

APPROVED

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LIST OF ALGORITHMS AND CRITERIA FOR RISK ASSESSMENT OF ECONOMIC OPERATORS' SAFETY AND HEALTH AT WORK, AS WELL AS ILLEGAL WORK OF THE STATE LABOUR INSPECTORATE OF THE REPUBLIC OF LITHUANIA

(EXTRACT)

I. GENERAL PROVISIONS

1.1. List of algorithms and criteria for the risk assessment of the economic operators' safety and health at work, as well as illegal work, of the State Labour Inspectorate of the Republic of Lithuania embeds basic criteria and principles for the risk assessment of the economic operators' occupational safety and health (hereinafter referred to as the OSH) and illegal work (hereinafter – the IW).

III. GENERAL DESCRIPTION OF THE RISK ASSESSMENT SYSTEM

3.1. Identifying an Overall Risk Degree

3.1.1. The degree of an overall risk shall be identified based on each field of the risk assessment outlined by the SLI, i.e. the OSH, IW, LL (Labour Law), and shall embrace the following steps below:

3.1.2. Designing a common algorithm to calculate the score of the overall risk in respect to the specifics of the field being assessed:

3.1.2.1. An overall risk score depends on the multiplication product of the components specified herein, i.e. *Probability and Compliance* x *Impact (Effect)*, where *Probability* is a likely occurrence of the economic operator's failure to comply with the requirements set forth by the legal deeds; *Compliance* means the economic operator's efforts to comply with the requirements prescribed and the eligibility of the economic operator; *Impact (Effect)* means the scale of consequences of foreseeable adverse events (incidents).

3.1.2.2. Values of the components *Probability and Compliance* and *Impact (Effect)* of the risk degree algorithm of the fields being assessed:

3.1.2.2.1. the component *Probability and Compliance* gets its value within the range of [0;100], where an increasing value of the component shows an increasing probability for the adverse events (incidents) to occur and (or) reducing compliance with the requirements set forth by the legal deeds;

3.1.2.2.2. the component *Impact (Effect)* gains its value within the range of [0; ∞) and shows the scale of impact of possible accidents at work or occupational diseases. The impact is estimated based on the number of the employees of a respective economic operator. In case of the risk assessment of the IW and LL, the component of the impact shall be omitted due to the specifics of the field, i.e. it is hardly possible to estimate the impact of the irregularities, unless the inspections are carried out.

3.1.2.3. The component *Probability and Compliance* consists of two parts: the part

increasing the degree of the risk and the part reducing the degree of the risk, where:

3.1.2.3.1. the part increasing the risk consists of the criteria, which due to their nature increase the probability of an adverse event (incident) and reduce the compliance with the requirements laid down by the effective legislation;

3.1.2.3.2. the part reducing the risk consists of the criteria, which due to their nature diminish the probability of an adverse event (incident) and increase the compliance with the requirements embedded by the effective legislation.

3.1.3. Defining the criteria for the risk assessment:

3.1.3.1. Variant fields of the assessment are attributed different criteria for the risk assessment.

3.1.4. Attribution of the rationing function to the risk assessment criteria:

3.1.4.1. The values of the criteria used in the risk assessment algorithms of the fields being evaluated must be limited; therefore, the criteria gaining absolute values have to be rationed.

3.1.4.2. To ration the criteria used in the risk assessment algorithms of the fields being evaluated, the following steps below have to be carried out:

3.1.4.2.1. to identify the alternating set of the criteria values (e.g., the number of the labour law irregularities is an unlimited value; therefore, the alternating set of the values is within the range of $[0; \infty)$);

3.1.4.2.2. upon identifying the alternating set of the criteria values, to select the most appropriate rationing function.

3.1.5. Identifying the grades of significance of the risk assessment criteria:

3.1.5.1. The significance of the criteria is identified by expert surveys and (or) statistical analyses.

3.1.5.2. The criteria significance falls within the range of $[0;100]$.

3.1.5.3. The sum of the criteria significance increasing the degree of risk is equal to the score of 100.

3.1.5.4. The sum of the criteria significance reducing the degree of risk is less than 100 points. It depends on the sum of the significances identified by the expert surveys / statistical analyses, and on the share of the sum taken by the total sum of the criteria significances.

3.2. Analysing an Overall Risk Degree of the Assessment Fields

3.2.1. When analysing the risk degrees of the assessment fields, the following is to be applied:

3.2.1.1. four cross-cuttings of the analysis:

3.2.1.1.1. at the level of economic operators;

3.2.1.1.2. at the level of economic sectors (based on the NACE);

3.2.1.1.3. at the level of the municipalities being consulted by the SLI territorial divisions;

3.2.1.1.4. at the national level;

3.2.1.2. average values of the overall risk degrees of the assessment fields;

3.2.1.3. distribution of the economic operators at each level (the number of the economic operators) based on an overall risk degree of the field being assessed within three ranges of the risk assessment (i.e., the number of the economic operators in each range of the risk assessment (*Verify*, *Monitor* or *Ignore*) at each level);

3.2.2. Monitoring of alternations of average and absolute risk degrees in every field being assessed (provided for that the algorithm of the risk assessment of a certain field is not changed) enables the analysis of the risk alternations within the chosen period by applying the analysis of the time series or any other data analysis approach.

IV. DESCRIPTION OF PRINCIPAL SYSTEM FOR THE OSH RISK ASSESSMENT

4.1. Basic Principles to Calculate the OSH Risk Degree

4.1.1. The OSH risk degree is calculated based on the algorithms set for the OSH risk to assess

the risk of accidents and the risk of occupational diseases individually.

4.1.2. The formula for an OSH risk degree (for accidents and occupational diseases separately):

To assess the risk of accidents: *Probability and Compliance* (R1)_{NA} x *Impact* (R2);

To assess the risk of occupational diseases: *Probability and Compliance* (R1)_{PL} x

Impact (R2);

4.1.3. Both components *Probability and Compliance* (R1) and *Impact* (R2) consist of 45 criteria K_i , $i=1,2,\dots,x$ (see Annex 1), of which 44 are attributed to the component *Probability and Compliance* (R1) and 1 to the component *Impact* (R2);

4.1.4. The following significance coefficients are attributed to the criteria of the component *Probability and Compliance* (R1) (see Annex 10):

To calculate the OSH risk degree of the risk of accidents: $R_{(NA,i)}$, $i=1,2,\dots,44$;

To calculate the OSH risk degree of the risk of occupational diseases: $R_{(PL,i)}$, $i=1,2,\dots,44$;

4.1.5. The significances are identified by expert / survey approaches and the criteria estimated reliably are selected as laid down by Chapter 3 of the Description.

4.1.6. In case of the OSH pattern, to carry out a survey the scale of 10 points have been applied; therefore, the significance of the criteria is attributed based on the average score of the significance points of a certain criteria.

4.1.7. The assessment of the component *Probability and Compliance* (R1) embraces the following groups of the criteria:

4.1.7.1. basic data on the entity;

4.1.7.2. data on the breaches committed;

4.1.7.3. data on the primary risk factors existing in the entity;

4.1.7.4. data on the equipment of workstations and training of employees;

4.1.7.5. data on the competences of the entity's employees.

The formula of the component *Probability and Compliance* (R1):

To assess the risk of accidents: $R1(NA)=RD(NA)\cdot RM(NA)$;

To assess the risk of professional diseases: $R1(PL)=RD(PL)\cdot RM(PL)$;

The component *Impact* (R2) either for the accidents or occupational diseases is the same: $R2=K40$;

4.1.8. The formula of the OSH degree of risk:

To assess the risk of accidents:

$DSS RV(NA)=R1(NA)\cdot R2$;

To assess the risk of occupational diseases:

$DSS RV(PL) =R1(PL)\cdot R2$;

4.1.9. An overall degree of the OSH risk (BD DSS RV) based on the algorithm set is calculated as the higher value of the OSH risk degree of accidents (DSS RV(NA)) and the OSH risk degree of occupational diseases (DSS RV(PL)):

$$BD DSS RV = MAX(DSS RV(NA), DSS RV(PL))$$

4.2. Principles of the OSH Risk Degree Analysis

4.2.1. The degree of the OSH risk at the level of the economic operators can be analysed by

splitting risk elements: manageable degree of risk (VR), nominal degree of risk (NR), and by assessing them separately for the accidents and occupational diseases (*see* Image 1 and Table No 5 *Calculation of Manageable Degree of Risk and Nominal Degree of Risk*);

Nominal Degree of Risk depicts the risk degree made up of the criteria increasing the risk and does not embrace the criteria reducing the risk. Thus, the assessment of the entity's nominal degree is shown, based on which it is possible to intercompare the economic operators with the similar risk degree and identify the entities managing their risks appropriately (the Good Practice). The nominal degree of risk is not the main criteria of the risk assessment; however, it can be used as an auxiliary criteria to analyse the risk degrees of the economic operators.

Manageable Degree of Risk depicts the share of the nominal degree of risk of the economic operator who upon the application of the reducing factors has managed the risks.

OSH Risk Degree depicts an actual degree of risk of the economic operator specifying a dangerous (relevant) share of the risk. This element can be expressed as the difference between the nominal degree of risk and manageable degree of risk.



Image 1. Calculation of manageable degree of risk and nominal degree of risk (brown section *Manageable Degree of Risk*; centre *Nominal Degree of Risk*; grey section the *OSH degree of risk*)

4.2.1. The analysis of the overall manageable degree of risk and nominal degree of risk can be carried out in the same way as the overall OSH degree of risk, where:

Overall Manageable Degree of Risk (BD VR): $BD VR = \text{MAX}(VR(NA), VR(PL))$;

Overall Nominal Degree of Risk (BD NR): $BD NR = \text{MAX}(BR(NA), BR(PL))$;

V. DESCRIPTION OF PRINCIPAL SYSTEM FOR THE IW RISK ASSESSMENT

5.1. Basic Principles to Calculate the IL Risk Degree

5.1.1. The IL risk degree is calculated by the algorithm of the IL risk assessment:

Probability and Compliance (RI)_{ND}

5.1.2. The component *Probability and Compliance (RI)_{ND}* is comprised of 31 criteria total divided into two groups, i.e. criteria reducing the risk and criteria increasing the risk.

