

RESPONSIBLE BUSINESS CONDUCT 2024



OECD GUIDELINES

FOR MULTINATIONAL ENTERPRISES ON RESPONSIBLE BUSINESS CONDUCT



National Contact
Point of Kazakhstan





WHAT IS RESPONSIBLE BUSINESS CONDUCT?

Responsible Business Conduct (RBC) refers to standards set by the Organisation for Economic Co-operation and Development (OECD), which emphasize the critical role of investment, human rights, consumer protection, and due diligence.

The RBC framework establishes that all enterprises, regardless of their legal status, size, ownership structure, or sector, must avoid and mitigate any negative impacts of their activities while contributing to sustainable development in the countries where they operate.

The RBC standards were first introduced in 1976 as recommendations within the OECD Guidelines for Multinational Enterprises.

In 2023, the Guidelines were updated to include new recommendations for responsible business conduct in key areas such as climate change, biodiversity, technology, business integrity, and supply chain due diligence, as well as updated implementation procedures for the National Contact Points on responsible business conduct.



OECD GUIDELINES

The OECD Guidelines for Multinational Enterprises are a set of principles designed to ensure that multinational enterprises operate in alignment with public policy, strengthen the foundations of mutual trust between businesses and society, help improve the investment climate, and enhance the contribution of multinational enterprises to sustainable development.

The oversight of the implementation of the OECD Guidelines is entrusted to the OECD Investment Committee.

GUIDELINES:

- the most comprehensive international standard for RBC;
- a code of ethics for multinational companies, endorsed by businesses, trade unions, and civil society;
- non-legally binding, but signatory governments are obligated to ensure their implementation and compliance.

The Guidelines provide multinational enterprises with a framework to align their activities with government policies. A key aspect is balancing an open investment climate with the responsibilities of enterprises.

ACCORDING TO THE OECD GUIDELINES ENTERPRISES SHOULD

- 1) promote economic, environmental and social development to achieve sustainable development,
- 2) take measures to prevent or mitigate adverse effects that may arise from the enterprise's activities.



MULTINATIONAL ENTERPRISES

The OECD Guidelines apply to multinational enterprises.

A multinational enterprise is a company or organization, regardless of ownership structure, that includes parent companies and/or local divisions (branches, representative offices) operating across all sectors of the economy and established in multiple countries in a manner that allows for coordinated activities.

The OECD Guidelines do not provide a specific definition of a multinational enterprise, as it is assumed that such enterprises operate across all sectors of the economy and are

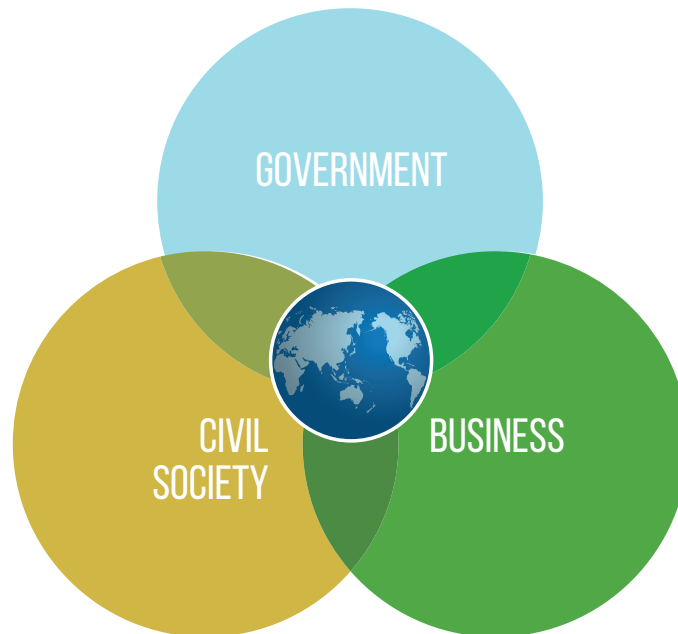
typically companies or organizations based in more than one country.

