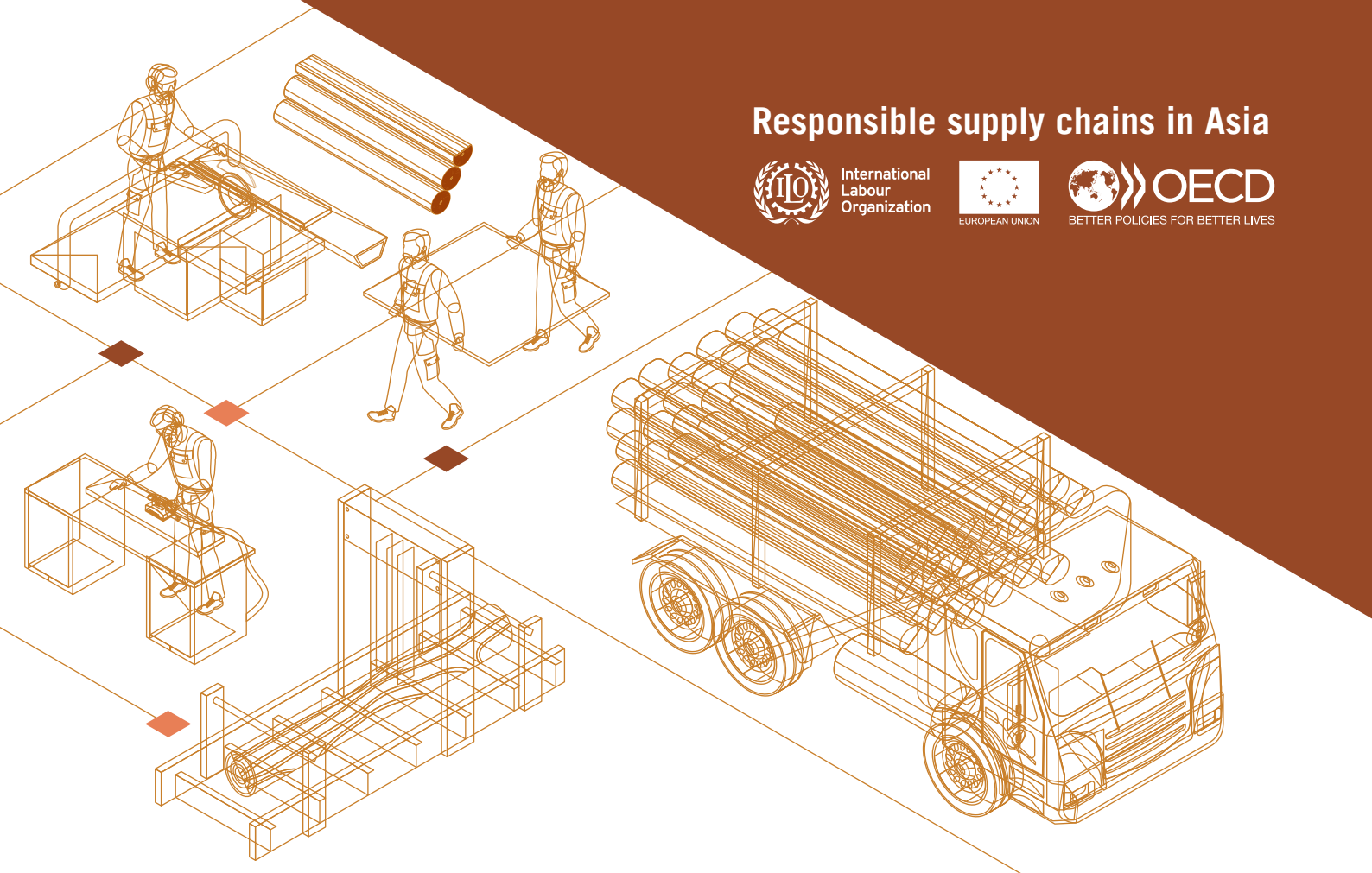


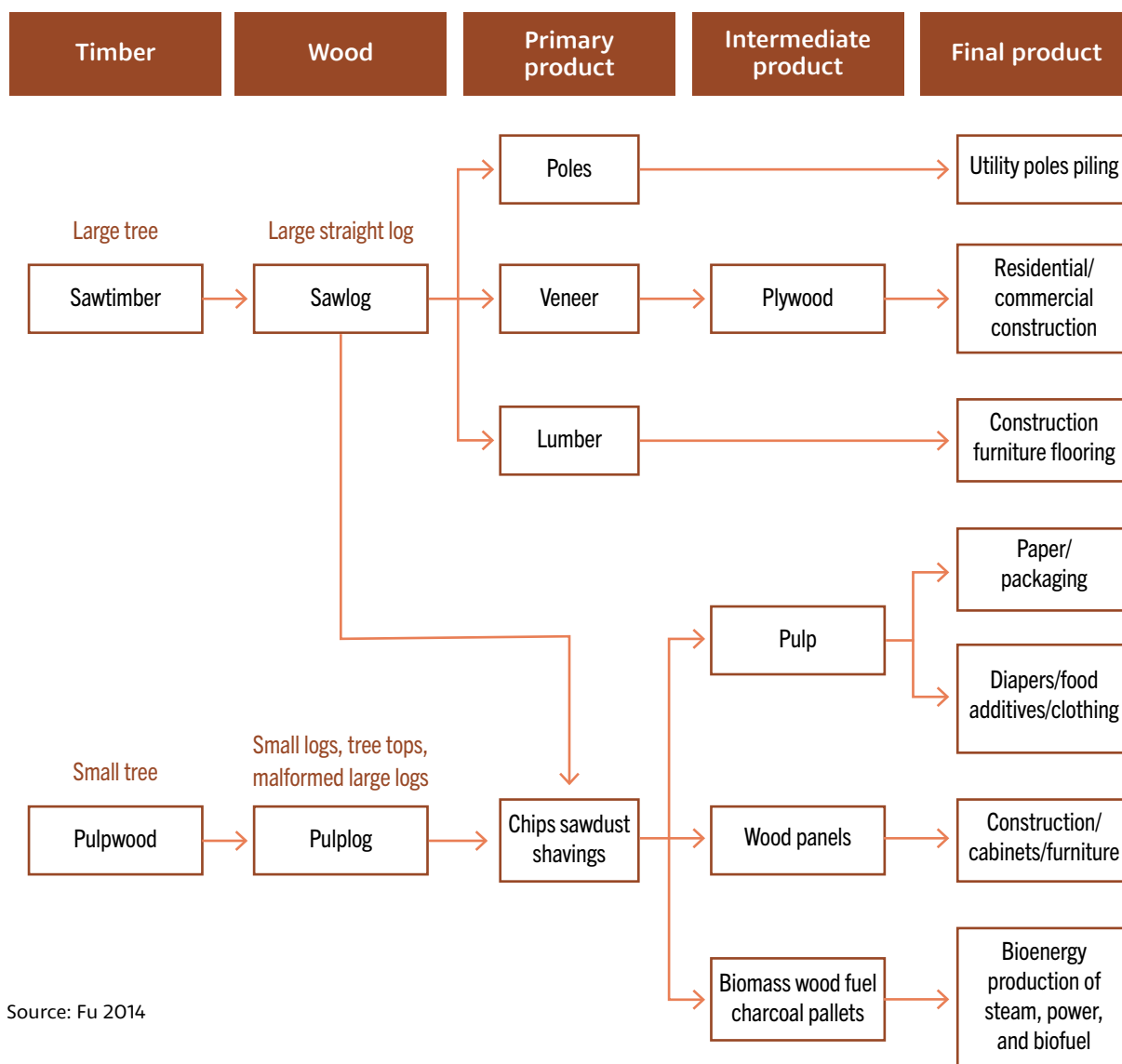


Responsible business conduct in Vietnam wood processing industry

Global decent work challenges in the sector

The global timber sector is comprised of a wide range of industries. Wood processing is an important downstream activity of the timber sector. It adds economic value to log and increases employment in the timber sector. Raw timber is organized into two grades, namely: sawtimber and pulpwood. Primary products from the sawtimber grade are poles, veneer, and lumber. The lumber is used in construction, flooring, and furniture production.