5.1.3. The significance coefficients are attributed accordingly to the criteria of the component *Probability and Compliance (RI)_{ND}* for an initial IL pattern and for the entire IL pattern.

5.1.4. The significances are identified by expert / survey approaches and the criteria estimated reliably are selected.

5.1.5. In case of the IL, in carrying out a survey, the scale of 5 grades (rankings) is applied; therefore, for the reliably estimated criteria, the frequency of grades is applied and they are attributed to certain weights of ranking, i.e. 1 point = -0.3; 2 points = -0.2; 3 points=-0.1; 4 points= 0.2; 5 points=0.3. The frequencies and weights of the points attributed to the criteria are multiplied and summed, and the product of summing is pertained to the significance of the criteria.

5.1.6. The assessment of the component *Probability and Compliance (RI)_{ND}* embraces the following criteria groups:

- 5.1.6.1. basic data on the entity;
- 5.1.6.2. employment rates;
- 5.1.6.3. salary indicators;
- 5.1.6.4. financial and other data of the entity;
- 5.1.6.5. economic indicators of a given sector;
- 5.1.6.6. the entity's history of breaches and claims in regard to the labour law;
- 5.1.6.7. seasonality / peaks.

5.1.7. Overall degree of the likely occurrence of the IW attributed to the component *Probability and Compliance (RI)_{ND}*:

$$BD_{ND} RV(ND)=RD(ND)*RM(ND).$$

VI. DESCRIPTION OF PRINCIPAL SYSTEM FOR THE LL RISK ASSESSMENT

6.1. Basic Principles to Calculate the LL Risk Degree

6.1.1. The degree of the LL risk is calculated based on the shares *Probability and Compliance (RI)_{DT}* of the set algorithm of the LL risk assessment.

6.1.2. The component *Probability and Compliance (RI)* consists of total 36 criteria divided into two groups – the criteria reducing risk and criteria increasing risk.

6.1.3. The significance coefficients are attributed accordingly to the criteria of the component *Probability and Compliance (RI)_{ND}* for an initial LL pattern and for the entire LL pattern.

6.1.4. The significances are identified by expert / survey approaches and the criteria estimated reliably are selected.

6.1.5. In case of the LL, in carrying out a survey, the scale of 5 points (rankings) is applied; therefore, for the reliably estimated criteria, the frequency of points is applied and they are attributed to certain weights of ranking, i.e. 1 point = -0.3; 2 points = -0.2; 3 points=-0.1; 4 points= 0.2; 5 points=0.3. The frequencies and weights of the points attributed to the criteria are multiplied and summed, and the product of summing is pertained to the significance of the criteria.

6.1.6. The assessment of the component *Probability and Compliance (RI)_{DT}* embraces the following criteria groups:

- 6.1.6.1. basic data on the entity;
- 6.1.6.2. employment rates;
- 6.1.6.3. salary indicators;
- 6.1.6.4. financial and other data of the entity;
- 6.1.6.5. economic indicators of a given sector;
- 6.1.6.6. the entity's history of breaches and claims in regard to the labour law;
- 6.1.6.7. seasonality / peaks.

6.1.7. The degree of the likely occurrence of the LL attributed to the component *Probability and Compliance (RI)_{DT}*:

$$DT RV(DT)=RD(DT) \cdot RM(DT).$$

VII. CALCULATING A COMPLEX DEGREE OF RISK

7.1. Basic Principles of Calculation of Complex Degree of Risk

7.1.1. In case of complex inspections, it is necessary to assess an overall score of the OSH and LL risks (BD DT+DSS) RV. The score consists of:

7.1.1.1. overall score of the OSH risk degree BD DSS RV (*see* Chapter 4);

7.1.1.2. the degree of the likely occurrence of the risk DT RV(DT) of the component *Probability and Compliance* $(RI)_{DT}$ (*see* Chapter 6);

7.1.2. Overall score of the OSH and LL risk degrees BD (DT +DSS) RV is calculated as follows:

7.1.3. $BD (DT + DSS) RV = (BD DSS RV) \cdot 0,85 + (DT RV(DT)) \cdot 0,15$.

7.1.4. In the overall score the OHS and LL, the weights of the components are identified by expert approach based on the importance (priority) of individual fields.

Annex 1 to

Description of Criteria and Algorithm for
Risk Assessment of Occupational Safety
and Health, and Illegal Work of
Economic Operators of the State Labour
Inspectorate of the Republic of Lithuania

Description of Criteria of Algorithm for OSH Risk Assessment

Table No 8. Description of Criteria of Algorithm for OSH Risk Assessment

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
1	2	3	4	5	6	7	8	9
	G1	Basic data on the entity	K2	Entity's level of OSH organisation	<p>The criteria shows the level of the OSH organisation skills in the entity. The sum of points of the control survey questions answered by the employer during e-inspection is calculated. It is assumed that the greater sum of points shows better working conditions in the entity. Questions in the control survey during the employer's e-inspection to define the value of the criteria:</p> <ul style="list-style-type: none"> - Is there any coordination of occupational safety and health measures when the entity engages employees of other companies? - Has the entity's head passed a mandatory test of the knowledge in occupational safety and health? - Are the functions of occupational safety and health carried out in the entity (OSH specialist(s) assigned, OSH service founded, legal or natural entity hired or if the company is small or very small (depending on their economic operation), are the functions carried out by the head of the entity or duly authorised person)? - Are the incidents at work and occupational diseases investigated and filed in the procedure prescribed? - Are there any mandatory health checks? 	K2=Im_o, where Im_o – sum of points of answers (possible answers: N/N - 3 points, Yes - 2 points, No - 1 point)	Employer eService (EPDS)	R

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
			K3	Does the entity belong to any association or confederation?	<p>The criteria shows the employer's activity and socialisation.</p> <p>It is assumed that the entities, which belong to any association and (or) confederation are more concerned with the safety and health of their employees.</p>	<p>K3=1, if an entity belongs to at least one association and(or) confederation;</p> <p>K3=0, if an entity does not belong to any association and(or) confederation.</p>	Employer eService (EPDS)	R
			K4	Does the entity aim for the status of the socially responsible business?	<p>The criteria shows if the entity aims for the status of the socially responsible business at the national level.</p> <p>It is assumed that socially responsible businesses are more concerned with the safety and health of their employees.</p>	<p>K4=1, if the entity is socially responsible;</p> <p>K4=0, if the company is not socially responsible.</p>	UN and Ministry of Social Security and Labour	R
			K5	Is there an effective collective agreement in the entity?	<p>The criteria shows the level of labour relations and guarantees ensured in the entity.</p> <p>It is assumed that the entities having an effective collective agreement are more concerned with the safety and health of their employees.</p>	<p>K5=1, if there is at least one collective agreement effective in the entity;</p> <p>K5=0, if there are no collective agreements effective in the entity.</p>	OSH IS	R
			K6	Do employees belong to any trade union and (or) is there any work council founded in the entity?	<p>The criteria shows awareness, responsibility and activity of the entity's employees in terms of the OSH (personal safety).</p> <p>It is assumed that the employees who belong to a trade union and (or) work for the entity having a work council founded or the employees' representative elected are more concerned with their personal safety and health, they behave in a more responsible way, and</p>	<p>K6=1, if the employees belong to at least one trade union and (or) the entity has a work council founded or the employees' representative elected;</p> <p>K6=0, if the employees do not belong to any trade union and (or) the entity does not have any work council founded or the employees do not have any representative elected.</p>	OSH IS	R

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
					request from their employer to have better working conditions.			
			K7	Duration of operations	The criteria shows the entity's experience. It is assumed that the entity, which operates for a longer period has more experience in organising the OSH.	$K7 = T_d - T_s$, where T_d – present time, T_s – date of first payment of personal income tax by the entity	TDS (Taxation Database)	R

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
	G2	Data on breaches committed	K8	Number of violation cases of the OSH legislation within 5 years upon assessment of their significance in terms of <u>occupational diseases</u> .	The criteria shows the scale of the OSH disorganisation in the entity. A weighted sum total of violation cases of the OSH legislation (R1) taking into account the time, severeness of occupational diseases and intensity of reoccurrence of violation cases, and the number of the entity's branches. It is assumed that the larger number of violation cases causes the greater probability of occupational diseases in the entity compared to the entity where there are no cases of violations, or the number of violation cases is low.	$K8 = \frac{\sum_g (N_{p_g} * \sum_i (N_{g_i} * N_{ppl_g} * a_i))}{N_{pad}}$ where $a_1=1/2, a_2=1/4, a_3=1/8, a_4=1/16, a_5=1/16$; N_{g_i} – number of violation cases of the OSH legislation in the year i (cases) in the accident risk groups (period of 5 years is assessed). A case of violation of the OSH legislation means the case(-s) of the breach(-es) of the OHS legislation of any category found per one inspection (see Annex 2 Groups of OHS Legislation Breaches in Terms of Accidents). E.g., in 2011, 1 routine inspection was carried out in the entity X; during the inspection, 3 different breaches of the OHS legislation were found – Group of Breaches No 201, and 2 different breaches of Group No 214.	OHS IS	I
						In such case, in 2011 in the entity X the number of breaches would be the same: in Group No 201 – 1 case, Group No 214 – 1 case.		

