**Answers of the Republic of Lithuania to the questionnaire on National action plans on Business and Human Rights**

**Contact information and disclosure**

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**2.** Yes.

**3**. Yes

**National action plans on business and human rights**

**4.– 5.** The Guiding Principles on Business and Human Rights **(**since their endorsement in June 2011) were implemented indirectly by various governmental institutions through coherent measures although separate National Action Plan on Business and Human Rights was not formulated.

The draft document titled ‘Actions of Lithuania on the Implementation of the UN Guiding Principles on Business and Human Rights’ was submitted to the Government for approval in July 2014. This document was prepared by the Ministry of Economy, the Ministry of Justice, the Ministry of Social Security and Labour, and the Ministry of Foreign Affairs. Initiatives and information provided in this document are listed in accordance with the thematic structure of the UN Human Rights Committee resolution (16 June 2011, No. 17/4) on The Guiding Principles on Business and Human Rights, i.e. measures that promote and raise awareness of the respect for human rights, measures that forward business obligation to protect human rights and effective defence, and remedy measures in case of violation of human rights.

It should also be noted that in November 2011 Lithuania welcomed the European Union (hereinafter referred to as the EU) initiative related to the business and human rights issues – A renewed EU strategy 2011-2014 for Corporate Social Responsibility.

**Alignment of existing Corporate Social Responsibility** (**CSR) frameworks with the Guiding Principles**

**6. a)** Issues of Corporate Social Responsibility (hereinafter referred to as CSR) are included in the current Program of the Government of the Republic of Lithuania (for the period of 2012-2016) as well as in the Program of the previous Government (for the period of 2008-2012). Lithuanian Government has declared that responsible business and social responsibility of enterprises are essential pre-requisites for sustainable development. Social responsibility should be ensured by a smoothly and efficiently functioning law enforcement system, preventing corruption and its implications.

Lithuania has established the following national CSR programs/policies:

- National Program for the Development of Corporate Social Responsibility for 2009-2013 (adopted by the Decision of the Government No. 53, dated 12th January, 2010);

- Action Plan for 2009-2011 of the National Program for the Development of Social Responsibility of Enterprises for 2009-2013 (adopted by the Decision of the Government No. 53, dated 12th January, 2010);

- Action plan for 2012-2013 of the National Program for the Development of Social Responsibility of Enterprises for 2009-2013 (adopted by the Decision of the Government No. 1057, dated 5th September 2012).

The strategic goal of the National Program is to provide necessary conditions for the development of social responsibility and to encourage companies to apply its principles in their behaviour. According to the National Program, CSR is enterprises’ policy and practice of integrating voluntarily social, environmental and transparent business principles into the internal processes of their activity and their external relationship. Enterprises together with the society and public sector partners are looking for the innovative solutions of the systematic social, environmental and wider economic welfare problems.

Even though this definition does not make direct reference to human rights issues, one of the criteria for evaluating the effectiveness of the implementation of the National Program is the number of the companies that started to apply the principles of CSR (respect for human rights and rights of workers, environment protection and the fight against corruption in all its manifestations) as well as to publish public CSR reports in Lithuanian language.

Enterprises that contributed the most to the creation and enhancement of social welfare and to the tackling of social problems can be honoured a National Socially Responsible Business Award. The aim of this annual initiative (the Award) of the Ministry of Social Security and Labour, the Ministry of Economy and the Ministry of Environment as well as social partners in Lithuania is to raise awareness on the benefits that the CSR can bring to business, the state and every individual and to encourage country’s enterprises to introduce the CSR in their activities. There are 3 nominations such as ‘Employer of the Year’, ‘Communal Sociability of the Year’, and ‘Environmental Enterprise of the Year’. The following categories of enterprises can be nominated: very small; small and medium sized enterprises; large companies of the country; foreign capital companied or their branches/offices operating in Lithuania. The most distinguished company is awarded under the main nomination – “Socially Responsible Enterprise”.

**6 b)** State authorities participating in the processes of the promotion of the CSR are Ministry of Social Security and Labour, Ministry of Environment, Ministry of Economy, Ministry of Finance, and Ministry of Education and Science. Municipalities, associated business structures, social partners, non-governmental and international organizations are also included, especially in the implementation of the Action plans of the National Program for the Development of Social Responsibility of Enterprises for 2009-2013.

**Reporting and corporate governance requirements**

**8.** The Labour Code (hereinafter referred to as the LC) is the main legal act regulating labour relations in Lithuania. According to the Art. 36 of the LC labour rights may be defended in court or in any other dispute resolution body. Art. 32 of the LC provides that State Labour Inspectorate and other state institutions are responsible for the state control over employer’s compliance with the regulatory provisions of the LC, labour laws, other regulatory acts and collective agreements as well as for the prevention of infringements of the said acts. Non-state control over employer’s compliance with labour laws, other regulatory acts, and collective agreements is carried out by trade unions, inspectorates within their chain of command and other institutions operating in accordance with laws and other regulatory acts (Art.33 of the LC).

**12.** The obligation to consult with society while preparing legal acts is established in the Law on Legislative Framework. This Law also states that all relevant information about the results, periods and methods of these consultations has to be published in the legislative information system. This system is open to public and contains all legal acts and drafts of the Republic of Lithuania. These consultations give the opportunity for Lithuanian society to influence the content of the draft legislation, help to estimate the positive and negative consequences, implementation costs. Methods of consulting with society and disseminating the outcomes are chosen by the institution, initiating the consultations.

**Public procurement**

**14.** Contracting authorities may integrate human rights considerations into public procurement processes and contracts conditions according the Law on Public Procurement (hereinafter referred to as the LPP).

