

RESPONSIBLE BUSINESS CONDUCT 2022

ECONOMIC
RESEARCH
INSTITUTE
QAZAQSTAN

OECD GUIDELINES

FOR MULTINATIONAL ENTERPRISES

National
Contact
Point
Qazaqstan

National Contact
Point of Kazakhstan



OECD



WHAT IS RESPONSIBLE BUSINESS CONDUCT?

Responsible Business Conduct (RBC) are standards used by the Organization for Economic Co-operation and Development (OECD) that emphasize the special role of investment, human rights, consumer protection and due diligence.

The RBC establishes that all enterprises, regardless of their legal status, size, ownership form or sector, avoid and exclude the negative consequences of their activities, contributing to sustainable development in the countries where they operate.

The RBC standards in 1976 were drawn up in the form of recommendations in the OECD Guidelines for Multinational Enterprises.

In 2011, in connection with the changes-applications that have occurred in the field of international investment, the OECD Guidelines were updated, their scope was expanded, the term "due diligence" was introduced, and the chapter on human adaptation was completed.



OECD **GUIDELINES**
FOR MULTINATIONAL
ENTERPRISES

OECD GUIDELINES

The OECD Guidelines for Multinational Enterprises are a set of principles designed to ensure that multinational enterprises operate in a manner consistent 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;
- code of ethics for multinational companies approved by business, trade unions and civil society;
- non-legally binding, but signatory governments are obligated to ensure their implementation and compliance.

The Guidelines explain and help multinational enterprises to harmonize their activities with government policies. The key aspect is the balance of the open investment climate with the responsibilities of enterprises

ACCORDING TO THE OECD GUIDELINES ENTERPRISES SHOULD

- 1) promote economic, environmental and social development in order to achieve sustainable development
- 2) take measures to prevent adverse effects that may arise as a result of the enterprise's activities, or to mitigate such adverse effects.



MULTINATIONAL ENTERPRISES

The OECD Guidelines apply to multinational enterprises that operate or are located in countries that apply the OECD Guidelines.

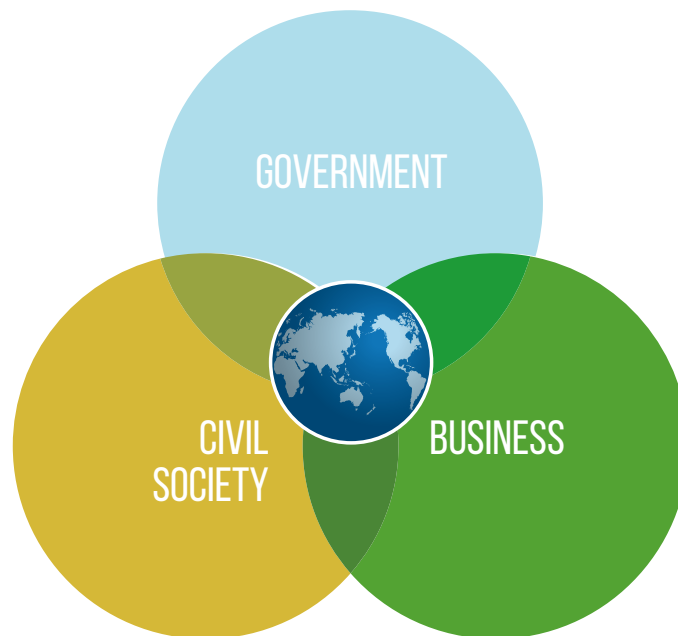
A multinational enterprise is an enterprise (company, organization), of any form of ownership, including parent companies and (or) local divisions (branches, representative offices) operating in all sectors of the economy and established in several countries in a way that allows them to coordinate their activities.

There is no definition of a multinational enterprise in the OECD Guidelines, as it is assumed that such enterprises operate in all sectors of the economy and are usually companies or other organizations located in more than one country.

