

CORPORATE SOCIAL RESPONSIBILITY FROM VIEWPOINTS TO PRACTICES



TRUNG TÂM PHÁT TRIỂN VÀ HỘI NHẬP
CENTER FOR DEVELOPMENT AND INTEGRATION



Contents

1 EDITOR FOREWORD

EDITOR'S FOREWORD

2 Embedding CSR into corporate culture

THE GOOD PRACTICE

4 HAPRO - Doing CSR in a state owned enterprise way

5 HSBC Vietnam from corporate sustainability approach

THE ROLE OF CIVIL SOCIETY ORGANISATIONS

6 Civil Society Organisation (CSO): Strategy on CSR

8 Victims of Fashion

TIPS FOR CSR PROFESSIONALS

10 3 Reasons for Job Seekers Prefer Sustainable Companies

11 5 Rules for Becoming a CSR Leader

12 10 Costly Mistakes of CSR Reporting

13 About CSO-CSR Project

CORPORATE SOCIAL RESPONSIBILITIES FROM VIEWPOINTS TO PRACTICES

Under the joint project on CSO-CSR between



TRUNG TÂM PHÁT TRIỂN VÀ HỘI NHẬP
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EDITOR FOREWORD

Corporate Social Responsibility (CSR) refers to the obligations and commitments of businesses to minimize the negative effects, and to maximize the positive effects of their operations on society. Implementing CSR not only enhances the financial bottom line but also targets philanthropy, serving society and improving the environment. The principle of CSR is to be responsible to all stakeholders -those individuals and organizations that have interests in the company (financial and non-financial). Stakeholders may include those inside a business: shareholders, employees, the company's supply chain - suppliers, subcontractors, customers, government, communities and civil society organizations. CSR is no longer a new concept for Vietnam's enterprises. But businesses and other stakeholders wish to have guidelines as to how to enhance CSR activities in their businesses, as well as CSR more broadly in Vietnam.

The CSO-CSR project aims to establish a network of Civil Society Organisations (CSOs) in Vietnam to be more committed to CSR in promoting human rights at work, improving environmental practises and monitoring business obligations by active engagement of community. The publication of the 2 Bulletins: Corporate Social Responsibility: from viewpoints to practices and Social Enterprise: Models, Practices and Trends are among project efforts in attaining its objectives of awareness raising and knowledge sharing among CSOs.

This Bulletin No.1 provides some guidance on making CSR a business function that is integrated into the organization, as well as promoting an understanding of the work of one of the key stakeholders - civil society organizations (CSOs) - in promoting CSR in the business.

The Bulletin is in four parts:

- **From viewpoints:** embedding CSR in corporate culture, and enforcing human rights as a CSR obligation for companies in Vietnam.
- **To best practices:** two case studies on CSR in Vietnam, HAPRO - a state-owned enterprise - and HSBC Vietnam - a multinational in banking and finance.
- **CSO Works:** strategies that CSOs typically pursue and the trend of pursuing different strategies in a single CSO. The cases of Shell in Nigeria and Victims of Fashion in the garment building collapse crisis in Bangladesh, show how CSOs work to pressure multinational companies to improve CSR activities in developing countries.
- **For CSR Professionals:** guidelines for CSR professionals, including an article on 3 reasons why job seekers prefer to work for companies with better CSR; 5 principles to become leaders in CSR; and 10 mistakes on CSR reporting.

We would like to thank colleagues, the civil society organizations involved in contributing articles, sharing views, their vision and funding for the publication of this report.

Dr. Truong Thi Nam Thang

EMBEDDING CSR INTO CORPORATE CULTURE

Duong Thi Lieu¹

This article focuses on the importance of integrating corporate social responsibility (CSR) values in corporate culture. It affirms that CSR programs and initiatives integrated into corporate culture will contribute to the professionalism and satisfaction of employees, creating a good image to customers, the public, and government.

In the context of economic globalization and international integration generally, if business enterprises do not accept broader notions of social responsibility, they will limit their access to world markets. Today, although more attention is given to CSR, many Vietnamese companies still choose minimal strategies by providing charity to promote their brand. CSR is much more than volunteering and branding; it must be an integral part of corporate culture. As CSR becomes part of corporate culture, its effectiveness will increase significantly.

In the context of international economic integration today, CSR has the following basic requirements:

- ❖ Responsibility to the market and consumers;
- ❖ Responsibility for environmental protection;
- ❖ Responsibility for employees;
- ❖ Overall responsibility for community.