The veneer is further processed into plywood and used in residential and commercial construction. Pulpwood and the processing waste of sawmills consisting of chips, shavings, and sawdust are used to manufacture wood panels (e.g., medium density fibreboard, particleboard, etc.), clothing, paper and packaging products. They also can be used as feedstock for wood-based biofuels. Of the 3,912 million m³ timber harvested in 2020, 51% was used for industrial purposes, and the remaining 49% for wood fuel (FAO 2021).



The level of integration between timberland ownership and the ownership of industrial processing and conversion assets is relatively low around the world (Fu 2014). The majority of the vertically integrated companies can be found in Chile and Brazil. In many of the timber producing countries, a greater percentage of the private forestland asset base is held in small parcels by individual landowners (Fu 2014). Since timber is a large and bulky commodity, mills are usually located in close proximity to the timber resources. Once timber has been converted into primary and intermediate products, it can be shipped efficiently. Consequently, final wood products are often produced far from the wood source, where factors such as labour costs, infrastructure, and proximity to consumer markets are more important determinants (Fu 2014).

The wood processing market is segmented by type into the (BRC 2020): (i) sawmills market – accounted for US\$ 137.1 billion or 95.3% of the total market in 2019; and (ii) wood preservation market – comprised 4.7% of the market. The non-coniferous wood chips/particles market accounted for 34.7% of the sawmill market, making it the largest segment. Vietnam, Australia, Chile, the United States and Belarus were the top producers of wood chips in 2019 (LEK 2021).

The timber sector employs some 13.7 million formal workers (ILO nd) and about 41 million informal workers globally (Montague 2019). The top ten countries, which account for more than 60% of the formal sector employment, are the following: China, USA, Brazil, Russia, India, Japan, Germany, Indonesia, Italy, and Malaysia. China,

with 3.5 million formal jobs in the sector, accounts for 26% of the world employment figures (ILO nd).

Allegations of forced labour are common in illegal logging operations in countries where government oversight is less robust (Cosgrove 2019). Many of the forestry workers in these countries are migrants whose identity documents may be withheld, and are subjected to excessive hours in dangerous or coercive conditions. An assessment conducted by KnowTheChain of 39 of the largest publicly listed companies in the paper and forestry and home furnishing retail sectors indicated that a majority of the companies have taken very limited action to address forced labour risks in their supply chains (KTC 2019). The very few companies who have taken initial steps to address forced labour risks in their chains were the following (KTC 2019):

- KapStone Paper and Packaging, a subsidiary of WestRock, has integrated requirements to address forced labour risks into supplier contracts.
- Kingfisher Plc, a home improvement company, assesses, on an ongoing basis, the countries at highest risk for modern slavery and human rights abuses. Sources include an ethical risk matrix that is based on Maplecroft data and focuses on labour risks in the company's direct supply chains, an assessment from Sedex, and a supplier self-assessment from EcoVadis, which includes labour rights.
- The Home Depot has a policy that migrant workers "should not be required to pay employers' or agents' recruitment fees or other related fees for the purpose of being hired or as a condition of employment."

Within the timber sector, tropical timber has been identified as the subsector with the highest risks for social and environmental aspects. In a study commissioned by CNV International and Tropenbos International within the framework of the Dutch IRBC 'Promoting Sustainable Forest Management', the following were the key decent work challenges associated with the processing of tropical timber in the top eight supplier countries of tropical timber semi-finished and finished products (Westerlaan and de Vries 2020):

- Wages were below the living wage and workers worked excessive hours.

- Incidences of forced labour, especially in illegal logging activities.
- Incidences of child labour and children working in hazardous conditions in some countries.
- Discrimination on the basis of gender, sexual orientation, religion, and ethnicity. Women were paid less than men, and in most countries, women had disproportionately less opportunities to obtain a management position.
- Inconsistent implementation of social security measures; informal workers were almost always without social protection.
- The most important occupational safety and health (OSH) hazards were: (i) high levels of dust; (ii) lack of hygiene in the bathrooms; (iii) risks of non-fatal accidents, especially for sawmills, but less for furniture manufacturing; (iv) exposure of workers to hazardous substances and chemicals and lack of awareness on them; (v) low or insufficient use of personal protective equipment (PPE); and (vi) hearing damage, forklift hits and other in-factory accidents.
- All countries scored poorly on the International Trade Union Confederation Global Rights Index for freedom of association and upholding workers' rights. In cases where there were collective bargaining agreements, negotiations, especially during the height of the COVID-19 crisis, were more towards job retention than salaries.

