

## ANNUAL REPORT ON THE LITHUANIAN NATIONAL CONTACT POINT PERFORMANCE 2017

2017 marked the first year of the reformed Lithuanian National Contact Point (**NCP**). The main focus of the NCP activities were directed towards the promotion of awareness and accessibility of the Guidelines of the Organization for Economic Co-operation and Development (**OECD**) and the promotion of Lithuanian NCP. In order to reach set goals, the NCP distinguished three main areas of activities: promotional events, preparation of handouts and international representation.

**Firstly**, the annual performance plan 2017 of the Lithuanian NCP had projected the organization or participation in 11 events. During the year of 2017, the Lithuanian NCP had participated in 16 events (fig. 1). It is worth noting, that there were two events planned that NCP did not participate in because the events did not take place. (Fig. 2) (Roundtable with State Owned Enterprises and State Enterprise Turto Bankas about the Guidelines for Multinational Enterprises, „ANTI-CORRUPTION HACKATHON“). Even though „ANTI-CORRUPTION HACKATHON“ event did not take place, the representatives of Lithuanian NCP have met with the organizers to discuss the possible input that NCP could have in this event.

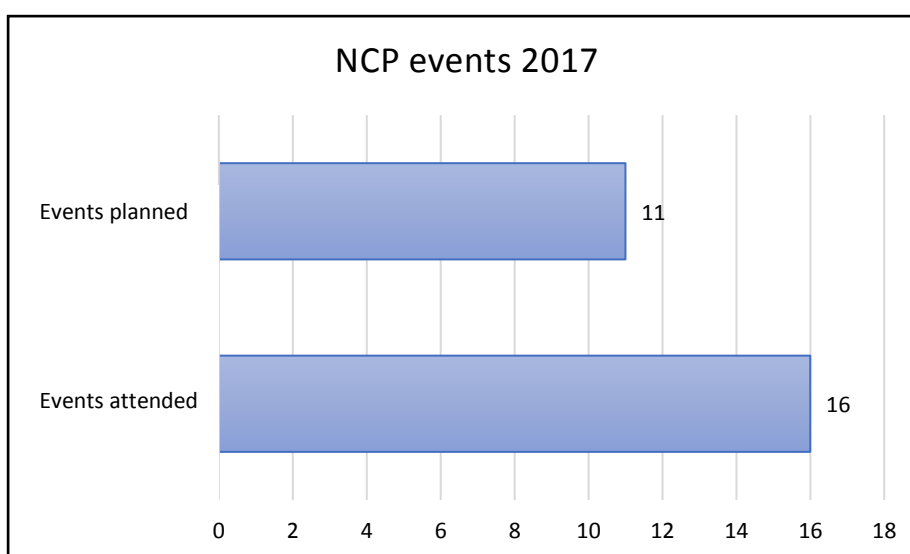


Fig. 1

PROMOTIONAL EVENTS	
Presentation of the Lithuanian National Contact Point and the Guidelines for Multinational Enterprises	✓
Practical Aspects of Responsible Business Conduct and National Contact Points	✓
Business Discussion: Why It Is Necessary to Generate an Environment of Integrity in Business?	✓

Roundtable on the Supply Chains	✓
Presentation of the Lithuanian National Contact Point for Representatives of Trade Unions	✓
Event related to the Directive on Nonfinancial Instruments	✓
Roundtable with State Owned Enterprises and State Enterprise Turto Bankas about the Guidelines for Multinational Enterprises	
Information Event about Corporate Responsibility Reporting	✓
Responsible Business Conference	✓
„ANTI-CORRUPTION HACKATHON“	
Workshop on Building Trust and Confidence between NCPs and Stakeholders in CEE and Meeting with The Polish NCP Representatives	✓

Fig. 2

**Secondly**, the Lithuanian NCP had planned three activities relating to the preparation of handouts and creation of webpage in 2017. (Fig. 3). Taking into account the objective reasons related to the state policy on acquiring tangible assets, a separate NCP website has not been created, however, the information about the NCP was updated on the website of the Ministry of Economy of the Republic of Lithuania.

