

GLOBAL COMPACT REPORT, Year <b>2017-2018</b>	
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**Investors' Forum Executive Director**

**Ruta Skyriene**

## **I. Why did we participate?**

Our mission is to improve business climate in Lithuania. Most of our members operate globally and Corporate Social Responsibility is a part of their strategies. We have been involved in promotion of Corporate Social Responsibility (CSR) concept in Lithuania together with UNDP and the World Bank since mid-2004. In October 2004 we have signed a Memorandum of Understanding on the establishment of a partnership with UNDP in order to strengthen our joint efforts in promoting CSR in the country. Our interest in CSR is that we believe in the value of disseminating its principles within local business environment, using the experience of foreign companies where appropriate. Investors' Forum believes that CSR is the process whereby a decent, global level of basic, internationally accepted values that apply to business is created. Together with UNDP and World Bank has organized the first Conference on CRS issues in Lithuania "Responsible Business in Society", November 2004.

Association Investors' Forum has become a participant of Global Compact as an NGO which has assumed the mission of creating appropriate environments to all private and public agencies and organizations and NGOs so that they can reach global quality levels and increase their "sustainable" competitive powers.

Investors' Forum has decided to participate as it encourages in firms the Corporate Social Responsibility concept, which is one of the basic elements under the headings of ethical conduct, respect for the environment, employees and human rights. The guidance of United Nations has also contributed to our participation decision.

## **II. What actions happened lately?**

### **Ethical Business Working Group**

Purpose of the Ethical Business Working Group: actively contribute to promotion and implementation of Ethical Business in Lithuania.  
Ethical Business for us is:

1. respect to our employees;
  2. fair treatment of our business partners;
  3. social responsibility to the communities we work in;
  4. environmental responsibility
  5. clear anti-corruption attitude (both among businesses and between businesses and government).
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1. Focusing on the areas, which Investors' Forum considers the most relevant at any given time in Lithuania, currently the following: (1) diminishing, however, still significant practice of remuneration to employees avoiding taxation and social benefits, (2) practice of non-compliance with the spirit of contractual arrangements, thereby unfairly treating business partners, e.g. exercising purchasing power towards small suppliers, etc.
  2. Long-term actions that are constantly supporting programs and initiatives contributing to the spread of Ethical Business concepts, e.g. in education, associated entities, etc.

## Cooperations with other initiatives and partners

Cooperation with Junior Achievement

- ✓ Education of school teachers of economy through good business practice examples and lectors (done)
- ✓ Competition for pupils - concept “business ethics” (essay). Support by examination/evaluation of results and prizes (next year).

Cooperation with student organizations (participating at their conferences, events related to CSR, ethical issues).

## “CLEAR WAVE” – a transparency business-labelling initiative

The main objective of the initiative – to encourage a transparent and ethical Lithuanian business practice. Companies involved in this project assume the responsibility for the creation of a responsible and transparent way to operate, and to encourage their business partners to:

- ✓ take transparent and fair participation in the Tenders (public procurement) – without corruption to their organizers and members of the jury, without resorting to illegal financial and non-financial measures to gain advantage against other participants;
- ✓ comply with the laws of the Republic of Lithuania and honestly pay the fees and taxes provided;
- ✓ maintain transparent accountability and payment to their employees.

During this project, the label of transparency in business “Clear wave” is presented to the public and businesses, popularized, spread and used. This label could become a symbolic reference point of the citizenship and transparency of a business. Business with the label of transparency should earn higher customer reliance, a trustworthy name in the society, and encourage companies to act responsibly. This is the first label indicating a responsible and transparent business in Lithuania.

For the first time appearing in Lithuania, a responsible and transparent business-labelling initiative started in 2007, on June 1<sup>st</sup>. Now transparent business initiative “Clear wave” unites 60 companies - Members.

Companies use “Clear wave” label for their products and services, marketing material.

Patroness of the Initiative is the President of the Republic of Lithuania H.E. Dalia Grybauskaitė. The project attracted attention of the other authorities as well - the Ministry of Finance of the Republic of Lithuania, Tax Inspection of the Republic of Lithuania and others.

