

# COVID-19 PROCUREMENT IN LITHUANIA: BUSINESS TRANSPARENCY



Transparency International Lithuania (TI Lithuania) is an active member of the global Transparency International Movement with more than 20 years of activity. TI Lithuania promotes integrity and educates others about the damage of corruption and benefits of transparency. It seeks to encourage and organize civil initiatives for transparency and anti-corruption in Lithuania.

Authors: Ieva Dunčikaitė, Povilas Rinkevičius, Sergejus Muravjovas, Ingrida Kalinauskienė

Contributors: Deividas Bačiulis, Linas Ikanavičius

Design: Gabrielius Mackevičius

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For an interactive overview of this research please visit [www.skaidrumas.lt/tiekejai](http://www.skaidrumas.lt/tiekejai)

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## OVERVIEW

The continuing global health crisis has been a challenge to many countries. The rush by governments to address the crisis led to unqualified suppliers, poorly written contracts and unmeasured decisions demonstrating that not only the procedures of public procurement should be improved, but also more attention should be paid to the due diligence of suppliers. On the other hand, COVID-19 pandemic has also become a valuable push towards more digitalization, innovation and openness in some cases revealing inefficient or risky use of public funds.

For instance, in June 2020 the Public Procurement Office (PPO) in Lithuania opened COVID-19 procurement data based on which it conducted a few comprehensive emergency procurement reviews. The analysis showed that during the first wave of the pandemic approx. 12 per cent of contracts (144 out of 1241) were signed with companies that have never been engaged in similar activities before. Shedding a light on COVID-19 procurement in Lithuania led to more effectiveness in public procurement. For example, during the second half of the year procuring entities planned better, bought more often and at cheaper prices. In addition, the number of “suppliers-newcomers” that have not been previously engaged in such activities decreased.<sup>1</sup>

As a part of a joint initiative with Open Contracting Partnership and other 11 research teams from all over the world, “Transparency International” Lithuania (TI Lithuania) has also been advocating for transparent and accountable procurement spending. TI Lithuania used this opportunity to build on its previous work with COVID-19 procurement<sup>2</sup>, where it found out that during the first wave of COVID-19 monitoring authorities and decision-makers may not have been aware of 10% of all the money spent on fighting the pandemic.

In this report, TI Lithuania focused on suppliers’ accountability and reporting standards as a way to increase public procurement effectiveness both during and in the aftermath of COVID-19. TI Lithuania used the Lithuanian Public Procurement Office data<sup>3</sup> on COVID-19 related procurements and selected TOP 40 Lithuania-based suppliers based on the total value of signed non-preliminary COVID-19 contracts during the year of 2020. Approx. 100 million euros were received by those selected companies. Some half-a-thousand municipalities, ministries, healthcare and other institutions made approx. 2300 contracts with those TOP 40 suppliers.

During the initiative, TI Lithuania assessed whether the main COVID-19 procurement suppliers published their anti-corruption programmes as well as information on organisational structure and financial reporting. Companies were invited to review the information and improve their score within the period of 3 weeks.

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<sup>1</sup> “Public Procurement to fight COVID-19”, Public Procurement Office. Vilnius, 2020.

[https://vpt.lrv.lt/uploads/vpt/documents/files/Viesuju\\_pirkimu\\_kovai\\_su\\_COVID-19\\_apzvalga\\_2020.pdf](https://vpt.lrv.lt/uploads/vpt/documents/files/Viesuju_pirkimu_kovai_su_COVID-19_apzvalga_2020.pdf)

<sup>2</sup> “Towards Transparent Covid-19 Procurement: The Case of Lithuania”, Transparency International Lithuania. Vilnius, 2020. [https://www.transparency.lt/wp-content/uploads/2020/11/TI\\_LT\\_Transparent-procurement-in-the-wake-of-COVID\\_updated\\_20201124.pdf](https://www.transparency.lt/wp-content/uploads/2020/11/TI_LT_Transparent-procurement-in-the-wake-of-COVID_updated_20201124.pdf)

<sup>3</sup> “COVID-19 related procurement”, Public Procurement Office. <https://vpt.lrv.lt/kovai-su-covid-19-sudarytos-sutartys> (Accessed: 14 May, 2021)

While this information is not required to be disclosed on companies' websites by law, it offers a baseline for decision-makers and public institutions to assess the anti-corruption efforts made by those companies. It also allows us to understand what extra measures might be needed in order to ensure transparent and accountable use of public funds. Moreover, transparency can also help businesses build trust with investors and consumers and ensure more equal and effective procurement processes.

As a result of this initiative, **6 companies became more transparent, and the overall score of suppliers' transparency increased from 1 point to 13 points out of 100.**

# COVID-19 PROCUREMENT:

## WHAT DO WE KNOW ABOUT SUPPLIERS' TRANSPARENCY?



TI Lithuania assessed transparency of top 40 Lithuania-based suppliers based on the total value of signed non-preliminary COVID-19 contracts during the year of 2020.

