

Chapter 9

Policies to promote and enable responsible business conduct in Viet Nam

This chapter provides an overview of the responsible business conduct landscape in Viet Nam, outlining the actions the government has taken to facilitate, promote, enable, co-operate on and exemplify responsible business practices. It also provides recommendations for how the climate for responsible business conduct in Viet Nam could be further enhanced with a view to promoting sustainable development.

Responsible business conduct (RBC) principles and standards set out an expectation that all businesses avoid and address negative impacts of their operations, while contributing to sustainable development where they operate. Promoting and enabling RBC should be of central interest to those policymakers wishing to attract quality investment and ensure that business activity in their countries contributes to broader value creation and sustainable development.

In principle, the legal framework that protects the public interest and underpins RBC has been partially established in Viet Nam, although more efforts are needed to ensure implementation and enforcement of relevant laws. Awareness of international RBC principles and standards is not yet wide-spread, but the economic and social reforms currently being implemented as a result of Viet Nam's international commitments (particularly in areas related to labour relations and human rights), represent a positive step in strengthening Viet Nam's overall policy framework that enables RBC. This is an important signal for investors, as certain RBC-related risks in Viet Nam are perceived to be high.

Much of FDI in Viet Nam so far has come from Asia, suggesting that investors from Europe and North America have substantial scope to expand their presence. Mainstreaming RBC at a government level and clearly communicating RBC priorities and expectations would go a long way in overcoming country risk perceptions, maximising the development impact of FDI, attracting quality investment and promoting linkages with MNEs, and creating a level-playing for business (particularly important in light of increasing RBC expectations in the supply chains, which can include legal obligations for some investors).

Policy recommendations

- Implement the reforms in the areas of labour relations, transparency, corporate governance, human rights, and environment that have been agreed to in the recent international agreements.
- Develop a *National Action Plan on Responsible Business Conduct*, in collaboration with stakeholders and in line with international good practices. Clearly communicate expectations on RBC, provide guidance on accepted practices, and promote policy coherence and alignment on RBC. Support awareness raising events. Consider establishing a focal point on RBC in the government.
- Actively promote RBC among Vietnamese businesses. Encourage the establishment of firm-level grievance mechanisms as a complement to government complaints mechanism in order to

strengthen the capacity of workers to voice concerns. Encourage cross-sectoral learning for addressing RBC risks.

- Include RBC in the efforts to promote linkages between MNEs and domestic industries, in line with recommendations from Chapter 6. Include RBC principles and standards in the design of the systematic and well-institutionalised industry-specific training programmes for supporting industries, in collaboration with the business community and educational institutions. Consider how social enterprises can be promoted through these programmes.
- Include RBC expectations in FDI attraction efforts and as one element in efforts by central and provincial investment promotion authorities to facilitate information exchange between foreign and domestic firms. Include RBC criteria in supplier databases and in matchmaking events.
- Involve the private sector in human resource development policies and encourage internal and external training by employers. Communicate to enterprises that contributing to human capital formation (in particular by creating employment opportunities and facilitating training opportunities for employees) is a pillar of RBC - and recognise those that do it.
- Communicate the extent of business responsibilities for protecting the environment in strategic documents on the environment at both national and provincial levels.
- Improve the implementation of the regulations on environmental impact assessments by clarifying exact mandates and direct responsibilities for follow up and monitoring activities of national and provincial authorities. Improve technical capacities of responsible authorities, particularly for industries new to Viet Nam.
- Establish expectations on RBC for SOEs and publicly disclose them.
- Consider strengthening disclosure requirements for non-financial information in line with international best practice.
- Implement broader reforms that support entrepreneurship, such as developing an entrepreneurship promotion policy. Promote social entrepreneurship as one component of promoting responsible business practices across the entire economy.

Box 9.1. A primary reference for responsible business - OECD Guidelines for Multinational Enterprises

The OECD Guidelines for Multinational Enterprises are the most comprehensive recommendations on what constitutes responsible business addressed by 46 adhering governments to businesses operating in or from their territories conduct on:

- disclosure
- human rights
- employment and industrial relations
- environment
- combating bribery, bribe solicitation and extortion
- consumer interests
- science and technology
- competition
- taxation

Their purpose is to ensure that business operations are in harmony with government policies; to strengthen the basis of mutual confidence between businesses and the societies in which they operate; to improve investment climate; and to enhance the contribution of the private sector to sustainable development. The Guidelines, together with the UN Guiding Principles on Business and Human Rights and core ILO Conventions, are one of the main international instruments on RBC.

The Guidelines reflect good practice for all businesses and do not aim to introduce differences of treatment between multinational and domestic enterprises. The adhering governments wish to encourage their widest possible observance to the fullest extent possible, including among small- and medium-sized enterprises, even while acknowledging that these businesses may not have the same capacities as larger enterprises. Accordingly, multinational and domestic enterprises are subject to the same expectations wherever the Guidelines are relevant to both.

Each adhering country sets up a National Contact Point (NCP) tasked with promoting RBC and the Guidelines, as well as helping resolve issues in case the Guidelines are not observed. NCPs have considered over 360 such instances since 2000.

Scope and importance of responsible business conduct

RBC principles and standards set out an expectation that all businesses – regardless of their legal status, size, ownership structure or sector – avoid and address negative impacts of their operations, while contributing to sustainable development of the countries in which they operate. This

expectation is affirmed in the main international instruments on RBC, notably the OECD *Guidelines for Multinational Enterprises* (OECD Guidelines) (see Box 9.1) and the UN *Guiding Principles for Business and Human Rights* (UN Guiding Principles), and, increasingly, in international trade and investment agreements and national development strategies, laws, and regulations.

RBC means considering and integrating environmental and social issues within core business activities, including throughout the supply chain and business relationships. A key element of RBC is risk-based due diligence – a process through which businesses identify, prevent and mitigate their actual and potential negative impacts, and account for how those impacts are addressed. RBC is a term sometimes used interchangeably with corporate social responsibility (CSR), although it is understood to be more comprehensive and integral to core business than what is traditionally considered CSR (mainly philanthropy). Increasingly, CSR is being used in a similar way to RBC.¹ Many businesses find that responsible business is good business, in addition to ensuring that they respect human rights and comply with laws and regulations of the countries in which they operate. Understanding, addressing, and avoiding risks material to business operations in a more comprehensive way – that is, beyond financial risks – can often lead to a competitive advantage.