This applies to both private enterprises and state-owned enterprises and enterprises with a mixed ownership structure.

The OECD Guidelines do not distinguish between multinational and domestic enterprises; they reflect best practices for all businesses. Accordingly, where the OECD Guidelines apply to all enterprises, the same assessments of their activities apply to both multinational and domestic enterprises.



TARGET AUDIENCE OF THE OECD GUIDELINES



ROLE OF THE GOVERNMENT

- Establishment of a National Contact Point;
- Promotion of RBC principles among all relevant organizations and individuals;
- Pre-trial dispute resolution;
- Information exchange with NCPs from other countries;
- Co-development of new RBC guidelines in collaboration with all stakeholders.

ROLE OF ENTERPRISES

- Identification of risks related to the negative impact of their activities on the environment and people;
- Development and monitoring of the implementation of measures to prevent such risks;
- Encouragement of RBC principles among all business partners;
- Promotion of the company's activities in line with RBC principles.

DIRECTIONS OF THE OECD GUIDELINES

CONCEPTS AND PRINCIPLES

The principles are recommendations issued by governments to multinational enterprises.

The first responsibility of enterprises is to comply with national legislation.

States encourage adherence to these principles by enterprises operating within their territory.

The principles are not intended to create distinctions between multinational and domestic enterprises; they reflect good practices for all businesses.

The principles should not be used by states for protectionist purposes in countries where multinational enterprises are investing.

States retain the right to determine the conditions under which multinational enterprises operate.

GENERAL POLICIES

Enterprises should fully consider established policies in the countries where they operate and take into account the views of other stakeholders.

Enterprises should promote economic, environmental, and social progress to achieve sustainable development.

DISCLOSURE

Enterprises are facing increasing demands for disclosure of sustainability information. They should disclose information on all material matters that can reasonably be expected to influence an investor's assessment of the enterprise's value. It is also important that they communicate credible information on their due diligence processes and the impacts of their operations, products and services on people, planet and society.

HUMAN RIGHTS

Enterprises should avoid causing or contributing to adverse human rights impacts and address such impacts when they occur. They should also seek ways to prevent or mitigate adverse human rights impacts that they are directly linked to by a business relationship. The Human Rights Chapter of the OECD Guidelines for Multinational Enterprises is fully aligned with the UN Guiding Principles on Business and Human Rights.





EMPLOYMENT AND INDUSTRIAL RELATIONS

Enterprises should avoid any unlawful employment and industrial relations practices and respect the right of workers to establish or join trade unions and organisations of their own choosing, including for the purpose of collective bargaining and negotiations. They should contribute to the effective abolition of child labour and to the elimination of all forms of forced or compulsory labour; be guided by the principle of equality of opportunity and treatment; and provide a safe and healthy working environment. The Employment and Industrial Relations Chapter of the Guidelines is fully aligned with the ILO Declaration on Fundamental Principles and Rights at Work.

ENVIRONMENT

Enterprises should conduct due diligence to address adverse environmental impacts of their operations, products and services. This includes impacts such as climate change; biodiversity loss; degradation of land, marine and freshwater ecosystems; deforestation; air, water and soil

pollution; mismanagement of waste, including hazardous substances. Enterprises should ensure that their greenhouse gas emissions and impact on carbon sinks are consistent with internationally agreed global temperature goals. They should assess and address social impacts in the context of their climate action and environmental management.

COMBATING BRIBERY AND OTHER FORMS OF CORRUPTION

Adverse impacts on matters covered by the Guidelines are often enabled by means of corruption. Enterprises should have measures in place to prevent, detect and address bribery and other forms of corruption, including through their business relationships.

CONSUMER INTERESTS

Enterprises should apply fair marketing practices and ensure the quality and reliability of their products. They should provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed



decisions. Any product and environmental or social claims that enterprises make should be based on adequate evidence.