1. **DURING THE INITIATIVE, SUPPLIERS BECAME MORE TRANSPARENT.**



3. **EVERY 6<sup>TH</sup> COMPANY** discloses the business associations it belongs to.



2. **EVERY 6<sup>TH</sup> COMPANY** discloses its anti-corruption measures.



4. **7 OUT OF 10** companies received a score of

0

5. **THESE COMPANIES PROVIDED THE MOST INFORMATION TO THE PUBLIC:**

81  
POINTS

UAB Tradintek

86  
POINTS

UAB Laborama  
& UAB Medita

100  
POINTS

UAB AmberCell  
Solutions

Companies were selected based on the Public Procurement Office data on COVID-19 related procurements. Companies websites were evaluated in July-August of 2021. More: [www.skaidrumas.lt/tiekejai](http://www.skaidrumas.lt/tiekejai)



## WHAT DO WE PROPOSE TO CONSIDER?

The following recommendations are drawn from the insights of transparency assessment of the largest COVID-19 procurement suppliers' in Lithuania and previous TI Lithuania's work on public procurement transparency. TI Lithuania believes that transparency is key to managing possible corruption risks and ensuring effective public spending, thus, encourages to consider the following recommendations also in the aftermath of COVID-19 when recovery funds are used (for example, the EU Recovery and Resilience Facility (RRF) funds of approx. 672,5 billion euros):

### FOR PROCURING ENTITIES:

1. Publicly disclose a list of goods, services, or works to be procured, even in the case of urgent purchases, especially when there is a lack of information on potential suppliers;
2. Aim to procure from transparent and accountable suppliers;
3. Publicly disclose support received from businesses;
4. Ensure more effective control of conflicts of interest in public procurement;

### FOR DECISION-MAKERS AND RESPONSIBLE INSTITUTIONS:

5. Establish a publicly accessible register of trusted suppliers for COVID-19 related procurement and/or for the spending of recovery after COVID-19 funds;
6. Require companies to disclose their corporate structures;
7. Open beneficial ownership data which could later be combined with open contracting data;

### FOR SUPPLIERS:

8. Develop and publish a comprehensive Anti-Corruption Programme and Code of Conduct that allow to identify, monitor and manage conflicts of interest, prevent possible corruption risks;
9. Extend the Anti-corruption Programme/Code of Conduct to persons who are not employees but are authorized to act on behalf of the company or represent it (e.g. agents, advisors, representatives, or intermediaries);
10. Publicly disclose all its charitable contributions and sponsorships ensuring that they are not used as a subterfuge for bribery to obtain a procurement contract amongst other activities;
11. Consider establishing secure reporting channels to report irregularities or possible cases of corruption.

Please find more recommendations for the EU Recovery and Resilience Facility (RRF) spending here:  
[www.open-procurement.eu/rrf\\_transparency](http://www.open-procurement.eu/rrf_transparency)

## METHODOLOGY AND DATA COLLECTION

In order to understand what kind of reporting and accountability standards the main suppliers for COVID-19 procurement have in place, TI Lithuania:

- 1) Analysed COVID-19 procurement data published by the Public Procurement Office (PPO) on May 14, 2021, and identified TOP 40 Lithuania-based suppliers by overall contracts value in 2020 (only non-preliminary contracts of medical protective equipment, COVID-19 tests, disinfectant fluids, etc. were included);
- 2) Evaluated the reporting and accountability standards in place in those 40 companies. TI Lithuania analysed corporate websites while looking for publicly available information on the company's anti-corruption programme, organisational structure and financial reporting. The assessment included 27 questions in total. A detailed methodology is provided in Annex 1;<sup>4</sup>
- 3) Set an initial suppliers' transparency and accountability threshold and informed each of the identified suppliers about the results. Each company had an opportunity to improve its result by publishing more information;
- 4) Contacted each supplier by follow-up emails and phone calls aiming to advocate for a measured change;
- 5) Reviewed the changes of all top 40 suppliers, and marked any improvements done;
- 6) Analysed the final results.

## LIMITATIONS

The first top 40 largest suppliers' list for 2020 included 9 foreign companies (i.e. supplier's country in the PPO's data was indicated as China, Estonia, Israel, Spain or the United Kingdom). Due to the methodological reasons, only Lithuania-based top 40 companies were evaluated.

During the assessment, TI Lithuania learned that 3 out of 40 companies did not have their websites, and 1 out of 40 had its website "under construction" during the whole duration of the initiative (July-October 2021). In addition, it is worth noting that some companies published information about their anti-corruption programmes, organisational structure and finances in English. However, the points in such cases were not given since the research focused on Lithuania-based suppliers (i.e. supplier's country in the PPO's data was indicated as Lithuania).