The timber sector experienced significant revenue loss in 2020 due to disruption of supply chains and a decline in demand brought about by lockdowns imposed by governments globally. With orders for timber and processed products postponed or cancelled, companies temporarily suspended operations or operated below capacity. Globally, many jobs were lost as companies around the world faced challenges in retaining their workforce and meeting payroll commitments, leaving workers furloughed or unemployed (ILO 2020). Existing decent work deficits were exacerbated by the impact of the COVID-19 pandemic, especially among informal workers.

Vietnam: generating decent work in the wood processing sector through responsible business practices

In 2019, the wood-processing industry used about 46 million m³ of timber in roundwood equivalent (RWE) volume. About 65% of the timber used were imported, with China, African countries, the USA, and the European Union (EU) as the main suppliers (Timber Trade Portal 2022). Logs, timber, and wooden panels account for over 80% of Vietnam's total imports (Vo and Nguyen 2020).

Domestic timber is sourced from plantations. Out of the 4.16 million hectares of planted forests in Vietnam, about 2.82 million hectares are for wood production, with acacia and eucalyptus as the main species (Nambiar 2021). The local timber supply is used mainly for wood chips production. These trees can be harvested within five years for wood chip production, as opposed to eight years for higher value products.

There are about 5,000 enterprises (81% domestically owned companies; 19% foreign-owned companies/FDIs) (Vo and Nguyen 2020), and about 800 have the Forest Stewardship Council Chain of Custody (FSC CoC) certification (Westerlaan and de Vries 2020). These figures do not include informal enterprises that predominantly operate in "wood villages". Wood manufacturers can generally be classified as follows (Westerlaan and de Vries 2020) (Forest Trends 2019):

- a) Furniture/wood villages: These are mainly micro enterprises, many of which are not formally registered. Products are sold to China, regional markets, and in the domestic market. It is estimated that there are about 60,000 to 90,000 enterprises employing 100 to 200 thousand workers.
- b) Small: These enterprises sell primarily to traders and the domestic market. They may also be subcontractors to exporters. These companies use basic equipment and technology. They generally also have sub-optimal working conditions. Safe working procedures and measures are not fully in place and implemented. Audits are intermittently conducted with a greater reliance on self-assessment.
- c) Manufacturer – exporters: These are very modern factories with operational fire safety and OSH systems. The factories are located in industrial parks and developed by industrial investors. Through automation, the workplaces are safer and accident rates have declined. They often work with reliable buyers with long-term relations, and are supported by regular on-site audits (e.g., IKEA factories are regularly audited).

As of 2019, there were 966 FDI enterprises in the sector, with a total investment of US\$ 6 billion. Key products exported by FDI enterprises are furniture products (HS code 9403), chairs (HS 9401), plywood (HS 4412), and wood panels (HS 4418). A low-cost labour force and the favourable environment for foreign investment are among the main competitive advantages of the Vietnamese industry.

Top five foreign investors in Vietnam's wood processing industry

Investing Economies	No. of projects	Investment capital (US\$ million)
Taiwan	220	1,000
Hong Kong	58	952
British Virgin Islands	46	894
China	217	651
Republic of Korea	103	650

Source: Vietnam Timber and Forest Product Association; (Vo and Nguyen 2020)

Over 75% of national wood production is geared for the export market. Vietnam is among the top exporters of wood products, especially furniture and wood chips. In 2019, export revenue from wood products amounted to US\$ 10.3 billion (Timber Trade Portal 2022). The FDI enterprises accounted for about 48% of the export revenue. Major export markets are China, USA, EU, Japan, United Kingdom, and Republic of Korea.

Export market transactions can generally be characterised by downward pressure on price, short lead times, and varying contract volumes. Key export marketing channels are (Timber Trade Portal 2022): (i) directly by wood manufacturer-exporters to overseas retailers or importers; (ii) wood manufacturers sell through traders/buying agents in Vietnam with links to external markets; and (iii) wood manufacturers sell to FDI enterprises operating in Viet Nam, who then export the products. Many of the buyer agents do not always look at working conditions (Westerlaan and de Vries 2020). Working conditions are generally better among companies working directly with global retailers, who conduct rigid supplier selection criteria that include labour standards, and conduct regular audits.