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



TARGET AUDIENCE OF THE OECD GUIDELINES



ROLE OF THE GOVERNMENT

- Establishment of a national contact point;
- Popularization of the principles of the RBC among all interested organizations and persons;
- Pre-trial settlement of disputes;
- Exchange of information with NCPs of other countries
- Co-development with all stakeholders of new RBC guidelines.

ROLE OF ENTERPRISES

- Identification of the risks of the negative impact of their activities on the environment and humans;
- Development and control of the implementation of measures aimed at preventing the occurrence of risks;
- Encouragement of the application of the principles of the RBC by all business partners;
- Promotion of the company's activities on the RBC.

DIRECTIONS OF THE OECD GUIDELINES

CONCEPT AND PRINCIPLES

The principles are recommendations addressed by governments to multinational enterprises.

Compliance with national legislation is the first duty of enterprises.

States encourage compliance with the principles by enterprises operating in their territory.

The Principles are not intended to introduce differences in treatment between multinational and domestic enterprises; they reflect good practice for all enterprises.

The Principles should not be used by states for protectionist purposes in the country in which multinational enterprises are investing.

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

GENERAL POLICY

Enterprises should take full account of established policies in the countries in which they operate, as well as take into account the views of other stakeholders

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

INFORMATION DISCLOSURE

Enterprises should provide reliable information about their activities, structure, financial situation, results, ownership, supervision, and employees.

Also, enterprises must adhere to high standards of financial and non-financial reporting.

HUMAN RIGHTS

Enterprises, within the framework of their activities and the activities of partners, are obliged to respect human rights, avoid their violation and not take part in this, respond to such cases when they arise.

Enterprises should have their own human rights policy, control it and have their own mechanisms to eliminate the negative consequences of their activities.





LABOR AND INDUSTRIAL RELATIONS

Companies are required to:

- respect the rights of trade unions,
- the right to general meetings,
- to act in the interests of the effective elimination of forced and child labor,
- do not discriminate against employees, both in the process of activity and in employment.

ENVIRONMENT

Enterprises need:

- take due account of the need to protect the environment, public health, and safety;
- develop a system for collecting and evaluating the information on the impact on the environment and safety,
- timely provide information to society and employees about the possible negative impact of their activities on the environment.

COMBATING BRIBERY, OFFERING AND SOLICITING BRIBES

Enterprises must not, directly or indirectly, offer, promise, give or solicit bribes or other advantages in order to obtain or retain business or any improper advantage.

Enterprises must prohibit bribery and monitor, increase the transparency of their activities, promote employee awareness and compliance with company policies, and not make illegal contributions to candidates for public office and positions of political parties or - public organizations.

Enterprises should develop and implement internal control, ethics and compliance programs and measures to prevent and detect bribery.

CONSUMER INTERESTS

When dealing with consumers, businesses must follow fair business practices, marketing, and advertising practices, and take steps to ensure the safety and quality of the products and services offered

Enterprises need

- comply with all legal health and safety standards,
- provide consumers with information for making conscious decisions,
- Do not engage in any practices that are misleading, fraudulent, or dishonest.

Businesses must cooperate with government authorities to prevent serious threats to health, public safety, and the environment.



SCIENCE AND TECHNOLOGY

Enterprises should:

- seek to ensure that their activities are consistent with the science and technology policies and plans of the countries in which they operate;
- promote the development of local and national innovation potential;
- carry out scientific and technological development work to meet the needs of the local market, engage host country personnel to carry out scientific and technical work, and promote their training, taking into account commercial needs;
- develop links with local universities, government research institutes and participate in joint research projects with local manufacturers or industry associations.

COMPETITION

Enterprises need:

- conduct its activities in accordance with the laws and regulations of competition law,
- refrain from price collusion, bid-rigging, imposing restrictions or quotas on production, dividing markets by distributing customers, suppliers, territories.
- cooperate with the investigative antimonopoly authorities of the country.
- promote regular employee awareness-raising on the importance of complying with all applicable antitrust laws and regulations, as well as train the company's top management on competition issues.