Promoting and enabling RBC is of central interest to policy-makers that wish to attract quality investment and ensure that business activity in their countries contributes to broader value creation and sustainable development. According to the OECD *Policy Framework for Investment*, governments can promote and enable RBC in several ways through:

- *Regulating* – establishing and enforcing an adequate legal framework that protects the public interest and underpins RBC, and monitoring business performance and compliance;
- *Facilitating* – clearly communicating expectations on what constitutes RBC, providing guidance on specific practices and enabling enterprises to meet those expectations;
- *Co-operating* – working with stakeholders in the business community, worker organisations, civil society, the general public, across internal government structures, as well as other governments to create synergies and establish coherence with regard to RBC;
- *Promoting* – demonstrating support for best practices in RBC;
- *Exemplifying* – behaving responsibly in the government’s role as an economic actor.

Since the 2011 update of the Guidelines and the adoption of the UN Guiding Principles, there has been a significant increase in government policies and initiatives promoting RBC and better environmental and social conditions in global supply chains (see Box 9.2). Businesses, trade unions and civil society have welcomed these efforts. Many of the persistent challenges in the supply chain cannot be solved by any one actor alone, as demonstrated by several high profile accidents such as the Rana Plaza factory collapse in Bangladesh or the recent cases of human trafficking and modern slavery on fishing boats, cocoa plantations, and cotton farms.

Box 9.2. Recent policy innovations on RBC

Recognising the importance of RBC in international agreements

The agreement on Sustainable Development Goals (SDGs) and the historic Paris agreement on climate change have recognised and given renewed attention to the role of the private sector in development. A number of SDGs refer to responsible production patterns, inclusive and sustainable economic growth, employment and decent work for all, while the Paris agreement underlines the critical role of business in tackling climate change, including through reducing greenhouse gas emissions and improving environmental performance. There is much to be gained from promoting and enabling RBC in pursuit of the SDGs. The 2016 Development Co-operation Report: The Sustainable Development Goals as Business Opportunities outlines policy reasons for promoting RBC as a way to mobilise necessary resources for financing the development agenda, while improving access to markets and participation in value chains for domestic industries and increasing accountability and inclusiveness (OECD, 2016c).

Another high-level commitment that made it clear that RBC issues were a top priority in the international agenda was the June 2015 G7 Leader's Declaration. G7 pledged to lead by example to promote international labour, social and environmental standards in global supply chains; to encourage enterprises active or headquartered in the G7 to implement due diligence; and to strengthen access to remedy (G7, 2015). Specific encouragement was given to international efforts and promulgating industry-wide due diligence standards in the textile and ready-made garment sector. The need to help small and medium-size enterprises (SMEs) develop a common understanding of due diligence and responsible supply chain management was also highlighted.

Promising national developments

More and more countries are also using RBC principles and standards to frame domestic law. In March 2015, the UK enacted the Modern Slavery Act, mandating that commercial organisations prepare an annual statement on slavery and human trafficking and report on their due diligence processes to manage these risks within their operations and supply chains (UK, 2015). France has introduced a similar but broader proposal to mandate supply .../

Box 9.2. Recent policy innovations on RBC (cont.)

chain due diligence in accordance with the OECD Guidelines, which, if enacted, would require all French companies with more than 5000 domestic employees or more than 10 000 international employees to publish a due diligence plan for human rights and environmental and social risks or face fines of up to EUR 10 million (France, 2014).

RBC criteria have also been included in economic instruments. The OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence was revised in April 2016 to strengthen RBC considerations in export credits and to promote policy coherence (OECD, 2016a). Canada has enhanced its strategy *Doing Business the Canadian Way: A Strategy to Advance Corporate Social Responsibility in Canada's Extractive Sector Abroad* to allow for withdrawal of government support in foreign markets for companies that do not embody RBC and refuse to participate in the dispute resolution processes available through the Canadian government, including National Contact Points (NCPs) for the OECD Guidelines.

Due diligence requirements for minerals supply chains have been integrated into Section 1502 of the 2010 United States Dodd–Frank Wall Street Reform and Consumer Protection Act. More recently, Federal Acquisition Regulation was revised in 2015, establishing a number of new safeguards to strengthen protections against trafficking in persons in federal contracts (United States, 2015a). Additionally, the 2015 Trade Facilitation and Trade Enforcement Act eliminated the exceptions to the prohibition on import of goods into the United States - it is now illegal to import goods made, wholly or in part, with convict, forced and indentured labour under penal sanctions. In March 2016, US border agents withheld goods tied to forced labour on the basis of the new Act (United States, 2016).

In 2014, the EU passed a directive on promoting disclosure of non-financial and diversity information with the aim to promote more transparency on environmental and social issues across sectors and companies over a certain size incorporated in EU member states and listed on regulated EU exchanges (EU, 2014). It is currently in the process of being transposed into national law and first reports are expected in early 2018. Recently, an agreement on a framework to stop the financing of armed groups through trade in conflict minerals was reached at an EU level, with the aim that EU companies source tin, tantalum, tungsten and gold responsibly. These minerals are typically used in everyday products such as mobile phones, cars and jewellery (EU, 2016a).

China is also increasingly incorporating RBC into its national initiatives. In 2015, OECD and China signed a comprehensive programme of work, setting out the strategic vision and activities in a number of topics, including RBC. Several joint activities have been undertaken under the programme. Notably, at the end of 2015, on the basis of OECD RBC instruments, China Chamber of Commerce Metals, Minerals & Chemicals Importers and Exporters adopted the Chinese Due Diligence Guidelines for Responsible Minerals Supply Chains.

Responsible business conduct in Viet Nam – an opportunity

Importance of RBC has been recognised in ASEAN

Many regional and local civil society networks and non-governmental organisations (NGOs) have called on ASEAN to take more strategic measures to speed up action on RBC and to emphasise company responsibility for economic, social and environmental impacts. A 2014 study on CSR and human rights commissioned by the ASEAN Intergovernmental Commission on Human Rights (Thomas & Chandra, 2014) found that RBC is a relatively new subject in ASEAN in general, with a low level of awareness among business leaders and policy makers. Majority of CSR activities remain philanthropic in nature, although awareness seems to be increasing.

References to RBC have been included in new ASEAN blueprints. The ASEAN Socio-Cultural, Economic, and Political-Security Community Blueprints 2025 all mention CSR. The Economic Blueprint specifies that enhanced stakeholder engagement is key to promoting transparency and making progress in ASEAN integration. One of the strategic measures identified is to work closely with stakeholders towards promoting CSR activities (ASEAN, 2016a). The Socio-Cultural Blueprint also builds on the idea of multi-sectoral and multi-stakeholder engagement and calls for promotion and integration of Sustainable Consumption and Production strategy and best practices into national and regional policies or as part of CSR activities (ASEAN, 2016b). The Political-Security Blueprint calls on strengthening collaboration with the private sector and other relevant stakeholders to instil CSR (ASEAN, 2016c).

