



Responsible Supply Chains in Vietnam

Webinar: Integrating Responsible Business Conduct to Create a Resilient Garment Industry

Concept Note

14 October, 2021

2:00-3:30 pm Vietnam | 9:00-10:30am Paris

[Registration Link](#)

Background

Viet Nam has emerged as one of the leading textiles exporting countries worldwide in recent years, becoming the fourth apparel exporting country in 2019 (by value – 30.6 billion USD)¹. The Vietnamese garment and footwear industry accounts for 16% of the country total exports, employs 2.5 million workers. The growth of the garment and footwear sector was also boosted by Viet Nam's increased integration into Global Value Chains (GVCs), through the coming into force of a number of trade agreements, including, the Progressive Agreement for Trans-Pacific Partnership (CPTPP) (2019), the EU – Viet Nam Free Trade Agreement (EVFTA) (2020), or the UK – Viet Nam Free Trade Agreement (UKVFTA) (2021).

However, the COVID-19 crisis has exerted a substantial toll on economies and societies. Worldwide, general and targeted lockdown measures were implemented to contain the outbreak, which paused sections of the global economy, resulting in global trade declining by over 15% in the first half of 2020. These disrupted GVCs, leading to business closures, insolvencies and increased unemployment rates, and this perhaps nowhere more so than in the garment & footwear sector. At point of sale, retailers experienced an instant loss of footfall as they had to close stores and a drop in demand hit online sales, creating direct shocks in producing economies.

In Viet Nam in particular, the initial impact of GVC disruptions has been twofold. First, Viet Nam's economy experienced falling international demand for manufactured goods, which placed manufacturers in difficulty for meeting their wage bill as orders were cancelled or not placed. Second, the disruption of GVCs interrupted Viet Nam's material imports, so there would be difficulty fulfilling even those orders that were placed. Some manufacturers adapted to produce personal protective equipment (PPE) for the growing demand, where materials could be sourced. Since April 2021, Viet Nam is facing its most serious health crisis of the COVID-19 pandemic with the fourth wave. A low coverage of vaccination across the population and extreme containment measures mean the COVID-19 crisis is bearing vast impacts to workers and businesses. Companies fear delays in delivery move orders overseas: about 18% of EU

¹ Ministry of Planning and Investment (2021), Vietnam earns nearly 19 billion from textile exports in H1, <http://www.mpi.gov.vn/en/Pages/tinbai.aspx?idTin=50976>



businesses have moved orders out of Vietnam; whereas more than 60% of textile and footwear enterprises have been penalized by their brands for slow delivery (Viet Nam Textile and Footwear Association, 2021). Many businesses are facing bankruptcy, domestic and international supply chains are broken, workers lose their jobs and incomes, and are at risk of poverty.

COVID-19 has amplified the voices from many stakeholders on the importance of rethinking global supply chains. Adopting Responsible Business Conduct (RBC) standards can help businesses become more resilient when exposed to GVC disruptions. RBC means integrating and considering environmental and social issues within core business activities, including throughout your supply chain. A key element of RBC is risk-based due diligence – a process through which businesses identify, prevent, and mitigate their actual and potential adverse impacts on people and planet - and account for how those impacts are addressed. To that extent, RBC standards provide companies a method to understand and mitigate adverse impacts, for instance, by adapting health & safety protocols to respond to the emerging risks, and encouraging supplier-buyer two-way dialogue in face of disruptions. Companies that already have integrated RBC standards may be better placed to apply their risk assessment frameworks and, therefore, react more quickly to emerging risks while ensuring that workers' rights are respected and that health and safety measures are upheld. On the longer run, RBC can help building a resilient garment industry by increasing participation and competitiveness in GVCs. Notably, it will support business' efforts to meet international expectations on RBC enshrined in trade and sustainable development chapter of free trade agreements, comply with the increasing number of legislations on supply chain due diligence.

As Viet Nam's garment and footwear sector recovers from the Covid-19 impact, adopting and integrating RBC standards throughout the sector is the key to unlocking future opportunities outside of the context of the pressing and immediate risks posed by the pandemic.

Webinar description

OECD, in collaboration with EuroCham, AusCham, BritCham and AmCham, is holding a series of webinars on building resilient supply chain in the context of Viet Nam. The first webinar of the series "Integrating Responsible Business Conduct to Create a Resilient Garment Industry" will include a brief presentation of the OECD's Garment & Footwear Due Diligence Guidance, which will be launched in Vietnamese during the webinar, how it can help Vietnamese businesses become more resilient and future proof their place in the global supply chain. The webinar will include insights from organisations that have practical experience working with due diligence standards.

The webinar is bringing together key speakers in the garment industry including policy makers, business associations, global and domestic companies, and trade union representatives. A Business Consultation session will be available where the companies and manufacturers can share experiences and ask questions directly to the OECD and other speakers.

The webinar will be organised virtually for 1.5 hours, on Thursday, 14 October 2021, 2:00 – 3:30 pm Vietnam / 9:00 – 10:30 am Paris. Vietnamese-English simultaneous interpretation will be available.