Thus, CSR should be applied in all aspects of company operations and in all stakeholder relationships. When implementing the above requirements companies are implementing behavioral relationships with relevant stakeholders, they are integrating CSR into corporate culture. Specifically:

- ❖ Companies need to provide products of good quality that cause no harm to consumers' health.
- ❖ Companies must ensure that their activities do not cause harm to the biophysical environment, that is, they must use environmentally

friendly production processes. Firms must always be aware of environmental protection in the production process.

- ❖ Companies will themselves get long-term benefits from CSR. They can implement CSR through activities such as caring more for their employees' physical and mental health. They must respect equal rights of men and women. There should be no gender discrimination in terms of employment opportunities and compensation based on competence. Companies should not discriminate in terms of race, normal and impaired employees or their past. They also need to improve work relationships, reduce accidents, improve rates of employee severance pay, improve labor productivity, create conducive work environments for staff, pay attention to safety issues in working conditions, and pay reasonable compensation, with appropriate mechanisms to attract talent. At the same time, companies need to build strong systems of corporate governance. With all of the above, CSR activities will contribute to the satisfaction and professionalism of staff.

- ❖ Companies must contribute part of their profits to community support activities. They need be aware that they are a part of a community. These activities will strengthen trust in the community by creating an image of a company caring for the community, contributing resources to the overall sustainability of the community. Enterprises need to involve

¹ Associate Professor, Dr, National Economics University

employees in the CSR project. Followings are measures that Vietnamese companies can apply to integrating CSR into corporate culture:

- ❖ Developing policies regarding products, biophysical environment, working environment, social-community activities and embedding these commitments in corporate practices. Companies should commit to protect workers, thus creating loyalty and employee satisfaction.
- ❖ In addition to complying with international codes of conduct (CoC) (such as SA 8000 and WRAP, Environmental Management System, ISO 14000, Safety and Health Management System, OHSAS 18001), businesses need to develop internal Codes of Conduct, including regulations and standards of conduct towards all stakeholders. These not only support implementation of CSR commitments but are also an essential means of integrating CSR into corporate culture. Codes must be directed to best serve

employees; they should not be rigid, vague or confusing. At the same time, companies need to monitor implementation of rules and standards and adjust them as required.

- ❖ Companies should get employees more involved in CSR programs. Programs can be as simple as organizing tree planting, cleaning work and recycling rags to make hand-crafted products. If programs become a regular activity they will help promote morale and trust, and so strengthen ties between employees and companies.
- ❖ Companies should strengthen internal communication channels to help employees understand and be proud that their companies seek not only to maximize profits but also to engage in CSR. When employees have information about CSR activities they will be more interested in, and appreciative of, what their companies are doing.
- ❖ Companies need to demonstrate ethical business practices towards their community, such as: actively participating in supporting

disaster planning, poverty reduction, religious activities, gratitude to individuals of disadvantaged groups such as the disabled, war victims and local development projects such as education, health, playground for poor children.... (Many businesses in Vietnam have given a lot of money to charity and have participated in the auction program to support the poor). Community responsibility from leadership should be disseminated to each employee.

It is worth noting that company managers must show their trust, take initiatives, be proactive, and supportive of the integration of CSR into corporate culture. Managers need to show integrity and honesty in work and in personal life and a determination to integrate CSR into company culture. A program of successfully integrating CSR must be based on the trust and support from customers and the public, officials and employees, suppliers and distributors, investors and banks, and governmental organizations.



Being Responsible is among core values of Buffalo Tours - one of the most fast and sustainable growing companies in Vietnam

HAPRO

DOING CSR IN A STATE OWNED ENTERPRISE WAY²

Hong Kong and Shanghai Banking Corporation (HSBC), Vietnam, has officially operated as a 100% foreign-owned investment bank in Vietnam since 2009. HSBC's approach to social responsibility is proactive. The bank refers to its CSR work as corporate sustainability (CS). HSBC says that its CSR activities go beyond the objectives of addressing social issues and the environment, to first and foremost making the business grow in a sustainable way.



A Girl making Chu Dau Ceramic

Hanoi Trading Corporation (HAPRO) is a state-owned enterprise specializing in import-export and domestic trade. HAPRO's CSR activities are classified in two main groups:

• **Toward consumers**

HAPRO plays an active role in the program 'Vietnamese people use Vietnamese goods'; 90% of products sold in the HAPRO system are 'Made in Vietnam'; the company has been a flagship in supplying goods for Hanoi in response to natural disasters from 2008; and it has participated in roundtable discussions on consumer protection laws and programs.

