



POLICY



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1. Meeting between the Latvian Prime Minister Evika Silina and the BICG was held in February, to discuss how to define the long-term role of SOEs in the national economy as well as their potential expansion into export markets; the importance of clear shareholder expectations; ways to ensure quality board selection processes; and listing of SOEs. In April, **an agreement on implementing good corporate governance principles in both SOEs and privately held companies was signed by the Latvian Government, BICG, the Foreign Investors' Council in Latvia, the Finance Latvia Association, and the Latvian Exporters' Association 'The Red Jackets',** aiming to advance corporate governance in all Latvian companies and thus improve their access to financing, encouraging overall economic growth.

2. The new draft of the Lithuanian corporate law, based on the European Model Company Act and meant to improve the overall standard of good governance and doing business in Lithuanian companies, which was finalized at the end of 2023 by the BICG, Nasdaq Vilnius, Lithuanian central bank as well as law offices Degesys & Partners, Ellex and Sorainen, was introduced for the endorsement of other business organizations in the beginning of 2024, with the Ministry of Economy and Innovation later creating a working group to review the respective law. After the Lithuanian parliamentary elections, we are currently working to put the full company law review on the agenda of the new Lithuanian government as well.

3. Manifesto for the upcoming European elections, highlighting questions for the next European Union policy cycle that will be strongly advocated for by the European Confederation of Directors' Associations (ecoDa), where the BICG is a member, was announced in February and includes recommendations for the new European Commission to foster resilient and competitive businesses, recognize the value of Corporate Governance Codes as soft-law (and respect their diversity among the member states), reinforce the role of the boards in the internal controls, etc.



4. Possibilities to improve corporate governance in Tallinn MOEs were discussed at the meeting between the BICG and the Deputy Mayor of the city.

5. Advice against the governmental initiative to prevent supervisory board members from having multiple supervisory board positions at Latvian SOEs and MOEs, which would have effectively demolished the concept of a professional board member, was submitted by the BICG to the Latvian parliament in July. Accordingly, the new rules that are limiting the opportunities only for civil servants to hold board and managerial positions in SOEs and MOEs, were passed into law in December.

6. Building on the previous advocacy for the expansion of SOEs into export markets, additional suggestions were presented by the BICG to the Latvian President (via the Council of Competitiveness) in September and November, with discussions expected to continue in 2025. **The ideas for expansion into export markets were also introduced to the Riga city municipality** by its Advisory Council, chaired by the BICG, in October, and, as a result, became one of the key objectives for the Riga's MOEs in 2025.

7. Arguments against reducing the number of supervisory and management board members as well as lowering their salaries at Riga city-owned companies were made by the city's Advisory Council, chaired by the BICG, in October, and the city ultimately scrapped the respective initiative.

8. A set of suggestions for further improvement of corporate governance in Latvian SOEs were made by the working group, where the BICG was a member, in November and then passed into law, creating mandatory regulations for SOEs and MOEs shareholder expectation letters, establishing remuneration policy principles for companies where the state holds 50 percent or more of the shares, outlining a new grouping of SOEs and MOEs to distinguish between commercial and budget-financed entities, etc.



9. Opinion advocating for a more ambitious implementation of the European directive on gender diversity in company boards in Latvia was submitted to the Ministry of Welfare in November, suggesting to amend supervisory board and management board nomination regulations for SOEs and MOEs to include diversity as a criterion, with discussions expected to continue in 2025.

- 10. Estonian corporate governance code** was reviewed by the BICG and Nasdaq Tallinn in 2024 and the new draft will be submitted for the further review of the Estonian Financial Supervision and Resolution Authority, which is the formal owner of the document. It is expected that the Lithuanian and Latvian corporate governance codes will be updated in the year 2025 as well.
- 11. Aiming to ensure the best board member selection procedures at SOEs, the BICG continued its work in the Nomination Committees** throughout the year, joining the Supervisory and Management Board selection processes at Latvenergo, Latvian Post, Latvian Railways, Getliņi EKO and State Defence Corporation.
- 12. Board Performance Evaluation Guideline, ESG Governance: Six Ways For Boards To Lead The Sustainability Transition** and the **updated version of the Cyber Security Risk Handbook – Key Toolkits** were among the new publications shared by ecoDa, where the BICG is a member, aiming to improve good corporate governance standard across Europe.



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EDUCATION

- 13. Three sessions of Board member education** were held in 2024, with the total number of graduates now nearing 1.300.

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14. First Fintech board members academy in Latvia was held in Riga in January, together with the association Fintech Latvia, delving into the landscape of the fintech industry and competencies needed by the fintech boards to address the respective challenges, while the **second Fintech board member education program in Lithuania** was held in Vilnius in April, with 25 participants attending the course. First organised in 2023, the program in Lithuania was held together with the Institute of Internal Auditors Lithuania, Fintech Hub LT as well as Risk management association and designed to develop an understanding of the key requirements for operating a well-governed fintech business. The net proceeds of both sessions, or over 15.000 EUR in total, were donated in support of Ukraine.