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
						<p>If the entity X had been inspected for the 2nd time in a non-routine procedure (based on the claim), and the same 3 breaches in Group No 201 had been detected again, then in 2011, in the entity X, the number of the cases of breaches would have been the same: in Group No 201 – 2 cases, in Group No 214 – 1 case.</p>		
						N _{ppl_g} – risk degree score in regard to accidents in the Groups of the OHS legislation breaches.	Criteria Classification	
						N _{p_g} – score of significance of reoccurrence times of the OHS legislation breaches in terms of occupational diseases (the period of 5 years is assessed by taking an overall number of the OHS legislation breaches).	Criteria Classification	

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
						N _{pad} – Number of the entity's branches	OHS IS	
			K9	Number of cases of the OHS legislation breaches within 5 years upon assessment of their significance in regard to accidents .	<p>The criteria shows the scale of the OSH disorganisation in the entity. Weighting sum total of the OHS legislation breaches (R1) is calculated based on the factors of time, severeness of accidents and intensity of reoccurrence of the breaches, and the number of the entity's branches.</p> <p>It is assumed that a large number of the violation cases means a higher probability of occurrence of accidents in the entity compared to the entity with no breaches at all or a small number of breaches..</p>	$K9 = \frac{\sum_g (N_{p_g} * \sum_i (N_{g_i} * N_{pna_g} * a_i))}{N_{pad}, \text{kur}}$ $a_1 = 1/2, a_2 = 1/4, a_3 = 1/8, a_4 = 1/16, a_5 = 1/16;$ <p>N_{g_i} - number of violation cases of the OSH legislation in a year <i>i</i> (cases) in the accident risk groups (period of 5 years is assessed). In this criteria the cases are calculated in the same way as in criteria K8.</p>	OHS IS	I
						N _{pna_g} - risk degree score in regard to accidents in the Groups of the OHS legislation breaches.	Criteria Classification	
						N _{p_g} - score of significance of reoccurrence times of the OHS legislation breaches in terms of accidents (the period of 5 years is assessed by taking an overall number of the OHS legislation breaches).	Criteria Classification	
						N _{pad} – number of the entity's branches	OHS IS	

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
			K10	Number of working places suspended within 5 years	<p>The criteria shows the scale of the OSH disorganisation in the entity. An overall number of working places to be suspended as laid down by regulations (R2) is calculated.</p> <p>It is assumed that in case of high number of the work places suspended, the probability of occupational diseases and accidents in the entity is higher compared to the entity with no working places ever suspended or with a low number of working places suspended.</p>	$K10 = N_{a_dv} / N_{pad}$, where N_{a_dv} – number of working places suspended (units) within 5 years.	OHS IS	I
						N_{pad} – number of the entity's branches	OHS IS	
			K11	Number of equipment suspended within 5 years	<p>The criteria shows the scale of the OSH disorganisation in the entity. An overall number of equipment to be suspended as laid down by regulations (R2) is calculated.</p> <p>It is assumed that in case of high number of the equipment suspended, the probability of occupational diseases and accidents in the entity is higher compared to the entity with no equipment suspended or with a low number of equipment suspended.</p>	$K11 = N_{a_i} / N_{pad}$, where N_{a_i} – number of equipment suspended (pcs.) within 5 years.	OHS IS	I
						N_{pad} – number of the entity's branches	OHS IS	
			K12	Number of cases of the Labour Law breaches within 5 years upon assessment of their significance in regard to <u>occupational diseases</u> .	<p>The criteria shows an overall scale of the labour relation disorganisation in the entity.</p> <p>Weighting sum total of the labour legislation breaches is calculated based on the factor of the severeness of the breach in regard to OHS in general. It is assumed that in case of high number of the labour legislation breaches, the probability of committing the breach of the OHS legislation in the entity is higher compared to the entity with no breaches of the legislation regulating labour relations or with a low number of such breaches.</p>	$K12 = \sum(N_c * N_{d_d}) / N_{pad}$, where N_c – number of the labour law breaches (cases) within 5 years in the risk degree group. In this criteria the cases are calculated in the same way as in criteria K8.	OHS IS	I
						N_{d_d} – risk degree score in the risk groups of the labour law breaches.		
						N_{pad} – number of the entity's branches		

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
			K13	Number of cases of the Labour Law breaches within 5 years upon assessment of their significance in regard to accidents.	The criteria shows an overall scale of the labour relation disorganisation in the entity. Weighting sum total of the labour legislation breaches is calculated based on the factor of the severeness of the breach in regard to the OHS in general. It is assumed that in case of high number of the labour legislation breaches, the probability of committing the breach of the OHS legislation in the entity is higher compared to the entity with no breaches of the legislation regulating labour relations or with a low number of such breaches.	$K13 = \sum(N_c * N_{d_d}) / N_{pad}$, where N_c – number of the labour law breaches (cases) within 5 years in the risk degree group, N_{d_d} – risk degree score in the risk groups of the labour law breaches N_{pad} – number of the entity's branches	OHS IS Criteria Classification OHS IS	I
			K14	The number of proved or partly proved OHS claims regarding the entity and the number of notifications regarding public interest within 5 years	The criteria shows an overall scale of the OHS disorganisation in the entity. A number per 1 employee of claims and notifications received regarding alleged breaches of the legislation regulating occupational safety and health in the entity is calculated. It is assumed that in case of high number of the OHS claims and notifications, the probability of accidents and (or) occupational diseases in the entity is higher compared to the entity with no claims or notifications, or with lower number of such claims or notifications.	$K14 = 10000 * N_{sk_dss} / N_{iv5}$, where N_{sk_dss} – number (pcs.) of proved or partly proved OHS claims and notifications received within last 5 years (if the entity operates for less than 5 years, the claims received following the first payment of the personal income tax by the entity are counted) N_{iv5} – average annual number of the insured in the entity within last 5 years (if the entity operates for less than 5 years, the duration of the entity's operation is counted)	OHS IS and TDS (tax database) VSDFV (Social Insurance Fund) and TDS (tax database)	I

			K15	<p>The number of proved or partly proved claims related to labour legislation regarding the entity and the number of notifications regarding public interest within 5 years</p>	<p>The criteria shows an overall scale of the labour relation disorganisation in the entity. A number per 1 employee of claims and notifications received regarding alleged breaches of the legislation regulating labour relations in the entity is calculated.</p> <p>It is assumed that in case of high number of the claims and notifications related to the labour law, the probability of committing the OHS breaches in the entity is higher compared to the entity with no claims or notifications, or with lower number of such claims or notifications.</p>	<p>$K15=10000*N_{sk_dt} / N_{iv5}$, where N_{sk_dt} – number (pcs.) of proved or partly proved labour law claims and notifications received within last 5 years (if the entity operates for less than 5 years, the claims received following the first payment of the personal income tax by the entity are counted)</p>	OHS IS and TDS (tax database)	I
						<p>N_{iv5} – average annual number of the insured in the entity within last 5 years (if the entity operates for less than 5 years, the duration of the entity's operation is counted)</p>	VSDFV (Social Insurance Fund) and TDS (tax database)	
			K16	<p>The number of lethal accidents within 5 years upon assessment of their significance</p>	<p>The criteria shows the history of lethal accidents in the entity and potential risk of their reoccurrence. The weighting sum of lethal accidents per 1 employee of the entity is calculated taking into account the factors of time and reoccurrence intensity of lethal accidents.</p> <p>It is assumed that the probability of reoccurrence of lethal accidents in the entity with the history of such accidents is higher compared to the entity with no history of lethal accidents or with low number of such accidents.</p>	<p>$K16=10000 *N_k*$ $\sum_i (a_i*N_{na_i})$, where $a_1=1/2, a_2=1/4, a_3=1/8,$ $a_4=1/16, a_5=1/16$ N_{na_i} – number of lethal accidents (NA) per year, cases.</p>	OHS IS	I
					<p>N_k – significance score of reoccurrence times of lethal accidents (total number of lethal accidents within 5 years is assessed)</p>	Criteria Classifications		

					N_i - number of years assessed (if the entity operates for less than 5 years, the claims received following the first payment of the personal income tax by the entity are counted)	STI (State Tax Inspectorate) and TDS (tax database)	
G3	Data on initial risk factors existing in the entity	K19	Risk degree assessment of the entity's sector of operations based on the NACE in terms of hazardous nature of work in regard to occupational diseases	The criteria shows how many works of hazardous nature able to cause occupational diseases there are in the entity's sector of operations based on the NACE. The hazardous nature of the sector is assessed based on the entity's history of occupational diseases.	$K19 = Im_s \circ D_{p_p}$, where \circ - relation providing with data on the entity's risk degree in terms of occupational diseases due to the entity's operation in a certain sector; Im_s - sector of the entity's operation based on NACE	TDS (tax database)	I
					D_{p_p} - score of the risk degree of the sector of operations in terms of occupational diseases	Criteria Classification	
		K20	Risk degree assessment of the entity's sector of operations based on the NACE in terms of hazardous nature of work in regard to accidents	The criteria shows how many works of hazardous nature able to cause accidents there are in the entity's sector of operations based on the NACE. The hazardous nature of the sector is assessed based on the entity's history of accidents.	$K20 = Im_s \circ D_{p_n}$, where \circ - relation providing with data on the entity's risk degree in terms of accidents due to the entity's operation in a certain sector; Im_s - sector of the entity's operation based on NACE	TDS (tax database)	I
					D_{p_n} - risk degree score of the sector of operations in terms of accidents	Criteria Classification	
		K21	Number of potentially dangerous equipment	The criteria shows if there is a potentially dangerous equipment in the entity, and the level of danger the entity's employees are exposed to. Weighting sum of the potentially dangerous equipment per 1 employee of the entity, considering the level of danger of the potentially	$K21 = \sum N_e * N_f / N_b$, where N_e - number of PDE (potentially dangerous equipment) in the PDE risk group	PDE Register / OHS IS	I

				dangerous equipment, is calculated.	N_f – risk degree score of the PDE risk groups	Criteria Classification	
					N_b – total number of the insured in the entity (within current period)	VSDFV and TDS	
		K22	Does the entity use any chemical substances in its operation?	<p>The criteria shows if there are chemical substances in the entity, and the level of danger the entity’s employees are exposed to by these substances.</p> <p>Questions in the control survey during the employer’s e-inspection to define the value of the criteria: - Are chemical substances used and stored safely?</p>	<p>K22=1, if the answer is <i>N/N</i> (the entity does not use any chemical substances); K22=2, if the answer is <i>Yes</i> (the entity uses and stores chemical substances in compliance with legal requirements); K22=3, if the answer is <i>No</i> (the entity uses and stores chemical substances in compliance with legal requirements)</p>	Employer eService (EPDS)	I
		K23	Does the entity use any combustible, flammable substances, explosives in its operations?	<p>The criteria shows if there are any combustible, flammable substances, explosives in the entity, and the level of danger the entity’s employees are exposed to by these substances.</p> <p>Questions in the control survey during the employer’s e-inspection to define the value of the criteria: - Are combustible, flammable substances, explosives used and stored safely?</p>	<p>K23=1, if the answer is <i>N/N</i> (the entity does not use any combustible, flammable substances, explosives); K23=2, if the answer is <i>Yes</i> (the entity uses and stores combustible, flammable substances, explosives in compliance with legal requirements); K23=3, if the answer is <i>No</i> (the entity uses and stores combustible, flammable substances, explosives in compliance with legal requirements)</p>	Employer eService (EPDS)	I

