initiate a spontaneous exchange of thoughts. The experiences in Sweden will be rolled out as best practice in other countries to follow.

Balance in life

At MTG we believe that balance in life is one of the keys to maintaining creativity and

Employee Figures

Internal recruitment



Average age



Average hours of training

Per employee by MTG Academy	2008	2009	2010
Management	n/a	n/a	11.0
Sales staff	n/a	n/a	13.8
Other staff	n/a	n/a	3.5
Total	10.6	9.3	6.7

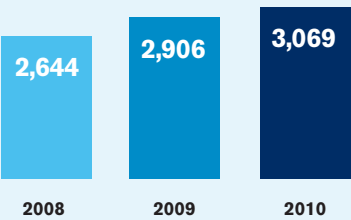
The was a decrease in training hours in 2010 due to a temporary increase in employee turnover in MTG Academy and the month of January was solely used for planning purposes, during which time no training was conducted.

Employee turnover (incl. redundancies)

	2008	2009	2010
Total	22%	20%	16%
By gender			
Male	n/a	n/a	13.8%
Female	n/a	n/a	17.6%
By age group			
<30	n/a	n/a	18.7%
30-50	n/a	n/a	14.3%
>50	n/a	n/a	13.6%
By region			
Nordic countries	n/a	n/a	17%
Baltics, Czech, Bulgaria	n/a	n/a	17%
Others	n/a	n/a	16%

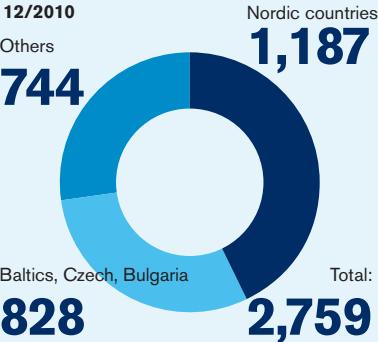
Due to changes in the HR reporting system is has not been possible to get break-down by gender, age and region for 2008 and 2009.

Average number of employees

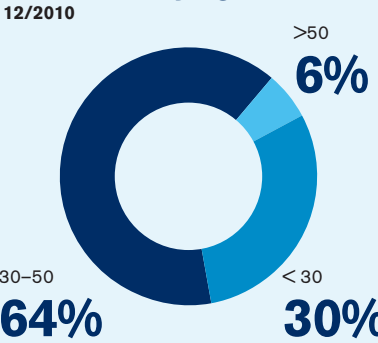


All employee figures are based on FTEs, except workforce by employment type which is based on actual headcount.

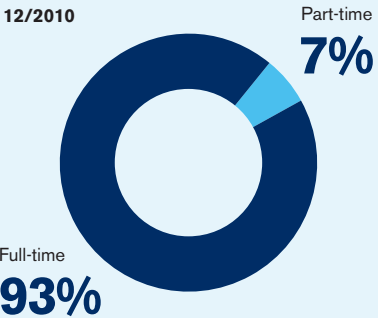
Workforce by region



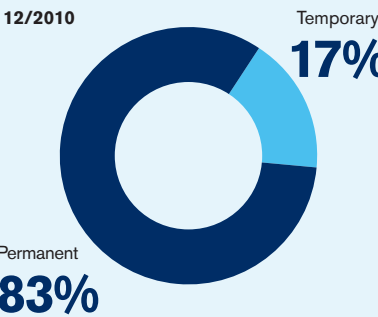
Workforce by age



Workforce by employment type



Workforce by employment contract



Celebrating the Best of the Best at the 2010 MTG Awards in Stockholm

Female leadership: Our goals

We will roll out the female leadership network to all markets.

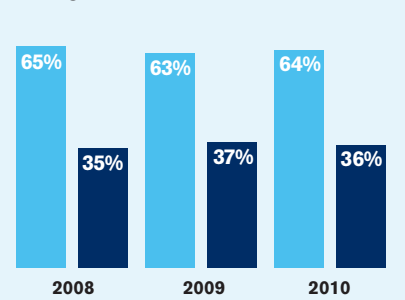
- To be implement in Scandinavia and the UK in 2011.
- After the roll-out in Scandinavia and the UK we will evaluate the project to determine the next steps.

productivity at work. We strive to be more flexible, to make it possible for all employees, especially for those with special needs or family members to care for, to be able to combine personal and professional life.

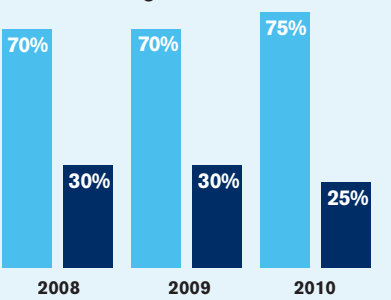
We have, for example, a policy in the UK that lets employees with children request a change in their working hours or times to better suit family life. Our policies are not the same in all of our offices, due to difference in local rules and business practice in the various countries in which

Gender Dispersion as per 12/2010

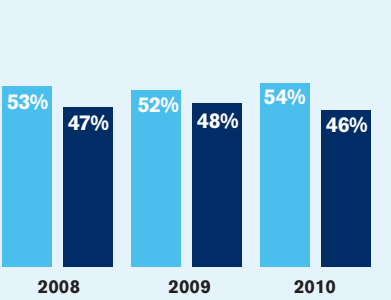
Management



Executive management



All employees



Wellness, health and safety

While we do what we can to provide all our

Mobility: Our goals

We will gather all labour policies, practices, laws and information regarding emerging markets centrally and update our existing labour policies and practices for transfers to emerging markets.

- We will have a dedicated person working on HR transfers and emerging markets. Target date: 2010. *Achieved.*
- We will update current policies for international transfers in emerging markets by June 2011.
- We aim to have all international transfers running smoothly and working as a tool to decrease employee turnover by 2014.

Accidents

	2009	2010
Work related accidents	4	8
Lost days (scheduled work days)	n/a	6
Work related fatalities	n/a	0

employees with the best possible work environment, equal opportunities, a rewarding job, a good balance between professional and personal lives, we also need to make sure work is a safe place to go to.

As we are mainly an office based business, most of our employees go to work in a low risk environment. Nevertheless it's important to make sure our offices and broadcast facilities are in line with all country specific health and safety laws and regulations. We employ dedicated facility employees in several offices to make sure the employees health and safety is not compromised. We also carry out regular internal risk assessments, and if a potential risk is found, an independent audit will be conducted to assess the problem and recommend a solution.

We have, for the first time, implemented a structure for managing crises. We now monitor our surroundings 24/7 and have established a Crisis Support Team, supporting local management to ensure that we resolve human crisis and interruption of broadcast in the best possible way.

Human rights

As we expand our operations to new continents and additional emerging markets, in the latest case Africa and specifically Ghana, we must recognise, and where necessary, address the issue of human rights.

In terms of employment conditions and office environments, all staff employed in Ghana will be treated according to MTG standards; they will receive competitive salaries for that country and enjoy terms of em-

Absentee rate per region

	2010
Nordic countries	1,7%
Baltics, Csech, Bulgaria	1,7%
Others	1,1%

Sick leave is reported as percentage of total annual working days. 'Others' include Ghana, Hungary, Malta, Russia, Slovenia, Spain, UK and Ukraine.