After the initial assessment, all companies were contacted via phone calls and emails about their results. However, despite making every effort, one company (i.e. MB Miltora) was unreachable.

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<sup>4</sup> The evaluation was based on previous TI Lithuania's experience, using a similar methodology as the Transparency in Corporate Reporting: Assessing the World's Largest Companies which is produced periodically by the Transparency International Secretariat.

## NOTE

This initiative is intended to start a conversation about the role of businesses for a more efficient and transparent public procurement. Thus, it is worth noting that:

- TI Lithuania did not verify whether information disclosed is correct and the companies are keeping up to the transparency standards published on its website. For example, if a company declared that it has 2 subsidiary companies, TI Lithuania did not separately try to find out if that was the case.
- A low rank is not a sign of corrupt behaviour, but rather emphasizes an opportunity to enhance disclosure to relevant stakeholders - in this case also to future procuring entities that seek to allocate taxpayers money in the most transparent and efficient way.



## WHAT HAVE WE LEARNED?

Approximately half-a-thousand healthcare institutions, ministries, municipalities and other procuring entities in Lithuania bought COVID-19 related supplies from companies that disclose very little information on how they try to prevent corruption in their activities. The overall score of such companies was 13 points out of 100 improving it by 12 points from the start of the initiative.

In total, 28 out of 40 companies received a score of 0. The reasons provided for not improving the score varied from the lack of time to not seeing the importance of publishing such information about the company if internal compliance standards are in place. One supplier said that its business is about to be dissolved.

In total, 12 out of 40 companies received at least one point. AmberCell Solutions (100 points), Laborama (86 points), Medita (86 points) and Tradintek (81 points) provide most information to the public in Lithuanian language.

In comparison, businesses that were actively involved in supplying items to fight COVID-19 in Lithuania were less accountable and transparent than the largest companies in Lithuania since 2014 when the first such evaluation was carried out. For example, in 2014, the average score was 22 points out of 100, and it increased to 36 points in 2019.<sup>5</sup>

The assessment was carried out in 3 categories: company's anti-corruption programme, organisational structure and financial reporting. Companies provided the most information about the ways they aim to address corruption risks scoring 14,4 points out of 100. They scored 13,7 points for organisational transparency. Companies published the least information on their finances. Overall financial transparency score - 8 points.

There was no clear correlation regarding the size of the company (by the number of employees or its income) on transparency standards. For example, company that did best during the initiative (i.e. UAB AmberCell Solutions) reported having only 5 employed people and almost 7,8 million euros income while two largest companies from top 40 employing more than 1700 people each scored a 0. At the same time, there were a couple of companies that had only 2 employees and also scored a 0.

For detailed results of each company please visit [www.skaidrumas.lt/tiekejai](http://www.skaidrumas.lt/tiekejai)

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<sup>5</sup> "Businesses have become more accountable", Transparency International Lithuan, 2019.  
<https://www.transparency.lt/en/businesses-have-become-more-accountable/>

## COVID-19 PROCUREMENT: TOP 40 COMPANIES AND THEIR SCORE

No.	Company	Website	Value of COVID-19 procurement contracts	Overall score
1.	AmberCell Solutions, UAB	<a href="http://ambercell.eu/compliance/">http://ambercell.eu/compliance/</a> <a href="http://ambercell.eu/reports/">http://ambercell.eu/reports/</a>	2 246 136,36 €	100%
2.	Laborama, UAB	<a href="http://www.laborama.lt">www.laborama.lt</a>	3 875 611,75 €	86%
3.	Medita, UAB	<a href="http://www.medita.lt">www.medita.lt</a>	584 336,93 €	86%
4.	Tradintek, UAB	<a href="http://www.tradintek.com">www.tradintek.com</a>	1 481 519,12 €	81%
5.	Grida, UAB	<a href="http://www.grida.lt">www.grida.lt</a>	1 077 047,30 €	71%
6.	Roche Lietuva, UAB	<a href="http://www.roche.lt">www.roche.lt</a>	2 037 106,00 €	44%
7.	Vilniaus degtinė, AB	<a href="http://www.degtine.lt">www.degtine.lt</a>	593 845,53 €	19%
8.	B-link pharma, UAB	<a href="https://b-linkpharma.com/">https://b-linkpharma.com/</a>	703 199,14 €	11%
9.	Ilsanta, UAB	<a href="http://www.ilsanta.lt">www.ilsanta.lt</a>	649 990,54 €	4%
10.	Delamode Baltics, UAB	<a href="http://www.delamode-baltics.com/lt/">www.delamode-baltics.com/lt/</a>	854 710,60 €	4%
11.	Jugrita, UAB	<a href="https://jugrita.lt/">https://jugrita.lt/</a>	1 517 577,86 €	2%
12.	Kasko Group, UAB	<a href="http://www.kid-man.lt">www.kid-man.lt</a>	1 444 111,92 €	2%
13.	Diamedica, UAB	<a href="http://diamedica.lt/">http://diamedica.lt/</a>	11 006 831,61 €	0%
14.	Saugima, UAB	<a href="https://saugima.com/">https://saugima.com/</a>	9 391 753,99 €	0%
15.	Thermo Fisher Scientific Baltics, UAB	<a href="https://jobs.thermofisher.com/global/en/lithuania">https://jobs.thermofisher.com/global/en/lithuania</a> <a href="http://www.corporate.thermofisher.com">www.corporate.thermofisher.com</a>	9 303 937,77 €	0%
16.	Profarma, UAB	<a href="https://profarmaglobal.com/">https://profarmaglobal.com/</a>	6 069 360,00 €	0%
17.	Essmedi, UAB	<a href="https://essmedi.com/lt/titulinislt/">https://essmedi.com/lt/titulinislt/</a>	5 785 108,47 €	0%
18.	Saugos gidas, UAB	<a href="http://www.saugosgidas.lt">www.saugosgidas.lt</a>	5 069 881,21 €	0%
19.	Skirgesa, UAB	<a href="https://skirgesa.lt/">https://skirgesa.lt/</a>	4 239 368,73 €	0%
20.	Intersurgical, UAB	<a href="https://lt.intersurgical.com/">https://lt.intersurgical.com/</a>	3 310 673,37 €	0%

