

STRENGTHENING OF THE BICG IN LATVIA

Baltic Institute of Corporate Governance (BICG) is proud to announce a growing support for the best corporate governance practices in Latvia and a strengthening of ranks among our Latvian members.

“We are happy to have an increased support for our efforts to promote the best corporate governance practices in the Baltics. An expanding pool of Latvian members will allow us to be even more active in the region”, - says Paulius Martinkus, the President of the BICG.

Citadele Bank, a power supply company Latvenergo and a plywood production and forest management enterprise Latvijas Finieris have all previously been National Corporate Members of the BICG and now have advanced to be Development Corporate Members.

“It is in the interests of shareholders and also the management of the company to reduce risks and ensure the company is well-governed. We are committed to these principles in Citadele Bank and keenly support BICG in their effort to ensure the principles are understood and accepted in the Baltic business environment,” says Guntis Beļavskis, CEO of Citadele Bank.

Āris Žīgurs, Chairman of the Management Board and CEO of Latvenergo, emphasized that good corporate governance by ensuring the availability and transparency of information, improving stakeholder engagement and implementing corporate social responsibility is a priority for Latvenergo Group.

“We have been a member of the BICG since its beginning by actively participating in institute’s activities, education programs and supporting the development of the Baltic Guidance on the Governance of Government-Owned Enterprises. Thus, it is only logical that we will continue supporting the popularising of good corporate governance principles in Latvia and we are proud to become a Development Member of the BICG“, says Mr Žīgurs.

Uldis Bikis, Chairman of the Supervisory Board of Latvijas Finieris, notes that the company has defined in its mission the importance of enabling customers, forest owners, cooperation partners, employees and other stakeholders to develop a long-term partnership: responsible work, responsible profit and responsible investments.

„We have also developed and published our Sustainability Policy, stressing that Latvijas Finieris is well aware of the environmental, social and economic interests of all stakeholders, and balancing them together creates a platform for company’s sustainable activities. Sustainability issues and dialogue with stakeholders are among priorities of Latvijas Finieris development. Well-organised and effective corporate governance will significantly help to reach these targets, therefore we have decided to become a Development Member of the BICG, thus engaging even more actively into promoting good corporate governance in our region,“ says Mr Bikis.

Newly joining the BICG and the ranks of Development Corporate Members are a pharmaceutical company Olainfarm, as well as the administrator and manager of Latvia’s state forests “Latvijas valsts meži”.

“Good corporate governance is a principle that ensures that efficiency, honesty and transparency become real cornerstones of corporate activity. Keeping to these principles in our economy in general and in public administration as well, increases productivity of economy, its competitiveness and raises the prestige of the country among investors and other partners. Ignoring principles of good corporate governance over the last few years has already cost a lot for Latvian people and Latvian economy, so we simply cannot afford to ignore them any further,“ says Valērijs Maligins, Chairman of the Management Board at Olainfarm.

Roberts Strīpnieks, President of “Latvijas valsts meži”, stresses that the company, among other businesses devoted to sustainable development, believes that it is essential to participate in active exchange of views with scientists, analysts and other entrepreneurs in regard to further improvements of the business environment in the Baltic region, which is one of the fastest growing regions in Europe.

According to Mr Strīpnieks, the common goal of LVM and BICG is to create appropriate instruments for the business environment in the Baltic States for achieving fair and transparent business environment, while respecting the specific and unique company foundation history and economic development of the Baltics.

“In terms of corporate governance we should take into account that the customer has the primary role in business, only then comes shareholders, interest groups, management and others. Good corporate governance ensures development of high quality strategy that meets the interests of company’s customers, and its implementation, by both the shareholder and the company’s management team, and the result is successful only if the customer is satisfied,” emphasizes Mr Strīpnieks.

Presently, BICG unites 37 corporate members in Lithuania, Latvia and Estonia, including stock exchanges, banks, auditing companies, law offices, manufacturers, state-owned enterprises.

The individual members of the association are serving as CEOs and board members of the largest companies in the Baltic states.

BICG is a non-profit and non-governmental organization missioned to deliver value to its stakeholders by promoting global competitiveness of enterprises in the Baltics and encouraging the businesses to adopt leading corporate governance practices.