Life Balance: Our goals

We will roll out A Life Balance Policy in line with local business practice and regulations.

- To be fully integrated in Scandinavia and the UK by February 2012.
- To be fully integrated in the Baltics, Eastern Europe and Africa by 2015.

“Working in Ghana is fun. It is extremely rewarding to work here because you really see the effects of what you create.”

CHARLOTTE GUSTAVSSON, CHIEF OPERATING OFFICER AT VIASAT GHANA ON HER MOVE FROM SWEDEN TO GHANA 2010.

ployment similar to those working at any of our other offices worldwide. So on this level, human rights problems in new operational countries should not affect our employees in the office environment.

In line with our Suppliers Principles, we will also endeavour to work only with suppliers who respect and enforce human rights among other things. However, we must still acknowledge human rights issues outside the reach of our operations. We will do everything we can with the resources available, to use positive programming to bring about change in any new operating market where human rights are breached. We are already using this tool in Ghana in co-operation with Playing for Change.

Mobility: A workforce on the move

In order to work better within our extended horizon, opened through MTGs globalisation and our expansion in emerging markets, our demands have been somewhat changed. We are currently seeking to develop specialised knowledge in how to best transfer employees from one country to another. We believe in an exchange of knowledge and we want to make it easier for our employees wanting to work in another country to do so. New and different experiences are beneficial both for the individual and for MTG since the level of competence and qualifications will rise in both regards.



MTG Creative Services interviewing employees in London about their experiences volunteering at MTG United For Peace 2010



Behind the scenes at one of our Ringvägen studios in Stockholm

Let us entertain you

We like nothing more than to entertain. The happier our customers, the larger our broadcast network becomes, and the more we can use it as *a tool to instigate change and spread awareness for a better world.*

MTG is here to entertain you. But also to inform you, support you, and give you something to think about. To entertain you is our job, it's what we do and within that lies a big responsibility; a unique responsibility that we share with other members of the media business that's not applicable to most other businesses.

Broadcasting is a huge responsibility; are we following all the laws, are we being impartial, have we protected those who need to be protected? Journalistic integrity, compliance with laws and regulations, and handling the impact media have on society are amongst the things that need to be adhered to at all times.

We live in an exciting and rapidly changing era, especially when it comes to media. The new digital opportunities to watch your favourite shows, films and sports wherever you are on your computer, iPad or smart phone are indeed thrilling. But within these new forms of entertainment lie new responsibilities. We have no time to sit back and enjoy the ride, we need to re-think our growing responsibilities – all the time.

TV, what's on offer

We offer something for everyone through our TV channels; exclusively broadcast sports, interesting documentaries, family entertainment, contemporary drama, Hollywood blockbusters, thrillers and the list goes on...

What we do for our viewers

Meeting the need and personal taste of every individual viewer isn't easy, but we try to offer something for everyone. That's our number one priority. The best thing we can do for our audience is to listen to them, and then do our best to give them what they want. This is why we pursue an ongoing dialogue with all our viewers.

On top of the wide spectrum of programmes MTG has to offer, there are new ways of watching television. In February 2010 MTG launched an improved Viasat OnDemand service which allowed subscription to its content. The content at that time included 200 streamed movies, live sports coverage, TV series and catch-up services of favourite free-TV channels. (In March 2011 Viasat OnDemand was re-branded Viaplay.)

Compliance with TV regulations

In respecting and protecting you and the rest of our TV audience it's crucial for us to follow the different laws in every country we operate in. The standards and practices we follow cover content, trailers for programmes, sponsorships of programmes and advertising spots.

Our Legal and Compliance departments make sure we follow the legislations set up for broadcasting, regulated by the EU-directive for Audiovisual Media Services. The departments' job is also to guarantee that MTG follows relevant national broadcasting

regulations and that the internal policies regarding scheduling and airing of programmes are continuously being adhered to.

The main authority regulating TV advertising on our channels is the Advertising Standards Authority in the UK and the majority of our channels are licensed by Ofcom in the UK.

TV content and advertising compliance

It's important that we all know what we are doing, why and what the rules are in order to fulfil our responsibilities and obligations to our audience. Our compliance team at MTG ensures that our channel contents are within the rules for broadcasting.

All of us working in acquisitions, programming, scheduling, sales, creative services and compliance are involved with MTG's compliance procedures and therefore receive regular and current training in broadcasting regulations. Trailers and sponsorship are the compliance team's responsibility. The commercial copy controller checks the TV commercials before they are aired. If doubts or questions arise, the controller consults the compliance team.

Protecting minors

Our most important task is to protect minors, everyone under the age of 18, from unsuitable content. One precaution we take is to schedule programmes, which might not be suitable for that audience, to start after the 9:00 PM watershed. Our Compliance department



2 young stars filming a pay-TV promotional slot about parental control and protecting minors

also makes sure we broadcast responsible products in the commercials during children’s programming. We make sure the employees involved in broadcasting and scheduling programmes are regularly updated on how to interpret all the different legislations when it comes to protecting minors.

A lot of things are not suitable for children, although they may have their place on TV for an adult audience. That’s why, for films, we make sure we state the level of violence and sexual content that might have a negative effect on children under the age of 18. We also schedule programmes unsuitable for children at appropriate times and give parents

Compliance with broadcasting regulations: Our goals

- We'll review** relevant employees and make sure they are all up to date with latest compliance information. We will install new routines to inform employees when compliance changes occur.
- 50% of the review conducted by December 2010, 100% a year later.
 - 100% of relevant employees informed on routine by 2012.

Complaints breakdown*

	2010
Advertising	44
Non-compliant (handled internally)	17
Upheld (handled by external regulator)	5
Sponsorship	1
Non-compliant	0
Upheld	0
Programmes, Promos & Other	91
Non-compliant	21
Upheld	9
Total	136
Still pending	61
Fines/penalties**	0

*For Q1-Q2 2010 only complaints regarding our Ofcom licensed channels are included. In Q3 we set up a process to centrally gather complaints information from our other channels across the territories, so from Q3 all Ofcom licensed channels plus free-TV channels regulated by other regulators are included in the figures.

**Only Ofcom licensed channels included. We are setting up a process to also gather this information from our other channels.

Central Compliance training	2009	2010
Hours of compliance training	97	110
Number of employees trained	273	249

“Protecting children from unsuitable content is one of our most important responsibilities”

HANS-HOLGER ALBRECHT, PRESIDENT & CEO OF MTG.

the possibility to opt out of adult material or protect their children with a pin code to restrict access.

Online safety

Because of the rapid increase in internet and digital TV use worldwide, the safety of young users is becoming an increasingly important issue that we want to focus on. In the same way we apply strict controls to protect young viewers from unsuitable TV content, we must also ensure minors are protected within the framework of our online services. To this end our online OnDemand service has implemented parental controls. We aim to help make the Internet and digital TV a safe and secure place for everyone.