PREPARATION OF HANDOUTS AND WEBPAGE	
Handouts about the Lithuanian National Contact Point and the Procedure of Specific Instances	✓
Translation and publication of the Guidelines for Multinational Enterprises	✓
New Webpage of the Lithuanian National Contact Point	

Fig. 3

**Thirdly**, the Lithuanian NCP had planned three activities relating to the representation in the international sphere. (Fig. 4). It was an important task in an attempt to establish international cooperation, because it was crucial not only for the access to good foreign practices but also for increasing the awareness of the NCP in the international context. It is worth noting that the possibility of participation as an observer in the on-site visit of a peer review of an NCP was hindered by the fact that groups were already formed. The Lithuanian NCP has expressed its willingness to be included in ongoing peer reviews. The NCP also indicated that a peer review of Lithuanian NCP could take place in 2020.

REPRESENTATION OF THE LITHUANIAN NCP	
Meeting of the Network of National Contact Points for Responsible Business Conduct	✓



Meeting of National Contact Points for Responsible Business Conduct	✓
Participation as an observer in the on-site visit of a peer review of an NCP	

*Fig. 4*

In addition, in 2017, the NCP was involved in drafting legislation and legislative projects. Three main activities in this area can be distinguished: preparation and coordination of the regulations of the Lithuanian NCP with the representatives of the OECD; preparation and approval of the Rules of Procedure for Handling Specific Instance and participation in the drafting process of the Business and Human Rights Action Plan.

This report will continue by discussing the specific work done by the Lithuanian NCP.

## I. INFORMATION ON THE LITHUANIAN NATIONAL CONTACT POINT EVENTS 2017

### 1) **2017 January 26<sup>th</sup>. The presentation of the Lithuanian National Contact Point and the Guidelines for Multinational Enterprises**

On January 26<sup>th</sup>, 2017, the Lithuanian NCP organized a presentation of the Lithuanian National Contact Point and the Guidelines for Multinational Enterprises. The participants of the event (representatives of state institutions, NGOs and workers' organizations) were introduced to the responsible business conduct established in the OECD Guidelines and the structure of the NCP.



During the event, Vice-Minister of Economy of the Republic of Lithuania, Lina Sabaitienė, explained that after an analysis of best foreign practices Lithuania has decided to create and independently functioning NCP. The NCP would consist of Independent Experts, an Advisory Committee and a Secretariat.

The Chairman of the Lithuanian NCP, Andrius Bambalas, has presented the responsible business conduct standards set out in the OECD Guidelines for Multinational Enterprises. The Chairman then explained the importance of the Guidelines to the Multinational Enterprises and other stakeholders. The mechanism for the specific instance handling was also presented.

### 2) **2017 February 1<sup>st</sup> meeting with the representatives of the OECD**

The Lithuanian NCP Independent Experts had a meeting with the representatives of the OECD. Discussions were held, during the meeting, on the National Contact Points mechanisms, the possibilities for improvement, the composition of the NCP, the role of the Independent Experts, the Advisory Committee and the Secretariat.

### 3) **2017 March 1<sup>st</sup> event on “Practical Aspects of Responsible Business Conduct and National Contact Points”**

On March 1<sup>st</sup>, 2017, the NCP organized an event on “Practical Aspects of Responsible Business Conduct and National Contact Points”. During the event, business representatives, employees' organizations, representatives of public sector and NGOs were introduced to the activities of Lithuanian and other NCPs and had a discussion on the social business responsibility in Lithuania.



The Chairman of the Lithuanian NCP Andrius Bambalas has introduced the goals, mission and functions of the Lithuanian NCP. The Independent Expert Audronė Alijošiutė has discussed the situation and progress of the responsible business

in Lithuania and the Independent Expert Raimundas Moisejevas has discussed the link between responsible business and competition law.

The representatives of Norwegian and Danish NCPs also participated in the event. They shared their best practices on the implementation of the OECD Guidelines and experiences in specific instance handling.

In addition, the NCP Independent Experts together with the representatives of the Norwegian and Danish NCPs has a private session. The representatives of the Norwegian and Danish NCPs agreed to share their best practices in regulating the specific instance handling mechanism and shared their insights on the draft of the Rules of Procedure for Handling Specific Instances.

More information about the event: <http://bit.ly/2mhftyP>

**4) 2017 April 13<sup>th</sup> meeting with the Special Investigation Service of the Republic of Lithuania**

During the meeting, the OECD Guidelines for Multinational Organizations and the activities of Lithuanian NCP were presented to the representatives of Special Investigation Service of the Republic of Lithuania. There was a discussion held on how the OECD Guidelines and the Lithuanian NCP could support the establishment of anti-corruption environment.