At the height of the COVID-19 crisis, many of the wood companies faced reduced, suspended, and cancelled orders due to the decline in demand and consumption in major export markets. Several companies struggled to survive due to a shortage of orders. Although the industry is on the road to recovery, there are still many difficulties and challenges, such as shortage of raw materials, increase in raw material prices, shortage of workers, high freight costs and related logistic problems.

A 2020 report published by the United States Department of Agriculture indicated that the wood processing sector employed half a million people (Vo and Nguyen 2020). In the furniture sector,

about 35% to 40% of the workers are temporary or seasonal workers. A study conducted by Forest Trends estimated that two to three million women in Vietnam are involved in wood production, processing, and marketing, with most of them working in household or micro-enterprises either as owners, members of the household labour force, or hired labourers (Forest Trends 2019).

The new Vietnamese Labour Code, which took effect in 1 January 2021, allows workers to form or join an Independent Worker Representative Organization (WRO) of their choosing, and does not have to be affiliated with the Vietnam General Confederation of Labour. However, no administrative guidelines have been issued yet on how the WROs can be formed. According to a 2019 study conducted by Do on labour practices in Vietnam's wood furniture industry, existing furniture industry unions were not effective in handling worker grievances and negotiations with employers. On the ITUC Global Rights Index (scale 1-5) for freedom of association and workers' rights, Vietnam scored a "4," which stood for systematic violations of rights. There are some companies, however, that conduct frequent labourer-management dialogues, quick responses to worker grievances and provide generous benefits for workers as a means of preventing labour strikes.

During peak season, workers, especially in intermediate processing facilities and those engaged in subcontracting, work excessive hours (Westerlaan and de Vries 2020). Large companies have shifts (of eight working hours) which minimize the risk of excessive working hours. However, some workers volunteer to work another shift to augment their income. Control on working hours is not consistently implemented. Likewise, the payment of competitive wages and benefits remains a challenge and, as such, workers resort to significant overtime work to earn a living wage.

Decent work at a glance: Vietnam wood processing sector	
Employment promotion	Provides employment to a minimum of 500,000 workers.
Social security	Informal and self-employed workers are not enrolled in social security programmes. Women workers under a temporary contract do not have access to unemployment insurance, which normally pays for the maternity leave period.
Forced labour	No recent information on forced labour in the sector.
Child labour	Incidence of child labour is higher among domestic-owned companies than FDI enterprises.
Equality of opportunity	Women workers are generally paid lower than men. Women comprised about 25% of the senior management in the furniture industry.
Security of employment	It is estimated that only about 50% of the workers are permanent employees.
Training	About 50% of the workers have undergone training.
Conditions of work and life	- Many of the companies do not have an OSH management system. Workers are not provided with PPE and OSH training. Key OSH hazards include: (i) high volumes of dust; (ii) poor ventilation and high temperature in factories; (iii) unsafe machinery and equipment; (iii) exposure to hazardous chemicals and substances; (iv) high levels of noise; and (v) lack of emergency preparedness. FSC CoC certified companies generally had better OSH systems than the non-certified enterprises. - The increasing levels of automation among big companies help to reduce accidents and excessive working hours. - Excessive working hours are common, especially among small companies. - Workers reach a living wage only through significant overtime work. There are two payment systems: monthly salaries or piece rate/output-based payment.
Industrial relations	Performance of existing unions has generally been lacklustre. The more progressive companies, especially those selling to the EU, have instituted mechanisms to ensure frequent dialogues with workers as well as a platform for negotiation.

Source: (Polyanskaya, et al. 2020) (Westerlaan and de Vries 2020)

Although there is a growing awareness of the labour dimension of responsible business conduct (RBC) or corporate social responsibility (CSR) among wood enterprises, CSR implementation is more visible in multinational or FDI enterprises. The 2019 Voluntary Partnership Agreement with

the European Union, reinforced by an October 2021 agreement with the United States, is expected to help boost the adoption of voluntary social standards and socially responsible practices among wood enterprises.