Localised content

Recognition plays a role in how we feel when we’re watching television, and even though big blockbusters are entertaining, there’s something special about local productions. Our free-TV channels consist of a mixture of own productions and acquired content from international studios, international channels and sports rights suppliers. The programmes we produce ourselves enable us to build unique content for individual countries. It makes it possible for us to focus on the local culture, language and traditions.

Our pay-TV channel TV1000 Nordic, the movie channel broadcast in Sweden, Norway, Denmark and Finland offers localised content. The channel shows films from the Nordic countries. On TV1000 Russian Kino all the movies are local. The channel is broadcast in the Baltic states, Russia, Moldova, Belarus, Ukraine, Georgia, Kazakhstan, Uzbekistan, Kyrgyzstan and Armenia. TV1000 Russian Kino is also broadcast for the Russian speaking population in the United States.

Accessibility

To make MTG’s channels accessible, we work with subtitling, voice-over and dubbing. We use methods of translation that are established practice in each country in order to give the audience what they want. Internally we call this “language content”, and on an average day 85% of our content is “language”.

All in all we subtitle on average 50% of what we broadcast and 35% is dubbed or receives a voice-over.

We subtitle all programmes on TV3 in Sweden, to make the channel accessible to as many viewers as possible. While all foreign language programs have always been subtitled, we have, from 2010, been subtitling all newly produced Swedish programmes as well. The subtitles are closed captioned, giving viewers the choice of having them or not with the click of a button.

Other businesses

MTG is the largest commercial radio operator in the Nordic region and the Baltic

countries. Other businesses include Modern Studios, the online gaming and betting business Bet24 and teletext operations in Spain.

Modern Studios houses the publishing company Redaktörerna (The Editors) that

Accessibility: Our goals

- We will evaluate** our subtitling practices and recommend a future strategy:
- We will benchmark and report on subtitling on our free-TV and pay-TV channels by February 2011.
 - We will evaluate and create a future strategy on subtitling by August 2012.

produces highly regarded customer, internal and member magazines, as well as Strix, MTG’s primary TV production house that sells options and licenses to its formats around the world.

Strix, our production company

Today Strix Television, founded 1988, has offices in five countries; Sweden, Norway, Denmark, the Netherlands and Israel. Strix produce television productions and formats and is responsible for many popular productions and TV formats like the widely discussed and fascinating documentary “Klass 9A” (about a secondary class in a troubled school in Sweden) along with “The Farm”, “The Bar” and “Paradise Lost”. Strix has also co-produced the well-known “Top Model” and “Extreme Makeover”. Strix’s formats have been sold to 80 countries and in 2010 the popular interior design programme “Home Takeover with Simon & Tomas” was sold to the Oprah Winfrey Network (OWN)

When making productions in other countries Strix prefers to work with the local people and tries to capture the feel of the country and its atmosphere, making sure that disruption to the local community and environment is kept to a minimum.

Bet24

Bet24 is our online betting company with account holders in more than 100 countries around the world. It offers Poker and Casino games and bets on major sports. Betting only makes up a very small proportion of our total revenue.

Gambling or betting can be an enjoyable hobby, but we realise that this is unfortunately not always the case, and some people do develop gambling addictions. We encourage responsible gaming and have controls and help functions in place

to help those who might be at risk of developing an addiction.

Customers can, for example, set daily bet and deposit limits, block certain types of games, or block an account completely. Bet24 also reserves the right to restrict a customer with some of these limits if we see signs of gambling addiction. If, for example, a customer breaks his or her usual betting patterns by trying to win back losses with higher and higher stakes, restrictions could be put in place.

On the Bet24 website, customers can find contact details to our gambling helpline and email address, as well as contacts to external organisations that offer counselling to people experiencing gambling problems or addictions.

Teletext Spain

MTG’s operations in Spain produce content and sell advertising for teletext. The operations today comprise four companies: InTV España S.A., Interactive Media Solutions S.L., Interactive Partners S.L. and Interactive New Media, S.L. Clients are the national TV channels Cuatro and laSexta, regional channels, and local channels. The companies take a special responsibility towards the hearing impaired and have an ongoing dialogue with organisations for the deaf and hard of hearing.

Radio

Our commercial radio network is the largest in Sweden and Norway and has an equity stake in the largest commercial radio network in Finland. We offer a multitude of channels with music for all ages and tastes, news and a large portion of fun. MTG also operates radio stations and networks in the Baltic countries.

The regulations for broadcasting radio are followed in the countries we have radio operations. The programme directors make sure we follow relevant laws and regulations. The traffic departments are the control function for adverts. A new regulatory authority for radio and television was established in Sweden when the new radio and television law came into force in 2010. At the same time a new Radio and Television Act came into force. Included for the first time, is the regulation of on-demand audiovisual media services, new simplified and liberalised rules on advertising with regard to product placement among other things, accessibility requirements for people with disabilities, but also new rules for commercial and community radio.

Nominations and rewards in 2010

We are proud of all the nominations and prizes our employees and companies received in 2010. Especially the fantastic achievement from our companies at Promax, the Oscars for trailers and TV branding:

- **Viasat Broadcasting** received 16 nominations and won one Gold and six Silver prizes at the awards ceremony at Promax Europe Awards in April in Lisbon, Portugal. The Gold went to Always a Star at Home in the Best Subscription Promo category; and a Silver in the same category, Al Pacino’s Dream Team.
- **Viasat Broadcasting UK’s Creative Services department** enjoyed 14 nominations and picked up 10 awards at the Promax World Gold Awards, in June in Los Angeles. Sweden also got a Bronze for TV3.
- **TV1000 East** was voted the Best Foreign Film Channel in Russia at the National, the leading professional media event in Russia and CIS in the field of digital TV & radio broadcasting, cable and satellite TV and multi-service networks operators’ services.
- **MTG TV Sweden** was named “Best Sales Organisation in the Media Business” by Stockholm Media Week, an annual seminar for the Swedish media industry.
- **Redaktörerna** (The Editors) picked up Golden Leaflet award for third year running for “Best Newsletter” at the annual event for Sweden’s custom publishing industry in May.



Positive programming

As a broadcaster MTG has the power to change people's lives, raise awareness of social issues and show what life's like for those less fortunate. By choosing to broadcast things close to our hearts – important things we feel need more attention – we hope we can inspire our audience to get involved too.

In 2010 we took part in a lot of different campaigns, both big and small, in close partnership and collaboration with different NGOs:

Laughter and funds for disadvantaged Norwegians

"Red Nose Day" is an international campaign of comic relief encouraging us to have fun and forget hardship whilst raising money for disadvantaged people. This popular way of raising money has already proved successful in many other European countries, especially in the UK, and MTG Norway and Save the Children teamed up for the second year running in 2010 to arrange Red Nose Day in Norway.

People all over Norway bought Save the Children's red noses to wear for the day. P4, Norway's number one commercial radio station, launched a "chain gang project" where chained-together celebrities performed tasks, accepted challenges in return for contributions to the cause, and raised nearly 90,000 NOK (11,430 EUR). TV3 arranged the live TV show "Rodnesedagen" with lots of national artists, started off with a bang when the hosts agreed to take on the challenge of rappelling down the side of a cruise liner in return for 5,000 NOK (635 EUR).