SCIENCE, TECHNOLOGY AND INNOVATION

Technology has a profound impact on the matters covered by the Guidelines, including sustainable development, human rights, economic participation, the quality of democracy, social cohesion, climate change, the global business and labour landscape and market dynamics. Enterprises should conduct due diligence to prevent and address adverse impacts related to development, licensing, sale, trade and use of science, technology and innovation.

COMPETITION

Companies should carry out their activities in a manner consistent with all applicable competition laws and regulations, considering the competition laws of all jurisdictions in which the activities may have anti-competitive effects. Enterprises need to refrain from anti-competitive agreements, which undermine the efficient operation of both domestic and international markets.

TAXATION

It is important that enterprises contribute to the public finances of host countries by making timely payment of their tax liabilities. Tax transparency supports the integrity of a country's tax system and is an important way of ensuring and demonstrating that enterprises comply with the letter and spirit of tax laws. Corporate boards should adopt tax risk management strategies to ensure that the financial, regulatory and reputational risks associated with taxation are fully identified and evaluated.

ALL COUNTRIES THAT ADHERE TO THE OECD GUIDELINES ARE REQUIRED TO ESTABLISH A NCP WITHIN THEIR TERRITORIES

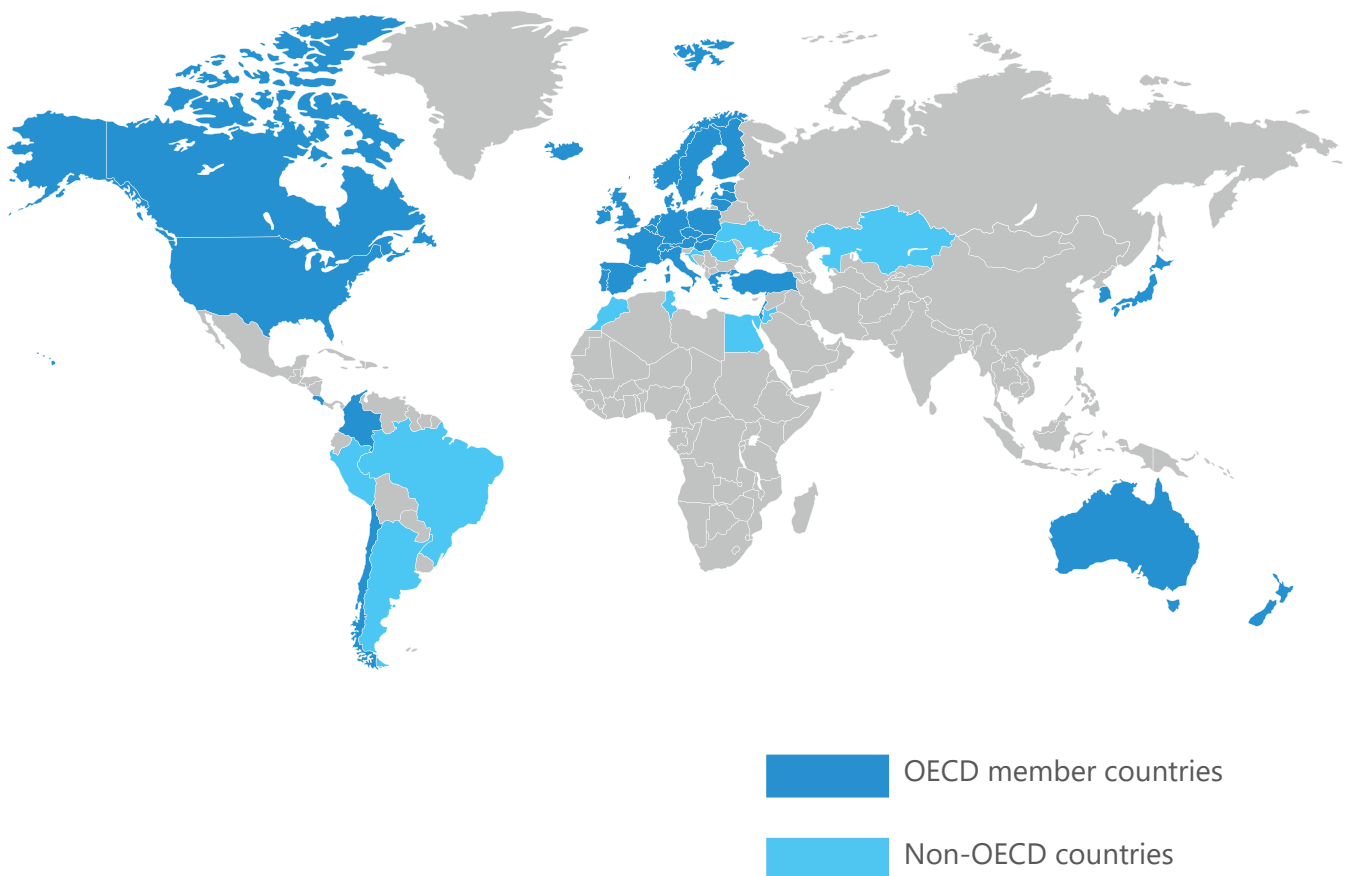
Support for the OECD Guidelines is provided through a unique mechanism - the National Contact Point (NCP).