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/Reduces(R) Risk
	G4	Data on equipment of workstations and training of employees	K24	Dangerous facilities	The criteria shows if the entity or any facility used by the entity in its operation is included in the list of dangerous facilities of the Republic of Lithuania, and indicates the risk degree of that facility.	K24=0, if the entity is not included in the list of dangerous facilities of the Republic of Lithuania; K24=1, if the entity is included in the list of dangerous facilities of the Republic of Lithuania; K24=2, if the entity is included in the list of dangerous facilities of II level of the Republic of Lithuania;	Fire and Rescue Department	I
			K25	Does the entity carry out occupational risk assessment of all workstations?	The criteria shows whether the entity assesses and manages the factors of occupational risk identified following the legal requirements. Questions in the control survey during the employer's e-inspection to define the value of the criteria: - Is occupational risk assessment carried out?	K25=2, if the answer is <i>Yes</i> (the entity carries out an occupational risk assessment); K25=1, if the answer is <i>No</i> (the entity does not carry out an occupational risk assessment)	Employer eService (EPDS)	R
			K26	Are employees supplied with an appropriate personal protective equipment?	The criteria shows whether the employees of the entity are equipped with an appropriate personal protective equipment to manage an existing professional risk. Questions in the control survey during the employer's e-inspection to define the value of the criteria: - Are the employees equipped with an appropriate personal protective equipment if collective protective equipment cannot ensure the protection of the employees against any risk factors?	K26=3, if the answer is <i>N/N</i> (upon occupational risk assessment of all workstations and in the absence of the need to supply the employees with personal protective equipment); K26=2, if the answer is <i>Yes</i> (upon occupational risk assessment of all workstations and in case of the need the entity supplies its employees with personal protective equipment); K26=1, if the answer is <i>No</i>	Employer eService (EPDS)	R

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I) /Reduces(R) Risk
						(upon occupational risk assessment of all workstations and in case of the need the entity does not supply its employees with personal protective equipment)		
			K27	Level of equipment of the entity's workstations	<p>The criteria shows the compliance of the workstations' equipment with the requirements of the legal deeds and the employer's efforts to equip the workstations in line with the employee's needs. It is assumed that the higher total sum of grades means better working conditions in the entity.</p> <p>Questions in the control survey during the employer's e-inspection to define the value of the criteria:</p> <ul style="list-style-type: none"> - Are the workstations inside equipped appropriately? - Are the workstations outside equipped appropriately? - Are the changing and recreational rooms equipped appropriately? - Are the traffic, loading and carrying activities on the territory of the entity organised in an appropriate manner? - Do the employees have quick and safe exits from all workstations in case of an emergency? 	K27=Im_d , where Im_d – sum of points of answers: <i>N/N</i> - 3 points, <i>YES</i> - 2 points, <i>No</i> - 1 point	Employer eService (EPDS)	R

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
			K28	Level of the OHS training and knowledge tests of the employees arranged and carried out by the entity	The criteria shows if the entity carries out the OHS training of its employees. Questions in the control survey during the employer's e-inspection to define the value of the criteria: - Does the entity organise and carry out training and knowledge tests of its employees? - Does the entity organise training of the employees engaged in dangerous operations?	K28=Im_m, where Im_m sum of points of answers (options to answer: <i>N/N</i> - 3 points, <i>Yes</i> - 2 points, <i>No</i> - 1 point)	Employer eService (EPDS)	R
			K29	Does the entity carry out the OHS briefings for its employees?	The criteria shows if the entity carries out the OHS briefings for its employees in line with the requirements laid down by the legal deeds. Questions in the control survey during the employer's e-inspection to define the value of the criteria: - Are the OHS briefings carried out?	K29=3, if pursuant to the legal deeds, the entity does not have to carry out the OHS briefings for its employees; K29=2, if the entity carries out the OHS briefings for its employees; K29=1, if the entity does not carry out the OHS briefings for its employees	Employer eService (EPDS)	R
			K30	Do the employees of the entity receive any information on the OHS?	The criteria shows if the employees receive any information on the OHS. It is assumed that if the employees are being informed, it shows a greater responsibility of the employers for their employees in regard to the OHS, and it shows that the employees are aware of and consider the OHS situation in the entity and potential occupational risks, thus the awareness and personal safety are improved. Questions in the control survey during the employer's e-inspection to define the value of the criteria: - Do the employees receive any information on the arrangements for the safety and health at work in the entity?	K30=2, if the entity provides its employees with the OHS information; K30=1, if the entity does not provide its employees with the OHS information	Employer eService (EPDS)	R

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
G 5	Data on the competences of the entity's employees	K31	Change in the entity's turnover	The change in the entity's turnover indicates the changes in the intensity of its operations. It is assumed that when the entity is developing rapidly, the OHS organisation becomes significantly more complex; therefore, if the competence and system of the OHS organisation do not keep with the development of the entity, the probability of accidents and (or) occupational diseases increases.	$K31 = \frac{AP_t / N_b(t-1)}{(AP_t / N_b - AP_{(t-1)} / N_b(t-1))^{+}}$, where AP_t – entity's turnover within time period t ; $(AP_t - AP_{(t-1)})^{+}$ – positive shift of the entity's turnover within a time range $(t-1; t)$. N_b – the number of the insured in the entity (in the current period) $N_b(t-1)$ – the number of the insured in the entity (in the preceding period)	VMI (State Tax Inspectorate) and TDS (tax database)	I	
						VSDFV (Social Insurance Fund) and TDS (tax database)		
						VSDFV (Social Insurance Fund) and TDS (tax database)		
G 5	Data on the competences of the entity's employees	K32	Evaluation of the level of the entity's OHS organisation taking into account the size of the group the entity belongs to	The criteria partly shows the professionalism of (focus made on) the OHS organisation and complexity thereof, when the sizes of the entities are different (the assessment is based on the number of the employees). It is assumed that, for example, in a small-scale entities the OHS organisation is simple due to a small number of employees; however, it is less professional due to the lack of competence; while in large companies (with 250 employees and more), the OHS organisation is complex due to large number of employees; however, it is more professional as the company is capable of hiring competent OHS professionals, etc.	$K32 = Im_d \circ D_p_d$, where \circ – relation between the risk degree and size of the entity; Im_d – the group of the entities of the same size, to which the entity is attributed to by the number of the insured in the entity; D_p_d – risk degree score of the group of the entities of the same size	VSDFV (Social Insurance Fund) and TDS (tax database)	I	
						Criteria Classification		
G 5	Data on the competences of the entity's employees	K33	Average experience (length of work) of the employees in the entity	The criteria shows the work experience of the employees in a certain entity. Average length of work per 1 employee of the company is calculated. It is assumed that in the entity where an average length of work is long, the probability of accidents is lower due to the employees' experience.	$K33 = DS_b / N_b$, where DS_b – total length of work of all employees of the entity (in a current period),	VSDFV and TDS	R	

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
						N_b - number of the insured in the entity (in the current period)	VSDFV and TDS	
			K34	Employee turnover in the entity	The criteria partly shows working conditions and how the employees value the entity. It is assumed that a large employee turnover is caused by poor working conditions and (or) psychological climate in the entity, significant increase of the workload and intensity of work, thus subsequently leading to the development of occupational diseases and (or) occurrence of accidents.	$K34 = N_{is} / N_{iv1}$, where N_{is} – number of employees who left their jobs / were fired within the last one year,	VSDFV and TDS	I
						N_{iv1} – number of the insured in the entity in the last 1 year	VSDFV and TDS	
			K35	Share of new employees in the entity (working less than a year)	The criteria shows the share of less experienced employees of the entity and the scale of the entity's development. It is assumed that due to the lack of experience and knowledge, the employees working for less than a year in a certain entity face a greater probability of the accident occurrence and (or) development of an occupational disease compared to the employees with longer work experience.	$K35 = N_n / N_b$, where N_n – number of employees working for 1 year or less (in a current period),	VSDFV and TDS	I
						N_b - number of the insured in the entity (in a current period)	VSDFV and TDS	
			K36	Share of young employees (under 29)	The criteria shows the share of employees with limited experience in the entity. It is assumed that due to the lack of experience and knowledge, the employees under 29 face a greater probability of the accident occurrence and (or) development of an occupational disease compared to the older employees.	$K36 = N_j / N_b$, where N_j – number of employees under 29 (in a current period),	VSDFV and TDS	I
						N_b - number of the insured in the entity (in a current period)	VSDFV and TDS	
			K37	Location of the entity's operations	The criteria shows the entity's risk degree due to a prevailing management and working culture. It is assumed that in the cities (Vilnius, Kaunas, Klaipėda, Panevėžys, Šiauliai) the level of maturity in the OHS organisation and personal safety of the employees is higher compared to other territories (outside the cities).	$K37 = 1$, if the entity's operations are not in the city; $K37 = 0$, if the entity's operations are in the city (Vilnius, Kaunas, Klaipėda, Panevėžys, Šiauliai).	OHS IS	I