Swedish celebrities Gert Fylking and Robert Aschberg with their impressive moustaches in "The Moustache Fight" campaign to raise money and awareness for prostate cancer

Fulfilling dreams and helping orphans in Bulgaria

14-year-old Rada Racheva and her family saw their dream come true (to keep their mortgaged home) in the show Bailando on Bulgaria's Nova TV. For three months the reality format helped 25 contestants realise their most precious dreams. In every show four couples, made up by a contestant with a dream and a celebrity, performed together to try and win the Bailando jury's votes and have their dream fulfilled. 17-year-old Eugenia Terzieva was the first contestant to have her dream realised; she wanted her sister Teddy to be

able to smile again after her face became disfigured in a car accident.

A total of 27 famous Bulgarians took part in the charity season of Who Wants To Be A Millionaire? on Nova TV, raising 265,000 leva (135,495 EUR). The money was collected over the course of 18 two-hour broadcasts and will be used to pay for sports scholarships for children deprived of parental care. Nova TV, along with the State Agency for Child Protection (SACP), set up a Public Council to be responsible for the distribution of the collected funds, which every child with sporting talent can apply for.

Helping Lithuanian orphans move on in life

The "Fulfilment Campaign," arranged by TV3 and SEB, is the biggest charity campaign in Lithuania and has been raising money for orphans for the last eight years.

Almost 18 million litas (5.2 million EUR) have been raised over the years by the public buying specific merchandise and making donations over the phone and the internet. The last Fulfilment Campaign in 2010 raised 1.9 million litas (550,300 EUR).

All the money goes towards helping orphans and sick children in Lithuania.

Actions to raise money for breast and prostate cancer in Sweden

In Sweden we joined forces with the country's Cancer Society by broadcasting the "Pink Ribbon" campaign gala for breast cancer awareness in Gothenburg for the seventh consecutive year. The funds raised from the whole campaign amounted to almost 50 million SEK (5.6 million EUR) in 2010, 6 million SEK more than the previous year. "It was a tremendous night full of laugh-

ter and tears. We at the Cancer Society are of course very happy indeed that we received so much money," said Ursula Tenglin, the Cancer Society general secretary.

Swedish TV celebrities Robert Aschberg, Gert Fylking, Musse Hasselvall and Andreas Hallden hitch-hiked from the very north of Sweden to the south, whilst raising money for prostate cancer awareness and research in "The Moustache Fight", broadcast by TV8 in 2010. All Swedes blessed in the facial hair department were encouraged to grow a moustache and raise money for prostate cancer. "I'm thrilled. Everyone has helped me in this. The concept of competing to win is great, but it wouldn't have mattered if I'd lost since the money goes to the cause regardless," said happy Swedish footballer Kennet Andersson who won the title "Moustache Champion" 2010 by raising the most money for prostate cancer.

Raising awareness of breast cancer in Denmark

We arranged and broadcast "the Breast Gala" on TV3 Denmark for the third consecutive year in 2010, in close partnership with the Danish Cancer Society. Our hope and aspiration is to raise awareness of breast cancer, which one in nine Danish women will get during their lifetime.

By taking part in the "Support the Breasts" campaign MTG hopes to make a difference to these women and their families by raising funds for research, counselling, better treatments, and increasing public awareness on early diagnosis.

The Danish audience dug deep into their pockets to support the worthy cause, raising a staggering 21.2 million DKR (2.8 million EUR), 4 million more than the previous year.

Adopting dolls to save lives in Slovenia

The UNICEF project "Adopt a doll, save a life", raising money for children's vaccinations against six infectious diseases (diphtheria, measles, whooping cough, infantile paralysis, tuberculosis and tetanus) in underdeveloped countries is well known in Slovenia. In 2010 TV3 joined the project as part of the show Slovenia's Next Top Model. The future models got help from famous fashion designers to create rag dolls. The audience could view the dolls on the website and then vote via SMS for their favourite doll in order to win it and at the same time raise money for vaccinations. The project raised enough money to fully vaccinate 20 children.

"I admire you all in your struggle. I hope that the research will progress"

SINGER LISA MISKOVSKY TOOK PART IN MTG'S "PINK RIBBON" GALA IN SWEDEN, RAISING MONEY FOR BREAST CANCER RESEARCH.

Postcard sale helps bereft children in Estonia

For many years, TV3 Estonia has supported the NGO Crisis Program for Children and Youth, a charity helping children cope with the trauma of losing a close family member.

The charity offers counselling and arranges camps in order to help the bereft child find a way out of the crisis. TV3 also helped by organising a Christmas concert in support of the charity and by covering the 2010 Christmas Card Project on the news, where well-known Estonians (actors, musicians, writers and TV stars) made postcards later sold to the public. All profits went to the charity to help it organise camps for the children. TV3 also sent a celebrity from "Estonia's Got

Talent" to visit the children at camp.

TV3 Estonia also produced a board game of the local series "Dream Agency" which was sold to help fund the camps. The children at the camps got a wonderful surprise when celebrities from the TV3-programmes "Estonia's Got Talent," "Pop Star" and "Singing with the Stars" came to visit them.

Helping Haitians in need – quickly

When the devastating earthquake took place in Haiti in 2010, MTG helped raise money for the victims by broadcasting the telethon "Hope for Haiti", led by actor George Clooney and Haitian born musician Wyclef Jean, in Slovenia, Sweden, Denmark and Norway. Performances by superstars including Beyonce, Jay-Z, Rihanna, Shakira, Madonna and Bruce Springsteen helped the show get phenomenal attention. Further donations were secured from the Red Cross and Plan banners on TV3, TV6 and TV8's websites and a total of 5,325 MTG radio spots for the Red Cross.

In total more than \$58 million was raised from all over the world, which is a new telethon record for donations by the public.



MTG Norway and Save the Children teamed up to arrange "Red nose day".

In the spotlight

We love to work hard, but value equally the importance of play. That's why we're helping children to play their way to a brighter future.

MThere's no question that MTG's main strength lies in communication: using our TV and radio channels to raise awareness of important causes and encourage change. Perhaps the area we can have the most impact is airtime donation to charities. In 2010, MTG donated 111 million Swedish krona's worth of airtime to worthy causes.

As mentioned before in this report, and as you will find out in subsequent pages, MTG supports and helps run local charities, both big and small, championing environmental causes and community work with underprivileged children. This ties very closely in with our aim to be a global organisation that contributes locally to the communities in which it operates. No community is the same, with different needs and problems, and we are sensitive to this by encouraging our local employees to highlight areas where we can put our resources to good use.

At the very basis though, we are in the entertainment business. We love to work hard, but we also believe strongly in the value and importance of play. Just as importantly though, we believe that for any company to succeed in the future, it must be sustainable and responsible. It is therefore vital that the next generation, our children of today, are well equipped to deal with what lies ahead. It will take tolerance, commitment and a lot of creativity to address the many issues the world will face in the future. MTG is committed to giving the next generations the best chance we can at living healthy lives on a healthy planet. That is why MTG chose, in 2010, to found MTG United for Peace and co-found Playing for Change that both focus

on helping disadvantaged children discover all those things so vital for future success: curiousness, creativity, respect, tolerance and commitment, and all through what we love – play.

