

A MODERN GROUP



IMPROVING



TODAY

MODERN RESPONSIBILITY REPORT 2011



TRANSFORMING



TOMORROW

FOR MODERN TIMES



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Se Avatar på Viasat Film.

© 20th Century Fox

# Nu fortsätter vi att belöna våra kunder



Du hittar dina erbjudanden på  
Viasat Ger Tillbaka, [viasat.se](http://viasat.se)



# VIASAT

Underhållning på dina villkor

HARDER. BETTER. FASTER. STRONGER.

Salt

# Nu bjuder vi våra kunder på något extra!



Vi gillar när våra kunder trivs. Bio, 3D-kvällar och bra erbjudanden är några exempel på vad vi bjuder våra kunder på. Läs mer om ViasatGerTillbaka på [viasat.se](http://viasat.se)



**VIASAT**

Underhållning på dina villkor

HARDER. BETTER. FASTER. STRONGER.

Tron Legacy

# Nu lanserar vi 9 nya playkanaler



Med Viaplay kan du se hela 23 playkanaler direkt i din TV. Läs mer på [viasat.se/viaplay](http://viasat.se/viaplay)



**VIASAT**

Underhållning på dina villkor



# Transforming tomorrow today

The broadcasting industry is today very different from what it was ten years ago, but at the same time, it's surprisingly unchanged at its core. On one hand, rapidly changing technology is enabling viewers to consume content in new ways, but on the other hand, the core of our business is still based on the fundamental understanding that content is everything, and that knowing your customer and nurturing that relationship is key.

It is more important than ever to have an ongoing dialogue with our many stakeholder groups and to embrace their feedback. The environment in which we operate demands that we as a Group relate to our customers, employees, suppliers, investors and other stakeholders in an honest and responsible way, continuously working to improve ourselves. We call this 'Modern Responsibility', and its goal is to ensure we embrace our responsibility as a broadcaster in all of our 39 operating countries.

We published our first Global Reporting Initiative (GRI) report in 2010, based on a materiality analysis and a stakeholder survey, both conducted to verify we were heading in the right direction. The findings yielded a set of short-, mid- and long-term goals. I am proud to report that in 2011 we met 14 of the 15 short-term goals set in 2010. An important reminder however, that our Modern Responsibility work is still a work in progress, came in the form of our annual anonymous employee survey, which highlighted the need to improve employee training and development, as well as internal communication. We have now begun addressing these issues and set goals for their improvement in 2012.

MTG is an entrepreneurial company, and part of our corporate culture is to 'stretch for more than we think is possible'. Because of that, our work on updating our anti-bribery and corruption policies in 2011 resulted in a full risk analysis and benchmarking exercise, with a review of the Group's anti-corruption processes and policies, Supplier Principles and Code of



Conduct. We are now educating both our employees and suppliers on these policies.

As a broadcaster, we also have the opportunity to give back to the communities in which we exist, by donating airtime to charitable organisations and through programming that highlights social issues within local communities. Another priority for MTG is working with environmental organisations to promote their causes, measure and reduce our carbon footprint, and adopt internal green actions. In 2011 we achieved the goal of reducing our carbon footprint by 5% per employee, primarily through a Group-wide 16% reduction in energy consumption.

A fundamental part of our responsibility is related to how we contribute to a safe and positive media environment for children and youths worldwide. This involves strict scheduling guidelines, enabling adults to restrict access to unsuitable material, and last, but certainly not least, our engagement in children's causes through our partnership with Playing for Change and our own charity MTG United for Peace.

MTG's wide footprint and range of operations also means we face a large number of different challenges every day. While we strive to address corruption, human and labour rights issues and climate change with strong Group-wide policies, we also need to be sensitive to local culture when these are implemented. Our challenge is to maintain MTG's status as a cutting edge broadcaster, while upholding the high standard of our responsibility work, and remaining ready to respond to the challenges of the future.

I am convinced that our Modern Responsibility work in 2011 has helped us be more prepared than ever before to behave responsibly and to promote responsibility and positive long-term thinking in our markets and communities. Modern Responsibility is an integral part of our daily lives and lies at the core of everything we do as a Group, helping us improve today, in order to transform tomorrow.

**Hans-Holger Albrecht**  
President & CEO

# This is us today

Welcome to MTG! Here's an overview of all our brands and our geographical spread.

## Operational structure 12/2011

### FREE-TV SCANDINAVIA

- 9 free-TV channels

#### SWEDEN



#### NORWAY



#### DENMARK



### PAY-TV NORDIC

- 4 satellite platforms
- Virtual operator in 3rd party networks



### FREE-TV EMERGING MARKETS

- 20 free-TV channels

#### ESTONIA



#### LATVIA



#### LITHUANIA



#### BULGARIA<sup>1</sup>



#### CZECH REPUBLIC<sup>2</sup>



#### HUNGARY



#### SLOVENIA



#### GHANA



### PAY-TV EMERGING MARKETS

- 5 satellite platforms – Baltics, Ukraine & Russia
- 19 channels on 3rd party networks



### CTC MEDIA

- 3 free-TV channels

#### RUSSIA<sup>3</sup>



### OTHER BUSINESSES

#### SWEDEN



#### NORWAY



#### ESTONIA & LATVIA



#### ESTONIA & LITHUANIA



#### FINLAND<sup>4</sup>



#### STRIX



#### MODERN STUDIOS



Ownership: <sup>1</sup>95%; <sup>2</sup>50%; <sup>3</sup>38.1%; <sup>4</sup>21%



## MTG COUNTRIES 2011

For financial breakdown per region, please see 2011 Annual Report, note 3.

Armenia	Malta <sup>1</sup>
Azerbaijan	Moldova
Belarus	Montenegro
Bosnia and Herzegovina	Netherlands <sup>1</sup>
Bulgaria	Nigeria
Croatia	Norway
Czech Republic	Poland
Denmark	Romania
Estonia	Russia
Finland	Serbia
Georgia	Slovakia
Ghana	Slovenia
Hungary	Spain <sup>1</sup>
Kazakhstan	Sweden
Kenya	Tanzania
Kyrgyzstan	Uganda
Latvia	Ukraine
Lithuania	United Kingdom <sup>1</sup>
Macedonia	United States
	Uzbekistan

<sup>1</sup> MTG has no media channels in these countries

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

### Key figures from the past five years

	2007	2008	2009	2010	2011
Net sales (MSEK)	11,351	13,166	14,173	13,101	13,473
Operating income (MSEK)	2,027	3,671	-1,428	2,355	2,545
Basic earnings per share (SEK)	20.35	43.25	-30.86	53.34	-19.98
Average number of employees	2,341	2,644	2,906	3,069	3,031
<b>Financial position</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Shareholder's equity	5,875	8,980	5,680	6,239	4,350
Long-term liabilities	429	5,263	4,175	3,311	2,168
Short-term liabilities	4,654	4,989	4,796	4,452	4,763
Total shareholders' equity and liabilities	10,958	19,232	14,651	14,002	11,281

# From yesterday to today

MTG, a born entertainer, always innovating and always curious. But with age comes responsibility. Here's how it all started and how we've grown up.

## 1987



**The first privately owned and advertising free-TV channel TV3** is launched in Sweden, Denmark and Norway, the start of which is to be the Modern Times Group.

## 1989



**Our pay-TV channel, TV1000**, launches and attracts subscribers with live sports events and movies.



**TV3 Sweden acquires** the right to broadcast the Ice Hockey World Championship live for the first time.

**Our TV-Shop launches** for direct sales on television.

## 1991

**The satellite TV platform Viasat** for direct-to-home satellite broadcasting launches.

**TV4, the first TV channel** with a license to broadcast advertising is launched, of which TV3 owns 30%.



**"Wheel of Fortune"** was an early production which lead the number turning sidekick Ulrika Nilsson to stardom.

## 1988

**The launch of TV3** grows into the first Scandinavian commercial broadcasting sector, with companies producing programmes and advertising, as well as subtitling and dubbing.

**Our production company**, Strix Television, is born.

**Guests farting tunes** are the talk of town when Robert Aschberg's late show "Tonight" starts on TV3.

**Froglike puppet Skurt** with his Scandinavian flag cap becomes the children's favourite and stars in more than 3,000 programs for almost 20 years on TV3.



Ulrika Jonsson becomes TV3's first weather presenter.

## 1990

**A majority of the subtitling and dubbing company Svensk Text** is acquired.

**Denmark** gets its own TV3.



**TV3 Sweden's longest** running program, "Wanted", launches in close partnership with the police, in an effort to solve crimes by appealing the audience for tips.

## 1992



**Glamorous drag queen Babsan** makes an unforgettable impression on ZTV and TV3 in her own talk show.

**Youth orientated ZTV** is launched with edgy programming and music videos.



*"We called him Kurt. But however much he tried, young Kurt couldn't say his name properly, only "Skurt". So we gave up and called him Skurt."*

Jan Steinmann, CEO of TV3 in 1988





1993



**Radio station P4** receives commercial broadcasting licence in Norway and commences transmission.

**First commercial radio** license is obtained in Sweden and Z-Radio goes on air (today's RIX FM.)

**First investment** in a terrestrial TV channel in Estonia takes place.

**Alarmen går** "Emergency!" a documentary TV format with reconstructions of emergency operations and authentic calls is a huge success with its Norwegian TV audience.



**Adam Alsing hosts** own talk show on TV3 Sweden interviewing celebrities like Ulrika Jonsson.

1995

**The business area** Modern Times Group within Kinnevik is incorporated as a subsidiary.



**Metro, the first** free newspaper financed by advertising, is launched by MTG in Stockholm.

**Movie channel TV1000** becomes TV1000 and TV1000 Cinema.

1997

**MTG demerges** from Kinnevik, and gets listed on Stockholm Börsinformation and Nasdaq, its shares distributed to Kinnevik shareholders.

**Metro expands** outside Sweden when publishing commences in Prague.

**MTG launches TV3** in Lithuania.

**The start of a tradition** with a Christmas Concert, with all contributions from the public and ticket sales going straight towards providing shelter for the homeless.

**The first ever** broadcast of "Expedition Robinson" ("Survivor") produced by Strix Television in Sweden.



1999

**Online retailing** company CDON is launched, initially selling music CDs via internet sites in Sweden, Norway and Denmark.

**Metro launches** in Malmö, Sweden and expands to Finland and the Netherlands.

**Swedish business channel** TV8 is acquired.

**Radio expands** into Latvia with Easy FM (today's STAR FM).

**Viasat Sport** launches as a pan-Scandinavian channel.

**On New Year's Eve** MTG, Kinnevik and Tele2 organise "The Party of the Millennium" where rock group Europe reunite to sing "The Final Countdown" and a million people enjoy the fireworks. TV3 broadcasts a live 26-hour marathon.

**Hugely successful** Fangene på fortet "Fort Boyard" is back for a second time on TV3 Norway with celebrities battling against one another, enduring physical and psychological tasks at the famous Fort Boyard.

1994

**Satellite dish** "Nordenparabolen" made specifically for Scandinavia enables every household to receive Viasat with much smaller dish.



1996

**MTG expands TV3** into the Baltic States with the launch of TV3 in Estonia.

**Consolidation of** the commercial radio market in Sweden commences.

**The secondary channel** TV3+ is launched in Denmark.

**The Viasat satellite TV** platform is launched in Finland.

1998

**Radio station** Easy FM (today's STAR FM) is born in Estonia.

**Metro launches** a second edition in Gothenburg Sweden and expands in Budapest.



**MTG completes** the expansion of TV3 in the Baltic states with the launch of TV3 in Latvia.

## 2000

**Metro becomes demerged** from its founder MTG.

**Viasat3 begins** broadcasting in Hungary.

**The successful production** "Robinson" ("Survivor") hits the Baltic countries.



**Baren "The Bar"**, a reality show made by our production company Strix, becomes hugely popular and the format is exported.

## 2002

**37% of shares** are acquired in StoryFirst Communications, Inc., owner of Russian TV network CTC.

**Tango TV is launched** in Lithuania (in 2008 it is rebranded TV6).



**Jan Hugo Stenbeck**, founder of MTG, passes away.

**The Glocal Forum** holds its inaugural 'Glocalization Conference' in Rome to discuss how to encourage sustainable development. The meeting ends with a concert at the Colosseum, the first since the year 404 AD.



**The hugely popular** "Who wants to be a millionaire?" becomes a hit in TV3 Estonia and Latvia.

## 2004

**The South Asian tsunami strikes** on Boxing Day. MTG launches an appeal with the Red Cross to raise money for the victims, MTG committing to match employees' contributions like for like.

**Modern Responsibility** is officially started with a decision by the Board.

**MTG acquires** 19.9% of betting company BET24.

**The current Viasat** satellite TV platform launches in the Baltic States.

**TV3 in Sweden** broadcasts its first Pink Ribbon Gala, the total campaign raised 15 million SEK.

**The launch of the TV3 show** "Pride of Latvia" ("Latvijas Lepnums"), where Latvians are rewarded for heroic achievements.



## 2001

**Viasat is the first** European satellite TV broadcaster to switch to digital TV.

**MTG acquires 75%** of Daria TV (today's DTV) and makes its first investment in Russian broadcasting.

**The non-profit** organisation Glocal Forum is established by MTG's founder Jan Stenbeck and the Chief Negotiator of the Oslo Peace Accords to maximise "Glocalization"; countries working together but retaining their local identities. MTG supports the initiative together with its sister companies.

## 2003

**Launch of movie channel** TV1000 East in Russia, Moldova, Belarus and the three Baltic states.

**Viasat Explorer expands** to Poland, Romania, Hungary and Bulgaria.

**TV3 Lithuania launches** the first Fulfilment Campaign to help orphans, its telethon result a national record breaker.

## 2005

**MTG acquires 50%** of TV Prima in the Czech Republic.

**The pay-TV channel** business expands to Georgia, Kazakhstan, the Czech Republic, Slovakia, Slovenia and Serbia.



**Viasat introduces** PIN codes as a parental control system, publishes clear ratings in publications and warnings before airing.

**Introduction of our** Code of Conduct and Whistleblower Policy to all employees.

2000 – The successful production "Robinson" ("Survivor") hits the Baltic countries.





## 2007

**MTG acquires** online fashion retailer Nelly.com, book store Bookplus.fi and children's clothing retailer Linus-Lotta.com. 50% of Balkan Media Group and its Diema family of channels are acquired in Bulgaria.

**TV6 expands** to Latvia.

**The pay-TV channel** business expands to Armenia and Montenegro.



**MTG promotes** World Mental Health Day in Sweden with NSPH; supported Psykiatrifonden in Denmark and the Dmitrovsky orphanage in Russia.



Before



After

**MTG's tsunami housing project** in cooperation with 'Läkare utan' gränser in Sri Lanka finishes.

**A joint venture** with state-owned TV2 in Denmark is established to launch TV2 Sport.

**A partnership** with Strong Media Group is announced, to launch the first digital satellite pay-TV platform in Ukraine.

**TV Shop** is sold.

## 2009

**The majority of** our staff in Stockholm, Sweden, relocates to Ringvägen 52 – a state of the art building designed as the embodiment of eco-friendliness.