Good socially responsible labour practices

The IKEA Linkage Model

ILO MNE Declaration
Principles:
Employment
promotion, Training,
Conditions of work
and life

IKEA is the largest furniture retailer in the world and is one of the largest users of timber products. The company has been present in Vietnam since 1994 and works with ten suppliers/processors. It adopts a rigorous process in selecting and assessing suppliers using the IWAY Standard, which is the IKEA supplier code of conduct that strives to create impact in four main areas: (i) Improve environmental impacts; (ii) Secure decent and meaningful work; (iii) respect children's rights; and (iv) improve the welfare of animals that are present in the IKEA value chain. The relationships between IKEA and its suppliers are close, and built on mutual trust to ensure a sustained partnership. The IKEA linkage model involves the following stakeholders:

- IKEA Group: responsible for marketing wood products to consumers
- Wood processing companies: responsible for manufacturing products for IKEA
- Forest plantation households: responsible for supplying timber material to wood processing companies
- CoC sawmills: responsible for ensuring that timber from households is pre-processed prior to the official manufacturing stage.

IKEA provides technical assistance and capacity-building support to its suppliers, and provides capital to its suppliers whenever necessary. These support services have enabled IKEA suppliers to manufacture products that meet the rigorous requirements of different export markets.

Suppliers enjoy the stability of a long-term business relationship. In turn, wood processing companies sign contracts with household groups with established plantation forest areas. Contracts are signed with a designated member of a household "group," representative of cooperatives or other networks.

IKEA and its supplier wood processing companies such as Scansia Pacific Company support forest plantation households in achieving FSC CoC certification. Loans are provided to households to allow them to have a stable source of funding to prevent early harvest, thereby, creating a source of large-diameter timber. Supplier wood processing companies such as Scansia Pacific purchase certified acacia at prices at least 15-18 per cent higher than the market price of non-certified wood at the time of transaction.

Source: (Quang, et al. 2018) (IKEA 2022)

Geuther Vietnam

ILO MNE Declaration
Principle: Employment
promotion

Geuther Vietnam Co, Ltd is part of the Groupe BMB, a Belgian family group aiming at becoming an international group specialized in the wooden baby furniture industry. The company started its operations in Vietnam in 2016.

The company employs 185 workers and expects to create an additional 170 jobs over a period of five years, after the expansion of its production plant in 2020. Through training and capacity building of its employees, Geuther has allowed the transfer of knowledge to local workers, and has helped in the promotion of good environmental, social, and governance practices in the country. As a BSCI certified company with a good rating, the company ensures good working conditions for its employees. The company also promotes gender equality by providing opportunities for women to assume leadership/management positions.

The company supports local economic growth through indirect job creation by strengthening the upstream local supply chains of its 80 suppliers, that are required to comply with BSCI Code of Conduct. Furthermore, Geuther Vietnam is committed to strengthen the local rubberwood value chain by assisting smallholder farmers of rubber plantations to achieve certification.

The company's expansion in 2020 contributed to the increase export of finished products for the country, hence improving trade balance and bring hard currencies to Vietnam.

Source: (BIO 2020)

The way forward

The ILO MNE Declaration

Corporate social responsibility (CSR) as defined by the International Labour Organization (ILO) is “a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and their interaction with other actors.” The main guiding instrument regarding the labour dimension of CSR or responsible business conduct (RBC) is the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration), which was adopted in 1997 and most recently updated in 2017. The MNE Declaration sets out principles in the fields of general policies, employment, training, conditions of work and life and industrial relations which governments, employers ‘and workers ‘organizations and multinational and national enterprises are recommended to observe on a voluntary basis.



How a company relates with its workers, suppliers, host communities, and the marketplace can greatly contribute to the sustainability of its business success. For companies to stay productive, competitive, and relevant in the face of rapid globalization, they have to become environmentally viable and socially responsible. Labour related CSR entails companies taking responsibility for their impacts on decent work throughout their operations and with their business partners and identifying ways to enhance their positive contribution to decent work in dialogue with their workers, suppliers, host communities, and buyers. Responsible businesses create social value by addressing needs and challenges of their stakeholders while simultaneously creating their own economic value.