**15.** According to the LPP contracting authorities may take into account social considerations (including related to human rights) in all public procurement processes. For example, the contracting authority may reject a tender if the supplier has been imposed a punishment for permitting to perform illegal work or has been found guilty of grave professional misconduct. The concept ‘professional misconduct’ is understood as an infringement of professional ethics or as an infringement of the legal acts regulating competition, labour, safety and health at work and environmental protection.

Moreover, the LPP requires that, whenever possible, the technical specifications should take into account accessibility criteria for people with disabilities. The contracting authority may include special conditions for the performance of a contract related to social and environmental requirements, provided that they are compatible with the EU law.

It should be also noted that Public Procurement Office issued recommendations for the application of social considerations in public procurement process. These recommendations help and encourage contracting authorities to apply various social considerations.

**Publicly owned or controlled enterprises**

**16.** State owned enterprises (hereinafter referred to as SOEs) have no mandatory requirements to report on human rights risks and (or) impacts. However, according to the Art. 181 of The Transparency Guidelines of State-Owned Enterprises (adopted by the Decision of the Government No. 1052, dated 14th July 2010 (last amended on 11 December 2013) if SOEs have been delegated functions to ensure the implementation of social, strategic or political objectives of the state, they are obliged to notify the responsible state authority on their performance.

**17.** No. Financial institutions have no special safeguard policies that refer to human rights (however we should notice that in Lithuania there are no such institutions as development banks).

**Investment policy**

**21.** Coordination of the negotiations of international investment agreements according to the Decision of the Government No. 1155, dated 25th September 1998, is under the jurisdiction of the Ministry of Foreign Affairs.

**22.** C.

**23.** In 2012 the Ministry of Economy together with the public agency Invest Lithuania presented a novelty in the field of investment promotion – shared-value investments. The main goal of such initiative was to provide qualified incoming foreign direct investment (FDI) projects with extra EU and government aid in exchange for their investment in social infrastructure. Special attention was paid to the cooperation with academic institutions, for instance, in assisting with the setting-up of laboratories, developing research programs or granting scholarships. Companies were able to decide how to invest these extra funds while observing the only requirement that the project would not directly generate economic benefit for the company. Lithuania was the first member of the EU to include an assessment of the qualitative benefit of shared value investments when evaluating foreign investment projects. The Ministry of Economy supports such initiatives and is looking for the possibility to develop similar measures from the EU structural funds during the programing period of 2014-2020.

**Judicial remedy**

**27.** The criminal liability of cooperations’ is established in the Criminal Code (hereinafter referred to as the CC) and the Code of Criminal Procedure (hereinafter referred to as the CCP). According to the CC legal entities the same as individual offenders are the subjects of criminal prosecution. However, whilst an individual can be prosecuted for nearly all offences established in the CC; a legal entity can be prosecuted only if such possibility is provided in a special part of a particular article of the CC.

According to Art. 20 of the CC, a legal entity can be held liable for the criminal acts committed by a natural person solely where a criminal act was committed for the benefit or in the interests of the legal entity by a natural person acting independently or on behalf of the legal entity, provided that he, while occupying an executive position in the legal entity, was entitled either to represent the legal entity, to take decisions on behalf of the legal entity or to control the activities of the legal entity. A legal entity may be held liable for criminal acts also where they have been committed by an employee or authorised representative of the legal entity as a result of insufficient supervision or control by the person indicated above. Criminal liability of a legal entity shall not release from criminal liability a natural person who has committed, organised, instigated or assisted in commission of the criminal act.

It should be noted that the State, a municipality, a state or municipal institution and agency, as well as international public organisation are not held liable under the CC.

**28.** Lithuanian courts permit filing cases against legal entities for alleged human rights committed abroad if the requirements and conditions for jurisdiction set in the CC and the CCP are met.

**29.** Victims of alleged business related human rights abuses seeking a judicial remedy through the court system may apply for a secondary legal aid. Secondary legal aid constitutes state-guaranteed lawyer's assistance in judicial proceedings, such as drafting of documents, defence and representation in proceedings, including enforcement proceedings, as well as representation of victim’s interests in non-judicial proceedings. Persons receiving secondary legal aid may also get reimbursement of the litigation costs incurred in judicial proceedings.

Secondary legal aid is available to persons whose assets and annual income do not exceed the asset and income levels set by the Government.

**30.** According to the provisions of the Law on State-Guaranteed Legal Aid, legal aid in non-judicial proceedings is available only in cases where preliminary non-judicial procedure has been foreseen in appropriate legislation or was ordered by decision of a court.

**31.** At the moment there is no National Human Rights Institution established in Lithuania. On 21st September 2011, the Board of the Parliament decided to improve the regulation of the Parliament Ombudsmen’s Office with a view to meeting the requirements of the Paris Principles for a national human rights institution. The appropriate draft legislation is still under consideration in the Parliament.

Complaints on the grounds of gender, age, racial or ethnic origin, religion and beliefs, disability, sexual orientation, language, social status are investigated by the Office of Equal Opportunities Ombudsperson. The Office is one of the key institutions that takes overall responsibility for the supervision and implementation of the Law on Equal Opportunities for Women and Men and Law on Equal treatment in Lithuania.

**32.** There is a number of state institutions that are involved in promoting or supporting dispute resolution between companies and consumers, such as State Consumer Rights Protection Authority; Communications Regulatory Authority; Central Bank of the Republic of Lithuania; State Energy Inspectorate under the Ministry of Energy; National Commission of Energy Control and Prices, etc.