MTG United for Peace uses football to bring children together from all walks of life and Playing for Change supports social entrepreneurs help kids to a better life – both initiatives giving children the skills and optimism that can lead them successfully into adulthood and towards a better future.

Locally initiated campaigns

Some of the small campaigns have been initiated and instigated by local MTG employees after they felt the urge to do something for a cause close to their hearts.

Flood victim support in Hungary

Our Viasat3 employees in Hungary, arranged a concert to help the flood victims raising close to 100,000 HUF (375 EUR) for the Red Cross. In 2010 several flood disasters hit Hungary badly and many people died from being swept away by flood waves, houses were destroyed and thousands of people had to be evacuated from their homes.

Giving blood for life in the Czech Republic

Our employees in the Czech Republic want to save lives by donating blood: "The reason is obvious – with blood donation you save lives," says HR manager Jirina Kucharová "Blood can't be produced chemically outside the living body, therefore blood donation is an essential principle of humanity."

Corporate giving

111 million Swedish krona worth of airtime was donated by MTG.*

10,257 employees volunteering hours were donated.

3.3 million SEK worth of products and services were donated.

53 million Swedish krona was raised for charity**

Raised funds went to:

- Playing for Change, Sweden
- MTG United for Peace
- Children's Catering Foundation, Hungary
- Cancerfonden, Sweden
- Kræftens Bekæmpelse, Denmark
- Išsipildymo akcija (Fulfilment Campaign), Lithuania
- State Agency for Child Protection, Bulgaria
- Redd Barna, Norway
- Unicef, Slovenia

* The airtime value is based on the estimated market value of the commercial airtime that MTG has donated to charity organisations.

** Raised funds include MTG's own fundraising campaigns and funds raised together with NGOs .

As we focus our community support on the environment and children, most of our corporate giving in 2010 went to organisations that work on those fields. The local MTG companies can also choose to support additional causes, such as cancer research and disaster relief based on the local needs.

More than kicking a ball

Sports can break boundaries, overcome language barriers and change children's perceptions of themselves. That's what we discovered when we organised our first ever "MTG United for Peace" tournament in 2010.

MTG United for Peace

MTG United for Peace is a foundation set up by MTG and supported by the Norwegian Red Cross and the Nobel Peace Center. Our mutual aim and hope is to enable children, from as many of the countries in which we operate as possible, to learn to respect, and in peaceful manner, tolerate children of different ethnical, religious and cultural backgrounds – by playing football and taking part in a "School of Tolerance".

We hope that by being educated in conflict solving at the Nobel Peace Center and by sharing a sport they love, all of the participating children will have an experience of a lifetime. A truly positive experience changing their perceptions of others, leading to new

friendships, and most importantly, returning home with their head held high, proud of who they are and what they have achieved, knowing that nothing is impossible.

MTG United for Peace has only just started and we hope to have more teams in 2011, representing all of the countries we operate in. The intention is to continue to arrange the MTG United for Peace Cup annually in conjunction with the announcement of the Nobel Peace Prize Laureates.

"I will remember from this weekend the victory but also the new friends I have made"

LAUREN JORDINSON, CENTRE BACK PLAYER IN THE WINNING ENGLISH TEAM.



43% of the children had never travelled abroad before*.

88% of the children made friends during the tournament*.

Nearly all of the children agree football is a good way to learn about solving conflicts*.

Almost every child claims the tournament is going to be a lasting memory*.

* Source: Questionnaire handed out to participants in MTG United for Peace



130 football players met up for the finals in "United for Peace" on October 8 in Oslo. On October 9 the players met the Chairman of the Norwegian Nobel Committee outside the Nobel Peace Center before he was to announce the Peace Prize winner.

"You could feel their new spirit!"

It's Friday afternoon, the 8th of October. The anticipation at the indoor stadium in Lillestrøm, just outside Oslo, Norway, is almost tangible, along with an overwhelming sense of shyness. 130 young footballers, boys and girls from 12 of the countries in which we operate, have gathered here for what is proving to be an experience of a lifetime. The 12- to 14-year-olds have defeated all their tournament opponents in their own countries and are taking part in the first ever finals of MTG United for Peace.

The young footballers are from all walks of life, a lot of them from troubled backgrounds. Some are from countries that have a history of war or conflict and some are experiencing conflicts within themselves, having lost their sense of belonging. The only thing they have in common is football and a steadily growing urge to talk to one another. But since most of the children don't share a language they haven't yet worked out a way to communicate.

They are all waiting. Then the African players arrive, and everything changes:

– Something happened in the room when the boys from Ghana entered. The whole energy changed. The boys broke the ice completely by being so full of life, so curious and courteous. They shook hands with every single player straight away, giving everyone the confidence to make connections and have

"The boys broke the ice completely by being so full of life"

a great time, said one of the organisers.

The newly found friends join forces the following day at the Nobel Peace Center, to be educated in conflict solving and cultural understanding while at the same time the Nobel committee decides on the winner of the Nobel Peace Prize. The atmosphere deeply affects the children and they agree that the committee has made a brave choice, announcing Liu Xiaobo as the winner.

The long-awaited football finals take place

on Saturday with the boys' team from Ghana and the girls' team from the UK emerging as winners. But the biggest trophy is given to the winners of the mixed final, where each team comprises players picked from all the different national teams. Having learnt conflict solving proves a very useful skill when overcoming language barriers to communicate with fellow players.

– The change of attitude in the children was obvious after the tournament. It affected us all greatly, you could feel their new spirit, see how the young footballers thought: There is something out there for me, something worth fighting for – and it can all happen for me. Jennie Vavik, assistant to MTG's CEO says.

The tournament closed with a celebrity charity game. The MTG United for Peace team, consisting of the charity's Peace Ambassadors (among them Regi Blinker, Anders Limpar, David May and Quinton Fortune) won against the Lillestrøm all star team in a penalty shootout.

Playful help for children

Playing for Change was set up in Sweden in 2010 by Hugo Stenbeck's Foundation with the support of MTG and leading Swedish companies Kinnevik, Korsnäs, Metro, Tele2 and Transcom. The vision of the initiative is a world where children can play freely and have the childhood they deserve. A world where children can grow up with a childhood that enables them to become happy and creative adults, full of ideas and enthusiasm.

To play is a human right, enshrined in Article 31 of The UN Convention of the Rights of the Child, the most universally adopted treaty in history. A lot of studies show that playing makes children healthier, happier and more intelligent. Playfulness and creativity have always been vital in making companies in the Kinnevik Group successful, that's why entrepreneurship and play is what we were looking for in our social work with Playing for Change.

In 2010 Playing for Change held a competition to generate ideas for raising awareness of young people's needs and to find ways to help them. A challenge to social entrepreneurs who felt their ventures could help make the world a better place, especially for disadvantaged children. Ten entrepreneurs were chosen out of nearly 1,900 applicants; they will benefit from expertise in participating companies and will receive up to three years full pay to help bring their ideas to fruition.