The reform of Vietnam's Labour Code brings it into closer alignment with ILO core Conventions, which the government has prioritised in the context of the EU-Vietnam Free Trade Agreement and the Comprehensive and Progressive Trans-Pacific Partnership (Impactt 2021). To promote CSR implementation in the wood processing industry in Vietnam, the Responsible Supply Chains in Asia (RSCA) programme organized various workshops and policy dialogues in partnership with key industry associations, Vietnam General Confederation of Labour, EuroCham Vietnam, Federation of Labour and the Trade Union of Economic Zones of various provinces, Vietnam Chamber of Commerce and Industry, Business Coalition on CSR, Bureau of Employers Activities, and other government

agencies. The workshops and dialogues enjoyed participation from domestic and foreign wood processing enterprises, representatives of Provincial Departments of the Ministry of Labour and its provincial federations, trade unions of industrial parks and the export processing zones, academe, and civil society organizations (CSOs). The policy recommendations that emerged during the various workshops and dialogues are outlined below. The policy recommendations are aimed at fostering the integration of socially responsible business practices in the daily business operations of wood enterprises, with a view of 'building back better' by advancing decent work in COVID-19 recovery of the wood processing industry in Vietnam.

Policy recommendation	Stakeholder
a) The CSR Think Tank in the seafood industry, in cooperation with CSOs, should mentor the CSR facilitators trained by RSCA programme to enhance their capacity to: (i) foster the dialogue and linkages between national suppliers and international buyers, particularly from the EU; and share socially responsible labour practices that strengthen performance; (ii) build capacity for the uptake of CSR/RBC practices in the wood processing industry, set CSR/RBC targets and design interventions at the grassroots business level and design a roadmap for sustainable imbedding of the CSR/RBC agenda in the supply chains; and (iii) set targets for policy consultation and advocacy so that the goal of promoting the CSR/RBC and the decent work agenda become an essential content to the policies of the wood processing industry, the business associations, and enterprises with focus on inclusive and sustainable development of businesses involved in the national processed wood supply chains.	- CSR Think Tank (seafood/aquaculture) - CSOs
b) ILO, in cooperation with other international development partners, should support global retailers of furniture and furnishings, importers of lumber and timber products, and buying agents to promote RBC/CSR from the perspective of labour in their respective supply chains in Vietnam. Actions may include: - Supporting the development of a due diligence system, processes, and tools that can be shared across enterprises to ease the burden of compliance and facilitate sharing of emerging good practices. Parallel to this, building the capacity of enterprises to integrate due diligence findings into procurement and other business decisions. - Developing and/or strengthening platforms (e.g., roundtable discussions, web portals, social dialogues, etc.) to facilitate information sharing and discussions, where companies, trade unions, providers, and governments can acquire CSR/RBC knowledge such as the fundamental concepts and guidelines, practical implementation measures, outcome measurement, etc. The information sharing and discussion platforms can also provide opportunities to collectively address underlying causes of non-compliance to labour standards and systemic risks present in the wood processing supply chains. - Providing training and technical assistance to Vietnamese enterprises on the implementation of socially responsible labour practices. Building the capacity of providers, including employers' and workers' organizations to provide RBC related financial and non-financial services.	- ILO - Other international development partners

Policy recommendation	Stakeholder
c) The CSR Think Tank in the seafood industry, in cooperation with CSOs, should initiate a simple labour related RBC performance measurement monitoring and disclosure/ reporting mechanism among FDI and domestic lead firms, with the aim of producing a picture of labour practices within the timber sector. This can be shared online and through regular dialogues to create a critical accountability mechanism and promote greater supply chain transparency. The RBC performance monitoring can contribute to the development of a business case and drive behavioural change, as well highlight opportunities for innovation.	■ Government ■ Employers' organizations
d) The CSR Think Tank (seafood), in partnership with trained CSR facilitators, should build the capacity of WROs to effectively engage formal and informal workers in the timber sector/ wood processing industry. Strengthen the capacity of WROs to effectively participate in RBC initiatives.	■ CSR Think Tank (seafood) ■ CSR facilitators
e) The CSR Think Tank (seafood), in partnership with trained CSR facilitators, should provide technical support to government agencies and policymakers in the development of implementing guidelines to effectively enforce the freedom of association, and crafting of policies that will better integrate different international CSR/RBC instruments or standards such as the ILO Declaration of Principles on Multinational Enterprises and Social Policy or the MNE Declaration, the UN Guiding Principles on Business and Human Rights and others.	■ CSR Think Tank (seafood) ■ CSR facilitators