**A number of new channels** are launched; the premium pay-TV channels Viasat Sport Baltic for Estonia, Latvia and Lithuania, Viasat Hockey for Sweden, Finland (and later the Baltics) and TV1000 Drama for the Nordic region, the free-TV channels TV3 PULS in Denmark and Prima COOL in the Czech Republic.

**Play-services are introduced** in Scandinavia for the free-TV channels and for several pay-TV channels.

**MTG's carbon footprint** is measured for the first time.

**MTG Radio goes** silent in support of WWF's Earth Hour.



**The start of TV3's** successful "Swedish Hollywood wives".

## 2011

**MTG introduces** some of its pay-TV channels in Uganda, Tanzania, Nigeria and Kenya.

**Viasat History HD** and **Viasat Nature HD** – is launched in 22 countries in Central & Eastern Europe.

**Exclusive distribution** rights to the National Hockey League (NHL) in Sweden, Norway, Denmark and Finland are acquired.

**Third free-TV channel**, TV8, starts to broadcast in Lithuania.

**Viaplay** is the first provider in Scandinavia to give subscribers access to pay-TV content on any internet-connected device.



FTSE4Good

**MTG becomes** a member of global responsible investment index FTSE4Good Index Series.

**Our tenth Christmas Concert** is held for the benefit of Playing for Change.

**X Factor on Nova** becomes the most famous international format ever produced in Bulgaria.

**Great success for MTG United** for Peace VIP match that was broadcast live in Bulgaria, featuring football legend Hristo Stoichkov and the Bulgarian Prime minister.

## 2006

**MTG acquires** the remaining shares of P4 Radio in Norway, acquires Slovenian PRVA TV (rebranded TV3 Slovenia), and increases its holding in gaming and betting company Bet24 to 90%.



**TV6 is launched** in Sweden.

**The pay-TV channel** business expands to Uzbekistan, Kyrgyzstan, Bosnia & Herzegovina, Croatia and Macedonia.

## 2008

**Nutritional supplement** retailer Gymgrossisten.com and dietary and health supplement retailer Bodystore.com are acquired.

**Viasat Broadcasting's** first free-TV channel outside Europe, Viasat1, is launched in Ghana.

**MTG acquires Nova**, the second largest TV channel in Bulgaria.

**TV6 expands into** Estonia, Hungary and Lithuania.

**Viasat introduces** its HDTV offering in the Nordic region.



**Viasat Sport**, **Viasat Fotboll** and **Viasat Motor** are launched in Sweden, Viasat Sport and Viasat Motor in Norway.

**MTG Radio in Sweden** starts green journey to get an ISO 14001 certificate for environmental management.

**We publish our first** ever separate Modern Responsibility Report.

## 2010



MTG United for Peace

**MTG's carbon footprint** and climate strategies are for the first time publicly reported in the Carbon Disclosure Project.

**We decide to focus** our Modern Responsibility social efforts on children, and launch MTG United for Peace, to bring together children from less fortunate backgrounds through the medium of football.

**Our Modern Responsibility** report follows the framework of the Global Reporting Initiative and stakeholder dialogue sets up concrete targets for MR.

**A number of new channels** are launched: TV10 in Sweden, Nova Sport in Bulgaria, Viasat Premier League HD in the Baltics and Viasat Nature in 25 countries.

**MTG Radio receives** an ISO 14001 certificate.

**We co-found** Playing for Change that supports social entrepreneurs who aim to improve children's lives.

**CDON Group**, comprising all of MTG's internet retailing operations, is demerged from MTG and its shares distributed to MTG shareholders.



**Viasat Broadcasting** becomes the first TV operator in Scandinavia to launch 3D.

# Modern Responsibility today

Goals are put in place to be reached, but sometimes the goalposts need to be moved. Our responsibility work in 2011 proved just that and is all the stronger for it.

**We are 3,031 MTG people** speaking 35 different languages. We broadcast in excess of 5 million hours of content annually in 35 countries around the world. Our job is to entertain and we strive to deliver the content our customers want.

**Modern Responsibility is** the name we give our corporate responsibility work and the reason is simple – we are the Modern Times Group and to take ownership of our responsibility, we gave it a unique name; to connect responsibility to our business and seize the opportunity we have to help transform tomorrow.

**This report tells you where** we are today, but we are a company that is constantly taking new steps to develop, both as a whole and in our sustainability work. In 2011 we made progress in further integrating Modern Responsibility into our operations and working on the goals set for our Modern Responsibility work in 2010. This has been a year of learning how to work on the Modern Responsibility goals within our many operating markets and it's certainly been a challenge. Questions so natural in one country may have no relevance in another.

## 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.

**We are constantly reminded** that while we set global standards, by which we do business, each local market's norms, values and practices must be taken into consideration. We believe we are fortunate to have this fantastic opportunity to exchange experiences and see the world through different eyes. We will keep on working, and in addition to our focus on commitments and targets, we also intend to further build on our stakeholder and employee engagement.



**Modern Responsibility** is the central coordinator of our sustainability work. This is where we gather information, give guidance and help to spread best practice. To make our work more measurable and easily understood, we have divided our responsibility work into four areas of responsibility.

## 1 Business Responsibility

This is the responsibility we have to protect MTG and our stakeholders' interests. We have internal policies and control systems to help us to be responsible, we work with all aspects of moral and ethical issues. We aim to be trustworthy, transparent and provide reports on our activities.

## 2 Broadcast and Marketing Responsibility

We aim to protect and meet the needs of all our customer groups. We protect young viewers through careful scheduling, and help parents protect their children from unsuitable material. We offer a broad variety of entertainment in an effort to meet the different tastes and needs of our customers, striving to provide an excellent service across the board.

## 3 Colleague Responsibility

We aim to be flexible and strongly believe in a diverse and equal opportunities workplace where competence is key, not gender, ethnic background or suchlike. We invest in our employees, helping them excel in their roles and develop their careers. We want our employees to feel valued and aim to make it possible for them to combine work with family life.

## 4 Responsibility to the Community

MTG has internal and external responsibilities. We work to reduce our environmental impact and to be more sustainable. At the same time we take responsibility through working with NGOs to support causes that are close to our hearts and in line with our business. We want to raise awareness and make a positive difference by broadcasting things that matter, and encourage positive environmental behaviour among our employees.

Testa dina fotbollskunskaper och vinn fina priser!  
Gå in på [facebook.com/viasatfotboll](https://facebook.com/viasatfotboll)

Är antalet timmar direktsänd sport på Viasats sportkanaler. Nu börjar allvaret!

Viasats Sportkanaler ger dig mer sport än några andra sportkanaler – med över 8000 timmar\* direktsänd sport varje år finns det helt enkelt alltid något riktigt bra att se. Missa inte den spännande varen nu när fotbollen och ishockeyn drar igång på allvar. Dessutom är det säsongspremiär för alla de stora motorsporterna!

**VIASAT FOTBOLL** **VIASAT MOTOR** **VIASAT HOCKEY** **VIASAT GOLF**

Kontakta din TV-operatör, ring oss på 0200-219 219 eller besök [viasat.se](https://viasat.se).

\*Antal timmar beror på hur många av Viasats sportkanaler som din TV-operatör erbjuder.

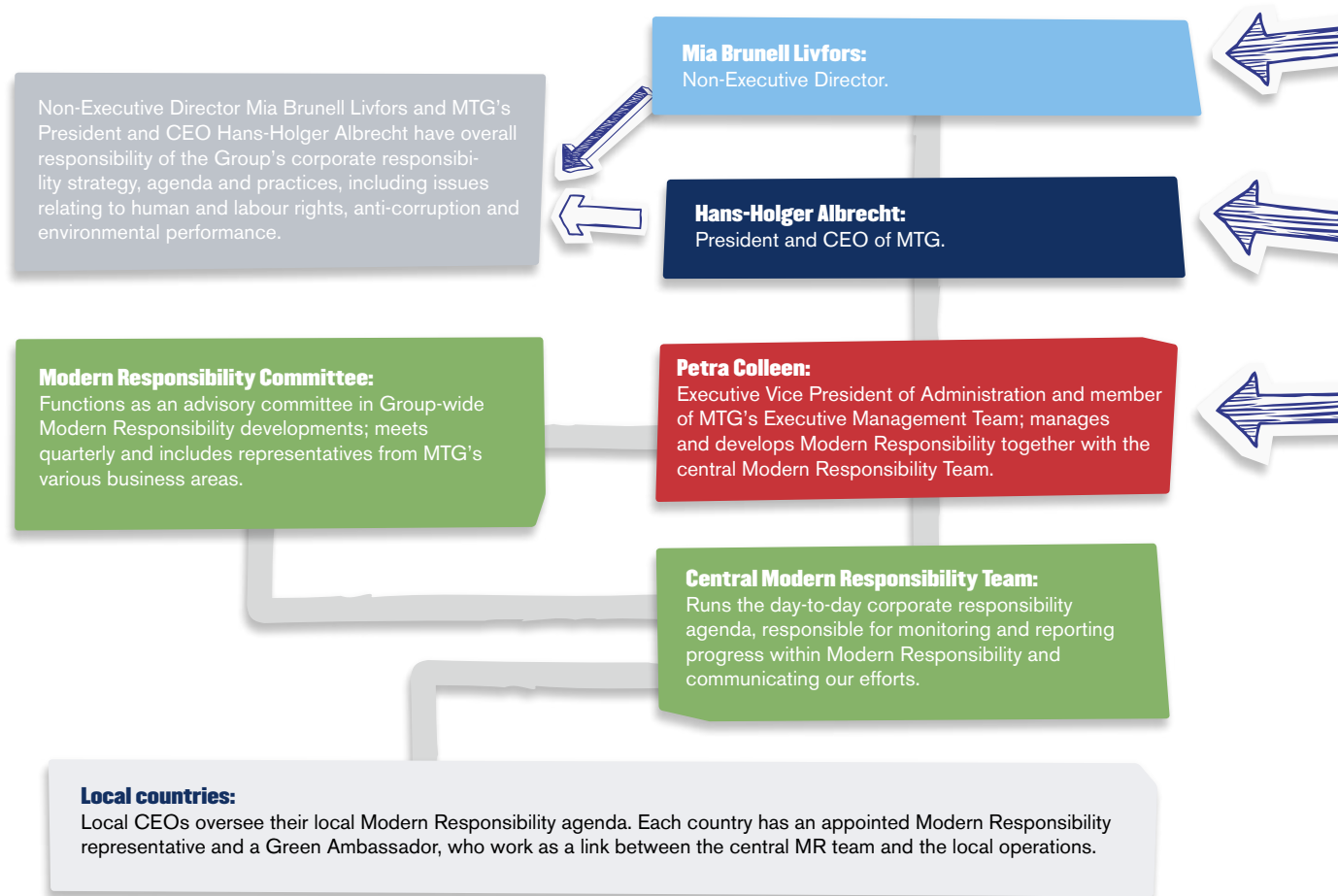
Adding to the statistics: Viasat's sports channels in Sweden broadcast 8,000 hours of live sport each year.

*"We are 3,031 MTG people speaking 35 different languages. We broadcast in excess of 5 million hours of content annually in 35 countries around the world."*

# Modern Responsibility in the big picture

This is how Modern Responsibility fits into MTG's governing structure.

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.



**Shareholders:**

Our valuable investors who can make propositions on issues affecting the company and its operations at the AGM.

**Annual General Meeting (AGM):**

The AGM is the highest decision-making body where the shareholders vote for MTG's Board of Directors and External Auditors, and can have their propositions considered. Any propositions need to be submitted in writing at least seven weeks before the AGM.

**Board of Directors:**

The Board consists of eight non-Executive Directors, two female and six male, out of which seven are independent of the Company and management and six are independent of major shareholders. The Chairman of the Board is independent of both the Company and the major shareholders. The Board also governs Modern Responsibility.

**Chief Executive Officer:**

Makes strategic decisions regarding the business and Modern Responsibility as guided and instructed by the Board.

**Executive Management:**

In charge of day-to-day management of the business and Modern Responsibility.

**Segment operational boards:**

Control and follow-up on operational matters, such as share of viewing and listeners, and the development of advertising markets.

**Nomination Committee:**

Evaluates the Board's work and composition, submits proposals to the AGM regarding the election of the Board, Chairman of the Board and Auditors, prepares fee proposals to the Board and Auditors and proposals for the Chairman of the AGM.

**External Auditors:**

Examine the Annual Report and financial accounting, the Boards and CEO's administration and other tasks, and report their findings to the shareholders using the auditors' report.

**Remuneration Committee:**

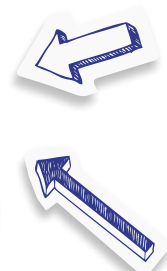
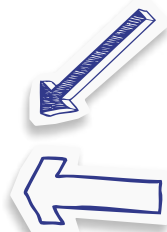
Responsible for issues related to salaries, pension plans, Long Term Incentive Plans, and the employment terms for the CEO and Executive Management of MTG.

**Audit Committee:**

Focuses on financial reporting's accuracy, accounting policy changes, internal controls, risk assessment, auditor's qualification and independence, adherence to regulations, and transactions with related parties.

**Internal Auditors:**

Responsible for the evaluation of risk management and internal control activities; reports the result of its reviews to the Audit Committee.





# What we have done so far

**In 2010 we produced our** first report following the Global Reporting Initiative (GRI) guidelines and conducted research to establish where we are on sustainability and where we should be heading.

**In this digital age,** the fast pace of change dictates a need for adaptability and the ability to innovate and transform according to changes. So although setting goals and reaching them is vital, within that framework we are working hard to be ready to move the goalposts in response to change and development.

**Let's take a more detailed** look at how we have been shaping our sustainability work so far.

## How we engage with our stakeholders

We constantly look for ways to improve, and our most important resource in establishing the right direction for a sustaina-

ble business is the on-going dialogue we have with our stakeholders. By engaging with our stakeholders we know what is expected of us and how we can improve and develop further.

**Acting responsibly towards** our stakeholders has always been important to us, but with the help of the Modern Responsibility framework, our actions are now easier and clearer to understand. We have identified six stakeholder groups based on the analysis of all people and organisations that may be affected by our business, and we recognise the importance of establishing a dialogue with them for the future success of our business.

### 1 MTG Customers

We have various different customers and all of them require different approaches and dialogues. For the free-TV business, we conduct focus groups and attitude research both for individual programmes and the branding of the different channels. We constantly keep up-to-date with what our viewers actually watch by

## FTSE4GOOD

Everything is relative, and while we drive our Modern Responsibility work forward, a little encouragement from the outside world also puts things in perspective. In April 2011 MTG's sustainability work was rewarded with membership in the global sustainable investment indexes the FTSE4Good Index Series, an index series used to objectively measure how responsible a company is within important sustainability areas such as environmental work, human and labour rights and corporate governance.

monitoring ratings and the audience appreciation index. For the pay-TV business our Viasat customer support centre handles our customers' questions and needs through email, phone, Twitter and Facebook. Our radio listeners are in contact via phone, competitions, websites and blogs. We probably have our most direct and constant dialogue with the customers of Viaplay, our online pay-TV service, with the help of social media like Facebook, Twitter and various blogs. Our sales teams work closely with our media buyers for free-TV and radio to provide relevant information and find creative media solutions. Our pay-TV retailers are up-to-date with our products as they market our products to end-users, so an



Viewers getting up close and personal with our new 3D technology, in the film-shoot of our Viasat TV commercial

on-going dialogue is natural. The retailers also give us important feedback from their customers.