More recently, at the 24th ASEAN Labour Ministerial Meeting on 15 May 2016 in Lao PDR, ASEAN labour Ministers adopted the *Guidelines for Corporate Social Responsibility (CSR) on Labour*. These guidelines aim to provide broad guidance to governments, enterprises/establishments, employers' and workers' organisations on raising awareness, proactively encouraging engagement, and promoting social dialogue and compliance with core labour standards (ASEAN, 2016d). This is an important signal by ASEAN member states that CSR issues are increasingly relevant for the region.

As ASEAN members move toward a unified regional approach and in light of the ongoing policy dialogue on investment between OECD and ASEAN, there is significant scope to increase dialogue and cooperation on RBC issues. Specific policy dialogue between ASEAN and the OECD Working Party on Responsible Business Conduct, the only inter-governmental policy body in the world that focuses exclusively on RBC issues, could be

institutionalised and strengthened. Peer learning and experience sharing on lessons learned from recent policy innovations (Box 9.2) could be particularly useful.

Awareness of RBC in Viet Nam is low but increasing

Awareness of international RBC principles and standards is not yet widespread in Viet Nam. However, although there is no comprehensive national strategy or policy on RBC, Viet Nam's recent international commitments and the economic and social reforms currently being implemented as a result of these commitments (particularly in areas related to labour relations and human rights), represent a positive step in strengthening Viet Nam's overall policy framework that enables RBC. This is an important signal for investors, as certain RBC-related risks in Viet Nam are perceived to be high.

Notwithstanding these commitments by the government, RBC-related activities in Viet Nam so far have mostly been undertaken by international organisations, the private sector and civil society. The Vietnam Chamber of Commerce and Industry (VCCI), together with the UN Global Compact and UNIDO, has been maintaining a local UN Global Compact network since 2007. Global Compact aims to promote alignment of business strategy with ten principles on human rights, labour, environment and anti-corruption. The network has contributed to promotion of CSR in Viet Nam, through for example the CSR Calendar Forums, which meet on a regular basis and focus on thematic issues. A recent forum in April 2016 discussed the contribution and needs of the private sector in Viet Nam to implement the SDGs (VCCI et al, 2016). Beyond promotional activities, however, participation by local businesses in the network appears to be quite limited considering the size of the Vietnamese economy. The Global Compact website lists only 28 active participants, but it should be noted that this level of participation is comparable with other ASEAN economies, with the exception of Myanmar (UN Global Compact, 2016).

Nevertheless, results of other targeted projects such as the 2009-13 UNIDO project on *Helping Vietnamese SMEs Adapt & Adopt CSR for Improved Linkages with Global Supply Chains in Sustainable Production* do point to an increasing awareness of CSR issues among domestic enterprises (TNS Vietnam, 2013). Foreign chambers of commerce have also been active, particularly on promotion. The American Chamber of Commerce in Viet Nam has established a CSR group that focuses on networking, information-sharing, and community development. A CSR recognition award programme was launched in 2015 (AmCham, 2015). The European Chamber of Commerce reports over 20 CSR and philanthropic programmes of varying sizes across the country over the last three years

(EuroCham, 2016). Some sectoral initiatives like the Fair Labour Association/VCCI joint project to assess compliance with labour standards in 31 garment and footwear factories (FLA, 2014) have gone beyond promotional efforts, but such initiatives are generally not widespread.

Certain technical assistance programmes that have been implemented or are ongoing are also relevant. For example, ILO is implementing several projects, including projects to promote socially responsible labour practices in the electronic sector; the Decent Work country programme; Better Work programme in the textile and garment sector, together with the IFC; and projects to prevent forced and child labour.

Consolidating efforts – the role of the government

The Vietnamese government could consider building on these existing efforts and working with stakeholders to develop a *National Action Plan on Responsible Business Conduct*, in line with international good practice (see Box 9.3). Clearly communicating expectations around RBC, providing guidance on accepted practices and enabling enterprises to meet those expectations, can be the deciding factor in scaling up better business practices among local enterprises.

The government has already recognised the importance of balancing economic prosperity and fast growth with environmental sustainability and social inclusion, both in the ten-year national strategy plan *2011-2020 Socio-Economic Development Strategy* and in the recently launched policy vision *Vietnam 2035: Toward Prosperity, Creativity, Equity, and Democracy*. The government has also consistently stated its objective to deepen global integration and move up the global value chain. These broad commitments have translated into several specific policies, laws and initiatives to promote better business practices and improve Viet Nam's overall business environment. Notably, Viet Nam recently concluded two major treaties, the EU Free Trade Agreement (EU FTA) and the Trans-Pacific Partnership (TPP) which has not entered into force. Both include specific language on RBC/CSR and sustainable development. This follows dominant treaty practice in recent years. OECD research shows that more than three-fourths of international investment agreements concluded between 2008 and 2013 include language on RBC (mainly free trade agreements with investment protection provisions) and virtually all of the investment treaties concluded in 2012-13 include such language (Gordon et al., 2014).²

Box 9.3. Using National Action Plans as Tools for Promoting RBC

Many countries are developing or have developed national action plans (NAPs) on RBC or business and human rights, following a recommendation by the UN to do so as part of the state responsibility to disseminate and implement the UN *Guiding Principles*. Governments are using NAPs to highlight their policies on RBC and signal the needs for future action. NAPs are useful tools for promoting policy coherence within the government, engaging with stakeholders, and demonstrating commitment to RBC. The UN Working Group on Business and Human Rights has set up a dedicated webpage to provide easy access to existing plans, as well as key public information and analysis on the various stages of NAP development, implementation and follow up (UN OHCHR, 2016).

A notable example of an NAP is the draft United States *National Action Plan on Responsible Business Conduct*, expected to be adopted in 2016. Announced by President Obama as one of the core activities under the US Global Anti-corruption Agenda, the US NAP on RBC will be consistent with the OECD Guidelines and the UN Guiding Principles and is expected to address ways in which the US government can promote and encourage established RBC norms related to, but not limited to, human rights, labour rights, land tenure, anti-corruption, and transparency (United States, 2015b; White House, 2014).