For more information:

MNE Declaration web portal – www.ilo.org/mnedeclaration

Responsible Supply Chains in Asia

<https://www.ilo.org/asia/projects/rsca/lang--en/index.htm>

Responsible Supply Chains in Asia – Vietnam

https://www.ilo.org/hanoi/Whatwedo/Projects/WCMS_632390/lang--en/index.htm

Labour Standards in Global Supply Chains: An ILO training module for SMEs and other enterprises

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/instructionalmaterial/wcms_725761.pdf

Labour Standards in Global Supply Chains (Burmese language)

https://www.ilo.org/yanmar/publications/WCMS_835471/lang--en/index.htm

ILO Helpdesk for Business on international labour standards (www.ilo.org/business)

How to align corporate policies and practices with International ILS and build good industrial relations

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/--multi/documents/publication/wcms_094386.pdf

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_684935.pdf

Responsible Business: Key Messages from International Instruments

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_724747.pdf

Labour Issues in CSR: Examples from the ILO Helpdesk for Business Q & A

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/instructionalmaterial/wcms_740229.pdf

ILO company-union dialogue facilitation

https://www.ilo.org/empent/areas/mne-declaration/WCMS_572115/lang--en/index.htm

Measurement for the employment and labour-related impacts of the Multinational Enterprises (MNEs)

https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_620788.pdf

The ILO MNE Declaration: What's in it for Workers?

https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_627351.pdf

Engaging multinational enterprises on more and better jobs

http://www.oit.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_175477.pdf

Responsible business -- labour standards in global supply chains

<https://www.itcilo.org/courses/responsible-business-meeting-labour-standards-global-supply-chains> - rolled out together with the ILO SCORE programme, targeting SMEs in global supply chains (enhance manager-workers workplace cooperation)

Responsible Supply Chains in Asia (RSCA) Programme in Vietnam

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-hanoi/documents/publication/wcms_729353.pdf

<https://mneguidelines.oecd.org/EU-ILO-OECD-Responsible-Supply-Chains-in-Asia-VIETNAM.pdf>

The “Responsible Supply Chains in Asia” (RSCA) programme (RAS/16/13/EUR) is a programme developed by the European Union together with the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD). The programme promotes corporate social responsibility (CSR) / responsible business conduct (RBC) with regard to the environment, decent work and the respect of human rights.

This initiative is a part of the EU's long-standing commitment to promote human rights, decent work and sustainable development, a pledge underpinned by the EU Treaties and reinforced in the European Commission's trade policy strategy of 2015 “Trade for All”. It falls in particular under the Commission's commitment to identify opportunities for responsible supply chain partnerships and the EU's strategic approach to responsible business conduct, which is based on internationally agreed principles and guidelines. It will also contribute to the EU strategic approach to CSR/RBC as put forward in the Commission 2011 Communication “A renewed EU strategy 2011-14 for Corporate Social Responsibility.”

The four-year programme (2018-2021), carried out in collaboration with Japan, China, Myanmar, Philippines, Thailand and Vietnam, has two broad objectives to:

- a) Promote smart, sustainable and inclusive growth by ensuring that investors and businesses have a better understanding of corporate social responsibility;
- b) Create policy environments conducive to promoting responsible business conduct and increased opportunities for dialogue.

The programme in Vietnam is making an impact in a number of areas, including through:

Facilitating platforms for dialogue with the seafood sector to deliver preliminary research findings and recommendations on challenges identified in the industry.

Establishing forums for dialogue, including with the Vietnam Business Coalition on CSR, between suppliers and buyers to share goals and expectations on incorporating responsible business practices into their supply chains.

Training sessions of leading representatives from Vietnamese employer organisations, academia, government institutions and worker's organisations to on-train companies, MNEs, SMEs, future business leaders and others in responsible business practices.

Promoting and supporting policy coherence around responsible business practices, including in investment-related policies in order to support national objectives to promote further linkages with the global economy.

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