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15. Program for corporate secretaries, organised every two years to offer insight into the increasingly important role of a corporate secretary in ensuring excellence of board work and improving overall corporate governance practices in a company, was held in November in Tallinn and joined by over 40 participants from across the Baltics.



EVENTS

16. Quarterly members' breakfasts were held in Latvia, Estonia and Lithuania, to discuss the activities of the BICG as well as various other topics, including corporate governance case studies, board's work, cybersecurity, etc.

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17. Non-formal independent board members club in Lithuania and non-formal board members club in Latvia held quarterly meetings to analyse such topics as succession-planning for management, artificial intelligence, overcoming a crisis, etc.

18. 4th annual Risk governance conference in Latvia was held in Riga in March, together with Swedbank Latvia, KPMG Latvia and Eversheds Sutherland Bitāns. Focusing on technology-related risks & opportunities, the conference attracted over 400 participants in-person and online.



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VIDEO

19. The first Estonian annual corporate governance conference EVA2024 was held in Tallinn in April, organised together with DB Schenker, EY, OP Corporate Bank and TalTech. Focused on how boards create value, it was joined by over 100 participants.



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20. Annual general meeting of the members of the BICG was held in April, with Board elections as well as the approval of the annual activity and audited financial reports on the agenda. Previously organised in Vilnius, this year it was held in Riga, starting the rotation between the Baltic capitals and aiming to offer a more equal access to all members.

21. Annual corporate governance conference of the BICG was held in Riga in April as well, and joined by over 120 participants. While the overall importance of good corporate governance was noted by Evika Silina, Prime Minister of Latvia, in her welcome remarks, the speakers of the conference focused on the topic of showing board leadership when taking strategic decisions in rapidly changing environments.



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22. Workshop to discuss challenges in the corporate governance of the Latvian university hospitals was held in Riga in May, together with the Ministry of Health, and joined by the management and supervisory board members of the respective hospitals as well as senior officials from the Ministry of Health itself.



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23. Webinars on new (non-financial) reporting, audit and assurance requirements in Europe and other topics were held by ecoDa, where the BICG is a member, throughout the year, with recordings now available online.

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24. 15th anniversary of the BICCG was celebrated in Vilnius in September and joined by over 100 participants from across the Baltics as well as the Board of the European Confederation of Directors Associations (ecoDa) and Simonas Krėpšta, member of the Board at the Bank of Lithuania, as honorary guests. A separate celebration was also held in Riga in October, with Valdis Zatlers, former President of Latvia, among the honorary guests, while in Tallinn the anniversary cake was cut in November, with Ivo Suursoo (OIXIO), the Estonian CEO of the year, as the honorary guest and speaker on the topic of strategy.



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25. Online discussion on how to create and join company boards was held for the Baltic business owners and directors in October, with some of the most experienced recruiting professionals and board members from Estonia, Latvia and Lithuania as the speakers, attracting over 80 participants.

26. Discussion with the Latvian state secretaries about fulfilling SOEs shareholder duties was held by the Corporate Governance Advisory Board under the Ministry of Justice, where BICCG is a member, in October, with plans now made to continue such discussions in the future as well.

27. Meeting with the Ukrainian delegation of civil servants and SOEs representatives visiting Vilnius to learn about corporate governance reform in Lithuania was held in October, on the invitation of SOERA (USAID/UKAID initiative) that organised the study tour.



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28. Baltic launch of the revised guidelines on corporate governance of SOEs by the OECD, considered to be an international standard for the good governance of SOEs, was held together with OECD and the Latvian State Chancellery in Riga in November, with 100 participants joining the discussion in-person and online.

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29. Resilient competitiveness, importance of board diversity, role of corporate secretaries and other good corporate governance topics were discussed by the BICG speakers at other events, to promote good practices in the Baltics and elsewhere.



Workshops for promoting good governance of SOEs in Romania organised by OECD in Bucharest in February and November

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Guest lecture at Riga business school on good corporate governance and board practice recommendations in March.

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Riga capital market forum held by the city and Signet Bank in April.

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Sustainability conference Momentum
held in May in Vilnius.



Webinar on good governance and reputation in the public sector by State Administration School in Latvia in May.



Inspiration Day
held by OIXIO in Tallinn in October.



Law and good governance conference
organised by Ignitis Group in Vilnius in October.



Sustainability forum
broadcasted by Delfi TV in Lithuania in October.



Annual conference of the Institute of Internal Auditors Latvia
in Riga in October.



Conference 'Lit Boardroom - Tackling the Key Challenges of Today's Boards'
organized by the Romanian Independent Directors Association in Bucharest in November.





COMMUNITY

30. BICG community continued to grow, as we welcomed new individual and corporate members, with the total numbers growing from 287 to 335 and from 72 to 83, respectively. Our new corporate members:



31. As the breadth of the BICG activities continues to grow, **Executive Assistant in Latvia has joined the management team** in March.