Table 9.1. Status of Development of National Action Plans in ASEAN Member States

	Malaysia - in the process or committed to it
	Myanmar - in the process or committed to it
	Philippines - promoted by the National Human Rights Institution or civil society
	Indonesia - promoted by the National Human Rights Institution or civil society
X	Viet Nam - none
X	Lao PDR - none
X	Thailand - none
X	Cambodia - none
X	Brunei Darussalam - none
X	Singapore - none

Source: UN OHCHR, 2016

Specifically, the EU FTA references the promotion and co-operation on CSR in the Trade and Sustainable Development chapter (art. 9 and 14), with OECD Guidelines specifically mentioned in art. 9 as a relevant international standard. Other chapter that includes provisions related to RBC is the State-

owned Enterprises (SOEs) chapter (art. 5), underlining co-operation efforts to ensure that SOEs observe internationally recognised standards of corporate governance. RBC and corporate governance are intrinsically linked as, on the one hand, RBC affects the company's decision-making processes, risk management, disclosure and transparency, and relationships with investors and stakeholders; and, on the other hand, the actual process of undertaking due diligence is closely related to the corporate governance framework and the relationships between company management, board, shareholders and other stakeholders.

TPP also referenced CSR in several chapters, for example: Investment, art. 9.17; Labour, art. 19.7 and 19.10.6(t); and Environment, art. 20.10 (USTR, 2015a). Other broader provisions related to RBC, for example on improving transparency and fighting against corruption (chapter 26) or improving corporate governance of SOEs (chapter 17.11). These chapters were subject to dispute settlement mechanisms under the agreements and signalled the willingness of parties to meet these commitments. Viet Nam also committed to specific labour reforms in a separate but related bilateral agreement with the United States, *Plan for Enhancement of Trade and Labour Relations*.

Viet Nam's existing investment treaties, as noted in Chapter 3, also include language on sustainability. The Japan-Viet Nam agreement recognises that "it is inappropriate to encourage investment by investors of the other Contracting Party by relaxing environmental measures".³ Another example is the Vietnam-Eurasian Economic Union agreement, which includes a chapter on Sustainable Development (Ch. 12) focusing particularly on environmental and labour issues, but that chapter is not subject to the dispute settlement mechanism (UNCTAD, 2015).

These agreements demonstrate that Viet Nam is committed to more transparency and deep reforms; however, the reforms will have to swiftly follow in order to address concerns raised by the civil society during the negotiations period concerning investment, human rights, and environmental and social impacts of business activities.⁴ Some similar concerns have recently been raised during the ongoing negotiations of the Regional Comprehensive Economic Partnership (RCEP), particularly around access to medicine for vulnerable populations.⁵

The process of developing a *National Action Plan on Responsible Business Conduct* would be a concrete way for the government to demonstrate both to its international partners and domestic constituencies what are the economic and social reforms it has undertaken to promote and enable better business practices and improve the overall business environment, while also highlighting future steps to ensure that these reforms are actually

implemented on the ground. The process could also be a good way to engage with stakeholders and the wider public, including foreign investors and domestic private sector, to understand and eventually remove barriers that influence the uptake of RBC by business. The government has an important role as a convener and can facilitate collective initiatives to promote RBC. Finally, as this review highlights, policy reforms needed to move up the value chain are cross-cutting by definition and, thus, policy coherence and effectiveness are important factor. Developing a NAP on RBC would be a good way to promote policy coherence and alignment in a number of topics related to the implementation of the SDGs and the contribution of the private sector to development.

Building on existing initiatives

Several recent promising initiatives and areas that could speed up the uptake of RBC principles and standards by Vietnamese companies could be highlighted in the NAP. These areas are by no means exclusive and the broad reforms that will apply to all sectors and areas of business operations are also relevant.

Promoting social entrepreneurship is important, but broader action on RBC would be beneficial

As discussed in Chapters 2 and 4, the 2014 Law on Enterprises has introduced new and comprehensive provisions related to corporate governance of enterprises in Viet Nam. The law includes a new legal form and definition for registering a *social enterprise* (art.10), setting out the criteria, rights and obligations for its operation. Any enterprise with an objective to resolve social and environmental problems or to serve the public interest, which reinvests at least 51% of its annual profits for these purposes, can now be considered a social enterprise. Notably, the law stipulates that the government will introduce policies to encourage, support, and boost the development of social enterprises.

This is an important and encouraging development. Social impact investment and entrepreneurship is a growing global trend according to the 2015 OECD report on *Social Impact Investment*. Foundations, high net worth individuals, philanthropists, and international aid agencies are looking to increase the effectiveness and long-term development impacts of their interventions by using new tools, e.g. results-based financing, outcomes-based approach, market-based solutions and different forms of public-private partnerships (OECD, 2015a). An explicit commitment by the government to promote such efforts has been welcomed by civil society and entrepreneurs working toward social change.

Nevertheless, although the social impact investment market has been growing worldwide and has drawn interest from policy makers, it is still in the early stages of development and is only a small share of global capital markets today (OECD, 2015a). This is also the case in Viet Nam. For example, the prevalence of nascent social entrepreneurial activity - that is, individuals of working age who are trying to start some social entrepreneurial activity - is fairly low in Vietnam at approximately 1% against an average of 3.2% across the 58 economies examined in a 2016 report by the Global Entrepreneurship Monitor. By comparison, the average rate of start-up commercial entrepreneurship in the world is 7.6%, with a slightly higher range in Viet Nam at 13.7% (Niels *et al.*, 2016).

The limited size of the social impact investment market implies limited impact on social outcomes. Additionally, engaging mainstream investors in this area will be more difficult, due to the lack of high quality investment opportunities with the right risk profiles to which large amounts of capital could be channelled (OECD, 2015a). Although there has been a notable change over the past decade in how mainstream investors consider environmental, social and governance (ESG) issues, some continue to perceive structural and legal barriers to investing for social outcomes, i.e. that there is a misalignment between fiduciary duties to generate a return on clients' assets and responsibilities for addressing ESG risks. These perceptions are changing. Policymakers in major economies have clarified and made explicit that investors may take ESG factors into account in certain circumstances. Stakeholders, including investors themselves, are increasingly arguing that failing to consider all long-term investment value drivers, including ESG issues, is actually a failure of fiduciary duty and considering ESG issues can lead to better investment decisions consistent with the fiduciary duties.⁶

As with any new or inefficient market that may benefit from direct government intervention, a number of challenges and issues need to be carefully considered when designing new policy interventions. Chapter 6 of the *Social Impact Investment* report discusses policy implications related to social entrepreneurship in more detail and can serve as a useful reference. These challenges, among others, include the need to develop common definitions globally and nationally around what is impact; defining, measuring and understanding the extent of the impact on both social and broader development outcomes; collecting more and better data; and understanding the expected and unintended spill-over effects on the economy. Broader reforms, for example, reforms that support entrepreneurial finance markets, can also have an indirect, but significant, influence on the social entrepreneurship market and could be more efficient than direct policy intervention. As noted in Chapter 6, a lack of a proper

entrepreneurial promotion policy is one of the main barriers to improving Viet Nam's low performance in the promotion of entrepreneurial education identified in the OECD *SME Policy Index* (ERIA and OECD, 2014), so this type of broader reform could also bring additional benefits.