The NCP serves as a platform for mediation and conciliation procedures (pre-trial resolution) to address and resolve practical issues and disputes that may arise.

The NCP currently operates in 38 OECD countries and 13 non-OECD countries.

All 51 countries account for 80% of Foreign Direct Investments.

From 2000 to 2023, more than 650 cases were considered in total, of which:
62% pertain to human rights, 54% to general policy, including expectations related to due diligence, 39% to employment and labor issues, and 24% to environmental and disclosure matters.





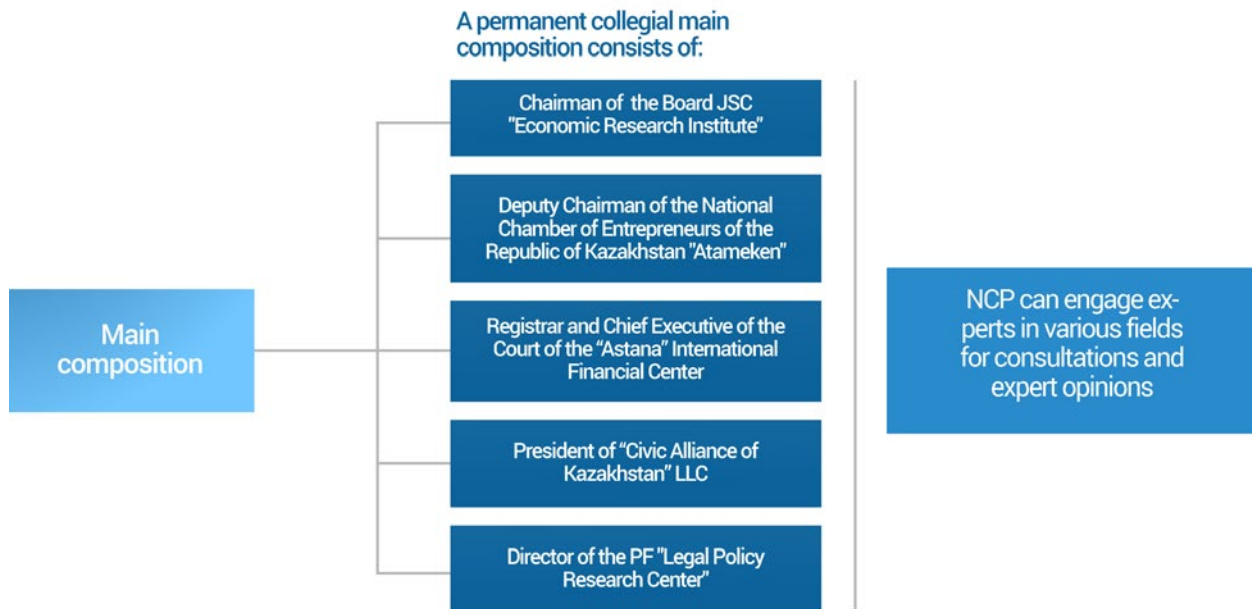
NATIONAL CONTACT POINT OF KAZAKHSTAN

The National Contact Point of Kazakhstan is a voluntary, non-judicial mechanism for reviewing public/society complaints regarding the actions or inactions of enterprises that violate the principles of responsible business conduct in accordance with the OECD Guidelines.

The NCP provides a platform for constructive dialogue between parties to discuss issues and develop proposals and pathways for reaching mutual agreement.

The role of the NCP in Kazakhstan is performed by the Ministry of National Economy of Kazakhstan.