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
			K38	Average wages in the entity (by region and sector)	The criteria shows if the level of net wages in the entity is in line with the level of net wages in a given sector and region. If the net wage is significantly lower, there is a potential risk of illegal work or illegal forms of payment; moreover, the risk of occupational safety increases, as well as the entity is reluctant to take care of its employees safety. The ratio between an average net wage within the sector based on the NACE and region, and an average net wage in the entity is calculated. It is assumed that in the entity where an average net wage is higher than the wages in its sector and region, better working conditions are created or the entity employs highly qualified employees who face a significantly lower probability of accidents and occupational diseases.	K38= A_{evrk_reg} / A_i , A _i – average monthly wage in the entity (assessment covers the period of 3 months);	TDS (tax database)	I
						A _{evrk_reg} – average monthly wage fund allotted in a given sector and region based on the NACE data	VMI (State Tax Inspectorate) and TDS (tax database) or JAR (Registry of Legal Entities)	
			K40	Number of the entity's employees	The criteria shows the scale of potential accidents or occupational diseases.	K40=N _b , where N _b number of the insured in the entity	TDS (tax database)	I
			K76	Social Entity	Social entities employ people with disabilities, young people, other persons who in the labour market are attributed to the disadvantaged and vulnerable social groups and who due to their health condition, age, etc. usually do not have necessary skills and experience to protect their rights and legitimate interests in the fields of occupational safety and health, and labour law.	K76=1, if 1.1.7 – have the status of a social entity, in other case K76=0	TDS (tax database)	I
			K78	Within a recent year the entity is subsidised or payment of subsidies is terminated by	The entities implementing measures of support for creation jobs and of supported employment hire people with disabilities, young people, other persons who in the labour market are attributed to the disadvantaged and vulnerable social groups and who due to their health condition, age, etc. usually	K78=1, if 1.1.8 – within a recent year the entity received subsidies or their payment was terminated by the decision of the Labour Exchange / Employment	TDS (tax database)	I

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
				the decision of the Labour Exchange / Employment Service	do not have necessary skills and experience to protect their rights and legitimate interests in the fields of occupational safety and health, and labour law.	Service In other case K78=0		
			K80	The OHS Declaration is not submitted to the Employer eService (EPDS)	In case if the entity fails to submit the OHS data or declaration on the OHS situation for the previous 12 calendar months to the EPDS voluntarily, it is considered to be exposed to higher risks compared to other entities.	K80=1, if 1.8.2 – the entity failed to submit the OHS declaration to the EPDS, in other case K80=0	Employer eService (EPDS)	I
			K56	Entity's average net revenue from sales per one employee (upon normalisation on the basis of the indicator in a given sector)	It is assumed that net revenue from the sales and the number of employees in similar entities should be similar as well, if the ratio is >1, the entity is exposed to higher risks. –	$K56 = (0.3.2 / 0.0.6.) / (0.3.3/0.3.4) - \text{if } 0.3.2 / 0.0.6 \geq 0.3.3/0.3.4$ $K56 = 0 - \text{if } 0.3.2 / 0.0.6 < 0.3.3/0.3.4$		I
						0.3.2 – net revenue from the sales of the entity	VMI and TDS	I
						0.0.6. – average number of the insured in the entity	VSDFV and TDS	I
						0.3.3 – total net revenue from the sales of the entities in a given sector of economic operations	VMI and TDS	I
						0.3.4 - average number of the insured in a given sector of economic operations	VSDFV and TDS	I

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
			K61	Weighting sum of breaches of the labour law	It is assumed that the entity with previous history of the breaches is exposed to higher risks (the assessment of the weighting sum of breaches covers the requirements, results from surveys, administrative offences and breaches of the administrative law).	$K61 = \sum g \cdot 1.0.2.(g) \cdot \sum_i a(i) \cdot [0.4.2.(i) \sim 0.7.2. \cdot S0.4.2.] + [\sum g \cdot 0.6.7.(g) \cdot \sum_i a(i) \cdot 0.4.3.(i) \sim 0.7.2. \cdot S0.4.3.] + \sum_i a(i) \cdot 44 \cdot 0.4.4.(i) \sim 0.7.2. \cdot S0.4.4.,$ where index i specifies the year counted from a current year (e.g., i=1 current year, i=2 previous year, etc.), a(i) weighting index of that year attributed to the value of the year I - a(1)=1/2, a(2)=1/4, a(3)=1/8, a(4)=1/16, a(5)=1/16, Sn – weights of breaches by significance S0.4.2 =0,65; S0.4.3.=0,25; S0.4.4.=0,1. As there is no grouping of the questions in the survey based on the groups of breaches; therefore, the sum of score gained when answering the survey questions is calculated separately and it is attributed an average score of labour law breaches.		I
						0.4.2. – number of ALB protocols and protocols pursuant to Article 12 ¹ of the Law on the SLI, as well as AO protocols and protocols pursuant to Law on Employment of the Republic of Lithuania drawn up for the entity	OHS IS	I

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
						0.4.3. – number of claims related to the labour law drawn up for the entity	OHS IS	I
						0.4.4. – sum of points gained when answering questions of General Survey and LL Survey (options: <i>N/N/YES</i> - 0 points, <i>No</i> - 1 point)	OHS IS	I
						0.6.7. – risk degree score of breaches of the labour law in terms of illegal work (<i>see</i> Table No 32 Annex 5)	Classification in Annex 5 (Table No 32)	I
						1.0.2. – risk degree score of breaches of the labour law in terms of illegal work, if ALB protocols and protocols pursuant to Article 12 ¹ of the Law on the SLI, as well as AO protocols and protocols pursuant to Law on Employment of the Republic of Lithuania are issued (<i>see</i> Table No22, Annex 5)	Classification in Annex 5 (Table No 33)	I
						0.7.2.- score of significance of reoccurrence of the labour law breaches (<i>see</i> Table No 34 Annex No 5) ~ - relation, based on which, and depending on the number of 0.4.2., 0.4.3., 0.4.4., the score of significance of the labour law is attributed.	Classification in Annex 5 (Table No 33)	I

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk		
			K64	The number of claims received in regard to labour law per one employee	It is assumed that the entity receiving more claims in regard to the labour law is exposed to higher risks irrespective of whether the claims have been proved or not (there is a probability that the violation cannot be recorded).	$K64 = \sum_i a(i) * 0.4.6.(i) * 1.0.0.(i) / 0.0.6(i)$, where index i marks the year calculated from a current year (e.g., i=1 current year, i=2 recent years, etc.), a(i) weighting index attributed t to the value of the year i - a(1)=1/2, a(2)=1/4, a(3)=1/8, a(4)=1/16, a(5)=1/16		I		
								0.4.6. – number of claims regarding labour law (by subject of breaches) received by the entity (all claims and notifications on public interest are included)	OHS IS	I
								0.0.6. – average number of the insured in the entity	VSDFV and TDS	I
								1.0.0.- risk degree score attributed to claims or notifications on public interest (see Table No 35 Annex 5), considering the risk degree of the subject.	Classification in Annex 5 (Table No 35)	I
			K65	Number of proved claims regarding breaches of labour law per one employee	It is assumed that the entity receiving more claims is exposed to higher risks.	$K65 = \sum_i a(i) * 0.9.4.(i) * 1.0.0.(i) / 0.0.6.(i)$, where index i marks the year calculated from a current year (e.g., i=1 current year, i=2 recent years, etc.), a(i) weighting index attributed t to the value of the year i		I		

Components	Group No	Group	Criteria No	Criteria	Description of Criteria	Criteria Calculation Algorithm	Data Source	Criteria Increases(I)/ Reduces(R) Risk
						- a(1)=1/2, a(2)=1/4, a(3)=1/8, a(4)=1/16, a(5)=1/16		
						0.9.4. – number of proved claims regarding labour law breaches by subject of breaches (all claims and notifications on public interest are included)	OHS IS	I
						1.1.0.- risk degree score attributed to claims or notifications on public interest (see Table No 35 Annex 5), considering the risk degree of the subject.	Classification in Annex 5 (Table No 35)	I
						0.0.6. – average number of the insured in the entity	VSDFV and TDS	I

Annex 4 to

Description of Criteria and Algorithm for Risk Assessment of Occupational Safety and Health, and Illegal Work of Economic Operators of the State Labour Inspectorate of the Republic of Lithuania

Description of Criteria for IW and LL Risk Assessment Algorithm*

* Illegal work referred to in Annexes 4-10 to the Description embraces illegal and unreported employment, as well as irregularities of the procedure for the recruitment of foreign nationals to the extent embedded by the Law on Employment of the Republic of Lithuania.

Table 27. Description of Criteria for IW and LL Risk Assessment Algorithm

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
1	2	3	4	5	6	
K3	Does the entity belong to any association, confederation?	The criteria shows the employer's activity and socialisation. It is assumed that entities belonging to associations and (or) confederations are more likely to comply with the labour law regulations.	K3=1, if the entity belongs to at least one association and (or) confederation; K3=0, if the entity does not belong to any association and (or) confederation.	Value of the last quarter / K	Employer eService (EPDS)	R
K5	Does the entity have an effective collective agreement?	The criteria shows the level of labour relations and guarantees ensured by the entity. It is assumed that the entities having an effective collective agreement are more likely to take care of creating good working conditions.	K5=1, if the entity has at least one collective agreement effective; K5=0, if the entity does not have any collective agreements effective.	Value of the last quarter / K	OHS IS	R
K6	Do the employees belong to any trade union and (or) is there any work council founded in the entity?	The criteria shows awareness, responsibility and activity of the entity's employees in terms of the Labour Law. It is assumed that the employees who belong to a trade union and (or) work for the entity having a work council founded or the employees' representative elected are more concerned with	K6=1, if the employees belong to at least one trade union and (or) the entity has a work council founded or the employees' representative elected; K6=0, if the employees do not	Value of the last quarter / K	OHS IS	R