21.	Euro Trade LT, UAB	<a href="http://www.euro-trade.lt">www.euro-trade.lt</a>	3 172 076,00 €	0%
22.	Barameda, UAB	<a href="http://www.barameda.com">www.barameda.com</a>	3 127 232,17 €	0%
23.	Graina, UAB	<a href="http://www.graina.lt">www.graina.lt</a>	2 714 529,43 €	0%
24.	DND Talis, UAB	<a href="http://talys.lt/lt/">http://talys.lt/lt/</a>	2 281 839,78 €	0%
25.	AMI sprendimai, UAB	UNDER CONSTRUCTION	1 699 313,34 €	0%
26.	Azas, A. Zapalskio IĮ	NOT FOUND	1 473 842,63 €	0%
27.	Beleza Medica, UAB	<a href="https://belezamedica.com/lt/">https://belezamedica.com/lt/</a>	1 416 276,50 €	0%
28.	Sorimpeksas, UAB	<a href="http://www.sorimpeksas.com">www.sorimpeksas.com</a>	1 331 359,88 €	0%
29.	Arbor Medical Corporation LT, UAB	<a href="http://www.arborlt.lt">www.arborlt.lt</a>	990 483,31 €	0%
30.	EazyMed, UAB	NOT FOUND	962 599,28 €	0%
31.	RedLink & Co, UAB	<a href="http://redlink.lt/">http://redlink.lt/</a>	869 649,00 €	0%
32.	Audimas, AB	<a href="http://www.audimas.lt">www.audimas.lt</a>	807 770,83 €	0%
33.	Meditalika, L. R. Tamulio firma	<a href="http://www.meditalika.lt">www.meditalika.lt</a>	778 070,86 €	0%
34.	B. Braun Medical, UAB	<a href="http://www.bbraun.lt/en.html">www.bbraun.lt/en.html</a>	757 319,16 €	0%
35.	Mediq Lietuva, UAB	<a href="https://mediq.lt/">https://mediq.lt/</a>	733 475,44 €	0%
36.	Litfarma, UAB	<a href="http://www.litfarma.com">www.litfarma.com</a>	671 493,50 €	0%
37.	One Med, UAB	<a href="http://www.onemed.lt">www.onemed.lt</a>	646 880,46 €	0%
38.	Miltora, MB	<a href="https://supastarstore.com/">https://supastarstore.com/</a>	617 500,00 €	0%
39.	Pavojingieji kroviniai, MB	NOT FOUND	603 750,00 €	0%
40.	InSpe, IĮ	<a href="http://www.inspe.lt">www.inspe.lt</a>	599 244,85 €	0%

## TRANSPARENCY OF ANTI-CORRUPTION PROGRAMMES

This section focuses and evaluates how much information about the anti-corruption policies and internal codes of ethics the companies make public.

- 6 companies have a confidential channel to report possible wrongdoings.
- 6 companies announce that their codes of ethics are applicable to all their employees.
- 6 companies disclose its policy on gifts, hospitality and travel expenses.
- 5 companies declare to provide whistleblowers' protection to their employees and publicly specify that no employee will suffer demotion, penalty or other reprisals for raising concerns or reporting violations.
- Overall, 7 companies provide at least some information on their anti-corruption policies, while 33 companies do not disclose any such information.