The NCP in Kazakhstan operates in accordance with the Constitution, the laws of the Republic of Kazakhstan, regulatory legal acts of the Republic of Kazakhstan, the OECD Guidelines and the OECD Declaration.



The Vice Minister of National Economy of the RK heads the NCP and provides general control over the process of NCP operation

Entered into force on January 1, 2024

TASKS OF THE NCP

- Review of applications and specific instances arising from alleged violations;
- Interaction with stakeholders;
- Development of recommendations on responsible business conduct;
- Cooperation and interaction with NCPs of other countries;

- Raising public and business community awareness of the OECD Guidelines, NCP activities, and responsible business conduct standards;
- Providing recommendations and support to the Government of the Republic of Kazakhstan in the development, implementation, and alignment of policies aimed at promoting responsible business conduct.

ECONOMIC RESEARCH INSTITUTE OF KAZAKHSTAN



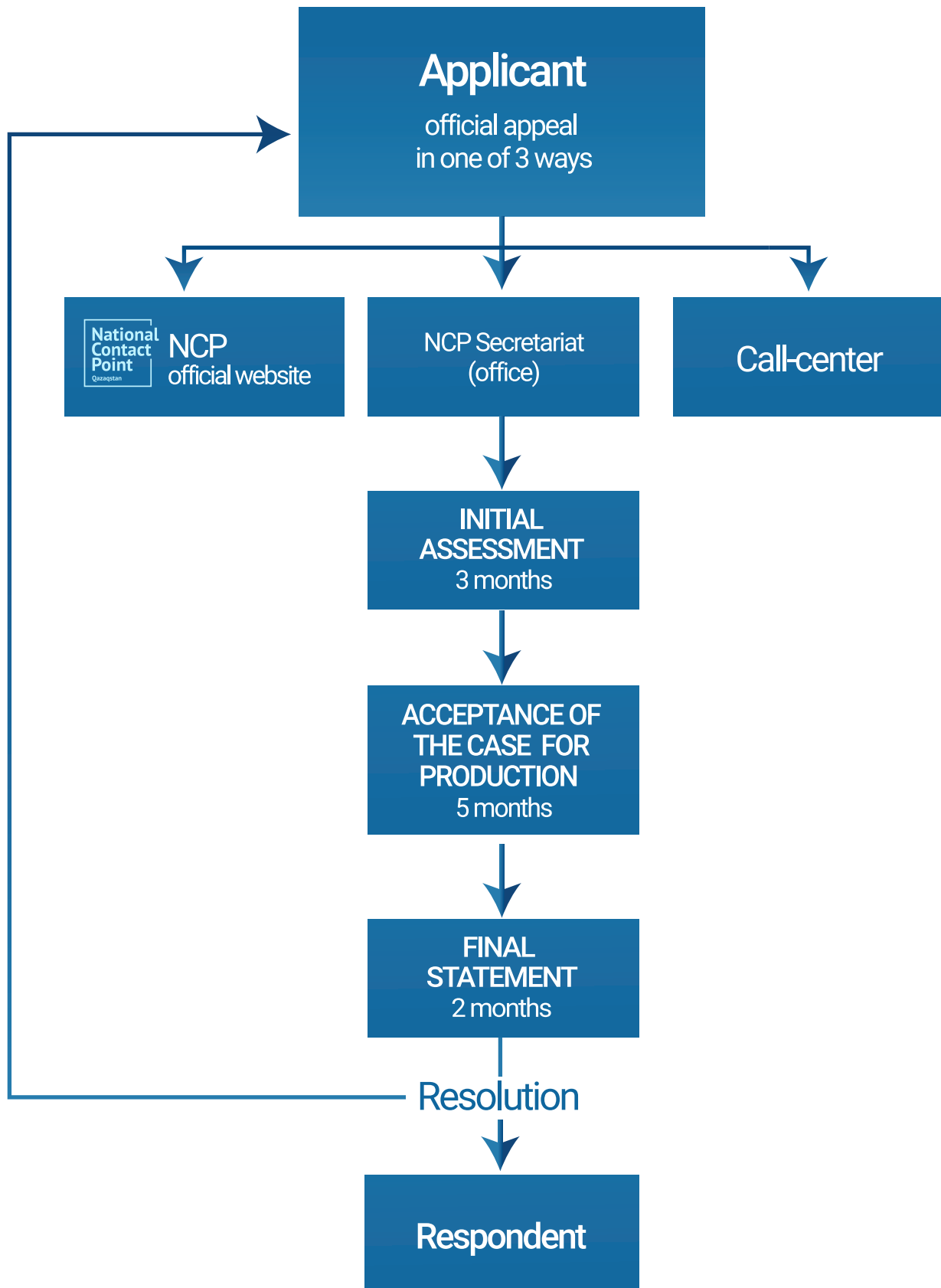
It was established on May 11, 1961 and is ranked 20th in the Think Tanks and Civil Society Program (TTSP) ranking by the University of Pennsylvania.