Draft Agenda

<p>Thursday 14 October 2021</p>	<p>Integrating Responsible Business Conduct to Create a Resilient Garment Industry</p>
<p>2:00 - 3:00 pm (Vietnam) 9:00 – 10:00 am (France)</p>	<p>Panel Discussion Moderator: Ms. Dorothy Lovell, Lead, Due Diligence for Responsible Supply Chains in the Garment & Footwear Sector, OECD Centre for RBC, Directorate for Financial & Enterprise Affairs</p> <p>Panellists</p> <ul style="list-style-type: none"> ▪ Ms. Thuy Nguyen Vietnam Industry Agency, Ministry of Industry & Trade ▪ Mr. Truong Van Cam Vice Chairman, Vietnam Textile & Apparel Association (VITAS) ▪ Mr. Nguyen Thai Duong, Vice President, Viet Nam Textile Union ▪ Mr. Alexander Falter General Director, ECCO Vietnam ▪ Mr. Paul Norriss CEO, UnAvailable Vietnam
<p>3:00-3.30pm (Vietnam) 10:00 – 10:30 am (France)</p>	<p>Business Consultation</p> <p>Open discussion for companies and manufacturers</p> <ul style="list-style-type: none"> ▪ Moderator: Ms Dorothy Lovell - Lead, Due Diligence for Responsible Supply Chains in the Garment & Footwear Sector



About the Organisers:

About OECD

The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to build better policies for better lives. Our goal is to shape policies that foster prosperity, equality, opportunity and well-being for all. We draw on 60 years of experience and insights to better prepare the world of tomorrow.

Together with governments, policy makers and citizens, we work on establishing evidence-based international standards and finding solutions to a range of social, economic and environmental challenges.

The Responsible Supply Chains in Asia (RSCA) Programme

The workshop is part of the Responsible Supply Chains in Asia Programme (RSCA), a partnership between the European Union (EU), the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD), funded by the European Union. The RSCA works with partners in Asia to promote responsible business conduct in global supply chains.

The overarching objectives of the RSCA Programme are to promote smart, sustainable and inclusive growth by ensuring that investors and businesses have a better understanding of corporate social responsibility; and to create policy environments conducive to promoting responsible business conduct and increased opportunities for dialogue. The programme is taking place in partnership with six Asian economies, namely Japan, China, Thailand, Viet Nam, Philippines, and Myanmar.



With funding by the
European Union

About EuroCham

The European Chamber of Commerce in Vietnam, better known as EuroCham, is the voice of the European business community in Vietnam.

The Chamber was established in 1998 to help develop Vietnam into an attractive investment destination and trading partner for European businesses. With more than one thousand members, we are one of the biggest foreign Chambers of Commerce in Vietnam.

Representing a plethora of sectors and companies ranging from SMEs to MNCs, EuroCham has a very strong business network in both Vietnam and Europe.



Through our members, more than 150,000 people are directly employed and the EU is Vietnam's second-biggest trade partner.

About AmCham

Our mission is to promote trade and investment between Vietnam and the United States and to serve as the voice of American business in Vietnam.

Values

Responsible: We act in an ethical, transparent, balanced constructive, respectful, and responsible manner with our members and stakeholders.

Impactful: We make a positive impact on the U.S.-Vietnam economic partnership and Vietnam's business environment by proactively exercising innovative leadership and forming strategic alliances and partnerships to advance shared interests.

Solidarity: We promote solidarity by being inclusive and diverse in our membership and representing the interests of our members with a unified voice.

Enduring: We promote sustainable, enduring growth in Vietnam and globally by giving back to our communities, aligning our operations with Environment, Social, and Governance values, and encouraging implementation of ESG values by our members and stakeholders.

About AusCham

The Australian Chamber of Commerce in Vietnam (AusCham) is an independent, not for profit, membership-based NGO (non government organisation). It does not receive any funding from the Australian Government or any of its agencies. Its revenue is generated through memberships, sponsorships, events and advertising.

AusCham represents and promotes the interests of Australian businesses operating in Vietnam. We are proud to have a pivotal function in providing invaluable business and cultural support to our members' and sponsors' activities in this country.

AusCham provides all its members with a voice to express their views on the business environment in Vietnam, directly within the business community and via our liaison with the Vietnamese Government. We actively co-ordinate a regular program of high profile business seminars, networking and social functions as well as a number of charity events.

About BritCham

The British Chamber of Commerce Vietnam ("BritCham Vietnam"), started as a luncheon club in 1991. We became the first ever Foreign Business Group to obtain formal recognition in Vietnam in 1998.

BritCham Vietnam now boasts more than 500 members. We pride ourselves on our friendliness and approachability. BritCham Vietnam's main objective is to promote our members' business interests in Vietnam, through various business and social events.



Our Business Centre aims to facilitate better trade ties between British and Vietnamese companies via our trade services.

- **References and Links**

Find out more about the [key activities in Viet Nam](#) under the joint OECD-EU-ILO [Responsible Supply Chains in Asia Programme](#).

Find out more about [Responsible Supply Chains in the Garment and Footwear Sector](#).

Download the OECD Due Diligence for Garment and Footwear Sector [English](#) | [Vietnamese](#)

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