## 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 centres and by 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 that currently cover a wide spectrum of areas within employee wellbeing, satisfaction and development. The results are evaluated, presented and action is taken where necessary.

## 4 Suppliers

We work with a number of different suppliers for our content: international studios and channels, local production companies and sports rights suppliers. A regular dialogue is crucial to ensure that we have a good overview of all current collaborations, can secure better deals, and have a long-term perspective. With those suppliers that are within distribution and set-top-box hardware, as in our pay-TV business, the dialogue is frequent, and developing new sustainable technology is a priority. See p. 40 for more information.

## 5 Non-governmental organisations

We work with NGOs representing causes close to our hearts, such as the environment and helping children play their way to a better future. We have a regular dialogue with local organisations and large worldwide organisations to see what we can do to help raise public awareness in different ways.

## 6 Regulators and Governments

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

## Heading in the right direction

The ongoing dialogue we have with our shareholders is invaluable in establishing the right path for our sustainability work, but in 2010 we took further measures to ensure our focus is in the right areas by conducting a materiality analysis and stakeholder survey in accordance with the GRI guidelines.

The materiality analysis, conducted on our behalf by a certified external third

party, Ethos International, identified 15 key issues within the control of MTG, both internally and externally, found to be of great importance and have a significant impact on sustainable development. The findings of the 2010 stakeholder survey and materiality analysis formed the foundation for the short and long term goals set in 2010.

For more information please refer to p. 18-19.

## SHAREHOLDER DIALOGUE KEEPS US ON THE RIGHT TRACK

In 2011, with the help of Ethos International, we invited our shareholders to ask us questions on responsibility and sustainability. We want to make sure our sustainability work is heading in the right direction. Some of the questions asked were straightforward and easy to answer; others gave us something to think about. The issues raised in these discussions will be considered when we further develop our Modern Responsibility targets and action plans. Here are some of the questions that were raised:

### How do you make sure your broadcast is ethical and how do you protect minors?

■ We have control systems and policies to ensure responsible broadcasting and adherence to legislations. Young viewers are protected from unsuitable content through careful scheduling on our free-TV channels, and through parental control options on our pay-TV platforms. We do not broadcast advertising geared towards children on any of our channels in Scandinavia. For more information on protecting minors, please see p. 28-29

### How do you monitor and follow up your Supplier Principles?

■ Our supply chain management is continuously developing and during 2011 we completed our goal of finalising a supplier self-check document. Find out more about our progress on supply chain management on p. 21.

### Can you increase the disclosure of your corporate responsibility risks and explain how these risks are managed?

■ In the risk section of our Annual Report we have described some of our most prevailing CR risks. These risks include recruiting and retaining skilled personnel, political and

economic risks in new markets, and combating illegal practices such as piracy and signal theft. We will during the coming year increase the disclosure of our CR risk assessment.

### How do you ensure that the human right of freedom of association is secured?

■ Freedom of association is a fundamental human right and to ensure our position is observed throughout our operations it is included in our Code of Conduct (published on [www.mtg.se](http://www.mtg.se)). We believe that freedom of association includes the right to choose whether or not to join a union, and to choose to negotiate one's own salary or have a third party representative doing so.

### Your gambling company results in exclusion from certain ethical funds, how does that affect you?

■ All companies owned by MTG must conduct responsible business and we are aware that some funds exclude gambling companies. Bet24 is not a core part of MTG's revenues and we continuously evaluate the trade-off between the company's revenues and the potential loss of investor capital.

(Comment: At the time of publishing this report, it has been announced that MTG will sell its Bet24 operations to Unibet by the end of the second quarter of 2012.)

# Reaching and developing our goals



MTG United for Peace Cup teams also have their eyes on the goal.

**In order to make sure we're** heading in the right direction, we need to set important yet realistic goals for our sustainability work. In 2010 we set targets based on the outcome of our materiality analysis and stakeholder survey. The targets were both short- and long-term and we have been working hard towards them.

**But although setting goals** and reaching them is vital, we must also be prepared to re-evaluate them as we go and make sure the goals work for us and not the other way around. That's why we've reshaped a few targets to adapt them further and make them more tangible for the whole organisation.

**In 2011 we reached** 14 of the 15 short-term sustainability goals we had set for ourselves. The one that we didn't reach, was our goal to have our Code of Conduct e-learning course up and running by February 2011. The reason for this is that we did an extensive review of all our anti-corruption policies and processes, and therefore decided to wait with this particular goal until all updates could be included in the Code of Conduct. More details on this can be found on p. 20.

# 6%

**We reduced our CO<sub>2</sub> emissions by 6% per employee against the 2009 baseline.**



## HERE ARE OUR GOALS:

Focus	2011 Goals	Short-Term Goals	Mid & Long-Term Goals
<b>Anti-corruption</b>	<ul style="list-style-type: none"> <li>✓ Our anti-corruption programme will become part of our management boot-camps in Q2 2011</li> <li>✓ We aim to have 50% of the managers trained by June 2011</li> </ul>	<ul style="list-style-type: none"> <li>▲ We strive to have all our managers trained in anti-corruption by February 2012</li> </ul>	<ul style="list-style-type: none"> <li>▲ By January 2013 we will have all employees trained. (Expected to be reached by end of Q1 2012)</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>✓ Complete self-check document for suppliers, aimed to assess suppliers on compatibility with MTG standards, by June 2011</li> </ul>	<ul style="list-style-type: none"> <li>▲ 50% of all relevant suppliers (see p. 21) will have completed and signed the self-check document by end of Q3 2012</li> </ul>	<ul style="list-style-type: none"> <li>▲ By February 2014 we aim to see the document completed and signed by 100% of relevant suppliers, (see p. 21) and to have a new routine in place for all new suppliers</li> </ul>
<b>Code of Conduct</b>	<ul style="list-style-type: none"> <li>✗ By February 2011 we will have our Code of Conduct e-learning course up and running (See p. 20)</li> </ul>	<ul style="list-style-type: none"> <li>▲ By January 2012 all employees will be trained in our updated Code of Conduct</li> <li>▲ By end Q2 2012 we will have our Code of Conduct e-learning course up and running</li> </ul>	
<b>Equality</b>	<ul style="list-style-type: none"> <li>✓ We will benchmark salary differences by gender in Scandinavia by June 2011</li> <li>✓ Strategies based on benchmarking in place in Scandinavia by August 2011</li> </ul>	<ul style="list-style-type: none"> <li>▲ We will benchmark salary differences in remaining countries by February 2012</li> <li>▲ Strategies based on benchmarking in remaining countries by August 2012</li> </ul>	
<b>Female Leadership</b>	<ul style="list-style-type: none"> <li>✓ Implement female leadership network in Scandinavia and project group in the UK in 2011 (See p. 27)</li> </ul>		<ul style="list-style-type: none"> <li>▲ Evaluation of implementation of female leadership network in Scandinavia by end of Q1 2013</li> <li>▲ Evaluation of project group in the UK by end of Q1 2013</li> </ul>
<b>Mobility</b>	<ul style="list-style-type: none"> <li>✓ Have in place a dedicated person working on HR transfers and emerging markets in 2010</li> <li>✓ Update all current policies for international transfers in emerging markets by June 2011</li> </ul>		<ul style="list-style-type: none"> <li>▲ Aim to have all international transfers working smoothly and working as a tool to decrease employee turnover by 2014</li> </ul>
<b>Life Balance</b>		<ul style="list-style-type: none"> <li>▲ Roll out a Life Balance Policy, in line with local business practice and regulations, in Scandinavia and the UK by February 2012</li> </ul>	<ul style="list-style-type: none"> <li>▲ Life Balance Policy, in line with local business practice and regulations, to be fully integrated in the Baltics, Eastern Europe and Africa by 2015</li> </ul>
<b>Compliance with broadcasting regulations</b>	<ul style="list-style-type: none"> <li>✓ Review &amp; train 50% of relevant employees on latest compliance information by December 2010</li> <li>✓ 100% of all relevant employees will have been reviewed and trained on latest compliance information by December 2011</li> </ul>	<ul style="list-style-type: none"> <li>▲ New routines in place to ensure 100% of relevant employees are updated when compliance changes occur by 2012</li> </ul>	
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>✓ Benchmark and report on subtitling on all free- &amp; pay-TV channels by February 2011</li> </ul>	<ul style="list-style-type: none"> <li>▲ Evaluate and create a new strategy on subtitling by August 2012</li> </ul>	
<b>Environment</b>	<ul style="list-style-type: none"> <li>✓ MTG Travel will promote and recommend more environmentally friendly ways to travel by June 2011</li> <li>✓ Green action lists will be written locally for all countries in 2011</li> <li>✓ Increase video conferencing by 20% to reduce the carbon footprint created by air travel, by December 2011</li> </ul>	<ul style="list-style-type: none"> <li>▲ 80% of all employees will be trained in green thinking by February 2012</li> <li>✓ We aim to reduce CO<sub>2</sub> emissions by 5% per employee against the 2009 baseline by February 2012 (Reached end 2011)</li> </ul>	<ul style="list-style-type: none"> <li>▲ Joint CO<sub>2</sub> reduction strategies to be developed in cooperation with suppliers. Target date to be set.</li> </ul>
<b>Training &amp; Development</b>		<ul style="list-style-type: none"> <li>▲ Benchmark and report on industry standards in training &amp; development by 2012</li> </ul>	<ul style="list-style-type: none"> <li>▲ Devise strategies for training and development by February 2013</li> <li>▲ Decrease gap between perceived satisfaction with and importance of employee training and development by 50% by 2014 (compared to baseline 2011)</li> </ul>
<b>Internal communication</b>		<ul style="list-style-type: none"> <li>▲ Review internal communications organisation and formulate Group internal communications strategy and plan by end of Q2 2012</li> </ul>	<ul style="list-style-type: none"> <li>▲ Enhance internal communications function in local offices &amp; develop local market internal communications plans in 2012</li> <li>▲ Develop &amp; launch improved Intranet in 2013</li> </ul>
<b>Editorial guidelines &amp; policy</b>		<ul style="list-style-type: none"> <li>▲ Collect all local policies, benchmark internal and external guidelines and policies by June 2012</li> <li>▲ Review policies and guidelines to set common MTG standard by end 2012</li> </ul>	<ul style="list-style-type: none"> <li>▲ Implement common MTG standard by June 2013</li> </ul>
<b>MTG United for Peace</b>		<ul style="list-style-type: none"> <li>▲ Implement School of Tolerance in local MTG United for Peace Cup tournaments in 2012</li> </ul>	<ul style="list-style-type: none"> <li>▲ Development and start-up of School of Tolerance online by end 2013</li> <li>▲ Educate 10,000 children in School of Tolerance by end 2014</li> </ul>

# Our everyday business

What started as a simple update in policies resulted in a major drive to push our business responsibilities to the next level. But if a job is worth doing, it's worth doing well.

**Our business responsibility is** the responsibility we have to protect the interests of MTG and its stakeholders through internal policies, control systems and transparency. We follow local laws and regulations in addition to local business standards. In our daily business we aim to implement the ten principles of the UN Global Compact and to follow the OECD Guidelines for Multinational Enterprises.

In 2010 we set up a number of long- and short-term goals within the area of business responsibility, presented on p. 19. These goals not only gave us something to work towards but provided the starting point for an extensive update in the policies that ensure we do business responsibly. As you will see in the pages that follow, our anti-bribery and corruption work had a knock-on effect on our planned Code of Conduct and supply chain work.

*"In our daily business we aim to implement the ten principles of the UN Global Compact and to follow the OECD Guidelines for Multinational Enterprises."*

But at MTG we believe if you are going to do a job, do it properly, even if that means moving the goalposts.

## Protecting our independence

One of our major tasks for this area in 2011 was to implement a new anti-corruption policy with updated guidelines on how to safeguard our independence by continuing to prevent instances of bribery and corruption within the company. At MTG, business decisions should be made purely for business reasons.

We began this project with a benchmarking and risk analysis of industry-wide practices, the findings of which became the basis of a new updated Anti-bribery and Corruption Policy. All managers and a majority of employees have now been trained in the updated guidelines and procedures outlined in this policy, which now also includes guidelines on what kind of gifts and hospitality are acceptable, and an introduction to a new Gift and Hospitality Register. The remainder of employees will take part in the training by the end of the first quarter of 2012. The policy will undergo annual reviews to ensure its relevance and effectiveness and future training will be adjusted where necessary.

## Code of Conduct

We protect our own and our stakeholders' interests by asking our employees to follow a basic set of standards. This Code of Conduct exists to make sure we all follow the ethical guidelines we've established and to ensure we don't violate the law. This Code applies to every employee in every country in which we operate.

One of our goals for 2011 was to educate our employees on our Code of Conduct in the form of an e-learning course. The extensive work done on anti-bribery and corruption prevented this goal from being reached on time. Aware that changes in our Anti-Bribery and Corruption Policy would have a direct effect on our Code of Conduct, we postponed rolling out the Code of Conduct e-learning course until all potential anti-bribery and corruption updates could be fully incorporated. We now expect to implement the e-learning course by the end of the second quarter of 2012. This will target predominantly new employees, as current employees were trained in 2011 on the Code of Conduct in conjunction with the updated anti-bribery and corruption training.

As one of our publicly available policies, the full Code of Conduct is available on [www.mtg.se](http://www.mtg.se).

## FAIR COMPETITION

We like to play the game, but we always play fair by complying with all competition and antitrust laws wherever we conduct business. MTG keeps the competitive spirit alive by giving its competitors a run for their money; 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.

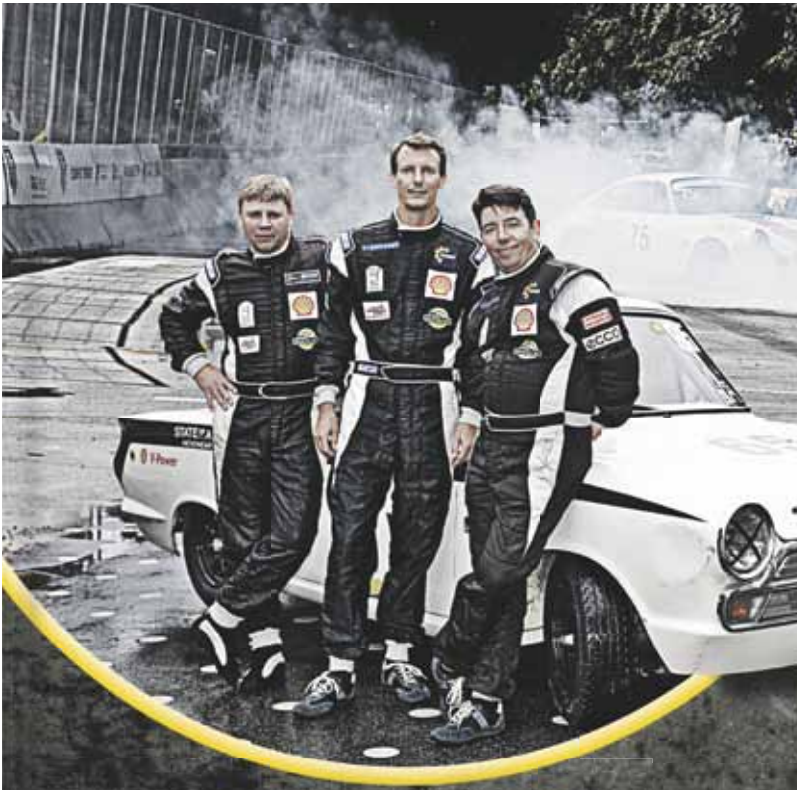
## WHISTLEBLOWERS POLICY

When things go wrong we have to deal with it. Our Whistleblowers Policy ensures that our employees can confidently 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 2011 we had two issues reported, but both issues were confirmed as operational issues rather than cases of malpractice.