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
		better working conditions, they behave in a more responsible way, and request from their employer to have better working conditions.	belong to any trade union and (or) the entity does not have any work council founded or the employees do not have any representative elected.			
K7	Duration of the entity's operations	The criteria shows the experience of the entity. It is assumed that the entity with a longer duration of operations has more problematic issues related to the labour law requirements and the implementation thereof.	$K7 = T_d - T_s$, where T_d – present time, T_s – date of the first personal income tax paid by the entity	Value of the last quarter / K	TDS (tax database)	I
K8	Number of cases of the OHS legislation breaches within 5 years upon assessment of their significance to occupational diseases	<p>The criteria shows the scale of the OHS disorganisation in the entity. The weighting sum total cases of the OHS legislation breaches (R1) is calculated considering the factors of time, severeness in terms of occupational diseases and intensity of reoccurrence of the breaches, as well as the number of the entity's branches.</p> <p>The Criteria K8 is included in the description of the criteria for the IL and LL risk assessment algorithm upon the assessment made by outside experts through application of the statistical analysis approach showing that the entities are likely to violate the requirements for the occupational safety and health; moreover, they are likely not to follow any legal regulations and to circumvent the requirements, inclusive of the requirement for legal employment and formal reporting of the actual working time.</p>	$K8 = \sum_g (N_{p_g} * \sum_i (N_{g_i} * N_{ppl_g} * a_i)) / N_{pad}$ <p>where $a_1 = 1/2$, $a_2 = 1/4$, $a_3 = 1/8$, $a_4 = 1/16$, $a_5 = 1/16$; N_{g_i} – number of cases of the OHS legislation breaches in the year DSS i (cases) in the risk groups for accidents (assessment covers the period of 5 years). A case of violation of the OSH legislation means the case(-s) of the breach(-es) of the OHS legislation of any category found per one inspection (<i>see</i> Annex 2 Groups of OHS Legislation Breaches in Terms of Accidents). E.g., in 2011, 1 routine inspection was carried out in the entity X; during the inspection, 3 different breaches of the OHS legislation were found – Group of Breaches No 201, and 2 different breaches of Group No 214. In such case, in 2011 in the entity X the number of breaches would be the same: in Group No 201 – 1 case, Group No 214 – 1 case.</p>	Value of the last quarter / K	OHS IS	I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			If the entity X had been inspected for the 2 nd time in a non-routine procedure (based on the claim), and the same 3 breaches in Group No 201 had been detected again, then in 2011, in the entity X, the number of the cases of breaches would have been the same: in Group No 201 – 2 cases, in Group No 214 – 1 case.			
			N _{pp1_g} – risk degree score in the groups of the OHS legislation breaches pertaining to occupational diseases	Criteria Classification ⁵	OHS IS	
			N _{p_g} – grade of significance of reoccurrence of the OHS legislation breaches in terms of occupational diseases (assessment covers total number of the OHS legislation breaches within 5 years)	Criteria Classification ⁵	OHS IS	
K9	Number of cases of the OHS legislation breaches within 5 years upon assessment of their significance to accidents	<p>The criteria shows the scale of the OHS disorganisation in the entity. The weighting total amount of the cases of the OHS legislation breaches (R1) is calculated considering the factors of time, severeness in terms of accidents and intensity of reoccurrence of the breaches, as well as the number of the entity's branches.</p> <p>The Criteria K9 is included in the description of the criteria for the IL and LL risk assessment algorithm upon the assessment made by outside experts through application of the statistical analysis approach showing that the entities are likely to violate the requirements for the occupational safety and health; moreover, they are likely not to follow any legal regulations and to circumvent the</p>	$K9 = \frac{\sum_g (N_{p_g} * \sum_i (N_{g_i} * N_{pna_g} * a_i))}{N_{pad}}$ <p>where $a_1=1/2, a_2=1/4, a_3=1/8, a_4=1/16, a_5=1/16;$ N_{g_i} - number of cases of the OHS legislation breaches in the year DSS i (cases) in the risk groups for accidents (assessment covers the period of 5 years). In this criteria cases are calculated in the same way as in criteria K8.</p>	Value of the last quarter / K	OHS IS	I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
		requirements, inclusive of the requirement for legal employment and formal reporting of the actual working time.				
			N_pna_g - risk degree score in the groups of the OHS legislation breaches pertaining to accidents.	Criteria Classification ⁵	OHS IS	
			N_p_g - grade of significance of reoccurrence of the OHS legislation breaches in terms of accidents (assessment covers total number of the OHS legislation breaches within 5 years)	Criteria Classification ⁵	OHS IS	
			N_pad – number of the entity’s branches	Value of the last quarter / K	OHS IS	
K15	Regarding proved and partly proved claims on the Labour Law and notifications on public interest cases received by the entity within 5 years	The criteria shows an overall scale of the labour relation disorganisation in the entity. The number of claims and notifications received regarding alleged breaches of the legislation regulating labour relations per 1 employee of the entity. It is assumed that in case of a large number of claims and notifications regarding breaches of the labour law, the probability of committing the violation of the labour law is higher compared to the entity with no claims or notifications, or with a small number of them.	K15=10000*N_sk_dt / N_iv5, where N_sk_dt – number of proved or partly proved claims and notifications regarding labour law within 5 years, pcs. (if the entity operates for less than 5 years, claims received since the first payment of the personal income tax by the entity are counted)	Value of the last quarter / K	OHS IS and TDS	I
			N_iv5 – average annual number of the insured in the entity within the last 5 years (if the entity operates for less than 5 years, the duration of the entity’s operation is counted)	Value of the last quarter / K	VSDFV and TDS	
K42	Duration of the entity’s operation	If the entity operates for less than 2 years, it is more likely that the entity has poor knowledge in labour law and other requirements, as well as it is less experienced to implement the requirements, and therefore, the probability of the breach is higher (in	K42=1 - if 0.0.1 - 0.0.2 < 2 K42=0 - if 0.0.1 - 0.0.2 ≥ 2	Value of the last quarter / K	VMI and TDS	I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
		their first year of operation, the entities are only consulted).				
			0.0.1 – time of present period	Value of the last quarter / K	VMI and TDS	
			0.0.2 – date of first payment of personal income tax by the entity	Value of the last quarter / K	VMI and TDS	
K43	Risk degree of the entity by the size category considering the frequency and scale of the labour law breaches	It is assumed that the entities of different sizes are likely to breach the legislation with variant frequency and scale; therefore, the entities, which based on their size, are attributed to the riskier category are exposed to higher risks.	$K43=0.0.3 \sim 0.0.4$	Value of the last quarter / K		I
			0.0.3. – the size category of the entity based on the number of the insured	Value of the last 5 years/K	VSDFV and TDS	
			0.0.4 – risk degree score of the entity's size category (see Table No 28, Annex 5), attributed upon considering the frequency and scale of the illegal work breaches. ~ - relation on the basis of which the entity is attributed the risk degree score of the entity's size category	Value of the last 5 years/K	Classification in Annex 5 (Table No 28)	
K37	Location of the entity's operation	The criteria shows the entity's risk degree due to a prevailing management and working culture. It is assumed that in the cities (Vilnius, Kaunas, Klaipėda, Panevėžys, Šiauliai) the number of the labour law breaches should be lower as the recording of such breaches is easier compared to the territorial branches in remote locations. The level of the employees' awareness is also higher than in other areas outside the cities.	$K37=1$, if the entity operates outside the city; $K37=0$, if the entity operates in the city (Vilnius, Kaunas, Klaipėda, Panevėžys, Šiauliai).	Value of the last quarter / K	OHS IS	I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
K45	Share of young employees under 18 in the entity	It is assumed that the entity's employing a lot of minors are exposed to higher risks in terms of labour law breaches as the employment of the minors entails more requirements.	$K45=0.0.7 / 0.0.6.$	Value of the last quarter / K		I
			0.0.7 – average number of young employees under 18	Value of the last 1 year/K	VSDFV and TDS	
			0.0.6. – average number of the employed in the entity	Value of the last 1 year /K	VSDFV and TDS	
K46	Share of foreign nationals (employees) in the entity	A higher number of the foreign nationals increases the probability that the entity is just an intermediary to employ foreigners (which is qualified as illegal employment).	$K46=0.0.9 / 0.0.6.$	Value of the last quarter/K		I
			0.0.9 – average number of foreign nationals (employees) in the entity	Value of the last 1 year /K	VSDFV and TDS	
			0.0.6. – average number of the insured in the entity	Value of the last 1 year /K	VSDFV and TDS	
K48	Morbidity rates in the entity	It is assumed that the entity with high rates of the employee morbidity is exposed to higher risks due to potentially high workloads for substitute employees and potentially poor rates of remuneration of their work. There is a possibility that the employers make a false record of the employee's illness, while that employee keeps working illegally, and receiving the salary from the Social Insurance Fund rather than from the employer.	$K48=0.1.3. / 0.0.6.$	Value of the last quarter/K		I
			0.1.3. – average number of sick days of the employee	Value of the last quarter/K	VSDFV and TDS	
			0.0.6. – average number of the insured in the entity	Value of the last quarter/K	VSDFV and TDS	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
K49	Deviation of the employee turnover rate from the average rate in a given sector	The criteria shows the situation in terms of working conditions in the entity. It is assumed that the entity with poor working conditions is not able to retain its employees for a long time and usually they leave their jobs voluntarily. In case if a relative measure exceeds 1, it is assumed that there are probably poor working conditions in the entity. If that measure is equal to 1 or lower, it is assumed that the situation is better compared to the entire sector, and in that case, the risk degree score is not attributed. Weighting average of a 5-year-period is calculated.	$K49 = \sum a(i) * [(0.1.5(i) / 0.0.6.(i)) / (0.1.7(i)/0.1.8 (i))-1]$, where index i marks the year counted from the previous year (e.g., i=1 previous year, i=2 value two year ago), a(i) weighting index of that year attributed to the value of the year i - a(1)=1/2, a(2)=1/4, a(3)=1/8, a(4)=1/16, a(5)=1/16	Value of the last quarter/K		I
			0.1.5 – average number of employees who left their jobs	Weighting value of last 5 years/K	VSDFV and TDS	
			0.0.6. – average number of the insured in the entity	Weighting value of last 5 years/K	VSDFV and TDS	
			0.1.7 – average number of employees who left their jobs in a given sector	Weighting value of last 5 years/K	VSDFV and TDS	
			0.1.8. – average number of the insured in a given sector of economic operations	Weighting value of last 5 years/K	VSDFV and TDS	
K50	Share of hired employees whom it is their first job and they work for less than 2 years	The criteria shows the number of unqualified and inexperienced employees. It is assumed that individuals with no working experience are likely to gain working experience rather than pay attention to working conditions.	$K50 = \sum 0.8.3.(d)/0.0.6$, if provision fulfilled 0.0.1(d) - 0.8.2(d) ≤ 2 (only the employees whom it is their first employment and who work for less than 2 years are summed up) $K50 = 0$, jei 0.8.1(d) - 0.8.2(d) > 2, d – index marking a specified employee	Value of the last quarter/K		I
			0.0.1 – current date	Value of the last quarter/K	VSDFV and TDS	
			0.8.2 – date of employment of an employee	Value of the last quarter/K	VSDFV and TDS	
			0.8.3. – number of employees whom	Value of the last	VSDFV and	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			it is their first employment in the entity	quarter/K	TDS	
			0.0.6. – average number of the insured in the entity	Value of the last quarter/K	VSDFV and TDS	
K51	A relative index of unpaid leave of Lithuanian employees	It is assumed that in case of high value of the unpaid leave index there might be cases that the employer encourages the employees to take an unpaid leave thus committing a breach of the labour law, or the employee keeps working during their unpaid leave.	$K51=0.2.0/0.0.6.$	Value of the last quarter/K		I
			0.2.0 – total number of the days of unpaid leave of the entity's employees in Lithuania	Value of the last quarter/K	VSDFV and TDS	
			0.0.6. – average number of the insured in the entity	Value of the last quarter/K	VSDVF and TDS	
K38	Average wage in the entity (by region and sector)	<p>The criteria shows whether the level of wages in the entity corresponds to the level of wages in a given sector or region. In case if the wage is significantly low, a potential risk of illegal work or illegal form of wage payment exists as probably the entity is not willing to take care of the occupational safety and health of its employees. The ratio between average wage in a sector based on the NACE data and region, and average wage in the entity is calculated.</p> <p>It is assumed that in the entity where an average wage is higher than the wage prevailing in its sector of operation or region, better working conditions are created, or it hires employees of high qualification, thus lowering the probability of illegal or unreported employment.</p>	$K38=A_evrk_reg/ A_i$	Value of the last quarter/K		I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			$K38 = A_{evrk_reg} / A_i$, A _i – average monthly wage of the entity's employees (assessment covers the period of 3 months);	Value of the last quarter/K	VSDFV and TDS	
			A _{evrk_reg} – average wage fund allotted in a given sector and region according to the NACE data	Value of the last quarter/K	VSDFV and TDS	
K52	Delays in payment of labour taxes to the Social Insurance Fund (VSDFV) and State Tax Inspectorate (VMI)	The criteria shows the entity's tendency to follow the embedded requirements or liabilities. It is assumed that the entity failing to fulfil its liabilities in due course	$K52 = 1$, if $(0.2.6 - 0.2.7) / 0.2.6 > 0,5$ and $(0.8.5 - 0.8.6) / 0.8.6 > 0,5$ $K52 = 0$, if $(0.2.6 - 0.2.7) / 0.2.6 < 0,5$ and $(0.8.5 - 0.8.6) / 0.8.6 < 0,5$			I
			0.2.6 – total amount of security contributions on wages and salaries charged	Value of the last 1 year/K	VSDFV and TDS	