• **Toward Society**

HAPRO has programs for care of the elderly, raising 20 Vietnamese hero mothers and visiting hospitals for wounded soldiers. It has sponsored environmental protection events. It has encouraged customers of HAPRO Mart stores to use reusable bags. Staff and leaders of the company participate in annual volunteering activities and awareness raising in the community. The management team provides frequent lectures and public speaking in trade-related universities.

CSR activities are integrated with different company functions. The core team is the Branding Department which is mainly in charge of activities relating

to consumers and society. During the implementation process, there is participation of civil society organizations within the company such as the Trade Union (for philanthropic activities) and the Youth Union (for the development of cultural activities involving young employees). These characteristics differ greatly from those of most private enterprises, domestic and foreign owned.

With the aim of having more organized CSR activities, in 2009 HAPRO established HAPRO Community Development Fund. The operating budget for this fund is from HAPRO and other local sources. The Fund provides annual scholarships to poor students in three universities and thus also supports labor supply for the trading sector (University of Commerce, Foreign Trade University and National Economics University). This fund was authorized by the Hanoi People's Committee. It operates independently of HAPRO and has its own organizational structure.

One of HAPRO's show case activities, in terms of social development, is its role in reviving the almost forgotten Chu Dau ceramic village. On October 8 2013, Chu Dau Joint Stock Company, under HAPRO Corporation ownership, will celebrate 12 years of operation.

² The case is written based on the interview by Dr. Truong Thi Nam Thang with Hapro representatives in 2011 and company website.

HSBC VIETNAM

FROM CORPORATE SUSTAINABILITY APPROACH³

HSBC's CS efforts focus on three major activities: supporting education, environmental protection and risk management. As a financial multinational, most activities are global initiatives. However, two CS executives based in HSBC's Vietnam headquarters in Ho Chi Minh City, alongside human resources and public relations departments, are dedicated to developing innovative programs for Vietnam.

Sustainable development initiatives are derived from different sources: from the CS team at HSBC headquarters, as well as in Vietnam, from employees (in the process of interacting with society, they identify social problems to be addressed and propose ideas to the CS team), from the proposals of civil society - non-governmental organizations - and from local communities who need help.

Outcomes from HSBC's global sustainable development program, that benefit Vietnam, include:

• **Future First**

An educational program (2006-2016), under the management of the HSBC Global Education Trust Fund, to support activities related to education, career and life integration for street children, orphans and other children in need of help around the world.

• **Financial education skills to elementary school students 'JA More than Money'**

This is a joint project of the HSBC Global Group and Junior Achievement. The program equips children with basic financial understanding and a capacity to apply this knowledge in their daily lives, helping them to realize the importance of money management

in making accurate decisions in their life.

• **HSBC's Water Program (HWP)**

In 2012 HSBC announced the HSBC Water Program. This is a five-year cooperation project worth USD100 million, involving HSBC and WWF, WaterAid and Earthwatch to address water risks in river basins, to bring safe water and improved sanitation to millions of people, and also to raise awareness about the challenges of global water.

• **HSBC Climate Camp - WWF**

In 2010 HSBC Vietnam and WWF Vietnam cooperated to launch a program 'HSBC and WWF Action for Climate Change', also known as 'climate camp' to raise awareness amongst HSBC staff about the effects of climate change in Vietnam.

Some private initiatives of HSBC Vietnam in the field of sustainable development are:

• **Mobile Library**

In 2010, HSBC Vietnam and BaoViet deployed a mobile library project for children in difficult circumstances and primary school students in Danang at the value of USD 1.5 million.

• **Career orientation and financial management program**

Implemented in 2012, the goal of the program is to equip students with practical knowledge in career orientation and effective management of personal finances.

• **Program of raising awareness of water savings**

In 2010 and 2011 HSBC Vietnam developed educational programs to raise awareness of water-saving

According to HSBC Vietnam, in 2012, its employees spent 11,824 hours volunteering for community activities. Besides, the Bank has been supporting 14,293 people, including children in difficult circumstances, poor students, elderly and women needing support in Vietnam.

measures for more than 10,000 students in elementary schools in Ho Chi Minh City and Hanoi. The program consists of three competitions, including 'Water Saving Hero'. The program has helped to raise awareness amongst children of the importance of water and the risk of depletion of water resources, as well as encouraging water saving practices in the local community.