As one of our publicly available policies, the full Whistleblowers Policy is available on [www.mtg.se](http://www.mtg.se).

## Supplier Principles

We work with many different types of suppliers – from office equipment suppliers to big international film studios and set-top-box hardware suppliers. We are cost-conscious, but also expect quality, that's why we work with suppliers that can provide us with good overall value for money. We also look to build business relationships with suppliers that apply similar responsibility principles to those we live by. We have a Supplier Principles Policy in place for just that reason. The Supplier Principles document outlines what we expect from our suppliers; to support universal human rights, offer a safe workplace, employ without discrimination, pay




**Premiere i aften 21.00**

# CORTINA RACING

Prins Joachim og venner i ny reportageserie om kammeratskab, hestekræfter og viljen til sejr

[www.tv3.dk/cortina-racing](http://www.tv3.dk/cortina-racing)

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Driving responsibility through our everyday business.

fair wages, preserve the environment and to follow the law.

**In 2011 we planned to** complete a self-check document for our suppliers to make sure we are all working by the same standards. While we did finalise the document on target by June 2011, it caused us (together with our anti-bribery and corruption, and Code of Conduct work) to review the entire Supplier Principles Policy. This in turn resulted in an updated Suppliers

Principles but meant the postponement of rolling out the self-check document until the policy was finalised. With everything now in place, we have started to roll out the self-check document to our suppliers. The document will apply to the top 20 suppliers in each company and all partnerships and joint ventures. We will shortly reset the target dates for this work. As one of our publicly available policies, the full Supplier Principles document is available on [www.mtg.se](http://www.mtg.se).



# Our employees make us what we are

Our skilled, passionate, multi-cultural workforce will take MTG into the future. Doing our utmost to help them develop and prosper is the least we can do.

**We work hard to** continuously give our audience the entertainment they want in new and innovative ways. And it is the innovation that comes from within that can make a real difference to our success.

**We are a company of individuals**, but also team players who work for multiple teams. Three teams, to be specific; we work for our local brands, our departments and for the greater MTG team. Each employee is part of the bigger picture, even when working in a small devoted team, the success of which is paramount in the overall performance of the Group. Every employee is an invaluable part of the MTG brand.

**We're innovators** and are thrilled when our employees come up with new clever solutions. In this rapidly changing world, thinking outside the box is the only way forward. Gone are the days when the TV audience sat on the sofa watching the

television with a cup of tea in their hands. Those cups have now transformed into smartphones, tablets, laptops, computer games or whatever else this digital age has given us. We need to stay ahead of the game, keeping up is not enough.

**Sales, showmanship and cost control** are MTG's three lead words. Words that represent what we stand for and what we strive to achieve. We also have a set of 12 Rules that we live by, born from previous experience on how to lead a successful business, plus a Group-wide Code of Conduct that specifies the ethical standards we follow.

**We try our best to listen** to what our employees think and take their comments to heart, with the aim to become an even better employer. In an effort to ensure we are on the right track we also carry out employee surveys every year, which we use as tools for planning and development.

**We set up a number of** short-term goals for 2011 in an effort to support our employees at work, to help them achieve, to reap the rewards of their hard work and feel happier. This chapter will tell you more about the goals and how we spent last year working towards them.

## Freedom of association

We're committed to following the UN Global Compact Principles and its Freedom of Association standards set up by the UN's International Labour Organization (ILO).

**We adopt an open attitude** towards the activities of trade unions and their organisational activities and ensure that employees are free to join unions or bargain collectively. It is important for us to offer competitive pay and benefits to attract and retain talent.

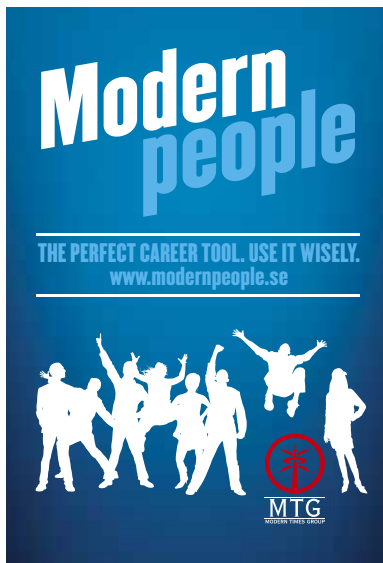
*"This is a company that believes in young potential, if you deliver you get a lot of responsibility. This is one of few companies where age or years of duty don't mean everything."*

Gustav Grundström, Head of Operations Viaplay Sweden



Behind the scenes, everyone plays their part in our effort to provide our customers with the best product out there.





Modern People, helping unlock potential from within MTG.

## Helping our employees develop

To realise our potential, we need to have competent and committed employees. We encourage internal promotions, reward outstanding performance and aspire to fully appreciate individual efforts within the company. For that reason we launched a new online development and competence tool for managers and employees, enabling staff to further develop their careers within the company.

**The tool, or rather platform,** was launched in 2011 and goes by the name of "Modern People". The platform's purpose is to provide employees with the opportunity to create their own profile and manage their career. With just a glance we'll be able

to find and nurture the competence we've got. By making employees' achievements, skillset and training available at the click of a mouse, "Modern People" will make it easier for managers to spot potential among employees.

**Furthermore,** we will start a new performance and development appraisal process for our employees in the first quarter of 2012. This will give both employees and managers the opportunity for mutual feedback and a platform to regularly discuss and follow up on the employee's performance, goals and development.

### MTG Academy – making sure our employees succeed

Investing in our employees is our way of not only contributing to their wellbeing, but

*"I try to be a visible and clear leader and I try to see everyone at work. I set goals and create enthusiasm. I try to catch my employees when they are performing well, to strengthen them positively and show our appreciation."*

Kalle Lisberg, CEO P4 Radio Group Norway

### Average number of employees 2011

# 3,031

2008	2009	2010	2011
2,644	2,906	3,069	3,031

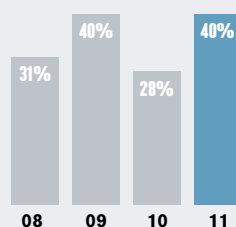
For breakdown per gender per country, please see Note 24 in the Annual Report.

### Average age

# 34

Average number of employees and average age are based on full time equivalent figures.

### Internal recruitment



### Employee turnover (including redundancies)

	2008	2009	2010	2011
Total	22%	20%	16%	18%
Male			14%	18%
Female			18%	19%
<30s			19%	25%
30-50			14%	16%
>50s			14%	10%
Nordic			17%	17%
Baltics			17%	14%
Others			16%	25%
Total number of employees leaving employment				460

In the regional breakdown, 'Baltics' include Estonia, Latvia, Lithuania, Czech and Bulgaria, and 'Others' include Ghana, Hungary, Malta, the Netherlands, Russia, Slovenia, Spain, UK and Ukraine.

### Training by MTG Academy

	2008	2009	2010	2011
Total average hours per employee	10.6	9.3	6.7	12.9
Management			11.0	17.0
Sales Staff			13.8	29.4
Other Staff			6.7	6.4
Training cost per employee (SEK)				2,494



is also vital to the continued success of MTG. We have an internal training department called MTG Academy, whose mission is to develop individuals particularly in sales and leadership.

**MTG Academy's** Sales Programme provides a wide range of training and development for the company's salespeople. The Leadership Programme offers comprehensive training for employees with direct reports. MTG Academy also provides 'other training' in the form of individual courses such as presentation and communication skills and project management.

**In addition to** MTG's Academy's training courses, on-the-job training forms a large part of our commitment to develop our staff and many of our employees also attend external trainings to further develop their skills and knowledge. For compliance training, please see p. 29-30.

### Rewarding outstanding performance

We believe in recognition and when possible, we reward it. If an employee comes up with a solution 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".

**We also arrange a big** celebration every year, MTG Awards, where we give out awards to motivate and celebrate our top 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.

### Listening to our people

We as a company also need to be at the top of our game in this area. We conduct an annual employee survey, which has been improved in 2011 to cover a wider spectrum of areas within employee satisfaction, wellbeing and development. The 2011 survey signaled that employees feel training and development and internal communication are very important and while they think the company is working to meet their needs in these areas, there is room for improvement.

**In response to this** we are conducting a benchmarking analysis of training and development within the industry in 2012,



Recognising and rewarding excellence at the 2011 MTG Awards.



Ben Amadasun, Programme Director Viasat1 Ghana, accepts a special Attitude Award at the 2011 MTG Awards.

which will contribute to the on-going development of our strategy within this area and hopefully result in increased employee satisfaction. Internal communications will also be reviewed and we aim to have a new strategy in place by the end of the first quarter 2012. Going forward we expect to enhance internal communications through, amongst others, the launch of a new and improved intranet in 2013.

*"Most days can be a challenge, as Viasat is a dynamic and innovative company. Because we are such a large and diverse company you know that you can always learn from others and that there is progression."*

Pearl Omani-Darpah, Pay-TV Scheduler Viasat UK

## A diverse workforce

When we recruit, we're always looking for people with the right attitude and mindset. Competence and performance form the basis for our decisions when hiring new employees, not ethnicity, religion, nationality, gender, disabilities, age, sexual orientation or any other status unrelated to the individual's ability to perform. We value diversity and are committed to being an equal opportunities employer. We would like our organisation to reflect the ethnic mix of the communities in which we operate. Having a diverse workforce

enables us to create a culture and way of working that respects, recognises and values differences. We aim to ensure that everyone can enjoy equal opportunities in a workplace free from discrimination and harassment.

**Considering all the markets** we're in, it's also vital we hire employees locally. In fact, success in each of our markets is dependent on local business know-how and sensitivity to local customs and values. Only local hires can provide this valuable input and without them we wouldn't be in as many markets as we are today.

*"Having a diverse workforce enables us to create a culture and way of working that respect, recognise and value differences."*

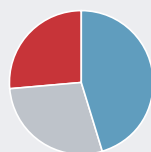
### Diversity 12/2011 per region

#### Foreign nationalities in local workforce

Total	7%
Nordic	1%
Baltics	1%
Others	24%

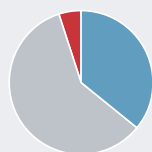
### Workforce 12/2011

#### by region



● Nordic	1,655
● Baltics	994
● Others	910
<b>Total</b>	<b>3,559</b>

#### by age



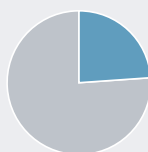
● <30	36%
● 30-50	59%
● >50	5%

#### by employment type



● Full time	91%
● Part time	9%

#### by employment contract



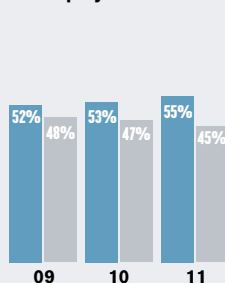
● Temporary	28%
● Permanent	72%

Based on the actual head count as per the last day of the year.

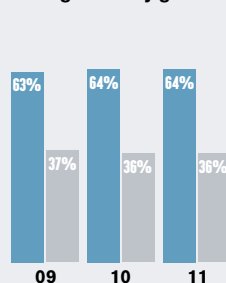
### Gender dispersion as per 12/2011

■ Male ■ Female

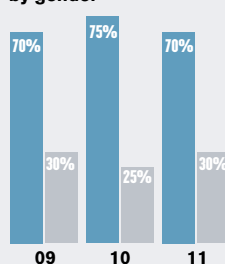
#### All employees



#### Management by gender



#### Executive management by gender



Based on the actual head count as per the last day of the year.

## Decreasing gaps in gender

Gender equality is an area we are continuously trying to improve and in 2011 we decided to investigate if there was a discrepancy in salary between women and men at MTG companies in Scandinavia. Our employees consist almost equally of men and women and we found that in the case of women and men doing the same job, salary was not gender dependent. We noticed, however, that women in general earn less than men. This issue has now been addressed and we are currently investigating the reasons for this. Another issue that we focus on is the gender gap that tends to widen the higher up the corporate ladder you climb. We are addressing this by setting up networks to support women that aspire to progress in their careers into managerial positions.

**We are now conducting** a benchmarking analysis of salary gender gaps in the rest of our operating countries, to see if the trend is prevalent across the board or primarily only in Scandinavia. We aim to conclude this research and have strategies in place by August 2012.

### Salary benchmark (f/m) per region

#### Ratio of basic salary

Total	87%
Nordic	79%
Baltics	97%
Others	91%

#### Ratio of total remuneration

Total	87%
Nordic	77%
Baltics	104%
Others	87%

#### Like-for-like salary

Scandinavia	99%
-------------	-----

The figures show the difference between male and female earnings as a percentage of male earnings. The like-for-like figure only compares male and female earnings within the same role.



Employees from the Chiswick office, London, celebrating midsummer Swedish style in Hyde Park.

## Creating networks at work

In 2011 we implemented and set up the structure for our female leadership network in Scandinavia, in order to give female employees a platform for taking their career to the next level. Our aim with the network is to encourage more women to apply for managerial positions and to ultimately decrease gender gaps in the management.

**After setting up the networks,** it is in the hands of our employees in each of the countries to decide how to move forward; how to use their local network and make it work for them. In the UK, demand for support is less than in Scandinavia, the biggest reason being that 40 per cent of UK managers are women. There, instead of the network, we have put a project group in place to evaluate the situation and identify needs in promoting and advancing equality.

**We will evaluate** the network further in the first quarter of 2013, and use best practice from the UK and the combined experiences of our female networkers to form a strategy for going forward.

## Finding balance in life

At MTG we endeavour to make it easier for our employees to combine their personal and professional lives. We have, for example, a policy in the UK that allows employees with children to request a

change in their working hours or times to better suit family life.

**Life balance policies** are not the same in all of our offices, due to differences in local rules and business practice in the various countries in which we operate. That's why we've recently been working on the optimal way to roll out our Life Balance Policy, in line with local business practice and regulations, in Scandinavia and the UK. The policy will be implemented in 2012, but needs to be tested, evaluated and localised in order to form a working model for the rest of our countries.

## Seeking new challenges abroad

We have broadcasting operations in 35 different countries, our employees speak 35 different languages, and in our London office alone, 27 different nationalities are represented. We encourage our staff to enrich their lives and careers with a move to another country. After all, it is diversity that makes MTG the inspiring workplace it is today.