			0.2.7- total amount of security contributions on wages and salaries transferred	Value of the last 1 year/K	VSDFV and TDS	
			0.8.5 – total amount of personal income tax charged	Value of the last 1 year /K	VMI and TDS	
			0.8.6 – total amount of personal income tax transferred	Value of the last 1 year/K	VMI and TDS	
K53	Share of employees who are paid an average salary or higher than the average salary in a given sector of economic operations and region	It is assumed that the entity, where a large number of the employees are paid an average salary or the salary that is higher than an average prevailing in a given sector of economic operation and region, is exposed to lower risks in terms of wages.	$K53 = \sum 0.8.9.(d)$, if $0.9.0.(d) \geq 0.2.4$, where d – a specified employee of the entity. Only the employees who are paid an average salary or higher than an average prevailing in a given sector and region of the entity's operation are counted.	Value of the last quarter/K		R
			0.8.9. - number of the insured	Value of the last quarter/K	VSDFV and TDS	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			0.9.0. – average salary of the employees	Value of the last quarter/K	VSDFV and TDS	
			0.2.4 – average salary in a given sector and region according to the NACE data	Value of the last quarter/K	VSDFV and TDS	
K54	Share of the employees who are paid a minimum wage or less than a minimum in the entity	In the entity where many employees are paid a minimum wage or less than a minimum, there is a higher probability that a certain part of the wages is paid in an illegal form, and in that case, if the wage less than a minimum is paid, there is a probability that employees have more working hours than stated by their employment contracts, and they are not paid for the extra working hours.	$K54 = \Sigma 0.8.9(d) / 0.0.6$, if $0.9.1.(d) < 1.0.1.$, where d - a specified employee of the entity. Only the employees who are paid wages less than a minimum are counted.	Value of the last quarter/K		I
			0.0.6. – average number of the insured in the entity	Value of the last quarter/K	VSDFV and TDS	
			0.8.9 - number of the insured	Value of the last quarter/K	VSDFV and TDS	
			0.9.1. – wages of the employees	Value of the last quarter/K	VSDFV and TDS	
			1.0.1. – minimum wage set	Upon amendments to legislation	Effective legislation	
K55	Change in average wage of the employees	The criteria shows the change in average wages of the entities within a selected period, and whether there are significant changes of wages to the level of a minimum wage of the country. It is assumed that if an average wage is reduced significantly, there is a certain risk that the entity has stopped accounting for a certain part of the wages of its employees.	$K55 = 0.3.1 - 0.3.0 < 0$ and $0.3.1 \leq 1.0.1$, $K55 = 1$, other $K55 = 0$	Value of the last quarter/K		I
			0.3.0 - <i>t</i> average wage in the entity in a given period	Value of the last 2 quarters/K	VSDFV and TDS	
			0.3.1 - <i>t-1</i> average wage of the employees in a given period	Value of the last 2 quarters/K	VSDFV and TDS	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			1.0.1. – minimum wage set	Upon amendments to legislation	Effective legislation	
K56	Entity's average net revenue from sales per one employee (upon normalisation on the basis of the indicator in a given sector)	It is assumed that net revenue from the sales and the number of employees in similar entities should be similar as well, if the ratio is >1, the entity is exposed to higher risks.	$K56 = \frac{0.3.2}{0.0.6} / \frac{0.3.3}{0.3.4} - \text{if } 0.3.2 / 0.0.6 \geq 0.3.3 / 0.3.4$ $K56 = 0 - \text{if } 0.3.2 / 0.0.6 < 0.3.3 / 0.3.4$	Value of the last quarter/K		I
			0.3.2 – entity's net revenue from sales	Value of the last 1 year/K	TDS (VMI)	
			0.0.6. – average number of the insured in the entity	Value of the last 1 year/K	TDS	
			0.3.3 – total net revenue from sales of the entities in a given sector of operations	Value of the last 1 year/K	TDS	
			0.3.4 – average number of the insured in a given sector of operations	Value of the last 1 year/K	TDS	
K57	Entity under restructuring (or taking part in reorganisation) / entity under reform / taking part in detachment	It is assumed that the entity will be riskier in regard to its employees, its conduct may be illegal due to existing financial difficulties.	$K57 = 1 - \text{the entity is under reorganisation, it takes part in reorganisation process, it is under reform, restructuring, taking part in detachment}$ $K57 = 0 - \text{the entity is in bankruptcy, it is bankrupted, it is under liquidation, crossed out of registers, it is initiating establishment of European entity through merger, it is initiating establishment of European entity through holding, European entity with the headquarters being moved if no status is attributed to that entity.}$	Value of the last 1 year/K	JAR (Registry of Legal Entities)	I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
K58	Risk degree of the entity based on the risk level of a given sector of operations in terms of labour legislation breaches	It is assumed that the entity operating in the sector having high risk of breaches of the labour legislation is exposed to higher risks as well.	$K58=0.3.5. \sim 0.6.0.$	Value of the last quarter/K		I
			0.3.5 – sector of the entity’s economic operations	A current period/K	VMI and TDS or JAR	
			0.6.0. – risk degree score of the sector of economic operation (<i>see</i> Table No 29 Annex 5) considering the level of the labour law breaches ~ - relation, based on which the entity is attributed a risk degree score of a given sector of operations	Last 5 years/K	Classification in Annex 5 (Table No 29)	
K59	Risk degree of the entity based on the level of illegal work breaches in a given sector of operations	It is assumed that the entity operating in the sector having high risk of breaches of the illegal work is exposed to higher risks as well.	$K59=0.3.5.\sim 0.6.3.$	Value of the last quarter/K		I
			0.3.5 – sector of the entity’s economic operations	A current period/K	VMI and TDS or JAR	
			0.6.3. – risk degree score of a given sector of operations (<i>see</i> Table No30 Annex 5) considering the level of illegal work breaches ~ - relation, based on which the entity is attributed a risk degree score of a given sector of operations	Last 5 years/K	Classification in Annex 5 (Table No 30)	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
K60	Risk degree of the entity by the rate of claims regarding labour law in a given sector per one employee	It assumed that the entity operating in a certain sector, where a lot of claims related to the labour law are received, is exposed to higher risks compared to the entity where the breaches are not recorded.	K60=0.3.5 ~0.4.0	Value of the last quarter/K		I
			0.3.5 - sector of the entity's economic operations	A current period/K	VMI and TDS or JAR	
			0.4.0 - risk degree score of a given sector of operations (<i>see</i> Table No31 Annex 5) considering the number of the labour law claims per one insured ~ - relation, based on which the entity is attributed a risk degree score of a given sector of operations	Last 5 years/K	Classification in Annex 5 (Table No 31)	
K61	Weighting sum total of the labour law breaches	It is assumed that the entity with previous history of the breaches is exposed to higher risks (the assessment of the weighting sum total of breaches covers the requirements, results from surveys, administrative offences and breaches of the administrative law).	$K61 = \sum g \cdot 1.0.2.(g) \cdot \sum_i a(i) \cdot [0.4.2.(i) \sim 0.7.2. \cdot S0.4.2.] + [\sum g \cdot 0.6.7.(g) \cdot \sum_i a(i) \cdot 0.4.3.(i) \sim 0.7.2. \cdot S0.4.3.]$ $+ \sum_i a(i) \cdot 44 \cdot 0.4.4.(i) \sim 0.7.2. \cdot S0.4.4.$ <p>where index i specifies the year counted from a current year (e.g., i=1 current year, i=2 previous year, etc.), a(i) weighting index of that year attributed to the value of the year i - a(1)=1/2, a(2)=1/4, a(3)=1/8, a(4)=1/16, a(5)=1/16, Sn – weights of breaches by significance S0.4.2 =0,65; S0.4.3.=0,25; S0.4.4.=0,1. As there is no grouping of the questions in the survey based on the groups of breaches; therefore, the sum of score gained when answering the survey questions is calculated separately and it is</p>	Value of the last quarter/K		I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			attributed an average score of labour law breaches.			
			0.4.2. - number of ALB protocols and protocols pursuant to Article 12 ¹ of the Law on the SLI, as well as AO protocols and protocols pursuant to Law on Employment of the Republic of Lithuania drawn up for the entity	Weighting sum total of the last 5 years /K	OHS IS	
			0.4.3. - number of claims related to the labour law drawn up for the entity	Weighting value of the last 5 years /K	OHS IS	
			0.4.4. – sum of points gained when answering question of General Survey and LL Survey (options: <i>N/N/YES</i> - 0 points, <i>No</i> - 1 point)	Weighting value of the last 5 years /K	OHS IS	
			0.6.7. – risk degree score of the labour law breaches in terms of illegal work (<i>see</i> Table No 32 Annex 5)	Weighting value of the last 5 years /M	Classification in Annex 5 (Table No 32)	
			1.0.2. - risk degree score of breaches of the labour law in terms of illegal work, if ALB protocols and protocols pursuant to Article 12 ¹ of the Law on the SLI, as well as AO protocols and protocols pursuant to Law on Employment of the Republic of Lithuania are issued (<i>see</i> Table No 33, Annex 5)	Weighting value of the last 5 years /M	Classification in Annex 5 (Table No 33)	
			0.7.2.- significance score of reoccurrence of labour law breaches (<i>see</i> Table No 34 Annex 5) ~ - relation, based on which significance score of labour law breaches is attributed depending on	Weighting value of the last 5 years /M	Classification in Annex 5 (Table No 34)	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			the number of 0.4.2., 0.4.3., 0.4.4.			
K62	Breaches regarding illegal forms of payment detected	It is assumed that the number of breaches regarding illegal forms of payment specifies the entity's tendency towards breaches related not only to the wages but to any other labour law breaches.	$K62 = \sum_i a(i) * 0.4.5(i)$, where index i specifies the year counted from a current year (e.g., $i=1$ current year, $i=2$ previous year, etc.), $a(i)$ weighting index of that year attributed to the value of the year i ; - $a(1)=1/2$, $a(2)=1/4$, $a(3)=1/8$, $a(4)=1/16$, $a(5)=1/16$	Value of the last quarter/K		I
			0.4.5. – number of breaches related to illegal forms of payment found	Weighting value of the last 5 years /K	TDS	
K63	Level of the entity's compliance with labour law requirements	The criteria shows the level of the entity's compliance with the legal requirements regulating labour relations (labour law). Total score of the employers answers to the control survey questions during e-inspection is calculated. It is assumed that the higher sum total of the points gained shows better working conditions in the entity.	$K63 = 0.5.2.$	Value of the last quarter/K		I
			0.5.2. – sum total of points gained when answering questions in the e-survey (options: <i>N/N</i> - 0 points, <i>YES</i> - 0 points, <i>NO</i> - 2 points)	Value of the last 1 year/M	EPDS	
K64	Number of claims received regarding labour law per one employee	It is assumed that the entity receiving more claims regarding the labour law is exposed to higher risks, irrespective of whether the claims have been proved or not (there is a probability that it's been impossible to record the breach).	$K64 = \sum_i a(i) * 0.4.6(i) * 1.0.0(i) / 0.0.6(i)$, where index i specifies the year counted from a current year (e.g., $i=1$ current year, $i=2$ previous year, etc.), $a(i)$ weighting index of that year attributed to the value of the year i ; - $a(1)=1/2$, $a(2)=1/4$, $a(3)=1/8$, $a(4)=1/16$, $a(5)=1/16$			I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			0.4.6. – number of claims regarding labour law breaches received by the entity (by subjects of the breaches) (all claims and notifications on public interest are included)	Weighting value of the last 5 years/K	OHS IS	
			0.0.6. – average number of the insured in the entity	Weighting value of the last 5 years /K	VSDFV and TDS	
			1.0.0.- risk degree score attributed to claims and notifications on public interest (<i>see</i> Table No 35 Annex 5) considering the level of risk of the subject.	Classification in Annex 5 (Table No 35)	Classification in Annex 5 (Table No 35)	
K65	Number of proved claims regarding labour law breaches per one employee	It is assumed that the entity receiving more proved claims is exposed to higher risks.	$K65 = \sum_i a(i) * 0.9.4.(i) * 1.0.0.(i) / 0.0.6.(i)$, where index i specifies the year counted from a current year (e.g., i=1 current year, i=2 previous year, etc.), a(i) weighting index of that year attributed to the value of the year i ; - a(1)=1/2, a(2)=1/4, a(3)=1/8, a(4)=1/16, a(5)=1/16	Value of the last quarter /K		I
			0.9.4. - number of proved claims regarding labour law breaches by subjects of the breaches (all claims and notifications on public interest are included)	Weighting value of the last 5 years /K	OHS IS	
			1.1.0.- risk degree score attributed to claims and notifications on public interest (<i>see</i> Table No 35 Annex 5) considering the level of risk of the subject.	Classification in Annex 5 (Table No 35)	Classification in Annex 5 (Table No 35)	
			0.0.6. - average number of the insured in the entity	Weighting value of the last 5 years /Month	VSDFV and TDS	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
K66	Number of illegal workers found in the entity	It is assumed that the entity with a previous history of illegal workers or individuals carrying out an unreported work, or foreign nationals working through the breach of the procedure for their recruitment is exposed to higher risk of reoccurrence of such breaches. Upon finding at least one person working illegally or carrying out an unreported work, or a foreign national employed through the breach of the procedure for recruitment of foreigners, similar risk exists for 3 years, and only after 3 years, the level of the risk becomes slightly lower.	$K66 = \sum_i a(i) * 0.7.1.(i)$, where index i specifies the year counted from a current year (e.g., $i=1$ current year, $i=2$ previous year, etc.), $a(i)$ weighting index of that year attributed to the value of the year i ; $a(1)=0,25$; $a(2)=0,25$; $a(3)=0,25$; $a(4)=0,125$; $a(5)=0,125$	Value of the last quarter/K		I
			0.7.1. – number of illegal workers or individuals carrying out an unreported work, or foreign nationals working through the breach of the procedure for their recruitment found in the entity (if illegally working person is recognised as such by the Court, it is counted as 1, if not recognised by the Court, and only AO protocol or report is issued, it is counted as 0.5. If person carrying out an unreported work or through the breach of the recruitment procedure for foreign nationals is found, it is counted as 1)	Weighting value of the last 5 years/K	OHS IS	
K67	Classification of seasonality	It is assumed that in certain sectors a great impact on the risk degree of the entities is made by the seasonality of works related to that sector.	$K67 = 0.3.5 \sim 0.9.5$.	Value of the last quarter/K		I
			0.3.5 – sector of economy the entity operates in	A current period /K	VMI and TDS or JAR	

