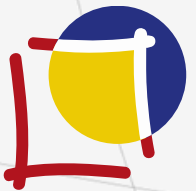


# Responsible Supply Chains

Jan 17<sup>th</sup> 2019 – Ho Chi Minh



**FAIR LABOR**  
ASSOCIATION<sup>®</sup>

# FLA Introduction

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## What is the Fair Labor Association?

The FLA is a Multi-Stakeholder, Non-Profit Organization



## BRANDS WITH ACCREDITED SOCIAL COMPLIANCE PROGRAMS



\* The FLA accredited Syngenta's social compliance program in India.

## SUPPLIERS WITH ACCREDITED SOCIAL COMPLIANCE PROGRAMS



*“Phuong Do is Regional Manager South East Asia of Fair Labor Association (FLA), the key driver of the organization’s activities in Vietnam and the South East Asia region, to oversee and implement the FLA due diligence activities, lead stakeholder engagement and provide technical support to FLA Affiliates. Prior to joining FLA, Phuong was a Senior Manager Social Environment Affairs (SEA) at adidas Sourcing Limited, in Ho Chi Minh City, Vietnam for 10 years, responsible for suppliers monitoring, training & capacity building, stakeholder engagement and project management, covering Vietnam, Myanmar and Malaysia.*

*Phuong obtained Bachelor of Social Science & Humanities University, Faculty of Literature – Journalism, Major in International Journalism. In CSR field, Phuong is acknowledged as senior advisor for Focus Group working with VCCI, MOLISA and stakeholders during Vietnam Labor Law reform roadmap, and active members of Vietnam Buyers Forum”.*



# Challenges to CSR implementation in Vietnam



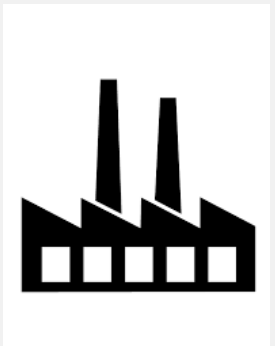
## **Regulatory regime:**

- Current law vs ILO Declaration on Fundamental Principles and Rights at Work especially C.87 and C.98 (FOA & CB)
- Complexity, duplications of labor law and its guidance (decrees, circulars, documents)
- Current laws vs reality of dynamic economic and labor situation
- Communication mechanism to enterprises (reforming, survey and issuing process)



## **People:**

- Workers: job skills VS law/company regulation awareness
- Compliance officers: shortage of qualified and experience person in charge; high turn over rate
- Trade Union representatives & local authorities officers capabilities to support factories during labor disputes



## **Sourcing and Production:**

- Booming production in Vietnam, moving products from other regions.
- Specifics of intensive and cheap labor industries: footwear, garment, wood, furniture, seafood...
- Declining FOB vs increasing labor cost

# Expectation to CSR implementation in Vietnam supply chains

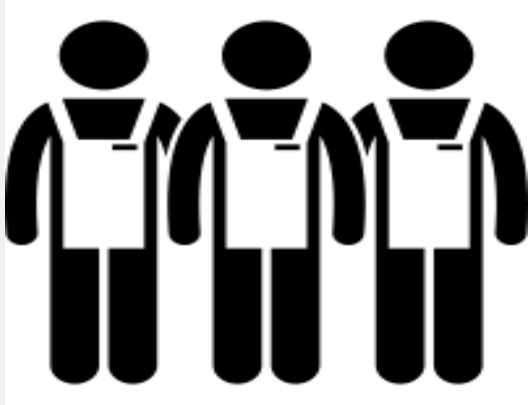
## Immediate and Mandatory:

- ❖ Fully comply with local labor law and buyer's standards, which one is higher; ensure fundamental at works: working age, employment contract, insurance, payment...
- ❖ Provide adequate health, safety working conditions in compliance with national laws and prevent workers occupational diseases.
- ❖ Build up company regulations in accordance with national laws, buyers standards
- ❖ Appoint persons in charge of HR, HS and employment
- ❖ Establish internal grievance system to ensure workers are treated with respect and dignity, covers all aspects of non-abuse, non-discrimination and non-retaliation.

## Sustainable:

- ❖ Conduct internal audit
- ❖ Provide compliance trainings to workers and supervisors.
- ❖ Incorporate compliance responsibility into supervisors and management R&R.
- ❖ Enhance workers-management communication and social dialogue at work.
- ❖ Build up appraisal system with performance review and workforce development.
- ❖ Adopt other comprehensive international standards such as: FLA Code of Conduct and Benchmarks, 10 Principles of United Nations of Global Compact, Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

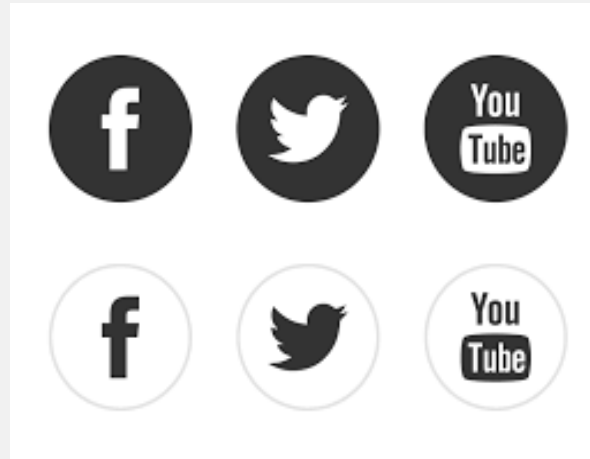
# Why responsible Supply Chains and its Impacts



happy workers



effective production



social media



happy consumers