**We established and reached** a short-term goal for mobility in 2011; to update our policies for international transfers in emerging markets by June. We're continuously getting better at preparing our colleagues for a transfer and ensuring that the transfer goes smoothly, providing support along the way.

**By 2014 we hope to run** a smooth transfer operation that will enable our employees to move around our operating countries with ease, and an environment that provides flexibility and offers challenges to its employees. In doing so we also hope to increase employee satisfaction and decrease turnover.

## Providing a safe workplace

We take the happiness and well-being of our staff seriously, but also need to make sure work is a safe place to go to, and therefore have Health and Safety policies in place.

**The likelihood of accidents** or other risks in our office environment are considered low, but it is still important to make sure our facilities are in line with country specific health and safety laws and regulations.

**We employ dedicated** facility managers in several offices to make sure employees' health and safety is not compromised. We also carry out regular internal risk assessments; if a potential risk is found, an independent audit will be conducted to assess the problem and recommend a solution. We have implemented a structure for managing crises and have established a Crisis Support Team, supporting local management to resolve potential critical situations.

### Absentee rate per region

	2010	2011
Total	1.6%	1.7%
Nordic	1.7%	2.4%
Baltics	1.7%	0.9%
Others	1.1%	1.3%

Percentage of total annual working days. Calculation for absentee rate has been modified to be comprehensible for our stakeholders.

### Accidents

	2009	2010	2011
Work related accidents	4	8	0
Lost days	n/a	6	0
Work related fatalities	n/a	0	0

# Breaking new ground in entertainment

As we cross new frontiers in entertainment, the journey takes us through uncharted territory. There is no time to sit back and enjoy the ride, we need to re-think our responsibilities, every day.

**Whatever is going on** in our lives, sometimes you just want to escape from it all by jumping into the world of entertainment, and we make it our business to try and offer our audience the best entertainment out there. Whether it makes them laugh, cry, enrages them or just simply sends them into that wonderful zone called escapism, everyone at MTG plays a part in our efforts to provide all our customers with the perfect product.

**Our business** is defined by our audience. They provide the valuable input on what they'd like to see and the final stop on the journey of our product is their living room. Or so it used to be! Now our audience can see their choice of content when they want to, but also how they want to and where they want to.

## With new ways of making content

available to our customers, come new responsibilities, and we need to be ready to transform our responsibility work in all of our markets. Our programmes are watched and listened to by millions of people in 35 countries, each of them unique with their own customs, laws and regulations. It is also our responsibility to make sure we comply with all relevant laws and regulations, practice journalistic integrity and use the power at our hands with the utmost of care.



Making sure children are protected from unsuitable content, no matter which way they choose to watch it.

## Putting emphasis on child safety

One of our most important tasks is to help parents protect their children and teenagers from unsuitable content. We provide a lot of family entertainment and child orientated programmes but also broadcast content for an adult audience that's not suitable for children. That's why we make sure we state the level of violence and sexual content on films appearing on our movie channels that can have a negative effect on children under the age of 18.

**Our Compliance department** and local compliance advisors make sure all

our channels follow relevant regulations and guidelines to ensure that the young audience is protected. We also observe Ofcom's rules regarding the 9 PM watershed and for strictly adult content, we enforce a midnight watershed.

**Furthermore we give parents** the possibility to opt out of adult material. A pin code is another innovative way in which we enable our viewers to restrict access in their household, making sure their young ones are watching what is appropriate. And if viewers are unsure of how all this works, we encourage them to call customer support, who are ready to talk them through the options and help them set things up.





Finding new ways to enjoy entertainment every day at the Viasat TV commercial film-set.

### Complaints breakdown<sup>1</sup>

	2010	2011
<b>Advertising</b>	<b>44</b>	<b>35</b>
Non-compliant	17	11
Upheld/warnings	5	7
<b>Sponsorship</b>	<b>1</b>	<b>7</b>
Non-compliant	0	4
Upheld/warnings	0	4
<b>Programmes, promos &amp; other</b>	<b>91</b>	<b>129</b>
Non-compliant	21	41
Upheld/warnings	9	25
<b>Total</b>	<b>136</b>	<b>171</b>
Still pending	61	20
Fines/penalties	0	17

<sup>1</sup>For Q1-Q2 2010 only complaints regarding our Ofcom licensed channels are included. In Q3 2010 we set up a process to centrally gather complaints information from all of our free-TV channels, so from Q3 2010 and for the full year of 2011 all Ofcom licensed channels plus free-TV channels regulated by other regulators are included in the figures.

Please note that it is the practice of the Bulgarian media regulator to issue an automatic fine before an investigation of alleged breach of regulations. However, there were no recorded upheld complaints for our Ofcom licensed channels in 2011.

No incidents of non-compliance with voluntary codes were filed during 2011.

## Viaplay – our way to entertain you wherever you are

In February 2010, to enable viewers to watch what they want, how they want, when they want, MTG launched an improved on-demand pay-TV service now called Viaplay. It allows viewers to subscribe to our entertainment content; streamed movies, live sports coverage, TV series and catch-up services of favourite free-TV channels, and enjoy it wherever and whenever they want.

**Online safety is an area constantly** under development. As the market develops new ways to enjoy entertainment, so must we constantly update the way we protect minors. We aim to help make the internet and digital TV a safe and secure place for everyone. In the same way that 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. In order to help parents control access to the content on Viaplay from the computer, smartphone or other devices, we have provided a parental control system with five different settings, helping them protect those who need it most.

## Making sure we're sticking to the law

It's important that we all know what we are doing and to what rules we must adhere, to fulfil our responsibilities and obligations to everyone; especially to our vulnerable young audience. Our central and local Legal and Compliance departments make sure we follow the legislation set up for broadcasting, regulated by the EU-directive for Audiovisual Media Services and any other relevant regulations.

### Compliance training

	2010	2011
Total	309	602
Internal people trained	249	427
External people trained	60	175

*"We aim to help make the internet and digital TV a safe and secure place for everyone. In the same way that 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 fulfil our responsibilities** and obligations to our stakeholders, our compliance team at MTG ensures our content is within the rules for broadcasting. This also includes trailers, promotions and sponsorships. The majority of our channels are licensed and regulated by Ofcom in the UK. TV advertising appearing on these channels is also regulated by the Advertising Standards Authority in the UK and our commercial copy controllers check commercials before they are aired, sometimes by consulting the compliance team. In addition, our on-demand pay-TV services are registered and regulated by the Authority for Video on Demand (ATVOD) in the UK.

**The compliance team also** provides up-to-date training for employees whose daily work involves MTG's compliance procedures, such as those working in acquisition, programming, scheduling, sales, on-air planning and creative services. The compliance team also trains external production teams producing content for our channels.

*"The on-going dialogue with our audience helps to ensure we're providing them with the entertainment they want."*

**We set up a short-term goal** to review and train 100% of employees in these areas on the latest compliance updates by the end of 2011. This was accomplished and we reviewed the routines for training to ensure updates are communicated effectively, and our new process includes a time limit within which all regulation updates must be incorporated into the training material. One of our new goals is to benchmark and review our editorial guidelines and policy. We aim to implement a common standard by the end of 2012.

## Creating unique content for you, where you are

The on-going dialogue with our audience helps to ensure we're providing them with the entertainment they want. In addition to providing them with exclusively broadcast sports, interesting documentaries, family entertainment, contemporary drama, Hollywood blockbusters, thrillers and whatever else they fancy; we also want to

provide local content. Recognition plays an important role in how we feel when we're watching TV.

**The local programmes we produce** give our viewers content in their own language, taking their local values and needs into consideration, reflecting their culture, traditions and way of life. We're renowned for creating unique content and innovative concepts, and aside from producing content that our viewers can identify with, we also have an opportunity to create jobs in the local communities.

**Our free-TV channels** consist of a mixture of own productions and acquired content from international studios, international channels and sports rights suppliers. Our pay-TV channel TV1000 Nordic, the movie channel broadcast in Sweden, Norway, Denmark and Finland offers localised content, showing films exclusively 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. Internally we call this "language content" and on an average day 85% of our content is language. We use methods of translation that are established practice in each country in order to provide viewers the best possible service.

**While all foreign language** programmes and films have always been subtitled on our Scandinavian channels, from 2010 all newly produced Swedish programmes for TV3 are subtitled to cater for viewers with a hearing disability. From 2012 we will follow suit in Norway, subtitling all newly produced Norwegian programmes for TV3 and Viasat 4.

## AWARDS RECEIVED BY MTG IN 2011

We are extremely proud of all the nominations and prizes our employees and companies received in 2011.

■ In April 2011 Viasat Broadcasting UK's Creative Services was nominated for 17 awards at the Promax/BDA Europe in Berlin, the world's premier body for promotion and marketing media professionals. Viasat Sweden also had a nomination. Viasat UK won three awards: two gold and one silver.

■ Our publishing company Redaktörerna (The Editors) picked up a Silver Leaflet award for "Best Digital Newsletter" at the annual event for Sweden's publicists' industry in May 2011. In October the company received a Swedish Publishing Award for the production of urban municipality Täby's magazine "Estrid", voted best citizen magazine.

■ In July 2011 MTG was up for a total of 24 nominations at the Promax/BDA World Gold Awards in Los Angeles. The awards ceremony saw Viasat pick up no less than 13 awards: four Gold, five Silver and four Bronze awards. Our TV station Prima in the Czech Republic also picked up a Gold award for Prima LOVE.

■ MTG's brand new radio station, Radio1, Sweden's first talk radio channel, received three awards at the annual "Big Radio Award" in Stockholm, Sweden, in September 2011. "Rookie of the year" and "Special Award" both went to the station and the former programme director for the channel received an "Honorary Award".

■ In November 2011 Viasat Sweden's "Viasat Sport takes over Facebook in Sweden" campaign was shortlisted for an annual European Excellence Award in the "Issues and Reputation Management" category.

■ In December MTG CEO Hans-Holger Albrecht was named Industry Leader at the Euro50 Awards 2011 in London, an event which celebrates the contributions of the most influential people in the broadband and pay-TV industries. Niclas Ekdahl, CEO of Viaplay and Bartek Gudowski CEO of Viasat Satellite Services were also named in the Top 50.

## Other businesses

We're mostly renowned for our widespread free-TV, pay-TV and Viaplay services, but apart from that, MTG is the largest commercial radio operator in the Nordic region and Baltic countries. Other businesses include Modern Studios and the online gaming and betting business Bet24.

**Modern Studios houses** the publishing company Redaktörerna (The Editors) that produces highly regarded customer, internal and member magazines, and Strix, MTG's primary TV production house that sells options and licenses to its formats worldwide.

### Our TV production house Strix

Strix Television was founded 1988 and has offices in four countries; Sweden, Norway, Denmark and the Netherlands. Strix produces television productions and formats and is responsible for many popular productions and TV formats like the 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 shows *Top Model* and *Extreme Makeover*. Strix's formats have been sold to 80 countries. When producing local content, Strix prefers to work with a local team and tries to capture the feel of the country and its atmosphere. In all local productions, Strix works hard to cause minimum disruption to the local community and its environment. In fact, Strix endeavours to leave production sites in an even better state than how they found them.

### Our commercial radio network

Our commercial radio network is the largest in Sweden and Norway and we have 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.

**Our programme directors** make sure we follow the regulations for broadcasting radio in the countries we have radio operations, and the traffic departments control the adverts. The regulations now also include regulation of on-demand audiovisual media services, new liberalised rules on

advertising, accessibility requirements for disabled listeners and also new rules for commercial and community radio.

### Our online betting company Bet24

Bet24 has account holders in more than 100 countries around the world, offering poker and casino games and bets on major sports, though this business still constitutes 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 have an age limit of 18-years for opening an account at Bet24.com, and we encourage responsible gaming. We also 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. 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.



TV3 legend Robert Aschberg talking up a storm at recently launched Radio1, Sweden.

# Making a difference where we are

**We believe entertainment** in general can enrich and brighten the lives of our audience, but we also believe in programming content that directly addresses the day-to-day problems that affect us all.

**Our broadcasting power** provides an effective vehicle to inspire change by spreading awareness and raise funds for important social causes, be they large or small. In 2011 we collaborated with many NGOs in helping them fight for their cause. We also have the chance to address issues affecting the everyday lives of our viewers through the types of programmes we broadcast. We call this positive programming, and here are some examples of our positive programming activities in 2011.

## Social charity campaigns give help in Bulgaria

In Bulgaria MTG's popular daily show *Na kafe*, broadcast on Nova TV, has run a number of social campaigns during 2011. We raised money for the Tacticus centre, which specialises in autism, and encouraged other companies to join forces with us to raise funds for the cause. The funds raised by our efforts went towards a series of seminars designed to educate nursery school teachers on how to recognise the early symptoms of autism.

**In cooperation with** association Zachatie and a specialised fertility hospital as part of a national campaign to raise awareness about in-vitro fertilisation treatment, we broadcast a series of shows on fertility issues, in which we also gave away a free in-vitro fertility treatment to a couple in need. We also held a concert with the help of *X Factor* contestants to help a girl with cerebral palsy raise enough money for treatment abroad.

**In July we campaigned** to raise funds from our viewers to buy a new transport infant incubator for the paediatric clinic in Sofia. Cosmetic company Refan was so inspired by our actions they donated funds for another incubator in Plovdiv.

## Rewarding real life heroes in Latvia

Would you go out of your way to help someone in need? *The Latvian Pride Awards* have put good samaritans in the limelight for eight years in a row. People all over the country have been nominating candidates in the newspapers participating in the event.

**TV3 Latvia, involved in the project** from the start, hosted the star studded 2011 awards show where finalists were chosen from thousands of heroes nominated by the nation. A vast array of singers, politicians, and TV stars took part in the show, and even the country's president Andris Berzins and his wife Dace were in the audience to show their support and gratitude to the participants.

**A jury consisting of Latvian** celebrities, media profiles and key figures from the school authorities finally decided on the ten winners. They were rewarded for a broad range of heroic deeds; from promoting the integration of disabled people into society, saving the life of a toddler in danger and putting out a fire at a farm whilst rescuing its owners, to setting up trails to encourage respect for nature, volunteering at hospitals and helping visually impaired students get more involved in sports.

## Encouraging a healthier lifestyle in Lithuania and Ghana

In Lithuania we've added a number of new health programmes to our existing ones in 2011. Sunday morning show *Healthy Man* offers men health advice, the programme *Big Changes* gives inspiration on how to achieve a better quality of life and in *Sport's Award* the focus is on the joy of sport. *Eat and Get Slim* provides viewers with healthy recipes and weight loss advice, and MTG's own healthy living production, *Tips of Wisdom*, has proven to be popular with Lithuanian viewers.

**In Ghana, TV station Viasat1** aired the local production of the *Good Life Game Show* in 2011 which aspires to educate its audience on how to lead a good, safe and healthy life. A crucial part of the game show is the weekly choice of topic including malaria prevention, children's nutrition, how to make sure that drinking water is safe and family planning methods.

**In addition to local health** programmes, we also broadcast many of the popular international health formats such as *The Biggest Loser* and *Supersize vs. Skinny*.

