



# Corporate Social Responsibility in Russia

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International.

Although CSR is a well-known concept in the Russian business sector, it is not yet being implemented within companies in an integrated way. There is still limited support for CSR in society. In addition, the definition of CSR among Russian companies is generally not the same as that applied from a Dutch and/or OECD perspective. The corruption situation has improved slightly compared with last year but the issue continues to exist. According to the Corruption Perception Index issued by Transparency International, in 2015 Russia came 119th out of 168 countries. Environmental awareness is still low in general, although climate-neutral production is also becoming important in Russia. There is clear room for improvement in the labour participation of disabled people.

## Working conditions

In general, Russia has reasonable working conditions. However, the legal security of employees is limited in practice. Russia has ratified the fundamental ILO standards regarding the freedom of association, ban on forced labour and child labour and the prohibition of discrimination in the workplace. The International Labour Organization in Russia is implementing various programmes in order to promote safe and healthy working conditions and increase awareness of safe working methods among companies.

## The Russian government and CSR

For Dutch businesses, a good relationship with the Russian authorities (local, provincial and federal) is an important if not essential requirement for their continued existence.

## CSR in practice

Dutch companies must also apply CSR standards to their activities in Russia. Alongside the Dutch standards, companies must also take the Russian CSR standards into account. The Dutch government is actively seeking CSR-related dialogue with

Russia. For example, in 2013 there was a dialogue between Minister Ploumen and Dutch companies based in Russia. In 2015, there was a CSR-related exchange between Nyenrode Business University and the Moscow International Higher Business School.

**Tip:** Association of European Businesses can provide Dutch companies which operate in Russia (or which intend to do so) with CSR-related advice.

## Legislation

Over the past 20 years, there have been many legal reforms. As a result, Russian legislation is generally very modern. However, its implementation sometimes leaves much to be desired. Dutch companies must also apply Dutch CSR standards when operating abroad. It is also advisable for them to know and comply with the local legislation and regulations in order to avoid putting their business in a vulnerable position.

**Tip:** When setting up an office or production location in Russia, local international accountants, tax experts and lawyers can often provide useful information about Russian legislation and its implementation in practice.



### Corruption

Russian government policy focuses on tackling corruption. This policy has borne fruit and clear improvements have been seen in recent years. Small-scale corruption has been tackled and has largely disappeared. Small and medium-sized businesses, however, still risk falling victim to corruption. Tips for deterring corruption, among other things, can be found on [www.mvonderland.nl/eerlijk-zaken-doen/anti-corruptie](http://www.mvonderland.nl/eerlijk-zaken-doen/anti-corruptie) (in Dutch).

### Environment

There is still considerable room for improvement in the internal environmental performance of companies in Russia. Many of the investments would immediately benefit companies and society. Russia mainly has issues with the supply and treatment of water. Lukoil and Sakhalin Energy are examples of companies which have developed environmental care initiatives. Lukoil is making efforts to permanently improve environmental conditions and carries out systematic checks in this area. Sakhalin Energy has carried out comprehensive research into the influence of its activities on the environment and society. Current developments in the environmental policy and regulation in Russia are expected to result in various changes in 2017.

### Further information

- These subjects and many others are discussed in the CSR toolkit for Russia. The toolkit provides tips and advice from Russian business practice.  
[www.rvo.nl/onderwerpen/internationaal-ondernemen/landenoverzicht/rusland/mvo-rusland](http://www.rvo.nl/onderwerpen/internationaal-ondernemen/landenoverzicht/rusland/mvo-rusland) (in Dutch)
- The OECD guidelines clarify what the Dutch government expects from all companies with international activities in the area of CSR when operating abroad. They offer a guide to codes of conduct indicating how businesses can deal with various social issues such as child labour, environmental issues and corruption. [www.oecdguidelines.nl](http://www.oecdguidelines.nl)
- The International Labour Standards offer a guide to how working conditions in the informal sector can be compared with those in other countries.  
[www.ilo.org/global/standards/index.htm](http://www.ilo.org/global/standards/index.htm)
- CSR Netherlands (MVO Nederland) provides entrepreneurs with comprehensive information and guidance in the area of corporate social responsibility.  
[www.mvonderland.nl/csr-netherlands](http://www.mvonderland.nl/csr-netherlands)
- The Netherlands-Russian Council for Trade Promotion (NRCH) can represent the interests of Dutch companies which operate in Russia. [www.handelsbevordering.nl/en/about-us/nchbusiness-councils/russia/](http://www.handelsbevordering.nl/en/about-us/nchbusiness-councils/russia/)

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