TAXATION

Enterprises must fulfill their tax obligations in a timely manner in accordance with the requirements of tax law and tax legislation of the state. Also provide the authorities with reliable information for the correct determination of the amount of tax, while avoiding the transfer of income and expenses abroad in order to reduce the tax burden.

Enterprises should consider tax administration and tax compliance as important elements of their oversight and risk management systems.

ALL WHO JOIN THE OECD GUIDELINES ARE REQUIRED TO ESTABLISH AN NCP IN THEIR TERRITORIES

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

The NCP is a platform for mediation and conciliation procedures (pre-trial settlement), for resolving practical issues and disputes that have arisen.

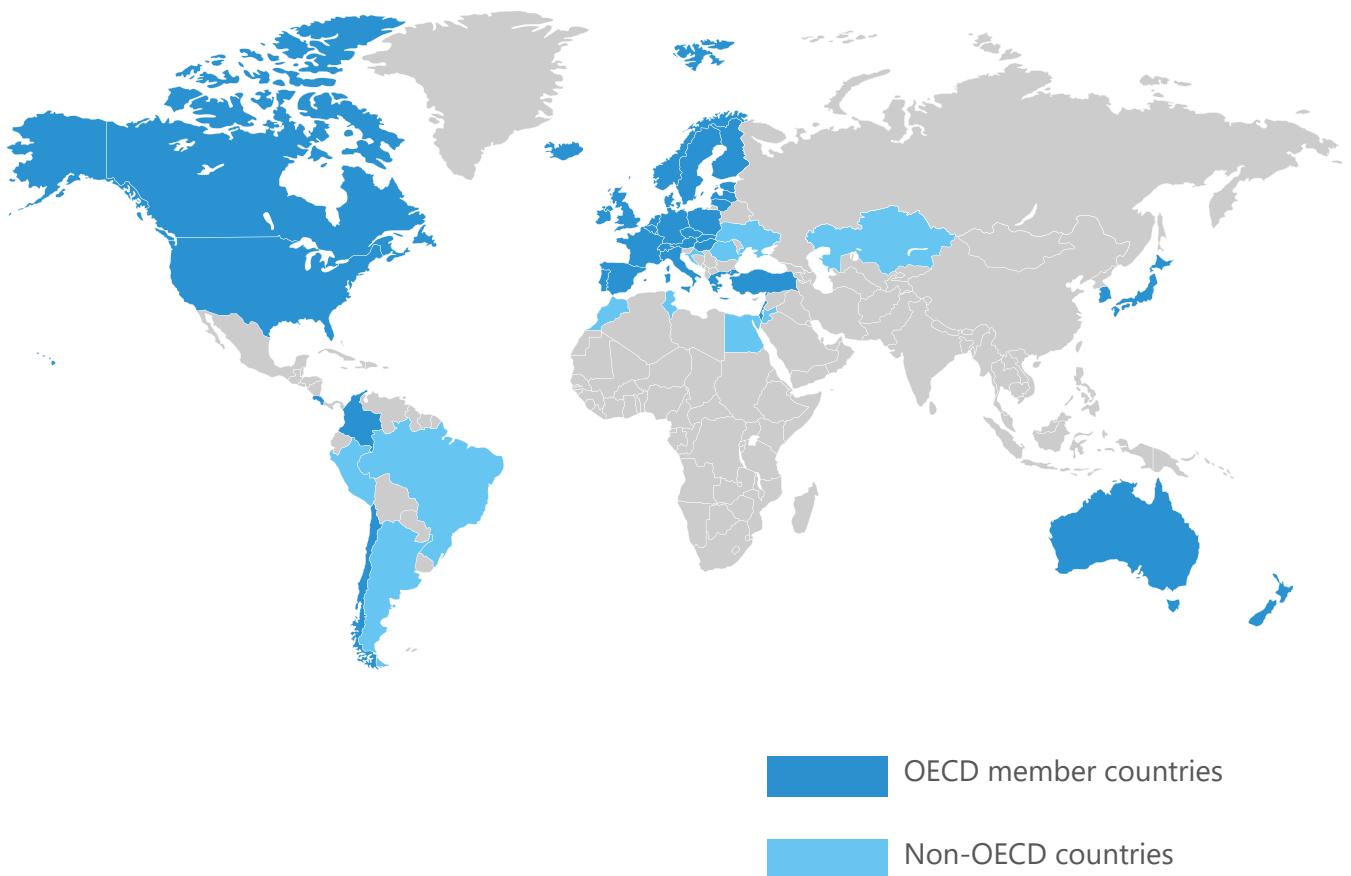
The NCP currently operates in 38 OECD countries and 12 non-OECD countries.