Therefore, promoting social entrepreneurship should be treated as one component of promoting responsible business practices across the entire economy. RBC principles and standards are focused on addressing the environmental and social impacts of business operations regardless of whether the business is a traditional business or a social enterprise. There could also be opportunities to promote the integration of social enterprises into certain mainstream supply chains through targeted programmes, led by either government or civil society. For example, the Clinton Foundation runs a programme that sets up depots and collection centres for small-scale farmers, buys their produce, and aggregates this into quality controlled, reliable supply chains for large purchases under contract. This hybrid and innovative approach addresses the concerns of many large MNEs and food retailers about the associated risks with sourcing from small-scale farmers, such as operational complexity, unreliability, and inconsistent, substandard produce (Clinton Foundation, 2016). Promotion of social enterprises could be treated as one component of the broader efforts to promote more linkages between MNEs and domestic industries, discussed in more detail in the section below.

Benefiting from global value chains – promoting linkages through RBC

Expectations that businesses observe RBC principles and standards cover the entire supply chain and affect suppliers and exporters. Suppliers that integrate internationally recognised environmental and social practices have a comparative advantage over those that do not as they can more easily address concerns about environmental, social, human rights or labour issues that may come up in the due diligence processes of MNEs when assessing country and supplier risks. Additionally, MNEs are increasingly basing their decisions about where to do business on the ability to ensure predictable and reliable supply chains, capable of delivering effectively at the each stage (Taglioni and Winkler, 2014; OECD, 2014a: 27). It is estimated that costs of delays can be substantial for certain product categories and any delays due to, for example, labour unrests or environmental damage, contributes to those costs. (Hummels, 2007; OECD, 2014a: 27).

One of the key recommendations of this Investment Policy Review is related to enhancing the development impact of FDI by encouraging business linkages between foreign investors and domestic industries through primarily focusing on strengthening SME performance and competitiveness (see

Chapter 6). Few linkages exist currently, mainly due to productivity and quality gaps. Additionally, even when qualified SMEs exist, these linkages might not happen automatically. Promoting RBC among domestic enterprises can go a long way in addressing some of the concerns identified (Box 9.4).

Box 9.4. Responsible business is good business

RBC can contribute to reducing costs and avoiding legal liability. In one study, nearly 20% of the 2,500 sampled companies were found to be subject to sanctions related to their social or environmental performance between 2012 and 2013, amounting to penalties upwards of EUR 95.5 billion (Vigeo, 2015). Likewise, a recent Harvard University study found that for a mining project with capital expenditure between USD 3-5 billion the costs attributed to delays from community conflicts can be on average USD 20 million per week due to lost productivity from temporary shutdowns or delays (Davis and Franks, 2014). RBC can also lead to increased returns, lower cost of capital, and higher employee retention. One study found that better business practices have the potential to reduce the cost of debt for companies by 40% or more and increase revenue by up to 20% (Rochlin et al., 2015). More broadly, a cross-sector study tracking performance of companies over 18 years found that high sustainability companies - that is those with strong environmental, social, and governance (ESG) systems and practices in place - outperform low sustainability companies in stock performance and real accounting terms (Eccles et al, 2011).

Suppliers of multinational enterprises (MNEs) may find that following RBC principles and standards gives them an advantage over businesses that do not, as they are able to respond to and address concerns that may come up in due diligence of the MNE when evaluating risks associated with its supply chain. Investors from the 46 countries that adhere to the OECD Guidelines (see Box 9.1) are subject to them wherever they operate, including throughout the supply chain and in relation to business relationships. This means that a large majority of the global supply chain is covered by the OECD Guidelines as these investors account for 75% global foreign direct investment (FDI) outflows and 58% of global FDI inflows between 2010 and 2015, as well as 81% of global FDI outward stock as of end 2014 (OECD/IMF, 2016). Similarly, businesses that want to access markets of these 46 countries are also subject to the OECD Guidelines, and, in some cases, actual regulation related to RBC (see Box 9.2).

The economic sectors on which Viet Nam is basing its strategy to promote supporting industries – namely manufacturing, mechanical engineering, electronics and informatics, manufacturing and assembly of automobiles, textile and garment and leather and footwear, and hi-tech industry development - are sectors in which environmental and social risks can be fairly high. For example, the textiles and garment sector has been the focus of much discussion since the April 2013 Rana Plaza factory collapse in Bangladesh. In addition to risks related to labour and human rights (for

example, child or forced labour, discrimination, restrictions on the right to join a trade union, low-wages, excessive hours of work), occupational health and safety and environmental risks are prevalent (such as use of hazardous chemicals, water consumption and pollution or high energy use). The latest compliance report by Better Work Vietnam (2015) demonstrates that these are persistent challenges in Viet Nam's garment industry as well. Most businesses that operate in the sector are SMEs and issues with occupational health and safety, compensation, freedom of association and collective bargaining, and working time continue to be observed.

Some problems may result from practices in the supply chain and may require multi-stakeholder action. This is where active promotion by the Vietnamese government of RBC expectations can make a marked difference. For example, poor purchasing practices are one of the most common ways in which brands, retailers, buyers or buying agents can contribute to labour and human rights issues in garment factories. These include, for example, late placement or payment of orders; modified or cancelled orders; rush orders placed during peak times or holidays; and lead times that are shorter than feasible production time. While it is the primary responsibility of factory owners to comply with the law, these buyer practices can be a factor in decisions to require excessive or forced overtime and can also lead to illegal subcontracting. In order to help address some of these practices in the sector that may not be solvable by one actor alone, the OECD is currently leading a multi-stakeholder project based on the OECD Guidelines to agree on practical sector guidance. For example, one of the proposed due diligence points is that in instances in which the buyer changes the specifications of orders, it should also amend the lead time to reduce the risk of unauthorised subcontracting (OECD, 2016b).