## Giving vulnerable people hope in Sweden

Gay politician Joel Burns' emotional speech urging vulnerable youngsters not to despair after a series of suicides amongst young homosexuals and transsexuals in the US marked the start of a worldwide movement against bullying and alienation. In Sweden TV3 showed a series of programmes in 2011 called *Life gets better*, made in partnership with *Save the Children*, which draw from that very message. A number of well-known Swedes told their moving stories from the past in a quest to inspire and give hope, urging people not to give up; all of them speaking from experience that life really does get better.

**The stories that unfolded** were very emotional and personal. Viewers heard how a wrestling champion had to flee his native country when war broke out and how an award-winning TV star had to take on a new identity after suffering severe domestic abuse. Other stories included how an actor, as a 4-year old, was taken away from his biological family, how a homosexual writer was bullied and raped and how a celebrated violinist struggled with eating disorders.





**KURIS IŠ ŠIŲ VAIKŲ  
BŪSIMOJI EGLĖ ŠPOKAITĖ?**

- ☐ Rūta, 9 m. (Vilniaus Antakalnio vaikų globos namai).
- ☐ Onutė, 5 m. (Elektrėnų globos namai).
- ☐ Jurgita, 11 m. (Viešojo įstaiga „Vaiko užuovėja“).
- ☐ Nė vienas iš jų?

**tv3.lt**



## Social programmes help people in debt and fight crime

In Scandinavia a lot of people get themselves so seriously into debt that they simply can't find a way out. TV3 in Sweden, Norway and Denmark tries to make a difference with the programme *The Luxury Trap*, where people in deep economic meltdown get personal advice and help to get back on track from two experts.

**Wanted, TV3's longest running** programme, first aired in 1990 and still going strong, provides the Swedish police with vital information on unsolved crimes through members of the public calling in with tips. 20 police recruits answer calls from viewers each week and many crimes have been solved thanks to the watchful eye of the general public.

## TV3 gives a helping hand to children in need in Lithuania

For the last nine years the *Fulfilment Campaign* has been raising money for orphans and children with incurable illnesses and disabilities. During the campaign in 2011, TV3 Lithuania told the emotional stories of eight children in an appeal to raise funds and awareness for their cause.

**The campaign touched the hearts** of many TV3 celebrities, who joined the cause as ambassadors; host of the TV show *Life Is Beautiful*, Edvardas Žičkus, TV3 News presenter Renata Šakalytė, the *Dance With Me* couple Danguolė Stachura and Deividas Meškauskas and Audrė Kudabienė from TV3 show *Currents*, to name a few, who also found time in their busy schedules to visit the children and give them gifts.

**The campaign culminated** in a live TV broadcast, shown on TV3 Lithuania, during

*"...I also texted with a very nice reporter from P4 and she kept me posted about the situation on the island and where the police were. I claim that she saved my life, something I will be forever grateful for, Ingrid!"*

Utøya survivor Jaran Berg about Ingrid Forbregd, reporter at P4

which viewers donated over 1 million litas. The 2011 campaign raised 2.1 million litas (more than 600,000 euros) in total.

## Idols lift spirits of bereft children in Estonia

In the middle of busy rehearsals for the final of the 2011 Estonian Pop Idol talent show, the finalists got involved in charity work for children in need. For many years, TV3 Estonia has supported the *NGO Crisis Programme for Children and Youth*, a charity that helps children cope with the trauma of losing a family member through counselling and camps. The Pop Idol finalists met some of the children at the Piivarootsi camp, where they put on a special concert and engaged the children in fun sports activities. Funds for another charity cause, the *Haiba orphanage's* toy fund, were raised when the finalists created handcrafted items sold at an auction.

**Pop Idol in Estonia has a history** of supporting good causes. Last year's runner-up, Birgit Varjun, appeared in a special video clip for TV3 Estonia's viewers to ask women to support the fight against breast cancer by joining the campaign, *Fight Breast Cancer with Jeans*.

## Sending news and helping with grief in Norway

Radio stations are also an important part of our positive programming work. MTG staff at P4 in Oslo kept the radio news broadcast going during the horrific events that took place in August 2011 in Oslo and Utøya, Norway, despite the Oslo bomb exploding nearby.

**"All commercials were removed** and we maintained a running coverage of the tragedy during the weekend", says Trygve Rønningen, P4's Programme Director.

**Ingrid Forbregd, reporter at P4**, stayed in contact with youth camp participant Jaran Berg at Utøya via text messages during the shootings. He later blogs: "I sent a text message to my father, telling him I loved him. I was sure that would be the last time he would hear from me. I also texted with a very nice reporter from P4 and she kept me posted about the situation on the island and where the police were. I claim that she saved my life, something I will be forever grateful for, Ingrid! It was not until she told me that the killer was caught that I dared to emerge from my hiding place when the police arrived."

## Joint fight against cancer in Scandinavia

Autumn is the time of year when the battle against cancer takes the shape of different campaigns in Sweden, Norway and Denmark. In Norway radio station P4 joined forces with The Pink Ribbon Campaign by devoting the weekend, 2-4 October, to kick off the campaign and encourage donation text messages with a prize competition. P4's host Lise Askvik, who has recently fought breast cancer herself, has also campaigned for shorter waiting times for breast reconstruction for women who have had mastectomy due to cancer.

**In Sweden, MTG has been** collaborating with the Pink Ribbon campaign and the *Cancer Society* for seven years. This year's campaign raised more than 45 million SEK (nearly 5 million euros). Among the fund raising initiatives were RIX FM's lottery, where funds were raised through the generosity of the station's listeners, and a big fundraising show broadcast on TV3 on 26 October.

**In Denmark, the big fundraising** show *Brystgalla* was held for the fourth consecutive year by TV3, to support the Danish Breast Cancer Society campaign. This year the campaign raised a whopping 22.5 million DKK (more than 3 million euros), the biggest total yet!

**For the third consecutive year** MTG took part in the *Swedish Cancer Society's* annual *Moustache Fight* campaign to fight prostate cancer. TV6 and the company's poster boy Robert Aschberg, were at the forefront of the campaign along with radio



station Bandit, who managed to raise 203,724 SEK (more than 23,000 euros). An effort that also made our company the fundraising winners of the Moustache Fight 2011.

*"One week after having my breast amputated I was on air debating with the Health Minister of Norway, who promised to do something about the untenable situation. At this year's Pink Ribbon show I received a very moving applause from the public for fighting on behalf of the thousands of women who are waiting for new breasts."*

Lise Askvik, presenter at radio station P4



Lise Askvik sharing her experience with cancer for the greater good.

## Hot social topics on first Swedish "talk radio"

2011 saw the launch of radio station Radio1, a talk radio station hosted by well-known opinionated Swedish celebrities. To break free from the mould of summer repeats during the summer months, Radio1 broadcast Sommarsurr where passionate and colourful personalities got hot and bothered over a wide range of current social topics, such as adult bullying, having a relative imprisoned, personal development, unhealthy body ideals and vulnerable children in Sweden.

*"Prostate cancer might mostly affect men over the age of 50, but a lot of our listeners have dads and relatives that have been diagnosed. It's something that strikes an emotional chord with us men, never mind how old we are."*

Mattias Arwidson, programme director at radio station Bandit

Stort show  
I after 21.00

**BRYSTGALLA  
2011**

STØT BRYSTERNE

Denmark strikes back in the fight against breast cancer, raising over 3 million euros.

tv3.dk/brystgalla

Hvis du ikke kan se TV3, så ring til 70 121 161 og få et godt tilbud

# Helping children and nature grow

Entertainment may be our core business, but the health of our planet is a business we all need to invest in. That's why we're trying to make the power we have as a broadcaster work in favour of the communities we entertain.

**We want to make a difference** in areas where our broadcasting power can do the most good. We have chosen to focus our resources on the needs of children and the environment, both causes that can benefit from the exposure we can provide. We also recognise that each of our markets may have very different needs, and therefore also support local causes in the countries in which we operate.

**Supporting local and international** charities, like the WWF, who work to tackle climate change and protect wildlife, is an important part of our environmental work. We might be entertainers, but we also feel very strongly about sustainability. We measure our environmental impact in order to manage it, and do our best to lessen our carbon footprint. We are currently making sure our employees have taken our green training course and that we are all doing our share for nature where we can.

**When it comes to children**, we aim to help young people see that the world really is a place where dreams can come true. For this reason we focus our social projects on children and their future, with our charity MTG United for Peace and the co-founded organisation Playing for Change.

**MTG United for Peace** uses football as a means to show children the value

of integration and how to solve conflicts, and Playing for Change supports social entrepreneurs who help kids identify their potential. Both initiatives aim to give children the skills and optimism that can lead them to a brighter, better future.

**But as a broadcaster**, probably the biggest impact we can have is through promoting important causes on our channels. In 2011, MTG donated 146 million SEK (more than 16 million euros) worth of airtime for worthy causes.

**This chapter outlines** our environmental work and the local and international charities we support. We hope it will give you an idea of some of the amazing work done by charities that champion environmental causes and work with communities for the benefit of underprivileged children.

*"We want to make a difference in areas where our broadcasting power can do the most good. We have chosen to focus our resources on the needs of children and the environment, both causes that can benefit from the exposure we can provide."*

## CORPORATE GIVING

**146 million**

SEK worth of airtime was donated by MTG\*

**10,978 hours**

of employees' time were spent volunteering

**3.1 million**

SEK worth of products and services were donated

**37 million**

SEK was raised for charity\*\*

### Raised funds went to:

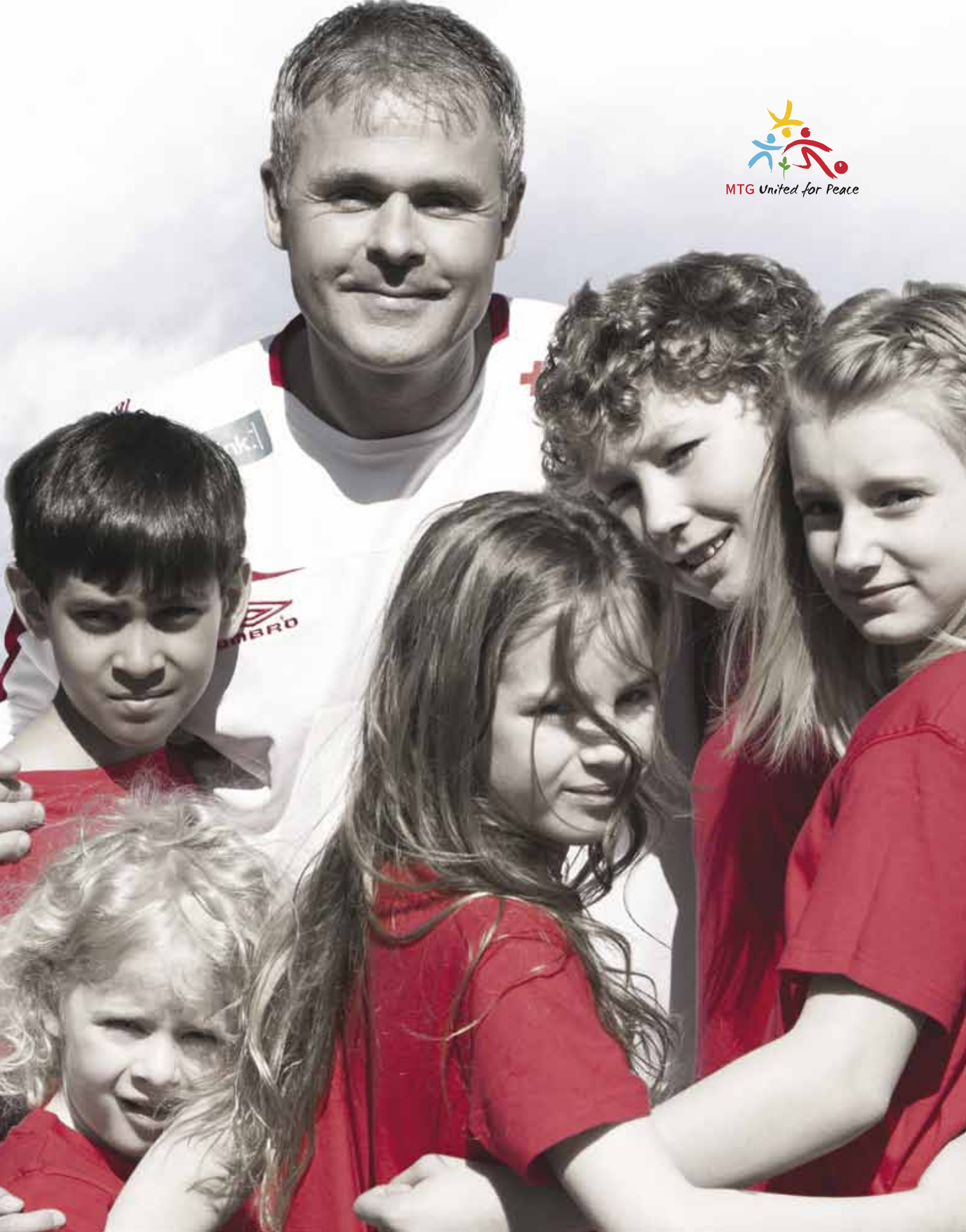
- Cancerfonden (Cancer Society), Sweden
- Dava Sapni (Give a Dream), Latvia
- Doktor Klaun (Doctor Clown), Estonia
- Išsipildymo akcija (Fulfillment Campaign), Lithuania
- Kræftens Bekæmpelse (Cancer Society), Denmark
- MTG United for Peace
- Playing for Change, Sweden
- Unicef, Lithuania

\* 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 2011 went to organisations that work on those fields. The local MTG companies can also choose to support additional causes based on local needs.





# Going, going, gone green!

**Going green is an effort** that permeates all areas of MTG's business. We try to cut energy usage and reduce our carbon footprint. We are working to go green from the inside out by training our workforce in green thinking and encouraging environmental initiatives. We are also using our broadcast network to push green thinking from the outside by showing our support of environmental causes and donating airtime to spread messages about climate change. Without a doubt, going green is a mammoth task we have yet to fully accomplish, but here's how green we got in 2011.

## Taking climate change seriously

We too are concerned about the effects of climate change. Living in a healthy, safe and green environment forms the very foundation of human wellbeing and is crucial for any businesses' sustainability. We have been analysing the risks and opportunities that arise from climate change since

2010, when we started reporting publicly on those and our carbon dioxide emissions in the Carbon Disclosure Project (CDP). MTG is one of thousands of companies to provide CDP with this information, which is then made available to approximately 650 institutional investors worldwide to use in their investment decision making process. CDP's hope is that this information will enable investors to make more sustainable business decisions with minimal cost to the environment. The analysis we provide to CDP is continuous and on-going, and has provided MTG with an invaluable starting point on which to build our long-term climate strategies. Even though we have a long way to go, we hope it will continue to provide guidance as we progress on our green journey.

**And in anything you do**, no matter how far you've come, it's always satisfying to know you're heading in the right direction. In September 2011 MTG was one of the world's greenest media companies according to the sustainability report conducted by Ecodesk, the largest global open database for sustainability information on companies. The report showed that MTG's efforts in eco-efficiency have paid off – we ranked second amongst the world's 14 biggest media companies in carbon intensity – and first in terms of energy intensity and energy usage per employee.