During the second part of the meeting, the possibilities of collaboration between Lithuanian NCP and the Special Investigation Service was discussed adding the participation in multiple events organized by the latter organization called “The Worth of Creating a Corruption Resilient Environment in Businesses?”.

**5) 2017 May 18-19 Workshop on building collaboration and confidence between NCPs and stakeholders in CEE: Understanding each other’s challenges and building on opportunities**

The Lithuanian NCP Chairman Andrius Bambalas and the Independent Experts Audronė Alijošiutė and Feliksas Petrauskas participated in seminar organized by Polish Institute for Human Rights and Business. The representatives from the Lithuanian NCP used the opportunity to enhance their mediation skills and to share best practices with other NCPs representatives in the workshops held during the seminar. Discussion was held during the seminar about the role of the NCPs in Central and Eastern Europe touching on the questions of the best activities that would be the most beneficial to National Contact Point effectiveness in the region.



**6) 2017 May 23<sup>rd</sup> NCP participated in the event organized by the Special Investigation Service and directed towards business representatives: “The Worth of Creating a Corruption Resilient Environment in Businesses” (Vilnius)**

OECD expert Leah Ambler presented the OECD initiatives that encourages the implementation of transparent and responsible business principals in businesses. During the discussion, the “Anti-Corruption Handbook for Business”, which was drafted by the public and private sector in association with SIS, was presented as well as the corruption prevention tools.

The Lithuanian NCP Chairman Andrius Bambalas presented the NCP as an OECD mechanism to assess the resilience to corruption in businesses. On a parallel, the NCP mission, specific instance handling mechanism and other relevant questions were presented.



More information about the event: <https://ukmin.lrv.lt/lt/naujienos/diskusijoje-aptariamos-korupcija-versle-mazinancios-priemones>

**7) 2017 June 15<sup>th</sup> discussion: „Transparency and Responsibility in the Supply Chains“**

On June 15<sup>th</sup>, 2017, the Lithuanian NCP together with The Environmental Centre for Administration and Technology (ECAT-Lithuania) organized a discussion: “Transparency and Responsibility in the Supply Chains”, where the representatives of public sector, businesses, NGOs and press participated.

Several topics were discussed during the seminar: Where does responsibility take place in a supply chain? Which subjects are responsible for the cohesion of the supply chain? Is the responsibility in the supply chain related to ethical standards or legal requirements? There was also a discussion about the importance of transparency in supply chains for different stakeholders.

During the discussion, the Lithuanian NCP Independent Expert Audronė Alijošaitė presented the report on “Responsibility for Supply Chain Sustainability – Ethical Provisions or Legal Requirements”. While the NCP Chairman Andrius Bambalas introduced the NCP as an OECD mechanism to assess responsible business conduct in the supply chain. Emphasis was put on the fact that the OECD Due Diligence Guidance in relevant sectors is a tool that could assist companies to properly carry out due diligence.

**8) 2017 June 21<sup>st</sup> Presentation of the Lithuanian National Contact Point for Representatives of Trade Unions**

2017 June 21<sup>st</sup> the Lithuanian NCP Chairman Andrius Bambalas together with the Independent Expert Nerijus Kasiliauskas presented the activities of the NCP to the representatives of Trade Unions. It should be noted that this event was initiated not only in order to familiarize the representatives with the OECD Guidelines for Multinational Enterprises and the activities of the NCP but also to discuss the new Labor Code, which entered into force in the context of the OECD Guidelines on July 1<sup>st</sup>, 2017.

During the event, the Lithuanian NCP Independent Expert Nerijus Kasiliauskas reviewed the relationship between the OECD Guidelines for Multinational Enterprises and the new Labor Code. The representatives of Trade Unions were introduced to the requirements of the OECD Guidelines for trade unions, social partnership measures and recommendations in the field of labor and labor relationships.

In addition, during the discussion, the possibilities of cooperation between the NCPs and the Trade Unions was discussed.

9) **2017 July 4<sup>th</sup> meeting with the representatives from the Office of the Ukrainian Ombudsman**

During the meeting, the OECD Guidelines for Multinational Enterprises and the activities of the Lithuanian NCP was presented to the guests from Ukraine. There was a discussion about the added value of NCP system in combating corruption and increasing transparency in the public and private sectors.