We're very excited about the outcome. Playing for Change was awarded Social Capitalist in July 2010 in the category "Big Businesses" by Swedish business magazine Veckans Affärer in collaboration with Sparbankerna. The Social Capitalist Award is handed out to a person or organisation managing to marry good business with social responsibility.

Songs for children's joy and play

MTG's annual Charity Christmas concert in Sweden 2010 rapidly sold out, generating 160,000 SEK in ticket sales for charity.

The concert had a great line-up of popu-

"It feels great that I have succeeded, that I've done something that really means something."

SCHOOLBOY BUILDING A STEEL BOAT IN PLAYMAKER NILS HOLMS' SCHOOL FOR PUPILS WITH ADHD.

lar national and international artists including Swedish pop singer Måns Zelmerlöw, the world famous trio "The Priests", Danish MTV-awarded singer Rasmus Seebach and Swedish mezzo soprano Malena Ernman.

Playing for Change is a foundation that aims to help children to live a better life, full of playfulness. At Christmas time, that's a cause that feels more important than ever when every child should feel and receive love, warmth, hope and joy. But for thousands of children in Sweden the reality is very different. With the money raised by this concert for Playing for Change we have supported some of the most vulnerable children in Sweden – autistic children, refugee children and children who have been abused. We want them to feel loved and cherished – and play their way to a brighter future.

Meet some of the Playmakers

A Playmaker is a social entrepreneur, a champion of children's rights and the spearhead in our strive to create a better world for kids. One of our Playmakers is Miriam Lundqvist, 27, who has started a live action role-playing company making it possible for bored and troubled youngsters to get together and interact in an educational way. Even the most sceptical will give in to the sheer fun of pretending to be someone else, just like in the childhood

game of cops and robbers. Miriam Lundquist is developing methods to use role playing for active and participating learning for children who need it most.

Laila Lindberg, 64, has developed a strategy to enable young traumatised refugees to overcome awful experiences via playing. Laila Lindberg has 34 years of experience and is currently educating teachers to help asylum seeking children in Sweden: "Experiences of war, stampede and famine are completely incomprehensible and very frightening for everyone. A child who has experienced this kind of trauma needs to come to terms with it and show their experiences by playing in order to move on in life."

When children play:

- They test their ideas
- They develop skills
- They get interested and motivated
- They learn from others

Source: Children's Advocate

Sisters and playmakers **Johanna Järnhäll's**, 45, and **Åsa Järnhäll Olsson's**, 50, mission is to raise awareness of sexually abused children and teach us to react to early warning signs of a child in distress.

Teacher **Nils Holm**, 41, helps children with ADHD to get through school by acting as their life coach, combining their schoolwork with boatbuilding.

"It's been a great big adventure for everyone involved"

"It's been a great big adventure for everyone involved," he says of their current project building a 16 metre long steel yacht. "They're not just building a boat, they are building their future."



Lajverkstaden taking role play to the max.



Toy library Retoy



Caféz team getting ready for surprise play session



Måns Zelmerlöw and Pernilla Andersson singing for childrens' joy and play at MTG's Christmas concert for Playing for Change.

Making the world a greener place

MTG is systematically trying to minimise its environmental footprint and **raise awareness** on environmental issues through cooperation with NGO's. We're hoping it will make you green with envy.

Being a broadcast media company, we don't have a large environmental footprint, but nevertheless can use the power of our communication channels to encourage change.

We built up the foundation for our environmental work in 2009-2010, when we started mapping our environmental impact and trained our employees in green issues. We aim to maintain the standard we have reached in our environmental work, whilst focusing on the relevant issues outlined by our stakeholder dialogues.

Green thinking MTG Radio leading the way

Our green journey started in 2008 with MTG Radio in Sweden aiming for the globally recognised environmental certificate ISO 14001. After two years of going green, our environmental management system was certified in April 2010.

We're proud of the title, and the aim of the ISO standard is to define 'best practice' for proactive environmental work resulting in a reduced environmental impact.

MTG Radio has now analysed its environmental impact within the ISO framework and set clear targets for its environmental work. Since MTG Radio's negative influence on the environment is small, its focus

MTG green training

80% of our employees worldwide will be trained in how to think and act in an environmentally sustainable manner by February 2012.

1,419 members of staff at MTG have so far been trained in green thinking and acting. This is 59% of all permanent employees.*

12 out of 17 countries conducted green training by Green Ambassadors in their local offices.

92% of respondents found the training useful.

76% say they learned something new about environmental issues in the green training.

The green trainings resulted in hundreds of ideas for a greener working environment.

* as of 06/2010

is also on creating awareness by positively influencing listeners. Two examples of awareness campaigns, which are done in international collaboration with the WWF, are Earth Hour and Save the Baltic Sea.

Earth Hour – Blackout for awareness on global warming

In 2010, for the second consecutive year, MTG helped WWF raise awareness of global warming via TV spots, radio commercials and a concert for Earth Hour. Earth Hour is a global call for action for individuals, businesses, schools, governments and communities to show their concern and support for action on climate change.

On Saturday 27 March, Earth Hour 2010 became the biggest Earth Hour ever and the largest voluntary action for the environment in history. Lights went out across 128 countries and over 4,500 cities worldwide when the world joined hands for the environment. Iconic buildings and landmarks all over the globe switched off their power. The Eiffel Tower, Buckingham Palace, Golden Gate Bridge, Christ the Redeemer statue and Sydney Opera House all went black in a powerful manifestation of concern for the future and an urge to act on global warming now.

During Earth Hour MTG arranged a popular concert outdoors in Kungsträdgården in Stockholm with some of Sweden's most popular artists. No electricity was used during the blacked out Earth Hour, apart from that generated by the Swedish national cycling team using pedal bikes.

Saving the Baltic Sea for future generations

MTG operates in a lot of countries around the Baltic Sea, whose sensitive environment and fragile eco-system acutely need help to save it for future generations. The Baltic Sea is the second largest brackish water body in the world and the youngest sea on our planet, with a completely unique eco-system depended on by a large number of different species for survival. Unfortunately, it's also one of the world's most vulnerable marine environments threatened by overfishing, pollution from agriculture, and industry and oil spills from tankers.

“We hope that more companies will follow MTG's good example and begin to carry out annual climate audits in order to be able to take responsibility for their climate impact”

PER EGSTAM, PRESIDENT OF TRICORONA CLIMATE PARTNER ON MTG'S ENVIRONMENTAL POLICY.

To do something concrete about this, MTG is working with the WWF to restore health to the sea.

Through innovative solutions we aim, along with the WWF, to improve the sea's health while providing long-term social and economic benefits to farming, coastal and fishing communities.

Together we're running a campaign built on the idea of the Baltic Sea being a nation needing citizens.

Green training to all our employees

Inspired by MTG Radio, other MTG companies have taken their good green tips onboard and learnt from their experiences. We have started an internal green training scheme by nominating 23 Green Ambassadors across our territories, backed by local management, to spread the knowledge throughout our companies.

It's really not rocket science, but we can make a difference if we all do our share. We can't be sloppy if we're going to help the environment, and there's always something we can do when it comes to small or bigger matters.