**Extreme and unpredictable weather** affects everyone, including MTG and its employees. In our 39 operating countries extreme weather can damage facilities, disrupt broadcast, deliveries, the commute to and from offices and increase risk of injury amongst our employees. In preparation for such eventualities we have processes in place to resolve critical situations in the best possible way.

**Tougher environmental legislations** will become a fact of the future, which could prove highly problematic if we're not prepared. Failure to think ahead might result in increased financial risk for our company. Potential increases in energy

tariffs will impact our business, as will higher fuel costs. To manage these risks we, amongst other things, monitor our energy consumption and are continuously working to reduce it, as well as maintaining an open dialogue with our suppliers about these issues to ensure we're all on the same track.

## We're in it together

We work hard to minimise our carbon footprint. MTG has an environmental policy that commits us to comply with relevant legislations and promote green issues externally and internally. So far, 76% of our permanent employees have successfully taken part in our internal green training course, and our goal is to reach 80% during the first quarter of 2012. The course focuses on MTG's green goals, what we can do to reduce our carbon footprint and how every employee can contribute.

**To help us on our mission** we have nominated 18 green ambassadors, to spread the knowledge further and continue our green mission. Our goal to set up country specific green action lists in all of our operating countries was fulfilled in 2011, ensuring quarterly list updates and progress reports. Furthermore we encourage our employees to choose video conferencing over travel, opting for the latter only when it's absolutely essential. To this end, our video conference usage has increased substantially: from 934 hours in 2009 to a record high of 2,323 hours in 2011.



Putting our carbon footprint in the big picture with the Carbon Disclosure Project.







# Поможем тем, кого приручили!

## www.like-zoo.com



Viasat Nature helps improve the lives of zoo animals in the "Like Zoo" campaign in Ukraine.

**Denmark is an excellent** role model in internal environmental work, its staff continuing in the spirit born from 2010's environmental campaign "Grøn eller gris" ("Green or Pig"). The campaign boasts the participation of all 224 employees, where 90% claim they're now motivated to work greener!

**The campaign's creative concept** was grounded in competitive thinking: "If you do this the right way e.g. use the stairs instead of the elevator, you are green. The campaign still forms the basis of our green action list and its success is probably the combination of visible and online elements plus competitiveness and humour!" says Lonnie Christensen, HR Manager of MTG Denmark.

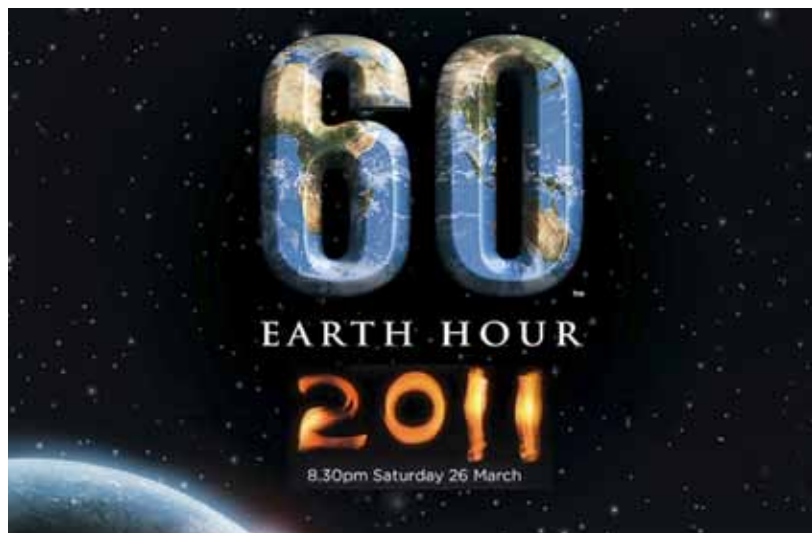
**One of many initiatives** in Denmark for 2011 was to reward those who shut down their PCs at the end of the day. A monthly status update on energy consumption has made the staff aware of how much energy they save, and the six company bicycles are in high demand by employees. Another campaign was a taxi ban for two weeks followed by switching to a carbon-neutral taxi company. Denmark's awareness campaign has saved them over one million kilowatt-hours of energy in two years – that's enough energy to power-up 3,820 TVs for a year!

### Green partnerships with NGOs

We also want to do our share as a responsible company for the environment by supporting both global and local charities working to protect wildlife and nature. We can best do this by harnessing our strength as a broadcaster and use the reach of our TV and radio channels to create awareness

and raise funds for green causes. Here are some examples from 2011:

**In Latvia we took part** in the World Wide Fund for Nature's (WWF) "Save the Baltic Sea" project by donating airtime to raise awareness about the unique and fragile eco-system in the Baltic Sea to save it for the future, protecting it from overfishing and pollution.



Helping WWF put the lights out during Earth Hour.



*"I usually mention MTG as a good example of an environmentally conscious company. When I speak of MTG I speak of it as a company that's gone from being reactive to proactive."*

Peter Egstam, Managing Director at Tricorona Climate Partner

**We also participated** for the third year running in WWF's lights out project Earth Hour in 14 countries. Lithuania took the lead with TV3, TV6, Power Hit Radio and Viasat all actively supporting Earth Hour. A count-down clock was shown on the channels' web pages, a Facebook event page was launched and news reports covered the event. Across our countries Earth Hour was promoted on TV, in radio editorials, newsletters and website banners. In Hungary the host of the Friday evening show on Viasat3 asked the viewers to switch off their lights on Saturday at 8:30 PM, and our offices in Norway and Finland turned off all the lights in the offices.

**In 2011 Viasat Broadcasting in the UK** became charity partners with the London Wildlife Trust that manages over 40 nature

reserve sites across the capital. Viasat produced a film for LWT's 30th anniversary to showcase its work over the years.

**In Lithuania green initiatives** are fast gaining popularity. The huge campaign "Let's do it 2011" encouraged all citizens to clean up the environment. The project was supported by TV3 and TV6, as well as the radio station Power Hit Radio. On Saturday, 16 April a team from TV3 Lithuania helped clean up the nation's capital Vilnius and broadcast a live concert later that day.

**Latvia also got busy cleaning** when seven hosts from various TV3 Latvia shows along with colleagues from radio station Star FM, gathered with their families to take part in the annual Working Bee clean-up event. All over the country hundreds of thousands of bags were filled with rubbish.

**Local zoos have been struggling** with a lack of funds for a number of years in Ukraine and many zoo animals live in poor conditions. In 2011 our documentary channel Viasat Nature decided to help create public awareness and support by launching the website "Like Zoo" where the audience could feed the animals in real time and support the zoo financially in other ways. Viasat Nature also donated funds for each click on the "like" button on Facebook.

**Viasat Estonia adopted** three chimpanzees at the zoo in Tallinn in 2010 in an effort

to make a difference at the zoo and make the public aware of the European Association of Zoos and Aquariums' "Ape Campaign". The campaign continued in 2011 to put emphasis on the threat to apes in the wild from hunting, deforestation and disease.

## Making set-top-boxes greener

We're doing our best to stay ahead of the game by anticipating tougher future regulations and being proactive by setting higher standards than required.

**We are working together** with our suppliers to make our set-top-boxes as energy efficient as possible, without compromising on quality or technical development. Our pay-TV operations have been signatories of the Voluntary Industry Agreement on complex set-top-box energy efficiency since 2010, and currently all six of our Viasat boxes consume 42-90% less energy than required by the agreement.

**Three out of the six boxes** have an auto-power down function, where the default setting makes the box go into "deep standby" mode after two hours in normal standby, reducing the energy consumption by up to 96%. The energy efficiency requirements under the agreement will become even more stringent in the coming year, and we are already well positioned ahead of this.



'Working Bees' from TV3 Latvia helping to clean up their surroundings.



**However, our duties don't stop** at the sale of our set-top-boxes, we also have a responsibility for the products when they come to the end of their usage. To that end we provide our pay-TV customers with information on how to dispose of their old set-top-boxes in an ecologically sound way when the time comes to throw them away.

**We encourage customers** to take their old set-top-boxes to a recycling station where components can be recycled and reused. In the Nordic countries, we have recycling information available online, and aim to do the same in the Baltic countries by the second quarter of 2012.

## Carbon footprint

As a broadcast media company, our environmental footprint is not significant. Nevertheless, we systematically try to cut down on emissions, recycle, save electricity and take other environmental measures where we can. We built the foundation for our green work in 2008/09, when we mapped our environmental impact for the first time.

**We aim to maintain** our environmental work standard, whilst focusing on the relevant issues outlined by our stakeholder dialogues. Our climate impact covers the main emission sources from MTG's operations in 18 countries:

- Facilities: energy use in offices and other facilities, including broadcasting and TV production when performed directly by us.
- Material: consumption of office supplies, fruit and coffee.
- Travel: business travel, including air, rail and road travel plus hotel stays.
- Transport: transportation of Viasat set top-boxes from the central warehouse to the local countries.

**To ensure we report accurate** figures, we work with an external environmental expert, Tricorona Climate Partner, who calculates the climate impact based on data gathered and supplied by MTG. Tricorona uses standard calculation methodologies that are based on the GHG Protocol and supplemented where necessary by additional data and assumptions by Tricorona. Full calculation methodology and details of assumptions can be found online.

**In 2011 our climate impact** was 13,860 tons of CO<sub>2</sub>e – a decrease by 8% from the previous year. Business travel is our biggest source of carbon emissions, with over half of our emissions arising from travelling. Energy consumption in offices

accounts for roughly a third of the emissions, and office material use and transport only around 2-3% each.

**In 2010 we set a goal to** decrease emissions per employee by 5% from the 2009 baseline, excluding Modern Studios. We are happy that our hard work has paid off and we managed to meet and exceed the target in 2011, thanks to everyone doing their bit! In total we decreased our emissions per employee by 6%. The largest reduction was in facility emissions, which decreased by 11% (608 tons CO<sub>2</sub>e) as a result of a 16% reduction in like-for-like energy consumption (20% overall reduction including the de-merger of CDON Group and acquisition of Raduga in 2010). This means a reduc-

# 16%

reduction in energy consumption

# 6%

decrease in CO<sub>2</sub> emissions, per employee<sup>1</sup>

# 3.56

Tons CO<sub>2</sub>e per employee<sup>1</sup>

<sup>1</sup> Excluding Modern Studios



tion of 15,407 GJ in total. Also, absolute travel, material and transport emissions all decreased slightly despite an increased number of employees.

**The reduced energy** consumption was mainly thanks to increased environmental awareness among employees, and new, more energy efficient computers installed in 11 countries. We also adjusted computer power management and sleep settings to further improve energy efficiency.

**Our TV production operations,** Modern Studios, travel considerably more than the rest of the Group companies due to the nature of their business, and therefore have relatively high travel emissions. Even though Modern Studios reduced their travel emissions by 15% from 2010, and thus contributed greatly to the eight per cent reduction in the total Group emissions, we have chosen to show an emissions summary with Modern Studios' emissions separate, to illustrate the emissions and progress of the other companies as well.

**We're proud of what we** have achieved so far, but meeting our emission reduction target doesn't mean we can just sit back and relax. The next step will be to analyse our current climate impact and strategies, and see what more we can do.

#### Total Group Emissions 2011, ton CO<sub>2</sub>e

Category		Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Other indirect (Scope 3)	Total 2011
Facilities	Total	13	5,031	0	5,044
	Office	13	3,136	0	3,149
	Production	0	1,895	0	1,895
Material		0	0	349	349
Travel		138	0	8,080	8,218
Transport		0	0	249	249
<b>Total</b>		<b>151</b>	<b>5,031</b>	<b>8,679</b>	<b>13,860</b>
<b>Total scope 1&amp;2</b>					<b>5,182</b>

#### Total emissions excl Modern Studios, ton CO<sub>2</sub>e

	2010	2011	Change
Facilities	5,590	4,981	-11%
Material	327	321	-2%
Travel	5,469	5,455	0%
Transport	285	249	-12%
<b>Total</b>	<b>11,671</b>	<b>11,007</b>	<b>-6%</b>

#### Total emissions Modern Studios, ton CO<sub>2</sub>e

	2010	2011	Change
Facilities	78	62	-21%
Material	25	28	14%
Travel	3,258	2,762	-15%
Transport	0	0	0%
<b>Total</b>	<b>3,361</b>	<b>2,852</b>	<b>-15%</b>

CO<sub>2</sub>e = Carbon Dioxide Equivalent; the total climate change impact of all the greenhouse gases caused by MTG's activities.

*"It's a really good result for MTG to manage to reduce its energy consumption by 16 per cent! Many big companies aim to reduce their energy with around 5 per cent, as a comparison."*

Peter Egstam, Managing Director at Tricorona Climate Partner

# Spreading the fun – playing for change



**Founded in Sweden in 2010** by MTG, Kinnevik, Korsnäs, Metro, Tele2, Transcom and the Hugo Stenbeck Foundation, Playing for Change, a non-profit organisation, works with social entrepreneurs who in their unique way help less fortunate children and youngsters experience a better, more playful childhood.

## Playing for Change in Ghana

In addition to their ten social entrepreneurs in Sweden, 2011 saw the launch of Playing for Change in Ghana, where they now support six social entrepreneurs. Human rights worker Ndonwie Peter, who works against the discrimination of women and children, is one of them.

**Ndonwie found a young boy** called Elvis, dirty and hungry on the side of a busy road, desperate to get a lift home to his parents. He had been abducted by a man who forced him into hard labour, and although he had managed to escape he had no food or means to return home. Ndonwie helped reunite Elvis with his family and now he is back in school and leading a normal life again. Meeting Elvis proved to be a turning point for Ndonwie, who now runs after-school classes and playschools where he works to increase the awareness and practice of human rights through the empowerment of women and children.

**Our other social entrepreneurs** in Ghana are Deborah Ahenkorah who established a pan-African literary award to encourage



Thanks to social entrepreneur Johan Wendt, Mattecetrum's 150 volunteers help hundreds of youngsters with their maths in the 25 labs run in 10 cities in Sweden every week.

African writers to create good quality books for children, Marie-Eve Lemieux and Mohammed Khaled who give vulnerable children the opportunity to learn life- and self-leadership skills through basketball, Michael Baabu whose Safe Child movement promotes total safety amongst children and Susan Sabaa who works with youngsters who fall into conflict with the law:

**"I visit the children before** they get released. I ask them why they did what they did and what they want to happen after they are released" says Susan Sabaa. "There's a big stigma in society facing young offenders when they come out of prison, which makes it difficult for them to change their ways and help is not easy to find. By listening, caring, giving them love and supporting them, we can straighten their future path and encourage them to lead an independent life."

**With operations** established in Sweden and Ghana, the foundation is now moving into Russia in 2012 where it plans to name three local playmakers dedicated to improving the lives and futures of disadvantaged Russian children.



Ghanaian children learning about road safety the fun way, as part of Michael Baabu's Safe Child initiative to promote total safety for kids in Ghana.