In addition, during the event, the activities, goals and strategy of the Office of the Ukrainian Ombudsman was presented to the representatives of the Lithuanian NCP. As well as the cooperation between the Office of the Ukrainian Ombudsman and the Lithuanian NCP.

10) **2017 September 5<sup>th</sup> presentation at the Council of Small and Medium-Sized Businesses**

The OECD Guidelines for Multinational Enterprises and the activities of the Lithuanian NCP were presented at the Council of Small and Medium-Sized Business, in order to increase the visibility of the OECD Guidelines for Multinational Enterprises and the NCP not only among multinational companies but also among small and medium-sized business. The Council is a public advisory body composed of representatives of associations whose members are business entities. The purpose of the Council's activity are to ensure the cooperation between small and medium-sized business representatives and state institutions, thus creating a favorable environment for business. The Council's activities enable business entities to express their views, complaints and make proposals for improving business conditions.

11) **2017 September 28<sup>th</sup>-29<sup>th</sup> event: "SUPPLY CHA!NGE in European Food Chains" Baltic Positive Scenario Workshop**

During the event, the Lithuanian NCP Chairman Andrius Bambalas, together with the representatives from other 14 Baltic state business associations, retail chain experts and non-governmental organizations, made proposals on the possibilities for the responsible food supply chains in 2030. During the event, the OECD Guidelines for Multinational Enterprises were presented as an instrument, which can aid in addressing responsible business issues in European food supply chains.

12) **2017 October 19<sup>th</sup> event: "The Worth of Creating a Corruption Resilient Environment in Businesses" (Panevėžys)**

On October 19<sup>th</sup>, 2017, the Lithuanian NCP participated in the event "The Worth of Creating a Corruption Resilient Environment in Businesses" (Panevėžys), which was organized by the Special Investigation Service of the Republic of Lithuania. During the event, the OECD initiatives promoting the implementation of transparent and responsible business were presented to the Panevėžys region business representatives. There was a discussion about the standards of ethical behavior of companies coupled with good practice examples and recommendations, which are relevant for the development of corruption resilient business. The Chairman of the NCP Andrius Bambalas presented the NCP as NCP as an OECD mechanism to assess the resilience to corruption in businesses.



**13) 2017 October 20<sup>th</sup> event: “The Worth of Creating a Corruption Resilient Environment in Businesses” (Šiauliai)**

On October 20<sup>th</sup>, 2017, the Lithuanian NCP participated in the event “The Worth of Creating a Corruption Resilient Environment in Businesses” (Šiauliai), which was organized by the Special Investigation Service of the Republic of Lithuania. During the event, the OECD initiatives promoting the implementation of transparent and responsible business were presented to the Šiauliai region business representatives. There was a discussion about the standards of ethical behavior of companies coupled with good practice examples and recommendations, which are relevant for the development of corruption resilient business.



The Chairman of the NCP Andrius Bambalas presented the NCP as an OECD mechanism to assess the resilience to corruption in businesses.

**14) 2017 November 16<sup>th</sup> event “New corporate non-financial disclosure regulation and the presentation of Lithuanian National Contact Point and the OECD Guidelines for Multinational Enterprises”**

During the event, the Lithuanian NCP together with the Ministry of Finance of the Republic of Lithuania presented the amendments to the law on consolidated financial statements of companies and financial statements of companies, according to which, large public interest enterprises will have to submit an annual corporate non-financial disclosure report. The new requirements apply to company accounts for reporting periods beginning in January 1<sup>st</sup>, 2017. In addition, the OECD responsible business standards and the mechanism for the standard implementation – the Lithuanian NCP – were presented. It was emphasized that the NCP is one of the possible tools for companies to develop non-financial disclosure reports.

**15) 2017 November 16<sup>th</sup> event: Annual Responsible Business Conference**

The Lithuanian NCP Independent expert Audronė Alijošaitė participated in the Annual Responsible Business Conference.