Position	Company name	Score for anti-corruption transparency (percentage)
1-5.	AmberCell Solutions, UAB	100%
1-5.	Grida, UAB	100%
1-5.	Laborama, UAB	100%
1-5.	Medita, UAB	100%
1-5.	Tradintek, UAB	100%
6.	Roche Lietuva, UAB	71%
7.	Vilniaus degtinė, AB	4%
8-40.	Audimas, AB	0%
8-40.	AMI sprendimai, UAB	0%
8-40.	Arbor Medical Corporation LT, UAB	0%
8-40.	Azas, A. Zapalskio IĮ	0%
8-40.	B. Braun Medical, UAB	0%
8-40.	Barameda, UAB	0%
8-40.	Beleza Medica, UAB	0%
8-40.	B-link pharma, UAB	0%

8-40.	Delamode Baltics, UAB	0%
8-40.	Diamedica, UAB	0%
8-40.	DND Talis, UAB	0%
8-40.	EazyMed, UAB	0%
8-40.	Essmedi, UAB	0%
8-40.	Euro Trade LT, UAB	0%
8-40.	Graina, UAB	0%
8-40.	Ilsanta, UAB	0%
8-40.	InSpe, IJ	0%
8-40.	Intersurgical, UAB	0%
8-40.	Jugrita, UAB	0%
8-40.	Kasko Group, UAB	0%
8-40.	Litfarma, UAB	0%
8-40.	Mediq Lietuva, UAB	0%
8-40.	Meditalika, L. R. Tamulio firma	0%
8-40.	Miltora, MB	0%
8-40.	One Med, UAB	0%
8-40.	Pavojingieji kroviniai, MB	0%
8-40.	Profarma, UAB	0%
8-40.	RedLink & Co, UAB	0%
8-40.	Saugima, UAB	0%
8-40.	Saugos gidas, UAB	0%
8-40.	Skirgesa, UAB	0%
8-40.	Sorimpeksas, UAB	0%

8-40. Thermo Fisher Scientific Baltics, UAB 0%

## ORGANISATIONAL TRANSPARENCY

This section focuses and evaluates how much information about their shareholders, subsidiaries and associated companies businesses make public.

- 7 companies provide information regarding their subsidiary companies.
- 5 companies reveal their shareholders (legal persons).
- 5 companies provide information regarding their associated companies.
- 30 companies do not disclose any information on their organisational structure at all.

Position	Company name	Score for organisational transparency (percentage)
1-4.	AmberCell Solutions, UAB	100%
1-4.	Laborama, UAB	100%
1-4.	Medita, UAB	100%
1-4.	Tradintek, UAB	100%
5.	Grida, UAB	75%
6.	B-link pharma, UAB	30%
7-8.	Ilsanta, UAB	14%
7-8.	Roche Lietuva, UAB	14%
9.	Delamode Baltics, UAB	10%
10.	Vilniaus degtinė, AB	5%
11-40.	Audimas, AB	0%
11-40.	AMI sprendimai, UAB	0%
11-40.	Arbor Medical Corporation LT, UAB	0%
11-40.	Azas, A. Zapalskio IĮ	0%
11-40.	B. Braun	0%



Medical, UAB		
11-40.	Barameda, UAB	0%
11-40.	Beleza Medica, UAB	0%
11-40.	Diamedica, UAB	0%
11-40.	DND Talis, UAB	0%
11-40.	EazyMed, UAB	0%
11-40.	Essmedi, UAB	0%
11-40.	Euro Trade LT, UAB	0%
11-40.	Graina, UAB	0%
11-40.	InSpe, IĮ	0%
11-40.	Intersurgical, UAB	0%
11-40.	Jugrita, UAB	0%
11-40.	Kasko Group, UAB	0%
11-40.	Litfarma, UAB	0%
11-40.	Mediq Lietuva, UAB	0%
11-40.	Meditalika, L. R. Tamulio firma	0%
11-40.	Miltora, MB	0%
11-40.	One Med, UAB	0%
11-40.	Pavojingieji kroviniai, MB	0%
11-40.	Profarma, UAB	0%
11-40.	RedLink & Co, UAB	0%
11-40.	Saugima, UAB	0%
11-40.	Saugos gidas, UAB	0%
11-40.	Skirgesa, UAB	0%

11-40.	Sorimpeksas, UAB	0%
11-40.	Thermo Fisher Scientific Baltics, UAB	0%

## FINANCIAL TRANSPARENCY

This section focuses and evaluates how much information about their income, taxes and contribution to the society companies make public.