These challenges are, of course, not endemic to this one particular sector, but rather stem from general non-compliance with the 2012 Labour Law, weak labour inspections, and in some cases also from the fact that the law itself is not fully aligned with international standards, particularly around the questions of freedom of association and assembly. Viet Nam has committed to significant labour reforms as part of the EU FTA and TPP commitments and the related bilateral agreement with the United States, *Plan for Enhancement of Trade and Labour Relations*. These reforms are expected to be based on major revisions to the law, as well improved enforcement measures, such as building the capacity of the labour inspectorate or establishing a complaint mechanism at the Ministry of Labour, Invalids, and Social Affairs and Departments of Labour, Invalids and Social Affairs (USTR, 2015b). For example, the number of permanent labour inspectors is expected to increase to 750-800 by the end of 2016 and to 1200 by the end of 2020, up from 500 at present.

Combined with these reforms, actively promoting RBC among Vietnamese businesses and raising awareness about the obligations that their international partners are under, can be decisive for ensuring better conditions and maximising the development potential of FDI in Viet Nam. Strengthening the capacity of workers to voice concerns, through promoting, for example, firm-level grievance mechanisms as a complement to the complaints mechanism by the Ministry and the Departments of Labour, Invalids and Social Affairs, is also important. Although resources, knowledge and capacity to implement RBC principles and standards may be more limited in SMEs compared to larger businesses, it can also be more straightforward and easier to implement.

Building on the recommendations from Chapter 6, the government should consider including RBC principles and standards in the design of the systematic and well-institutionalised industry-specific training programmes for supporting industries, in collaboration with the business community and educational institutions. This could encompass everything from promotion to capacity building exercises to supporting cross-sectoral learning efforts (for example, supporting cost-sharing efforts within and among industries for specific due diligence tasks, participation in initiatives on responsible supply chain management and cooperation between industry members who share suppliers).

RBC expectations should also be included in FDI attraction efforts and may help attract MNEs that are more inclined to source locally. One element of supplier databases and matchmaking events could be RBC, in line with the recommendation from Chapter 6 that central and provincial investment promotion authorities increase efforts to facilitate information exchange between foreign and domestic firms. Additionally, training and awareness-raising with business leaders could also be useful in promoting a wider understanding and recognition of the importance of RBC. Educational institutions such as business schools and existing business initiatives pursuing social objectives can also be important platforms. Finally, the authorities should make educational and training programmes more market driven by increasingly involving the private sector in human resource development policies and encouraging internal and external training by employers. Communicating to enterprises that contributing to human capital formation (in particular by creating employment opportunities and facilitating training opportunities for employees) is a pillar of RBC – and recognising those that do it – can serve as a good incentive.

Protecting the environment without hurting competitiveness

Chapter 8 describes in detail the extent of Viet Nam's legislation related to protecting the environment and recent measures to promote green growth.

The 2014 Law on Environmental Protection represents a significant improvement in the legislative and regulatory framework related to the environment. Several provisions and key concepts were enhanced and include more details, for example, provisions related to strategic environmental planning and assessments or the extent and division of responsibilities of different authorities for regulating environmental impact.⁷

In general, legislation on environmental protection is considered to be advanced in Viet Nam; however, environmental damage remains an issue, mainly due to weak enforcement and monitoring, as well as low levels of awareness and compliance with laws and regulations. Viet Nam ranks 131 out of 180 on the 2016 Yale *Environmental Performance Index* which ranks countries' performance on high-priority environmental issues in two areas: protection of human health and protection of ecosystems - suggesting an urgent need to close the enforcement and compliance gaps. Although this ranking is fairly low, among ASEAN member states, Viet Nam has the highest 10-year percentage change (see Table 9.2). Recent environmental damage, allegedly connected to industrial activity and FDI, have featured prominently in domestic and international news.⁸ Adding to the urgency of the issue, Viet Nam is also particularly vulnerable to climate change impacts.

Table 9.2. **Rank of ASEAN members, 2016 Yale Environmental Protection Index**

Rank	Country	2016 Score	10-year percent change
14	Singapore	87.04	-0.43
63	Malaysia	74.23	13.05
66	Philippines	73.7	16.36
91	Thailand	69.54	17.68
98	Brunei Darussalam	67.86	19.28
107	Indonesia	65.85	10.45
131	Viet Nam	58.5	20.67
146	Cambodia	51.24	17.52
148	Lao PDR	50.29	8.52
153	Myanmar	48.98	1.3

Source: 2016 Yale Environmental Protection Index

One policy area where more clarity, better practice and better co-ordination between relevant authorities could bring immediate benefits is the implementation of the regulations on environmental impact assessments (EIAs). EIAs are an important tool for examining, mitigating and preventing potential environmental impacts of business activity. Under the 2014 Law on Environmental Protection, all projects that could have a significant

environmental impact are required to undertake an EIA in the project preparation stage. Project owners are required to consult with regulatory agencies and directly affected communities. The Ministry of Natural Resources and Environment has the authority to verify EIAs when it comes to investment projects subject to National Assembly, Government and the Prime Minister approval, as well as any interdisciplinary or inter-provincial projects (See Chapter 2, Table 2.1, on Investment registration and approval under the 2014 Investment and Enterprise Laws). Ministries and quasi-ministerial agencies also have the authority to inspect the EIA when it comes to projects linked to their area of authority. Similarly, provincial authorities should verify the EIA when it comes to investment projects within their territories.

In practice, however, it has been reported that this process is not straightforward and that the administrative complexity and sometimes discretionary decision-making impedes the correct assessment of the true extent of possible environmental impacts of proposed projects.⁹ The mandates of national and provincial authorities overlap and remain unclear in practice, as do the direct responsibilities for follow up and monitoring activities. Additionally, awareness of community members and stakeholders about good project management practices and environmental protection seems in general quite low. Exacerbating the issues is also the non-uniform quality of EIAs themselves and the lack of a database or monitoring system to track them. Concerns have also been raised around limited technical capacities of the authorities particularly when it comes to projects in industries that are new in Viet Nam (MONRE, 2015). The result is that projects may be approved without having met the necessary legal requirements.