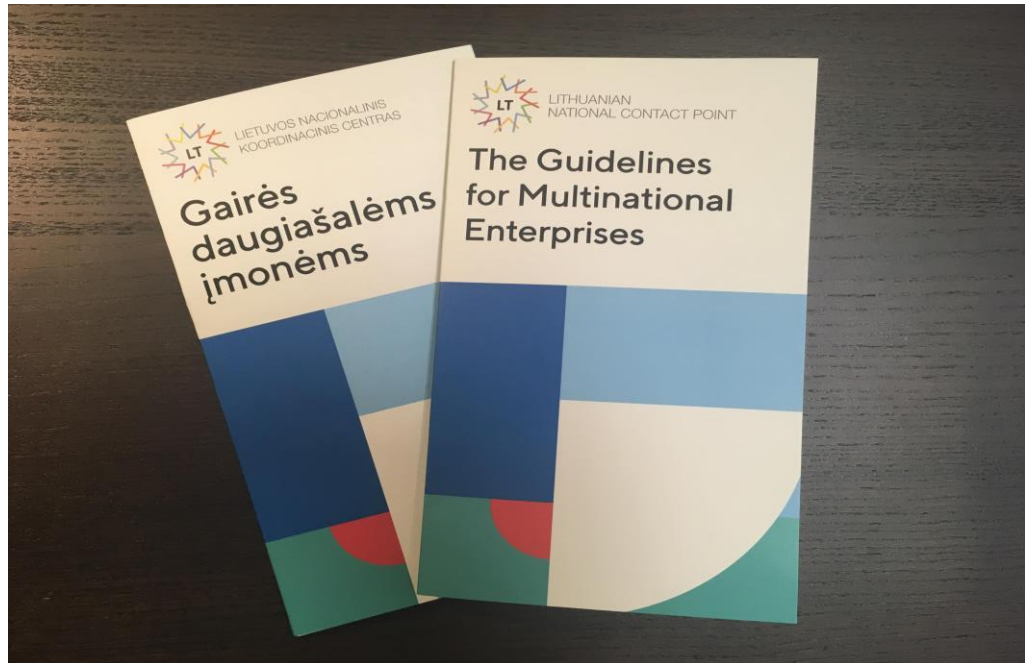
**16) 2017 m. December 30<sup>th</sup> meeting with the central purchasing body in Lithuania (CPO LT)**

During the meeting, the Lithuanian NCP Chairman Andrius Bambalas and the director of CPO LT discussed the possibilities of cooperation between the NCP and CPO LT in order to incorporate the criteria of responsible business conduct into public procurement. There was a discussion on how to utilize the electronic catalogs held by CPO LT for the public procurement and to incorporate the requirements for the purchasing organization to follow responsible business standards.