ERI's activities focus providing scientific support for the implementation of the country's economic strategy, analyzing the state of the economy and forecasting its development for the future, promoting sustainable economic growth, and improving the level standard and quality of life for the population.

ERI employs around 140 people, of whom 52% hold advanced degrees, including master's, Ph.D., candidates, and doctors of economic sciences.

The ERI has been entrusted with the functions of the Secretariat of the NCP in Kazakhstan.

CASE HANDLING PROCEDURE



CASE HANDLING PROCEDURE

The first stage - the author submits an application to the NCP Secretariat, where it undergoes an analysis, including a validation check and meetings with the parties involved.

Based on the analysis, the NPC decides on the acceptance/non-acceptance of the application.

The second stage - the NCP makes every effort to reach a mutual agreement between the parties by conducting meetings, clarifying procedures and facilitating the resolution of the situation. If necessary, the NPC may propose mediation or joint negotiations.

The third stage - The NCP issues a decision that may include recommendations to the enterprise aimed at preventing future breaches of the OECD Guidelines.

Upon completion of the review, the Secretariat of the NPC shall issue a conclusion to the parties and monitor the implementation of the NPC decision.

Information on the status of consideration of the application is posted on the website of the NCP Secretariat: ncp.eri.kz

APPLICATION PROCEDURE

NCP website

On the site ncp.eri.kz fill out an [electronic application form](#) and click the «Submit» button

Office of the NCP

Prepare an appeal following the provided sample (the form can be downloaded from the NCP website) and send it to the Office via the postal service

Call-center

Call
+7 7172 99 99 12,
leave a request and
and contact details

e-Otinish

Enter the system through the digital signature, select an organization (JSC «ERI») and leave a request

THIS LINK CONTAINS THE APPLICATION FORM
[POSTED ON THE OFFICIAL WEBSITE OF THE NCP](#)



FOR NOTES



Telegram bot
ERIQeng_bot



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E-mail
ncpkaz@eri.kz

Information about the NCP, the procedure for considering applications
and other useful materials can be found at

<http://ncp.eri.kz>

<http://eri.kz>