## CHARITY FROM WITHIN

In the same way we encourage our employees to think green, it's also important that charity comes from within. MTG's annual Christmas concert is a great example of MTG volunteers pitching in for a good cause. The concert couldn't go ahead without the help of many volunteers that devote their time to making sure the event goes as smoothly as possible.

*"It was a great experience, very inspiring and well organised. The most rewarding thing for me was working for the cause of the concert, but also to experience the atmosphere in the old church with the audience and artists. I found the entire show moving; perhaps most of all the children in the choir."*

Hanni Malinen, HR administrator at HR International and volunteer at our Christmas Concert

## Christmas concert

One of the fundraising activities MTG engages in each year is our annual Christmas concert, which for the last two years has been held in aid of Playing for Change in Stockholm. The timing of the concert is especially poignant for this particular cause. For most of us Christmas is a time of joy and happiness, but for many children reality is very different; their lives are tainted by violence, abuse and isolation, and unfortunately this doesn't stop just because it's Christmas. MTG was proud to join forces with Playing for Change in December last year to try to improve the lives of these children.

### An impressive line-up of artists

including Swedish Thomas Di Leva, Jill Johnson, Takida and Erik Hassle inspired hope for the future from a snow-covered winter wonderland stage, joined as well by American Idol star Chris Medina. Choirs One Voice and angel-clad You Can Sing Gospel Kids set a magical Christmas atmosphere for baritone Krister St. Hill's stunning "O Holy Night". MTG broadcast the concert over the Christmas period on its Swedish TV and radio channels to spread awareness of the cause and raised over 225,000 SEK (more than 25,000 euros) from ticket sales for Playing for Change's Christmas fund.

*"I think this is a very good concept and not like any methods used by other charities. It really is what we say; it's playful and creative and the pioneering spirit is central. The family atmosphere at church with all the children singing along was great."*

Katja Kopra, Senior Accountant for Accounts Receivable and volunteer at our Christmas Concert



# Let's play our way to a better future

As a major live sports broadcaster, helping children create a better future through football seemed like the perfect cause for us to support. Achieving world peace tomorrow might be slightly out of our grasp, but with MTG United for Peace (MTG UFP) we are giving it our best shot. 2011 saw an exciting second year unfold for our football foundation aimed at teaching children the importance of respect, tolerance, integration, cultural diversity and anti-racism through our common love of football. What better place to start promoting peace than with those who hold the keys to the future, children?

2010 saw the launch of the charity and the first MTG United for Peace Cup. 2011 saw us focusing less on the start-up and more on the cause. We dug further into the tough reality that many of our Cup participants live every day, with our MTG United for Peace documentary. And in recognising the importance and value of our School of Tolerance, we have also expanded the programme and have set goals for its further development.

## MTG United for Peace Cup 2011

The MTG UFP Cup 2010 was a testing ground to see if the MTG UFP Cup concept would work. The success of the first Cup not only told us what we were doing right, but more importantly what we could do better. So building on the lessons learned in 2010, we made the local tournaments and particularly the final, bigger and better. But we still have a long way to go! Our focus for 2012 is continuous improvement of the concept in general, but mostly the development of the School of Tolerance, focusing on teaching the children about conflict resolution, peace, tolerance and to say no to racism.

*"The success of the first Cup not only told us what we were doing right, but more importantly what we could do better."*

Viv Anderson gives the young players some tips at the MTG United for Peace Cup in 2011.



# 98%

of children think the School of Tolerance is a good way to learn about tolerance and peace.

# 91%

said they made new friends during the Cup.

# 98%

said they learned things about peace, tolerance and conflict solving that they didn't previously know.

## MTG UFP CUP IN 30 SECONDS

- 12-14-year old kids
- Teams qualify for the final at local tournaments
- 7-a-side matches
- FIFA rules and off-course fairplay
- Final in Oslo, Norway
- Coincides with announcement of Nobel Peace Prize winner
- Girls & Boys country tournaments
- Mixed tournament
- Supported by around 100 Peace Ambassadors



# The language of football



## SOME OF OUR PEACE AMBASSADORS

**Sir Alex Ferguson**

(has managed Manchester United since 1986)

**Ian Rush**

(Liverpool, Juventus, Newcastle United)

**Jari Litmanen**

(Ajax, Barcelona, Liverpool, Lahti, Hansa Rostock)

**Michael Laudrup**

(Juventus, Barcelona, Real Madrid, Ajax)

**Dimitar Berbatov**

(CSKA Sofia, Bayer Leverkusen, Tottenham Hotspur, Manchester United)

**Krassimir Balakov**

(Etar Veliko Tarnovo, Sporting CP, VfB Stuttgart, VFC Plauen)

**Patrik Andersson**

(Malmö FF, Blackburn Rovers, Borussia Mönchengladbach, Bayern Munich, Barcelona)

**Mart Poom**

(Flora Tallin, Portsmouth, Derby County, Sunderland, Arsenal, Watford)

**Viv Anderson**

(Nottingham, Arsenal, Manchester United, Sheffield Wednesday, Barnsley, Middlesbrough)

**Thomas Ravelli**

(Öster, IFK Gothenburg, Tampa Bay)

## Peace Ambassadors

We could not run MTG United for Peace without the endorsement and support of our Peace Ambassadors, predominantly former football stars from the biggest teams in Europe, with a passion for the game and for the cause. They play a large part in providing inspiration and entertainment at the Cup tournaments by playing with the children, giving them tips and playing all-star games. They also play charity matches to raise money for our cause, drawing attention to the foundation by way of their involvement.

**All of the budding footballers** we see at the MTG UFP Cup tournaments have football heroes, many of whom are local professional footballers. Although we have many Peace Ambassadors from the countries represented in the Cup, we hope to enlist more local Peace Ambassadors to champion the cause and support the children in their local communities.

*"It's an absolute pleasure to take part in the charity. Football is a beautiful game, it doesn't matter who you are and that's what really shows in the tournaments. Everybody is having fun and enjoying themselves!"*

Peace Ambassador David May on MTG United for Peace

## School of Tolerance

In 2010 MTG UFP launched the School of Tolerance in cooperation with the Nobel Peace Center at the 2010 Cup final in Oslo, to further the cause of cultural understanding and integration. MTG UFP sees the School of Tolerance as an important tool in emphasising and confirming what the children learn on the pitch;

conflict resolution, tolerance, integration, teamwork and respect. So much so, that we are developing the School of Tolerance into a more prominent part of the Cup, with the aim to start its teachings already at the local tournaments in 2012. And within the next few years not only do we plan to offer the School of Tolerance online but also estimate that by 2014 the school will have 10,000 graduates.



Making new friends through a shared passion for football at the MTG United for Peace Cup 2011.





## The Language of Football Documentary

Football is more than just a game, it is a way for children to communicate regardless of gender, nationality and background. Over 100 children from 12 countries made the trip to Oslo for the finals in 2011. The MTG United for Peace documentary follows five of them from Bulgaria, Russia, Ghana, Sweden and Denmark on their MTG United for Peace Cup journey. Some live in orphanages, some live normal lives, but all of them have a passion for football. We hear about their hopes and dreams, how football makes them forget their troubles, their experiences at the MTG United for Peace Cup Final in Oslo and how the tournament changed their perception of the world and gives them hope for the future. You can watch the full documentary at [www.mtgunitiedforpeace.com](http://www.mtgunitiedforpeace.com)



Double take! Documentary team film a young Ghanaian player recording a film of his own.

## A DOCUMENTARY THE CREW WILL NEVER FORGET

Thomas Breum, producer of the documentary MTG United for Peace – The Language of Football, tells us about his experiences while filming the documentary in Lom, Bulgaria and Oslo, Norway.

### What is your strongest memory of making the documentary?

■ It was going to a poor little town called Lom in Bulgaria, where we arrived in the middle of the night. We met Bobby, a very shy and quiet boy who had been waiting for us all evening, proudly in his MTG United for Peace clothes. He was eager to show us around and he quickly took us to his tiny room that he shared with three other boys.

### How did you communicate with one another?

■ It was difficult due to the language barrier, but we spoke about Manchester United. The only thing he could say in English was "I love Manchester United" and since I support a rival team, we had a big laugh about that.

### What was the school like for the children in Bulgaria?

■ We met the head of the school when we followed Bobby in his class. The school seemed very old fashioned, the teachers were all wearing ties and the children's PE seemed to consist of marching. It felt very authoritarian somehow.

### What did you experience when you were filming the children?

■ Manchester United happened to be playing in the Champions League when we were there so we filmed the boys watching the game against Basel which ended 3-3. A result that wasn't that great but Bobby was happy. He gave me a souvenir, a Manchester United charm, to wear around my neck, so I wouldn't forget him. When he came to the finals of MTG United for Peace in Oslo I was wearing it and that made him really happy.

### Was there anything in particular that moved you in Bulgaria?

■ You could very clearly see if they were right or left footed players, because of the way their shoes were worn. They love



football so much and they play all the time, therefore their football shoes were falling to pieces. When Bobby got his own film camera to use during the tournament, the first thing he filmed were his new football shoes that he received and he cried: "Wow! Wow! Super! Super! Cristiano Ronaldo!" He was so happy about his new shoes, he thought everything was possible!

### How did Bobby find the tournament in Oslo, do you think?

■ I saw him in the sports hall trying to get in contact with the girls by kicking the ball on purpose close to them and pretended that it was not deliberate, saying "Sorry, sorry!". He really wanted to make some new friends.



# About this report

You have just read our fourth annual Modern Responsibility report, which is the second one of our reports following the Global Reporting Initiative (GRI) framework. Our previous report was published on 7 April 2011 and is available on [www.mtg.se](http://www.mtg.se), together with all other previous reports.

**In this report you found** a summary of our corporate responsibility initiatives and progress during the calendar year of 2011, from 1 January until 31 December 2011. 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 suppliers to customers in our dialogues to help us define the boundary, ensure completeness and identify expected users of this report.

**The reporting scope includes** 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 and Raduga in Russia, where MTG owns 50% of the company respectively, and Viastrom Holding AB 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 a significant impact on MTG's sustainable development. 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; CDON Group was demerged from MTG in Q4 2010 and therefore is no longer included in the data for 2011, and Raduga in Russia was acquired in Q1

2010 and is now included in the reporting boundary for the first time. Slovakia is no longer included in the environmental data, because the operations' environmental impact is not significant (in 2010 Slovakia represented less than 0.2% of the Group's total emissions).

**This report's focus is on** corporate responsibility issues that were defined as relevant by our stakeholder dialogues in 2010 and 2011 (see p. 16-17), but we have also included information on smaller scale social and environmental initiatives that have taken place in the local MTG companies across various countries. The GRI index of this report can be found on p. 50. MTG has self-declared that this report meets the criteria for reporting level C of GRI's G3.1 Guidelines. For certain labour indicators (LA1, LA2, LA7, LA10, LA13 and LA14) it has not been possible to implement a break-down as per the G3.1 guidelines, as this would have meant a change in our reporting systems. We are waiting for the G4 guidelines and GRI media sector supplement to be finalised, and anticipate to apply them in our next Modern Responsibility Report.

**The report complements** the financial Annual Report and the Modern Responsibility pages on [www.mtg.se](http://www.mtg.se), where you can also follow our most recent activities.

**We would love to hear** your thoughts regarding this report and our work with Modern Responsibility – please feel free to send any feedback to us at [responsibility@mtg.se](mailto:responsibility@mtg.se).

## 2011 HIGHLIGHTS

- We joined FTSE4Good, the world leading index for responsible companies.
- We reduced our CO<sub>2</sub> emissions by 6% per employee, and our energy consumption by 16%.
- We organised our second MTG United for Peace Cup with children from 12 countries, teaching them about the importance of peace, respect and tolerance.
- Our co-founded organisation Playing for Change that helps children experience a better childhood expanded to Ghana.
- We implemented a new anti-bribery and corruption policy with updated guidelines.
- We set up and implemented the structure for our female leadership network in Scandinavia.
- We donated 146 million SEK worth of airtime for worthy causes.

# GRI index

**F** = Fully reported

**P** = Partially reported

GRI Indicator	Page	Level of reporting	GRI Indicator	Page	Level of reporting	ESG Indicator
<b>1. Strategy and profile</b>						
1.1 CEO's statement	5	F	4.14 List of stakeholder groups engaged by the organisation	16-17	F	
<b>2. Organisational profile</b>			4.15 Basis for identification and selection of stakeholders	16	F	
2.1 Name of the organisation	14	F	4.16 Approaches to stakeholder engagement	16-17	P	
2.2 Primary brands, products, and services	6	F	4.17 Key topics raised through stakeholder engagement	17	F	
2.3 Operational structure	6	F	<b>Economic performance indicators</b>			
2.4 Location of headquarters	7	F	EC2 Financial implications and other risks and opportunities due to climate change	38	P	
2.5 Number of countries and location of operations	6-7	F	EC8 Investments and services provided for public benefit	36	F	
2.6 Nature of ownership and legal form	14	F	<b>Environmental performance indicators</b>			
2.7 Markets served	6-7	F	EN3 Direct energy consumption by primary energy source	42	F	E01-1
2.8 Scale of reporting organisation	7	F	EN4 Indirect energy consumption by primary source	42	F	E01-1
2.9 Significant changes regarding size, structure, or ownership Comment: There were no significant changes in 2011.	50	F	EN5 Energy saved due to conservation and efficiency improvements	41-42	F	
2.10 Awards received in the reporting period	30	F	EN16 Total direct and indirect greenhouse gas emissions by weight	42	F	E02-1
<b>3. Report parameters</b>			EN17 Other relevant indirect greenhouse gas emissions by weight	42	F	E02-1
3.1 Reporting period	49	F	<b>Social performance indicators</b>			
3.2 Date of most recent previous report	49	F	LA1 Total workforce by employment type, employment contract, and region.	26	F	
3.3 Reporting cycle	49	F	LA2 Total number and rate of employee turnover by age group, gender, and region	24	F	S03-01
3.4 Contact point for questions regarding the report	49	F	LA7 Rates of injury, lost days and absenteeism, and total number of work-related fatalities	27	F	
3.5 Process for defining report content	49	F	LA10 Average hours of employee training	24	F	S02-02
3.6 Boundary of the report	49	F	LA13 Composition of governance bodies and breakdown of employees per category according to gender, age and minority group Comment: Minority groups are not reported because this is prohibited in the Swedish data protection law. Instead we have reported percentage of foreign nationalities in local workforce.	26	F	S10-01 S10-02
3.7 Limitations on the scope or boundary of the report	49	F	LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	26	F	
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities and outsourced operations	49	F	PR5 Practices related to customer satisfaction	16-17	P	
3.10 Restatements Comment: There are no restatements in these reports.	50	F	PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	28-30	P	
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods	49	F	PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	29	F	
3.12 GRI Index	50	F	SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures	19	P	
<b>4. Governance, Commitments, and Engagement</b>						
4.1 Governance structure	14-15	F				
4.2 Independence of the Chairman of the Board	15	F				
4.3 Number, gender and independence of members of the highest governance body	15	F				
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the Board 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 currently looking into implementing a formal process for this.	15; 50	F				
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance	12; 20-21; 38	F				
4.12 Externally developed charters, principles, or other initiatives to which the organisation subscribes or endorses	20	F				



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