- 6 companies publicly report about their contribution to national or local communities or initiatives. Companies do so in part by revealing at least one of the following elements: the financial value of the contribution to the community; the list of beneficiaries; or the detailed description of the supported projects.
- 5 companies publicly disclose their investments in fixed assets in Lithuania.
- 4 companies announce their income/ sales in Lithuania.
- 2 companies publish their income tax paid in Lithuania
- 2 companies publish their profit before tax.
- 32 companies do not publicly provide any information on their finances.

Position	Company name	Score for financial transparency (percentage)
1.	AmberCell Solutions, UAB	100%
2.	Vilniaus degtinė, AB	80%
3-4.	Laborama, UAB	40%
3-4.	Medita, UAB	40%
5-6.	Roche Lietuva, UAB	20%
5-6.	Tradintek, UAB	20%
7-8.	Jugrita, UAB	10%
7-8.	Kasko Group, UAB	10%
9-40.	AMI sprendimai, UAB	0%
9-40.	Arbor Medical Corporation LT, UAB	0%
9-40.	Audimas, AB	0%

9-40.	Azas, A. Zapalskio IĮ	0%
9-40.	B. Braun Medical, UAB	0%
9-40.	Barameda, UAB	0%
9-40.	Beleza Medica, UAB	0%
9-40.	B-link pharma, UAB	0%
9-40.	Delamode Baltics, UAB	0%
9-40.	Diamedica, UAB	0%
9-40.	DND Talis, UAB	0%
9-40.	EazyMed, UAB	0%
9-40.	Essmedi, UAB	0%
9-40.	Euro Trade LT, UAB	0%
9-40.	Graina, UAB	0%
9-40.	Grida, UAB	0%
9-40.	Ilsanta, UAB	0%
9-40.	InSpe, IĮ	0%
9-40.	Intersurgical, UAB	0%
9-40.	Litfarma, UAB	0%
9-40.	Mediq Lietuva, UAB	0%
9-40.	Meditalika, L. R. Tamulio firma	0%
9-40.	Miltora, MB	0%
9-40.	One Med, UAB	0%
9-40.	Pavojingieji kroviniai, MB	0%
9-40.	Profarma, UAB	0%
9-40.	RedLink & Co, UAB	0%

9-40.	Saugima, UAB	0%
9-40.	Saugos gidas, UAB	0%
9-40.	Skirgesa, UAB	0%
9-40.	Sorimpeksas, UAB	0%
9-40.	Thermo Fisher Scientific Baltics, UAB	0%

## CONCLUSIONS

This baseline exercise presents an opportunity for each company to reflect on how well it manages possible corruption risks and strengthen already existing transparency and anti-corruption practices as well as corporate governance standards. While public reporting cannot be equated to actual performance, business transparency and integrity are often associated with trust and even better commercial success<sup>6</sup>.

At the same time, this exercise offers a glimpse to public sector institutions and decision-makers on what anti-corruption mitigation procedures their chosen suppliers have in place, and what further standards may be needed in order to ensure effective and transparent public procurement. Drawing on the lessons learned from COVID-19 procurement, responsible institutions and decision-makers should now also pay greater attention to how funds for the recovery from COVID-19 are used such as the EU's Recovery and Resilience Facility spending.

For an interactive overview of this suppliers' detailed results please visit [www.skaidrumas.lt/tiekejai](http://www.skaidrumas.lt/tiekejai)

<sup>6</sup> "The relationship between business integrity and commercial success", Transparency International, 2018.  
<https://knowledgehub.transparency.org/helpdesk/the-relationship-between-business-integrity-and-commercial-success>

## **ANNEX No. 1 The questionnaire used to assess the companies' reporting and accountability standards.**

The evaluation consists of 3 parts. The first part - anti-corruption measures - assesses how much attention is paid to act against corruption, the second part - organizational transparency - evaluates public information given about the company's structure, the third part - financial transparency and accountability - overviews the accessibility of financial information.

For the majority of questions, companies received one point for a measure in place or data disclosed and 0.5 for partial disclosure for some of the questions. They scored zero when the information was either not available, was unclear or published in a foreign language only (i.e. not Lithuanian). The final score for each company is expressed as a percentage of the maximum possible score (between 0 and 100 per cent). Based on the methodology below, some questions may be non-applicable if a company clearly declares that it does not have any subsidiaries, associated companies, etc. (please see the questionnaire below for details).

The evaluation of suppliers' websites was carried out in July-August 2021.

### **1st part: Anti-corruption measures**

#### **1) Does the company have a public commitment towards non-violation of laws linked directly with its activity, including anti-corruptional norms?**

1,0 point - if the website contains a clear attitude towards this commitment in all jurisdictions, linked with the company's activity;

0,5 point – if there is an attitude about the non-violation of law norms in all jurisdictions, but there is no clear reference to anti-corruptional means;

0 points – if such commitment is not published

#### **2) Is the publicly available company's code of conduct or ethics/anti-corruption programme applicable to all employees of the company?**

1,0 point - if the document clearly states that it is applicable to all employees without exceptions to different positions in the company's hierarchy. Exceptions also cannot be applied in different countries where the company is active.