All 50 countries account for 80% of Foreign Direct Investments.

From 2000 to 2021, more than 450 cases were considered in total, of which:

57% relate to general policy issues, and 53% relate to employment and labor relations

In general, in 36% of cases, agreements were reached between the parties, and in 33% of cases, internal policies of companies were changed to comply with the OECD Guidelines.





NATIONAL CONTACT POINT OF KAZAKHSTAN

The National Contact Point of Kazakhstan is a permanent body that takes decisions on complaints about violations of the provisions of the OECD Guidelines.

The purpose of the NCP is to promote and implement the OECD Guidelines, provide alternative dispute resolution and conciliation procedures in violation of the OECD Guidelines.

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

The NCP in Kazakhstan is guided by the Constitution, the laws of the Republic of Kazakhstan, the regulatory legal acts of the Republic of Kazakhstan, the OECD Guidelines and the OECD Declaration.

TASKS OF THE NCP

Dealing with requests and appeals for alleged non-compliance by multinational enterprises with OECD Guidelines

Raising public and business community awareness of the OECD Guiding Principles (through the media, seminars, round tables)

Cooperation and interaction with the NCPs of other countries when considering complaints about violations of the OECD Guidelines

PRINCIPLES OF FUNCTIONING OF THE NCP IN KAZAKHSTAN

ORGANIZATIONAL STRUCTURE OF THE NCP IN KAZAKHSTAN



JUSTICE



COMPLIANCE WITH OECD
GUIDELINES



TRANSPARENCY



IMPARTIALITY



ECONOMIC RESEARCH INSTITUTE OF KAZAKHSTAN



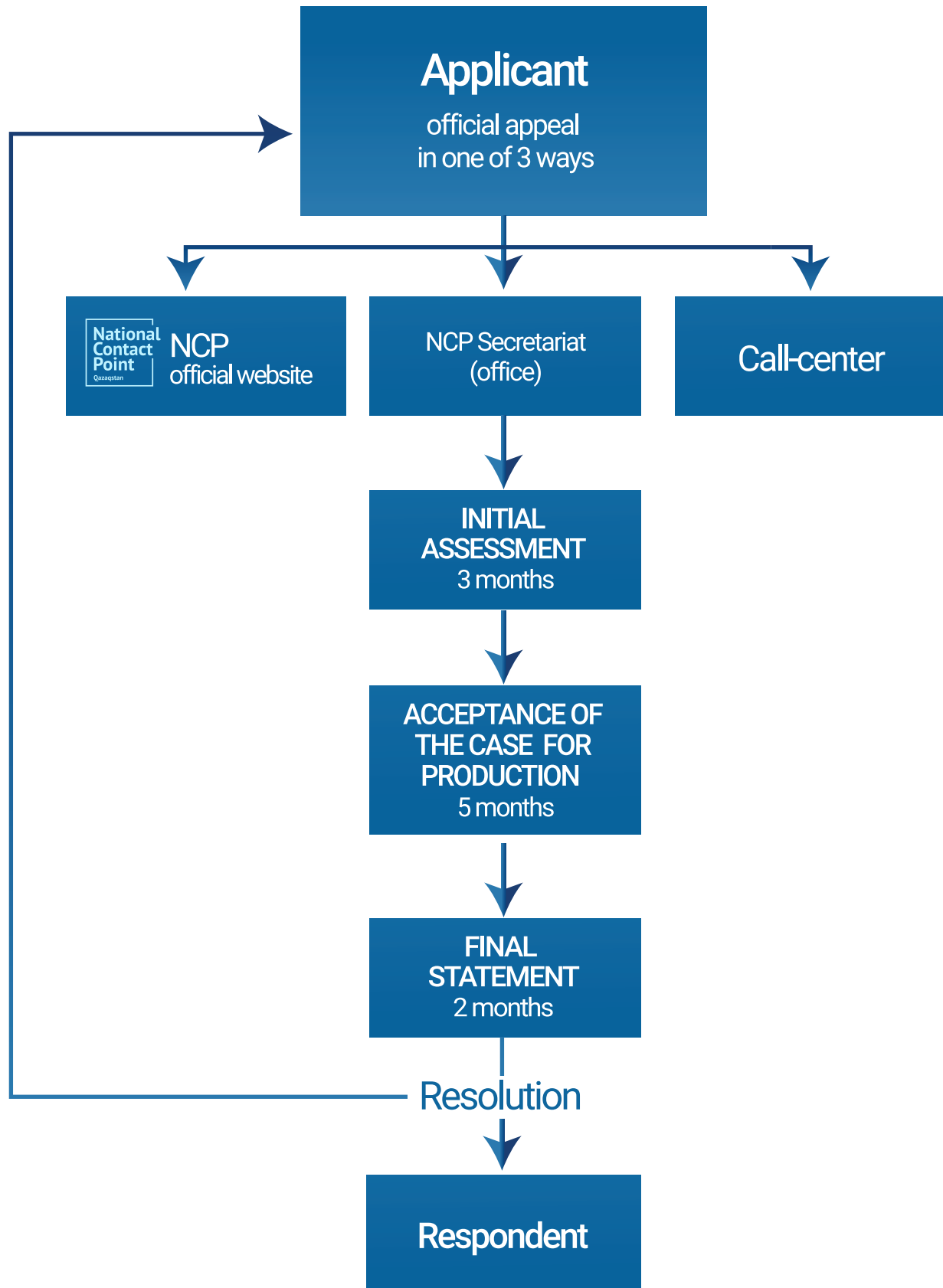
It was created on May 11, 1961 and is ranked 20th in the Think Tanks and Civil Society Program (TTSP) ranking of the University of Pennsylvania.

ERI's activities are aimed at 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 and quality of life of the population.

The personnel potential of ERI leaves about 140 people, among whom 52% are occupied by masters, Ph.D., candidates, and doctors of economic sciences

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

PROCEDURES FOR DEALING WITH COMPLAINTS OF VIOLATIONS OF THE OECD GUIDELINES



PROCEDURES FOR DEALING WITH COMPLAINTS OF VIOLATIONS OF THE OECD GUIDELINES

The first stage - the author sends the application to the Secretariat of the NCP, where it is subject to analysis: a validation check is carried out, meetings with the parties are held.

Based on the analysis, the NCP 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 holding meetings, clarifying procedures and facilitating the resolution of the situation. If necessary, the NCP may propose mediation or joint negotiations.

The third stage - The NCP issues a decision that may make recommendations to the enterprise to help avoid future breaches of the OECD Guidelines.

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

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

APPLICATION PROCEDURE

NCP website

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

Office of the NCP

Prepare an appeal according to the sample (you can download the form from the NCP website) and send it to the Office through 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@economy.kz

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

<http://ncp.economy.kz>

<http://economy.kz>