## No Country for Shadow

A week of annual campaign "No Country for Shadow" attracts more organizations and people in whole Lithuania each year. In 2017- 2018 it took place in more than 80 cities and towns in Lithuania. Now this action covers the whole country.

Various actions promoting transparency usually start in the last weeks of May. Ministers and Government members officially open the campaign and meets with business leaders for “clear” or as we call it “white coffee” (Balta kava). The residents and guests of the capital are

invited to try out the temporary info center in Vincas Kudirka square, to visit exhibition of sized items and the conference about shadow economy in the Government.



*"No Country for Shadow" official opening*

### **"Investor's Forum Awards"**

During the award ceremony Investors' Forum reward companies, public institutions, teachers and media representatives who have contributed the most to improving business climate. An important nomination goes for the most socially responsible company that is honored during the event with aim to inspire other companies to follow their lead.

The event takes place in April, Investors' Forum nominated socially responsible company in 2017 and 2018.



*Statuettes for the Award ceremony*

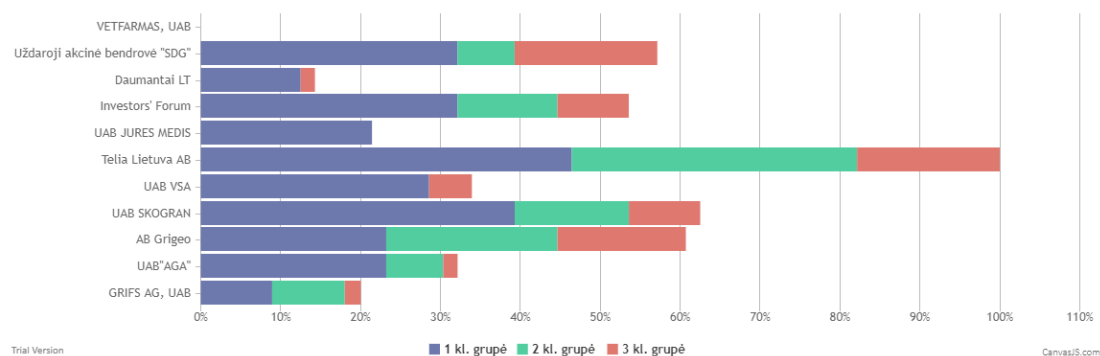
## Continuously sharing the best practices of Investors' Forum member companies'

Multinational companies are bringing the best practice of CSR and business ethics to the country. As a lot of respected and reputable companies are members of Investors' Forum, we strongly encourage them to actively participate in our activities, discussions, seminars. Moreover, when considering new members, it's one of our acceptance criteria: companies have to be transparent and socially responsible, need to have exceptional reputation.

## Transparency questionnaire together with Transparency International

Transparency evaluation questionnaire TRACK for every initiative "Baltoji banga" member was executed in September 2016 and was carried by Transparency International. Within 2-3 months the companies received their first grades and then they had about 2-3 months to improve and get a better score.

This project was continued by creating the adapted version of questionnaire for "Clear wave" members and creation of the software for tracking results. By creating own system for evaluation of transparency, the member companies are working on improving their transparency standards and showing their own initiative. Execution of this project started on November, 2018 and continued until January, 2019.



*Progress of companies (midway the project)*

## Anticorruption guidelines

Association is helping Lithuanian Special Investigation Service (STT) to improve guidelines "A guide of development and implementation of anti-corruption business environment".

Read [more](#).

## Discussion "Corporate social responsibility – is it a key to reputation?"

Lithuanian Communication Association organized an event where Investors' Forum representative was discussing together with communication experts and businesses about CSR in Lithuania. The aim of this discussion was to find ways how to encourage more companies to work on social responsibility and UN Sustainable Development Goals.

The event took place on 13<sup>th</sup> September, 2018 in Kaunas.





*Picture from the event: member company presenting execution of UN Sustainability Goals*

## **Ethical business in Lithuania: reality or possibility?**



*Presentation for academia at MRU Lab*

“Ethical business in Lithuania: reality or possibility?” – asked Ruta Skyriene, Managing Director of Investors’ Forum. Academia, focusing on transparency topics listened to the presentation and joined the discussion on what was done and what could be done to reduce the shadow economy. The seminar took place on 13<sup>th</sup> of November, 2018 at MRU Lab.