Green action lists

We've put together internal lists in order to remember all the little things that can be done to save the environment. And they

grow as more people get involved and come up with more suggestions. Our hope is what we do in the office our employees will take home to practice, and hopefully spread the message by leading by example.

The green group in the UK office in Chiswick Park, for example, are re-labelling the recycling bins for better usage, getting rid of paper cups, sugar sachets and plastic stirrers. They are also creating an awareness campaign to remind employees to properly turn computers off, and informing employees on how to clean-up their computers to make the start up quicker and more energy efficient.

Travel policy

Our environmental impact is low, but we do travel quite a lot at MTG, that's been clear in the reports we've been given by our environmental partner Tricorona. We are now travelling only when we have to, when video conferences, for some reason, can't be carried out. In order to fly on duty, our employees need to prove that all measures to use video conferencing have failed.

We're also making our carbon footprint smaller by using public transport instead of company cars whenever possible, and the few company cars we have are the most environmentally friendly.

Cleaning up the country.

As a result of the successful Estonian environmental campaign, "Let's do it Estonia." in 2009, MTG Slovenia decided to call upon the country's environmental conscience in 2010. In a team effort with a leading PR agency, TV3 managed to recruit 250,000 volunteers of all ages and from all over the country to clear the Slovenian environment of waste.

316,000 euro is the value of the airline MTG donated to promote Earth Hour across nine countries in 2010.



Swedish national cycling team cycle for electricity during the Earth Hour concert in Kungsträdgården, Stockholm on 27 March, 2010

COMPOSTING



Recycling bins get facelifts for maximum usage by the green group at the London Chiswick Park office.

The volunteers even pulled an old car out of the river Ljubljanica in the country's capital. The campaign resulted in the removal of an incredible amount of rubbish (80,000 cubic meters) and lots of positive feedback.

Green thinking in Denmark

In the summer of 2010 MTG Denmark exhibited great showmanship by training their employees in green thinking and acting. The training programme was called "Grøn eller gris" ('Green or Pig') meaning you can choose to be one or the other. The aim was to make all employees environmentally aware and to create a green action plan. The ultimate goal is to reduce our negative environmental impact, lead by example and thereby inspire other companies follow.

MTG's building in Copenhagen was decorated with green smileys on the stairs, pigs on the elevator and posters on all doors explaining the MTG Challenge 2010. All 224 members of employees were trained and more than 90% say they are motivated or very motivated to be greener at work after the training.

Set-top box energy efficiency

You and other viewers can also make an environmentally friendly contribution since our Pay-TV operations and our set-top box

suppliers are now signatories of the "Voluntary Industry Agreement to Improve the Energy Consumption of Complex Set-Top Boxes" under the EuP Directive. It sounds complicated, but what it boils down to is that the boxes will be more energy efficient, hence also more environmentally friendly.

The Viasat STBs now have two standby functions, and an automatic standby function will be introduced later in the year. All this is done to decrease our environmental impact and to ensure we are well positioned ahead of any future regulations on STB energy efficiency. This means that you as a viewer can help the environment by choosing our energy efficient box.

"Earth Hour's rapid growth over four years has proven that hundreds of millions people want to do more to protect their planet"

ANDY RIDLEY, CO-FOUNDER AND EXECUTIVE DIRECTOR OF EARTH HOUR

80,000 cubic meters of rubbish were removed in Slovenia.



Working to save the Baltic Sea in cooperation with WWF.



Viasat set-top box suppliers deliver energy efficient boxes.

Our carbon footprint

As a part of MTG's undertaking for the climate, it's important that our climate audit covers the entire group. Seeing it all as one overall climate impact makes it easier for us to realise what needs doing and where we can improve. The audit is also part of an educational process for all of our offices.

"We started by calculating our climate impact for parts of our business operations during 2008. With Tricorona assisting us, the measurements will be extended to include all countries where we have offices in the Nordic region, in Central and Eastern Europe and in Ghana. Even though we are active in the television industry and have relatively little impact on the environment, we believe the challenge of climate change is everyone's responsibility and we take this responsibility seriously," says Hans-Holger Albrecht, President and CEO of MTG.

Now that we have figures for two full years, we can gather key statistics on the company's emissions and energy consumption. These statistics facilitate comparisons with previous

"We believe tackling climate change is everyone's responsibility and we take it seriously"

HANS-HOLGER ALBRECHT, MTG PRESIDENT & CEO

years' emissions, as well as comparisons with other, similar companies' emissions, and has made it possible for us to set targets to reduce our environmental impact.

"We are very glad that MTG has chosen to carry out its climate audit in cooperation with us at Tricorona. The company has offices in many different countries, and it is only when emissions have been measured for the entire Group that an accurate picture can be obtained of its total climate impact, and only then will it be possible to know what steps need to be taken to reduce them as climate- and cost-effectively as possible," says Per Egstam, President of Tricorona Climate Partner.

The total climate impact from MTG during 2010 was approximately 15,000 tons of CO₂e. This corresponds roughly to typical annual emissions from 3,750 private cars or per passenger emissions from flying around the equator 1,500 times.

The climate impact covers the following emission sources from MTG's operations in 19 countries:

- Facilities: energy use in offices and other facilities, including broadcasting and TV production when performed directly by MTG
- Material: consumption of office supplies, fruit and coffee
- Travel: business travel, including all air, rail, road and sea travel plus hotel stays
- Transport: transportation of Viasat set-top-boxes from the central warehouse to the local countries. This emission source was included in 2010 for the first time.

The climate impact has been calculated by Tricorona Climate Partner based on data supplied by MTG, in accordance with standard calculation methodologies, based primarily on the GHG Protocol and supplemented where necessary by additional data and assumptions supplied by Tricorona. Full calculation methodology and details of assumptions can be found on mtg.se.

Roughly a third of MTG's emissions arise from energy use in facilities, with almost all of the remainder arising from business travel. Of emissions from business travel, around three quarters originate from flights.

The total figures show that MTG's car-

Energy consumption 2010

Source	Usage	Unit	Usage	Unit
<i>Direct</i>				
Diesel	717,724	kWh	2,584	GJ
<i>Indirect</i>				
Cooling	1,605,006	kWh	5,778	GJ
Electricity	14,018,072	kWh	50,465	GJ
Heating	6,576,561	kWh	23,676	GJ

bon footprint increased by 21% compared to the previous year. This increase can partially be explained by incomplete travel data in 2009 by Modern Studios, and we are currently working to increase accuracy in reporting. In reality, Modern Studios' travel has not increased significantly. Because of this, the Group's total emissions don't fully reflect the progress of our other companies, we decided to also show an emissions summary with Modern Studios' emissions separate.

Emissions from material decreased



MTG's headquarter in Stockholm is a EU certified GreenBuilding.

