



MONGOLIAN NATIONAL CHAMBER OF COMMERCE AND INDUSTRY

MNCCI Building, Mahatma Gandhi street, 15th khoroo,
Khan-Uul district, Ulaanbaatar 17011, MONGOLIA,
Tel: (976) 7727 7070, Fax: (976-11) 32 46 20,
E-mail: chamber@mongolchamber.mn


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To our stakeholders:

I am pleased to confirm that the Mongolian National Chamber of commerce and Industry(MNCCI) reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Duuren Tumenjargal

CEO

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Communication on progress (COP) 2018-2021

Mongolian National Chamber of commerce and Industry (MNCCI) is the leading non-governmental, business advocacy institution in Mongolia acting since 1960.

MNCCI has more than 5000 members, 21 branches in all provinces and actively cooperates with more than 40 international Chambers of commerce and 100 trade promotion organizations from 41 different countries. It assigned 36 delegates in 23 countries and 11 honorary councils in 9 countries. The MNCCI is a full member of international and regional trade promotion organizations such as the International Chamber of Commerce (ICC), the Asian Trade Promotion Forum (ATPF), and the Confederation of Asia-Pacific chambers of commerce and Industry (CACCI).

The Chamber conducts wide range of activities including the rendering overall business services to its members and non-members, operating public-private sector counseling committees, arbitration, inspecting export and import goods on a neutral basis, certifying foreign trade documentation, issuing force majeure and hardship certification, registering patents and trademarks, promoting export, SMEs, Business integrity and CSR, organizing domestic and international exhibitions and trade fairs, hosting business missions, conducting training and seminars and conferences, ranking TOP-100 companies on an annual basis, conducting survey on business confidence index, business environment, red tape index, and many more.

MNCCI led the launch of the “Great Economic Recovery” initiative

In 2020 due to the Covid-19 epidemic, all operations of enterprises were temporary suspended and the business environment was difficult in paying staff salaries, operating expenses, rent and other payments or restricted, sales revenue dropped sharply, loans and other payments were directly difficult to pay and the Chamber led the launch of the “Great Economic Recovery” initiative, which aims to reduce economic and business risks, protect the interests of entrepreneurs and revitalize businesses to save jobs. The initiative has been supported by the Parliament and the Government.

Strengthening business integrity and anti- corruption

The Mongolian National Chamber of Commerce and Industry, Transparency International Mongolia and Rio Tinto Mongolia LLC share a common overarching goal to strengthen business integrity and encourage a fair business environment in Mongolia. The parties have therefore agreed to jointly implement the 'Strengthening Business Integrity Project' (the Project) with Rio Tinto Mongolia acting as a sponsor.



Within the framework of the Project, a 'Business Integrity Center' (BIC) was established under the MNCCI in May, 2021. The purpose of the BIC is to promote business integrity on a long-term basis to sustain a level-playing field in Mongolia. The BIC will implement initiatives and provide the following consultancy services:

- Assist business organizations in formulating/reviewing codes of conduct
- Support the development of a governance framework
- Provide business and professional integrity training for businesses
- Provide with printed materials and electronic library, produce and compile relevant publications and resources

Following activities have been undertaken since BIC establishment.

1. Created Facebook page (<https://www.facebook.com/bicentermn>) and Twitter, YouTube social channels in order to increase awareness on business integrity, disseminate best practices and foster ethically sustainable business.
2. Library- Over 50 handbooks & study reports (IAAC, MNCCI, Transparency International, UN Global Compact, OECD, and other international organizations). To be updated based on further research.
3. Developed E-library platform based on MNCCI's web site- Over 100 handbooks & study reports (IAAC, MNCCI, Transparency International, UN Global Compact, OECD, and other international organizations). To be updated based on further research. Please find the following link: <https://www.mongolchamber.mn/p/360>
4. Conducted training and consultant service needs assessment on business ethics. BIC developed training curriculum based on this assessment.
5. Conducted "Responsible Business practices and Business Integrity methodology training" in order to strengthen the capacity of business integrity. Over 150 business representatives have participated in the training series. Therefore, BIC organized requested training by Max Group LLC, Skytel group LLC and Asia foundation.
6. The Business Integration Center (BIC) organized Business breakfast meeting (13 August 2021) in collaboration with the Independent Authority Against Corruption of Mongolia (IAAC). The Guest speaker of the Business Breakfast was G.Azjargal, Deputy General Director, IAAC. The meeting was successful and productive, with approximately 60 representatives of businesses and civil society organizations. The purpose of the 'Business breakfast' meeting was to extend the public-private partnerships against corruption and to hold discussions on issues businesses are facing and identify areas of improvement.