0 points – if the document excludes specific groups of employees or does not foresee the applicable group.

#### **3) Is the publicly available company's code of conduct or ethics/anti-corruption programme is clearly applicable to all the representatives (agents) of the company and other intermediaries?\***

1,0 point - if there is a clear attitude towards the application of the document to representatives (agents);

0,5 point - if the representatives of the company (agents) are urged not to violate the rules of the document;

0 points – if such an application is not foreseen in the ethical conduct.

*\*Agents and intermediaries are those who operate for and represent the company.*

**4) Is the publicly available company's code of conduct or ethics/anti-corruption programme applicable to contractors, sub-contractors or suppliers? (Contractors, sub-contractors or suppliers are individuals or legal entities who supply commodities or services via contract with the company and who are not controlled directly.)**

1,0 point - if the sub-contractors/suppliers must follow the aforementioned document or the statute of order of the company in question;

0,5 point - if the sub-contractors/suppliers are encouraged to follow the aforementioned document or the statute of order of the company in question;

0 points – if such practice is not foreseen in the code of ethics.

**5) Does the company inform about the anti-corruption trainings to its employees?**

1,0 point - if there is public information about such trainings;

0,5 point – if there is public information about more general trainings (for instance about ethics, social responsibility, etc.);

0 points – if no information of this kind is published.

**6) Does the company inform about its rules concerning the policy of receiving and giving gifts, also hospitality and travel expenses?**

1,0 point - if the company publishes its rules about the acceptance, proposals of one or more gifts, hospitality and travel expenses;

0,5 point - if there is a publicly available policy towards the acceptance of any gifts, but there is no attitude towards gifting them to others;

0 points – if no information of this kind is published.

**7) Is there any information about the prohibition of facilitation payment? (Facilitation payment is a low-worth, unofficial payment which is given for the completion of an everyday task)**

1,0 point - if there is an official ban to pay this kind of payment (there are exclusions, for example, in life-threatening situations);

0,5 point - if there is no clear attitude, for example, if such type of payment is not even mentioned, although there is a reference to a similar situation. In any way the ban must be clear;

0 points – if no information of this kind is published;

*\* the nonpayment of a bribe in this instance cannot be equated to the nonpayment of the facilitation payment.*



**8) Does the company publicly enable its employees or other persons to report about any possible violation of the company's policy without risk of reprisal ?**

1,0 point – if the company's policy clearly states that the employee, who has reported about any possible violation of company policy, is not at risk of reprisal;

0,5 point - if such guarantees are applicable only to certain group of employees;

0 points – if no information of this kind is published.

**9) Does the company publish information about certain reporting channels (ways of reporting), which can be safely and confidentially used by employees of the particular company to report about any possible violation of the company's policy or to ask for advice (a sort of trust-line)?**

1,0 - point - if such a channel exists and the employees are guaranteed about the safety and confidentiality of using this particular channel/line;

0, 5 point - if there is a "third party" of reporting violations, but there is no clear and public statement about the confidentiality and safety for the employees who wish to report;

0 points –no information of this kind is published.

**10) Does the company inform about regular monitoring its code of conduct/ethics (ant-corruptional programme)?**

1,0 point - if there is public information about its *regular* monitoring of the code of conduct/ethics (anti-corruptional programme);

0,5 point - if the company informs about monitoring but there is no information about the regularity of the monitoring and/or if the company informs about monitoring social responsibility or provides any other information which is in close relation with monitoring the corruption-related challenges;

0 points – if no information of this kind is published.

*\* Monitoring – any activity such as regular employee training courses, presentations about or discussions with employees about the implementation of the conduct, as well as regular examination of employees regarding conduct-related questions.*

**11) Does the company have a public policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?**

1,0 point - if such ban exists or if the employees are obliged to fully disclose all information regarding their activity with a certain political party/power, information of this kind can be found in all company's jurisdictions;

0,5 point - if the company discloses all information regarding the support of political parties in the country it is registered or its main jurisdictions;

0 points – if there is no information of this kind published.

**12) Does the company publicly commit to pay all statutory taxes?**

1,0 point - if the company states that it pays all taxes applicable to the company; or if it states that it undertakes not to conceal its income and to manage the company's finances honestly;  
0 - points if no such information is published.

**2nd part. Organizational transparency of the company**

**13) Does the company fully disclose a list of its owners (natural persons)?**

1,0 point - if such a list is published and is fully comprehensible;  
0,5 point - if only the list of the main/chosen owners is published;  
0 points – if such a list is not published.