Taking due account of the need to protect the environment and public health and safety is a pillar of acting responsibly under international RBC principles and standards (see OECD Guidelines Chapter V). This entails sound environmental management that aims to control direct and indirect environmental impacts of business activities; establishing and maintaining appropriate environmental management systems; improving environmental performance; being transparent about the environmental impacts and risks, including also reporting and communicating with outside stakeholders; being proactive in avoiding environmental damage; working to improve the level of environmental performance, even where this may not be formally required; and training and education of employees with regard to environmental matters, particularly when it comes to human health and safety. The private sector could also advise on the technical requirements and capacities for in designing and implementing industry-wide environmental standards.

Box 9.5. Debunking the Pollution Haven Hypothesis

2016 OECD report *Do environmental policies affect global value chains? A new perspective on the pollution haven hypothesis* that examined the impact of environmental policies on global value chains has shown that countries that implement stringent environmental policies do not lose export competitiveness when compared to countries with more moderate regulations. High and low pollution industries and trade in manufactured goods between 23 advanced and six emerging economies from 1990-2009 were examined, and data on the domestic value added in exports from the OECD-WTO Trade in Value Added (TiVA) dataset was included in the analysis.

The findings suggest that emerging economies with strong manufacturing sectors could strengthen and implement environmental laws without denting their overall share in export markets. High-pollution or energy-intensive industries would suffer a small disadvantage, but this would be compensated by growth in exports from less-polluting activities. These results are compelling evidence against the so-called Pollution Haven Hypothesis, which suggests that tightening environmental laws often prompts manufacturers to simply relocate some production stages to countries with lower regulations.

Source: Koźluk and Timiliotis, 2016

In addition to improving how projects are assessed, the authorities should communicate the extent of business responsibilities for protecting the environment in strategic documents on the environment, for example in the strategic and environmental protection plans, at both national and provincial levels.

Finally, it should be noted that environmental and social risks are not exclusively connected to low value-added industries. This is of particular relevance to Viet Nam as it continues to promote higher value-added industries. International organisations and academics have expressed concerns about how understudied environmental and occupational health and safety impacts associated with high-tech and electronics industry are. Concerns permeate the entire supply chain and include everything from worker exposure to hazardous and toxic chemicals during the production process to the associated risks with an ever-increasing volume of industrial and hazardous waste (such as electrical and electronic waste).

For example, a recent epidemiologic review published in the *International Journal of Occupational and Environmental Health* looked at health impacts of semiconductor production. Most evidence suggests reproductive risks (e.g. congenital malformation and reduced fertility) from fabrication jobs, while noting that, although chemicals are suspected as causal agents, knowledge about the likely contributions from specific exposures is still limited. The study also looked at available studies of cancer risks and did

not necessarily find a causal relationship, but nevertheless cautioned that available studies had serious limitations, such as information bias, that could be associated with underestimation of the risks (Kim *et al*, 2014). Similarly, a 2012 ILO study on e-waste raised serious concerns with the way that e-waste is managed globally, noting that developing economies are disproportionately affected by the environmental and health risks linked to its recycling and disposal. The “hazardous, complex and expensive to treat in an environmentally sound manner” recycling and disposal process, combined with general lack of e-waste regulation, prevalence of informality in employment and manual disassembly and recovery of materials, has serious implications for the environment and the health of workers on this end of the value chain. There are also concerns about the prevalence of child labour in the sector (ILO, 2012).

Viet Nam is unfortunately not immune to these issues. Hazardous working conditions and adverse environmental impacts related to e-waste have been reported despite existing regulations (IndustriALL, 2015; VN News 2014; ILO, 2012). The government is taking measures to address the problems. In addition to the broader labour reforms, the new Law on Occupational Safety and Health, in effect as of July 2016 and applying to the informal economy, has been lauded by the ILO as a significant milestone but enforcement will be a challenge (ILO, 2015). Viet Nam is also phasing in programmes such as the Extended Producer Responsibility programme that gives producers the responsibility – financial and physical – for the treatment or disposal of post-consumer products.

Some characteristics of the electronics supply chain are similar to textiles and garment supply chain, such as short product and production cycles, fast-changing and sometimes seasonal consumer demands, and high incidence of temporary and other forms of employment. This is why promoting better business practices broadly and encouraging cross-sectoral learning, as mentioned in the previous section, can be beneficial. For example, solutions and measures proposed for the electronics sector echo discussions in other sectors, i.e. better co-ordination between buyers and suppliers, paying attention to peaks in demand and improving planning and others (ILO, 2014).

Leading by example – RBC and the practice of state-owned enterprises

Governments should lead by example and model RBC principles and standards in their own practices, *i.e.* as employers, business partners, through procurement and contracting practices, and in commercial activities, including activities of SOEs. Not only is this in the public interest, it also enhances the government’s legitimacy when making recommendations on

RBC to businesses. The OECD Guidelines apply to all entities within the enterprise in all sectors, whether of private, state or mixed ownership. The same is true for the UN Guiding Principles, which apply to all states and all enterprises. UN Guiding Principle 4 even stipulates that “States should take additional steps to protect against human rights abuses by business enterprises that are owned or controlled by the State, or that receive substantial support and services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence” (UN, 2011).

A 2016 report by the UN Working Group on Business and Human Rights examined the practices with respect to current RBC and business and human rights practices of SOEs and found that there is a general lack of attention to RBC issues and that policies, guidelines and good practices are lacking at both the international and national levels (UN, 2016). Considering the significant role that SOEs play in the Vietnamese economy, explicitly integrating RBC in SOE operations would be a good way to address some of the governance and reputational challenges identified in Chapter 6. Not only would this set an example for other enterprises, it would also increase disclosure and transparency, and could help address some concerns in priority sectors such as infrastructure. For example as already noted in this review, the number of SOEs in the infrastructure sector is high and their relatively weak corporate governance practices are likely to constitute a further barrier for private investments in infrastructure. Integrating practices like due diligence for environmental and social risks, improving processes related to stakeholder engagement, and promoting disclosure and transparency, could go a long way in mitigating risks associated with this sector in Viet Nam, particularly related to conflicts that have been reported around land allocations or lack of engagement with affected communities (US Department of State, 2015).

The importance of RBC in SOE activities has been recognised beyond OECD Guidelines and the UN Guiding Principles. The 2015 OECD *Guidelines on Corporate Governance of State-Owned Enterprises* (SOE Guidelines) recommend that the state ownership policy fully recognise SOE responsibilities towards stakeholders and request that SOEs report on their relations with stakeholders, as well as to make clear any expectations the state has in respect of RBC by SOEs (OECD, 2015b: V). The SOE Guidelines further recommend (and rely on the Board of Directors to the executive management) extensive measures to report on foreseeable risks, including in the areas human rights, labour, the environment, and risks related to corruption and taxation. The government should establish expectations on RBC and should publicly disclose these expectations, as well as establish mechanisms for their implementation.