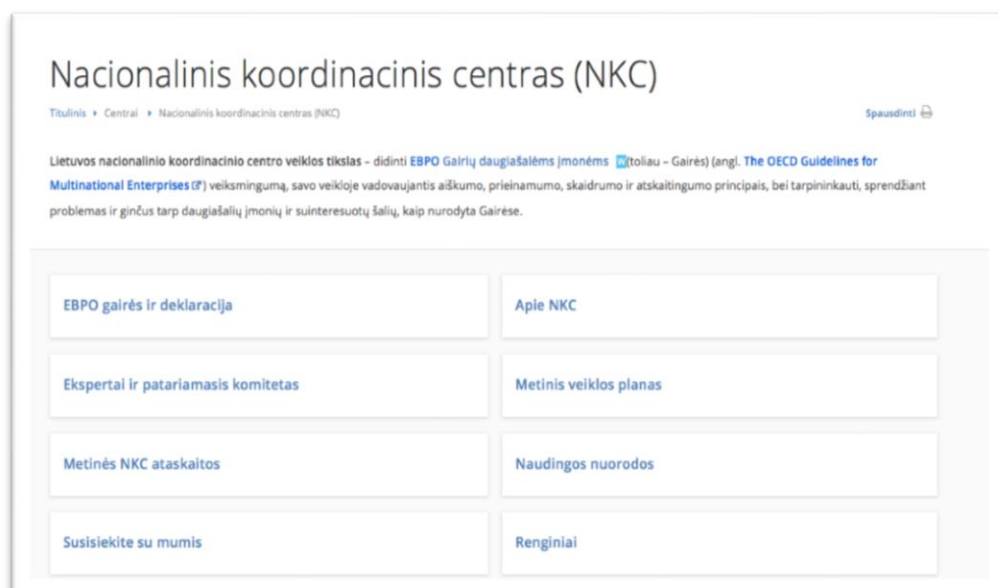


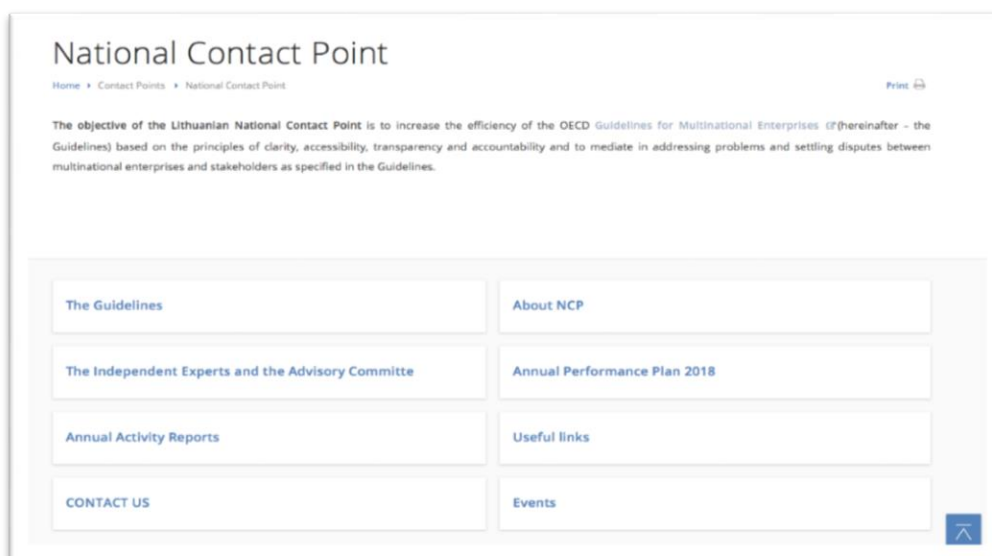
## II. INFORMATION ON THE LITHUANIAN NATIONAL CONTACT POINT HANDOUTS AND WEBPAGE 2017

1) Aiming to increase the visibility and dissemination of the OECD Guidelines for Multinational Enterprises and the Lithuanian NCP, leaflets were prepared on the OECD Guidelines for Multinational Enterprises and the NCP Specific Instance Handling mechanism. (in English and Lithuanian languages)



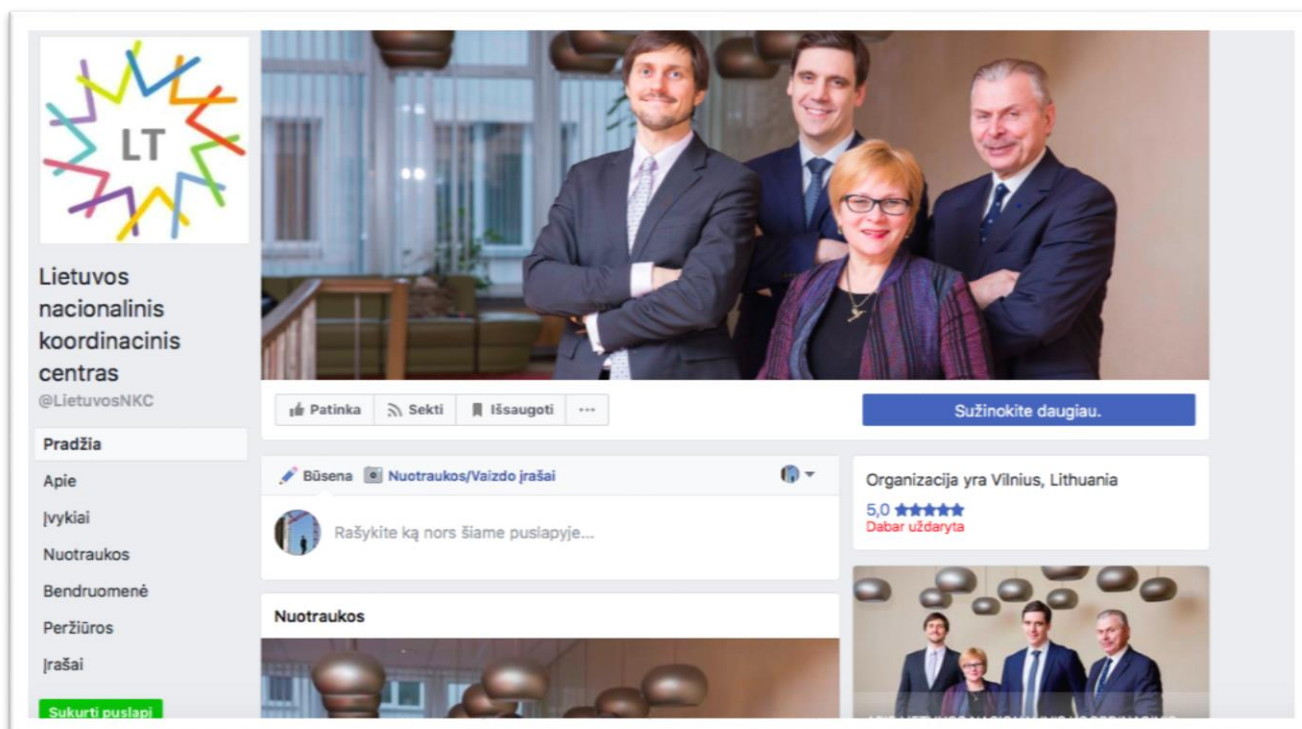
2) The Lithuanian NCP website was updated with the most relevant information on the OECD Guidelines for Multinational Enterprises and NCP. On this page, stakeholders can find information on the functions and structure of the Lithuanian NCP, as well as the information on the Specific Instances Handling mechanism. In addition, in order to increase the reach of relevant information, website is also available in English.