**14) Does the company fully disclose a list of its stockholders (legal persons)?**

1,0 point - if such a list is published and is fully comprehensible;  
0,5 point - if only the list of the main/chosen stockholders is published;  
0 points – if such a list is not published.

*If the company's website contains information about the absence of stockholders, the company is awarded 1 point.*

**15) Does the company fully disclose a list of its subsidiary companies to whom it can have both direct and indirect decisive influences?**

1,0 point - if such a list is published and is fully comprehensible; or if there is a list of *relevant* subsidiary companies and the term "relevant" is clearly explained;  
0,5 point - if there is a list of relevant subsidiary companies but the criteria is not clear and the term "relevant" is not explained;  
0 points - if there is a list of only the first-level (direct) list of subsidiary companies; or if there is a general list of subsidiary companies.

**Main terms:**

- Decisive influence to a company - the right to control a company's financial and economic activity for the purpose of profit.
- Decisive influence is defined by the parent company's influence over another company's stockholder meetings.
- Parent company – the company which can have both direct and indirect decisive influences towards another company.

*If the company's website contains information about the absence of subsidiary companies, the question is not applied to the company and does not effect the final rating.*

**16) Does the company fully disclose what part (%) of subsidiary companies belong to it?**

# points - look at the explanation of question number 15;

*If the company's website contains information about the absence of subsidiary companies, the question is not applied to the company and does not effect the final rating.*

**17) Does the company fully disclose the information regarding the countries in which their subsidiary companies were founded?**

# points - look at the explanation of question number 15;

*If the company's website contains information about the absence of subsidiary companies, the question is not applied to the company and does not effect the final rating.*

**18) Does the company fully disclose the information regarding the countries in which their subsidiary companies are based?**

# points - look at the explanation of question number 15;

*If the company's website contains information about the absence of subsidiary companies, the question is not applied to the company and does not effect the final rating.*

**19) Does the company fully disclose information regarding its associated companies?**

1,0 points - if there is a list of all or relevant companies;

0,5 points - if there is a list of the main/chosen companies;

0 points – if such list is not published.

**Main terms:**

- Associated company - a company to which a considerable impact can be made by another company, even though it is not the company's subsidiary company and they are not legally bound by partnership.
- Considerable impact to a company - the possibility to participate in the financial and economic activities of a company even without making decisive influence .
- The evaluation of considerable impact - mostly considerable impact is seen when a company owns stocks of another company which equate to at least 20 percent of votes in stockholder meetings (there are additional attributes).

*If the company's website contains information about the absence of associated companies, the company is awarded 1 point.*

**20) Does the company fully disclose what part (%) of associated companies belongs to it?**

# points - look at the explanation of question number 19;

*If the company's website contains information about the absence of associated companies, the question is not applied to the company and does not effect the final rating.*

**21) Does the company fully disclose information regarding the countries in which their associated companies were founded?**

# points - look at the explanation of question number 19;

*If the company's website contains information about the absence of associated companies, the question is not applied to the company and does not effect the final rating.*

**22) Does the company fully disclose information regarding the countries in which their associated companies are based?**

# points - look at the explanation of question number 19;

*If the company's website contains information about the absence of associated companies, the question is not applied to the company and does not effect the final rating.*

**3rd part. Financial transparency and accountability\***

**23) Does the company publicly inform about its revenue/sales in Lithuania?**

1,0 point - if the company publicly informs about its detailed sales revenue according to sectors, etc. in Lithuania;

0,5 point – such information can be found, but it is not in details;

0 points – if there is no public information of this kind available.

**24) Does the company publicly inform about its investments to long-term assets in Lithuania?**

1,0 point - if the company publicly announces its investments to long-term assets in Lithuania;

0 points – if there is no information of this kind available.

**25) Does the company publicly inform about its profit before taxes?**

1,0 point – if the company publicly informs about its profit before taxes in Lithuania and/or if the company publicly announces about its net profit and income tax;

0 points – if there is no information of this kind available.

**26) Does the company publicly inform about its paid income tax in Lithuania?**

1,0 point - if the company publicly informs about the income tax in Lithuania;

0 points – if there is no information of this kind available.

**27) Does the company publicly informs about its contributions to communities in Lithuania?**

1,0 point – if there is information regarding the size of the contribution to a community in Lithuania and a list of the recipients is published and/or if there is information regarding the size of the contribution to a community in Lithuania and a detailed description of the projects;

0,5 point – if there is information about at least one of these: the size of the contribution to a community in Lithuania or a list of the recipients; and/or if there is information about at least one of these: the size of the contribution to a community in Lithuania and/or a detailed description of the projects;

0 points – if there is no information of this kind available.



Transparency International Lithuania  
Didžioji str. 5, Vilnius, Lithuania

[info@transparency.lt](mailto:info@transparency.lt)  
[www.transparency.lt](http://www.transparency.lt)