7. Organized “First compliance and business ethics forum” cooperation with Compliance council at the MNCCI with the financial assistance of sponsor organizations including Mongolian Bar Association, Rio Tinto Mongolia, Mobicom corporation, Development Solutions NGO. Approximately 130 business representatives from government organizations, associations, and major business organizations in Ulaanbaatar and 21 provinces attended the forum which took place in person and online via zoom.
8. Organized theoretical and methodological conference on “Ways to create a fair, ethical and corruption-free legal environment for businesses” among researchers, students and businesses ahead of the First Compliance and Business Ethics Forum. Researchers and students were also awarded prizes for their research papers announced during the First Compliance and Business Ethics Forum.
9. The Business Integrity Center (BIC) has launched an “Ethically-Sustainable Business” digital campaign to raise awareness among the public and entrepreneurs. Within the campaign, we delivered content to raise awareness of business ethics and motivate businesses to become ethical entrepreneurs through the MNCCI and Business Integrity Center social channels
10. O.Amartuvshin, chairman of the MNCCI participated as a guest speaker and panelist in the “Private sector and fair competition” session during the National Anti-Corruption Forum hosted by the Independent Authority Against Corruption of Mongolia (IAAC) ahead of the International Anti-Corruption day. For this year, the day was organized under the motto, “Your right, your role: Say no to Corruption”. Moreover, O.Amartuvshin, Chairman of the MNCCI made a presentation titled “Improving business environment and ensuring fair completion” presentation.
11. The best business ethics and compliance awards: Business integrity Center and Compliance council at the MNCCI have initiated the “Best Business Ethics and Compliance Awards in 2021 in order to foster ethically sustainable business activities.

Corporate Social Responsibility

Developed the concept of corporate social responsibility: CSR Council at the MNCCI, has developed this joint concept within the framework of the common goal of developing and disseminating responsible business for the sustainable development and social well-being, especially during the pandemic and beyond.

The concept was based on international best practices, and taking into account of the specifics of private sector development in Mongolia. It consists of a total of 9 principles with 3 main directions. The 3 main directions are: to prioritize economic development; promote good governance; promote cooperation and leadership in environment protection.



Currently, we are working on introducing this concept among our business communities.

Organized “Corporate Social Responsibility” online meeting: Over 40 representatives from the private sector and civil society organizations in Ulaanbaatar and rural areas participated. The

purpose of the meeting was to introduce “The joint concept of corporate social responsibility” and best practices in Germany and Mongolia and hold open discussions. Also, the Chairman of the Borderless Step NGO made a presentation on Social Impact Assessment of Business activities: An Example of the Minerals and Infrastructure and discussed further cooperation with the CSR council regarding environmental protection.

The best CSR company awards: MNCCI hold its "Entrepreneur-2021" awards ceremony for the 24th year, distinguishing entities, organizations and business owners of the year who made solid contributions to the country's social and economic development.

Representatives of 10 businesses participated in the Uniting Business live forum on 20-22 September 2021.

Human rights

- ✓ Conducted “Business and human rights” training for members of the Young entrepreneurs council and “Tsoilogsod” Z generation team at the MNCCI within the framework of the cooperation between MNCCI and UNICEF. The training was conducted by the S.Moiltmaa, Partnership officer, UNICEF.
- ✓ MNCCI staff and members participated in the Central regional discussion under the theme ‘Ensuring human rights in business’ was held in Erdenet on 11 October 2021. More than 180 representatives of government agencies and private sectors in Arkhangai, Darkhan-Uul, Orkhon, Uvurkhantai, Selenge, Tuv aimag participated in the discussion, co-organized by the Ministry of Foreign Affairs and UN Development Programme with the support from European Union.