3) In regards to the growing importance of social networks, a Lithuanian NCP account has been created on Facebook in order to have a user-friendly information channel. The Lithuanian NCP shares the most relevant information and events.

You can find the NCP Facebook at: <https://www.facebook.com/LietuvosNKC/>



4) The Guidelines for Multinational Enterprises were translated into Lithuanian language together with the comments in 2017. These Guidelines and the comment can be found at: <https://ukmin.lrv.lt/en/contact-points/national-contact-point>

### III. INTERNATIONAL REPRESENTATION OF THE LITHUANIAN NATIONAL CONTACT POINT

1) 2017 was a significant year for Lithuania in order to receive an invitation to become a full member of the OECD. Therefore, an evaluation was carried out in various fields, including the activities of the NCP. For this reason, in March 8<sup>th</sup>, 2017, the NCP Secretariat together with the representatives of the Ministry of Economy of the Republic of Lithuania and the Ministry of Foreign Affairs of the Republic of Lithuania participated in the preliminary review of the Lithuanian NCP organized by the OECD. During this presentation the updated NCP and planned NCP activities were presented to the OECD Working Party on Responsible Business Conduct.

2) On June 27<sup>th</sup>-30<sup>th</sup>, 2017, the representative from the Lithuanian NCP participated in the OECD meeting of NCP network and Global Forum.



3) On December 4<sup>th</sup>-7<sup>th</sup>, 2017 the representatives of the Lithuanian NCP participated in the OECD Working Party on Responsible Business Conduct, meeting of the Network of National Contact Points and in the OECD Workshop on Corporate Disclosure and Responsible Business Conduct. Among other things, there was a presentation made on the progress made by the Lithuanian NCP and the implementation of the OECD recommendations.





#### **IV. OTHER LITHUANIAN NATIONAL CONTACT POINT ACTIVITIES**

- 1) On January 11<sup>th</sup>, 2017, during the Lithuanian NCP Independent Expert Meeting, the Rules of Conduct of the Lithuanian NCP Independent Experts was approved.
- 2) On March 2017, the following members were added to the Lithuanian NCP Advisory Committee: Ms. Dalia Kreivienė, Deputy Director, External Economic Relations Department of the Ministry of Foreign Affairs of the Republic of Lithuania and Matas Stankevičius Second Secretary of the United Nations Department at the Ministry of Foreign Affairs of Lithuania.
- 3) On March 27<sup>th</sup>, 2017, Nerijus Kasiliauskas was delegated by the employee representatives to the Lithuanian NCP Independent Experts.
- 4) On September 29<sup>th</sup>, 2017, the new Regulations of the Lithuanian National Contact Point were approved. The new Regulations established clear structure and functions of the NCP.
- 5) In 2017, the planned annual budget of the Lithuanian NCP was increased to 20 800 EUR.
- 6) On November 2017, the new Rules of Procedure for handling Specific Instances were approved. The new Rules established clear steps of specific instance handling. In addition, the Rules also approved the complaint form for the specific instances.
- 7) The Lithuanian NCP Independent Experts joined the preparation of the draft Business and Human Rights plan prepared by the Ministry of Foreign Affairs. The NCP Independent Experts provided comments to the project and, together with the institutions involved, participated in the initial discussion on the Business and Human Rights Plan.