Total Group Emissions 2010, ton CO2e				
Source	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Other indirect (Scope 3)	Total 2010
Facilities	172	5,496	0	5,668
Office	172	3,205	0	3,377
Production	0	2,291	0	2,291
Material	0	0	352	352
Travel	119	0	8,608	8,727
Transport	0	0	285	285
Total	291	5,496	9,245	15,032

Emissions, ton CO2e (excl. Modern Studios)			
	2009	2010	Change
facilities	5,312	5,590	5%
material	574	327	-43%
travel	5,016	5,469	9%
transport	n/a	285	
Total	10,901	11,671	7%

Emissions Modern Studios, ton CO2e			
	2009	2010	Change
facilities	82	78	5%
material	51	25	-51%
travel	1,394	3,258	134%
transport	n/a	0	
Total	1,527	3,361	120%

The 2009 emissions have been re-calculated by Tricorona, using updated emission factors where available. Thus the 2009 emissions in this report are lower (12,428 ton Co2e) than in the 2009 Modern Responsibility Report (13,085 ton CO2e).

both for Modern Studios and the other MTG companies. This is mostly due to improved data collection – the 2009 figures were mainly based on estimates made by Tricorona, whereas the 2010 figures are for the most part based on accurate data on actual usage.

Emissions from our facilities increased by 5% compared to 2009. This increase is primarily due to a new broadcast facility in Riga and new TV studios in Stockholm, both of which are rather energy intensive. Modern Studios on the other hand decreased their facility emissions by almost 5%. The greatest increase was in emissions from business travel – increasing by 9% for the other companies. Our expansion to Africa is the main reason behind the increase.

The emissions per employee (excluding Modern Studios) increased by 4% last year. Our goal is to decrease our emissions by 5% per employee from the 2009 baseline excluding Modern Studios. Our Facility and Travel departments will create an action plan to reach the target and reduce MTG’s environmental impact.

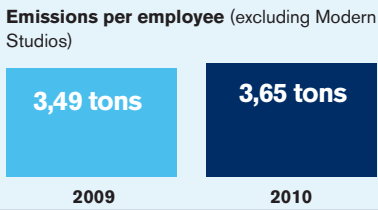
Carbon Disclosure Project

MTG has in 2010 publicly disclosed its 2009 greenhouse gas emissions and climate change strategies through the Carbon Disclosure Project, an independent not-for-profit organisation with the only global climate change reporting system. MTG scored a C in carbon performance, and 62 on carbon disclosure – improving its score by 44% from last year.

The carbon disclosure scoring is normalised to a 100-point scale, and it assesses companies on the quality and completeness of their disclosures. MTG’s disclosure score of 62 falls in the midrange category (50-70), indicating a “growing maturity in understanding and managing company-specific risks and potential opportunities related to climate change”, as well as “good evidence of ability to measure and manage carbon footprint across global operations”. The carbon performance score C means that the Group is on the right track, but still has room for improvement in some areas, such as disclosure of emissions reduction targets, implementation of emission reduction activities, employee incentives and verification of emission information.

Environment: our goals

- We aim to reduce** CO2 emissions by 5% per employee against the 2009 baseline by February 2012.
- Actions to reach the goal:**
1. MTG Travel will promote and suggest more environmentally friendly ways to travel by June 2011.
 2. A green action list will be written locally for all countries in 2011.
 3. 80% of all employees will be trained in green thinking by 2012.
 4. Joint CO2 reduction strategies with suppliers to be developed.
 5. 20% increase in video conferencing to reduce the carbon footprint created by flying, by December 2011



“We have only five years to radically transform our economy and bring it on the green development track. If we don’t do it, we will have to face catastrophic consequences of climate change”

WOJCIECH STEPNIEWSKI,
WWF POLAND CLIMATE PROGRAM



“IT WAS A CHOICE
BETWEEN WHO
I AM AND WHO
I SHOULD BE”

BELLA SWAN (KRISTEN STEWART)
THE TWILIGHT SAGA: ECLIPSE, 2010
SUMMIT ENTERTAINMENT
ON VIAPLAY NOW*

*Available in the Nordic countries

GRI Indicator		Level of reporting	Page	GRI Indicator		Level of reporting	Page
1. Strategy and profile				4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance.	F	p.12; p.20
1.1	CEO's statement	F	p.5	4.12	Externally developed principles to which the organisation subscribes or endorses.	F	p.18
2. Organisational profile				4.14	List of stakeholder groups engaged by the organisation.	F	p.14-15
2.1	Name of the organisation.	F	p.6	4.15	Basis for identification and selection of stakeholders.	F	p.14
2.2	Primary brands, products, and services.	F	p.6; p.9	4.16	Approaches to stakeholder engagement.	F	p.14-15
2.3	Operational structure	F	p.9	4.17	Key topics raised through stakeholder engagement	F	p.14-15
2.4	Location of headquarters.	F	p.8	Economic performance indicators			
2.5	Number of countries and location of operations.	F	p.6; p.8-9	EC8	Investments and services provided for public benefit	F	p.35
2.6	Nature of ownership and legal form.	F	p.13	Environmental performance indicators			
2.7	Markets served.	F	p.6; p.8-9	EN3	Direct energy consumption by primary energy source.	F	p.43
2.8	Scale of reporting organisation.	F	p.8	EN4	Indirect energy consumption by primary source.	F	p.43
2.9	Significant changes regarding size, structure, or ownership. Changes have had no significant impact on how we work with CR.	F	p.6	EN16	Total direct and indirect greenhouse gas emissions by weight.	F	p.44
2.10	Awards received in the reporting period.	F	p.31	EN17	Other relevant indirect greenhouse gas emissions by weight.	F	p.44
3. Report parameters				Social performance indicators			
3.1	Reporting period	F	p.2	LA1	Total workforce by employment type, employment contract, and region.	F	p.24
3.2	Date of most recent previous report.	F	p.2	LA2	Total number and rate of employee turnover by age group, gender, and region.	F	p.24
3.3	Reporting cycle	F	p.2	LA7	Rates of injury, lost days, and absenteeism, and total number of work-related fatalities.	F	p.26
3.4	Contact point for questions regarding the report.	F	p.2	LA10	Average hours of employee training	F	p.26
3.5	Process for defining report content	F	p.2; p.14-15	LA13	Composition of governance bodies and breakdown of employees per gender, age and minority group. <small>Comment: Minority groups are not reported on because this is prohibited in the Swedish data protection law. The purpose of the law is to uphold integrity and refrain from discrimination.</small>	F	p.25; p.46
3.6	Boundary of the report.	F	p.2	PR5	Practices related to customer satisfaction.	P	p.14
3.7	Limitations on the scope or boundary of the report.	F	p.2	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	P	p.29-30
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities and outsourced operations	F	p.2	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	F	p.30
3.10	Restatements	F	p.44				
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods.	F	p.2				
3.12	GRI Index	F	p.46				
4. Governance, Commitments, and Engagement							
4.1	Governance structure	F	p.12-13				
4.2	Independence of the Chariman of the Board	F	p.13				
4.3	Governance bodies and independent members	F	p.13				
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the Board. <small>Comment: There is no formal mechanism in place for employees to provide recommendations or direction to the Board directly. However, there are informal processes for employees to provide ideas and complaints to the Board today, through the management and approval processes, and we are looking to implement a formal process for this in the next year.</small>	F	p.13; p.46				
				F = Fully reported P = Partially reported			