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
			0.9.5. – risk degree score of the sector (<i>see</i> Table No 35 Annex 5) considering the seasonality ~ - relation based on which in accordance with the risk degree score of a given sector in a current month, the entity is attributed the value of the risk degree score	Value of the last quarter/K	OHS IS	
K70	Potential amount of personal income tax (PIT) if the entity paid average wages (AW) prevailing in a given sector and territory	The criteria shows the gap between the entity's wages and the wages prevailing in a given sector and territory; if the gap is large, the entity is exposed to higher risks of illegal forms of payment or labour law breaches.	$K70 = n$, where n – calculated value of the index by the VMI approach; n is calculated under the following formula: $PIT\ gap = ((PIT\ from\ median) - (PIT\ from\ AW\ fact)) * 6(\text{half year of 1 year}) + (PIT\ from\ median) - (PIT\ from\ AW\ fact)) * 6(\text{half year of 2 year})$	6 months	TDS	I
K76	Social entity	Social entities employ people with disabilities, young people, other persons who in the labour market are attributed to the disadvantaged and vulnerable social groups and who due to their health condition, age, etc. usually do not have necessary skills and experience to protect their rights and legitimate interests in the fields of occupational safety and health, and labour law.	$K76=1$, if 1.1.7 – the entity has the status of social entity, in other case $K76=0$	Value of the last quarter/K	TDS	I
K78	Within a recent year the entity is subsidised or payment of subsidies is terminated by the decision of the Labour Exchange / Employment Service	The entities, implementing measures of support for creation jobs and of supported employment, employ people with disabilities, young people, other persons who in the labour market are attributed to the disadvantaged and vulnerable social groups and who due to their health condition, age, etc. usually do not have necessary skills and experience to protect their rights and legitimate interests in the fields of occupational safety and health, and labour	$K78=1$, if 1.1.8 - within a recent year the entity received subsidies or their payment was terminated by the decision of the Labour Exchange / Employment Service, in other case $K78=0$	Value of the last quarter /K	TDS	I

Criteria No	Criteria	Description	Criteria Algorithm	Calculation Periodicity / Regularity of Data Updates	Data Source	Criteria Increases (I) or Reduces (R) Significance
		law.				
K72	Ratio between rejected and submitted applications on interim residence permits or national work permits	If the entity's ratio between rejected applications and the total number of applications submitted is large, we consider that the entity could have shifted to the shadow economy.	$K72 = 1.1.2 / 1.1.3$ 1.1.2. – number of rejected applications for interim residence or national work permits 1.1.3. – number of submitted applications for interim residence or national work permits, if 1.1.3 ≥ 3	Value of the last quarter /K	TDS	I
K73	Ratio of foreign workers' unpaid leaves	It is assumed that in case of high value of the unpaid leave index there might be cases that the employer encourages foreign employees to take an unpaid leave thus committing a breach of the labour law, or the employee keeps working during their unpaid leave.	$K73 = 0.8.8 / 0.8.9$ 0.8.8 – amount total of the days of unpaid leave of foreign nationals employed in the entity 0.8.9. – average number of foreign nationals employed in the entity	Value of the last quarter /K	TDS	I