Box 9.6. Protecting World Heritage Sites in Viet Nam

According to the UNESCO *Convention concerning the Protection of the World Cultural and Natural Heritage*, World Heritage Sites (WHS) are considered to be of outstanding universal value to humanity and of “significance which is so exceptional as to transcend national boundaries and to be of common importance for present and future generations of all humanity” (UNESCO, 2012).¹⁶³ States, including Viet Nam, are parties to the UNESCO Convention. Each State identifies and nominates properties on their national territory to be included on the WHS list. 1031 properties are currently protected under the convention, including 229 natural and mixed sites.¹⁰

A 2016 report by the global conservation NGO, World Wildlife Fund (WWF), has found that almost half of these natural and mixed sites face significant threats from industrial activity in and around the sites. The report lists 114 sites with either overlapping oil, gas or mining concessions or listed as being under “high threat” or “very high threat” from at least one harmful industrial activity by the International Union for the Conservation of Nature, an advisory body to UNESCO. According to the report, these activities are often, but not exclusively, conducted by MNEs and their subsidiaries, with impacts often long-term or permanent. Examples include oil and gas extraction using large drills and platforms; large-scale mechanized mining; illegal logging; large-infrastructure projects; overfishing through the use of large vessels and machinery; and unsustainable water use, such as from the construction of poorly planned dams (WWF, 2016).

Two sites in Viet Nam were identified as under threat, namely the Phong Nha - Ke Bang National Park and Trang An Landscape Complex, respectively from logging/wood harvesting/infrastructure projects and dams/water management/water use (unsustainable water use). The 2014 Viet Nam Law on Environmental Protection recognises the importance of wildlife sanctuaries, national parks, historical and cultural monuments, world heritage sites, biosphere reserves, scenic beauty areas, and has several safeguards to protect them; however, enforcement is a known challenge.

WWF has called on governments to take a leading role in ensuring that these sites are protected through integrating a long-term and sustainable development perspective in their management; incorporating ecosystem and biodiversity value into national and local planning and development strategies; ensuring that local populations who depend on these sites are in full agreement with any proposed projects; defining clear buffer zones for extra protection; and ensuring accountability for businesses. WWF has also called on businesses to act as responsible stewards of natural capital and comply with recognised RBC principles and standards, such as the OECD Guidelines and IFC Performance Standards (particularly Standard 6 on biodiversity conservation and sustainable management of living natural resources).

Finally, as also noted in Chapter 4, Viet Nam should consider strengthening disclosure requirements and rules for non-financial information in general.

SOEs should lead by example. Clear and complete information on the business is important to a variety of users, from shareholders to workers, local communities, governments and society at large. Many businesses already provide information on a broader set of topics than financial performance and consider disclosure of non-financial information a method by which they can demonstrate a commitment to socially acceptable practices. Additionally, the process of gathering and thinking through data pieces needed for effective non-financial disclosure is not only relevant for communication and reporting, but also serves as invaluable input for strategic planning, decision-making, and risk management. Information on environmental and climate change matters should also be incorporated into these requirements. Corporate climate change reporting is relevant for design and implementation of long-term actions aimed at reducing greenhouse gas emissions. A majority of G20 countries have some kind of mandatory corporate reporting scheme in place or in preparation that requires disclosure of some climate change related information. This information can be used for multiple policy purposes, from informing consumer decisions to assessing performance against policy objectives, investment analysis and risk analysis (OECD, 2015c).

Notes

1. For example, the latest strategy of the European Commission, *A renewed EU strategy 2011-14 for Corporate Social Responsibility*, uses CSR in broad terms in line with RBC. In practice, the difference is an issue of semantics. Both RBC and CSR (if used beyond philanthropy) aim to promote the same idea - that businesses should consider the impact of their activities beyond just the impact on the company itself.
2. The research shows that the major functions of such treaty language are, in the order of prevalence: (i) to establish the context and purpose of the treaty and set forth basic responsible business conduct principles through preamble language; (ii) to preserve policy space to enact public policies dealing with responsible business conduct concerns; and (iii) to avoid lowering standards, in particular relaxing environmental and labour standards for the purpose of attracting investment.
3. Japan-Viet Nam IIA, Art. 21.
4. See the case submitted by the International Federation for Human Rights and the Vietnam Committee on Human Rights in front of the European Ombudsman regarding the European Commission's alleged failure to carry out a specific human rights impact assessment in relation to Vietnam:

- www.ombudsman.europa.eu/en/cases/decision.faces/en/64308/html.bookmark#hl4; <https://www.fidh.org/en/international-advocacy/european-union/joint-fidh-vchr-observations-on-the-opinion-of-the-commission-on-the->
[the-](https://www.fidh.org/en/international-advocacy/european-union/joint-fidh-vchr-observations-on-the-opinion-of-the-commission-on-the-)
5. See the recent civil society letter sent to the negotiating partners related to intellectual property and access to medicine, www.msfacecess.org/content/civil-society-letter-countries-negotiating-regional-comprehensive-economic-partnership-rcep.
 6. See Session Note from the 2016 Global Forum on Responsible Business Conduct on Aligning Fiduciary Duty And Responsible Business Conduct In Institutional Investment, <http://mneguidelines.oecd.org/globalforumonresponsiblebusinessconduct/2016-GFRBC-Session-Note-Fiduciary-Duty.pdf>.
 7. Notably, instructions on environmental impact assessments were included and expanded on in Decree No. 18/2015/ND-CP *On Environmental Protection Planning, Strategic Environmental Assessment, Environmental Impact Assessment And Environmental Protection Plans*.
 8. See recent news coverage around mass fish deaths along the central coast, <https://www.theguardian.com/environment/2016/apr/21/vietnam-investigates-mass-fish-deaths-pollution>; <http://atimes.com/2016/05/vietnams-mass-fish-kill-isnt-simply-an-environmental-disaster/>.
 9. See recent news reports: Loose management of FDI blamed for environmental disasters, <http://english.vietnamnet.vn/fms/environment/156965/loose-management-of-fdi-blamed-for-environmental-disasters.html>; and Alarm Sounds on Environmental Pollution Caused by FDI Firms, <https://www.vietnambreakingnews.com/2016/05/alarm-sounds-on-environmental-pollution-caused-by-fdi-firms/>.
 10. As of 16 June 2016; <http://whc.unesco.org/en/list/>.

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