• **Re-afforestation project**

HSBC Vietnam, in cooperation with the Cat Tien National Park, established a three-year re-afforestation project (2010-2012), involving the planting of 10,000 hectares in green area 22.5. Nearly 200 employees of HSBC were involved in the planting phase of the project. HSBC customers also supported the project; HSBC credit cardholders, for example, can register to switch from paper statements to electronic statements and change from accumulating customer benefit points to planting more trees in the project area.

• **Risk management**

HSBC does not provide financial support or risk management systems to environmentally unfriendly businesses.

³ "The case is written based on the interview by Dr. Truong Thi Nam Thang with HSBC Vietnam in 2011 and company website"

CIVIL SOCIETY ORGANISATION (CSO): STRATEGY ON CSR

BATIK International

Critical differences between Community Services Organisations (CSOs) and businesses in their opposing objectives - such as profit versus non-profit-making goals, divergent value systems and governance (memberships/shareholders) – underpin the challenge in reaching any kind of fruitful collaboration. During the 1990s, many sources of disagreement led to open conflicts between CSOs and businesses. But economic globalization has spurred debate about complex topics from social, economic and environmental perspectives. Heavier competition, combined with an enlarged scope of CSOs, has led to a greater interconnection between the stakeholders.

Critical differences between Community Services Organisations (CSOs) and businesses in their opposing objectives - such as profit versus non-profit-making goals, divergent value systems and governance (memberships/shareholders) - underpin the challenge in reaching any kind of fruitful collaboration. During the 1990s, many sources of disagreement led to open conflicts between CSOs and businesses. But economic globalization has spurred debate about complex topics from social, economic and environmental perspectives. Heavier competition, combined with an enlarged scope of CSOs, has led to a greater interconnection between the stakeholders.

There are differing perceptions amongst CSOs on the role of business and opportunities offered by multi-stakeholder initiatives. One way to distinguish between CSOs is their stance towards companies: **confrontational or cooperative**. Confrontational actions are often related to advocacy campaigns and raising awareness among public authorities and civil society. Cooperative actions lead

to joint activities such as trainings delivered by CSOs for companies (e.g. health and safety for employees). Cooperative CSOs are most inclined to collaborate with companies. Campaigners, on the other hand, offer incentives for companies to participate in dialogues and are more inclined to stay at a 'safe' distance from their corporate opponents. Even though the CSO field is generally divided in terms of collaborative and critical approaches towards business, this is not an either/or divide. Indeed, five approaches have been developed by CSOs worldwide:

1. Confrontation/Advocacy: awareness campaigns, targeted pressure, institutional pressure, lobbying, boycott, judicial proceeding, activism...
2. Dialogue/Consultation: relationship orientated towards companies, such as exchange of information and ad hoc dialogues.
3. Technical cooperation: training of professionals, accountability project management on targeted theme or territory, co-production project or project on accessibility, local development project or 'social' project
4. Strategic cooperation:

upstream phase, elaboration of principles, frameworks and norms

5. Charity business or philanthropy: marketing and cause related product

CSOs are pursuing multiple strategies within the same organisation: campaign-oriented CSOs are increasingly entering the field (eg. Clean Clothes Campaign); or co-operative CSOs in one sector are pursuing confrontations in another sector (e.g. Oxfam Novib).

The confrontational stance requires independence from companies. Transparency is much valued by business counterparts and is an important determinant for CSO trustworthiness from the perspective of business. The challenge is to do so in a complementary manner rather than in a counter-productive manner. On the other hand, including the most critical voices may increase its outward legitimacy and raise the standard. The coin has two sides: on the one side, involvement of the more critical CSOs raises the standards of impacts. On the other hand, it may scare off other companies that have had negative experiences with critical organisations.

The Dutch Soy Coalition is an example of a platform in which CSOs with very different identities choose to align their strategies. Some of the CSOs in this coalition collaborate with business both in and outside the Roundtable for Responsible Soy, while others take a confrontational stance towards the same companies in the roundtable. These latter CSOs even take a critical stance towards the roundtable itself, and thus towards their fellow CSO members. For instance, they are critical because the roundtable has included genetically modified soy under its responsibility standards. Even though members of the Dutch Soy Coalition do not necessarily agree with each other's approaches, they do not deny their value altogether. The CSOs in the Dutch Soy Coalition recognize that each of their organisations has a role to play in reaching their shared goal – reducing the adverse impact of soy production worldwide – and that no single strategy provides the silver bullet for change. The coalition allows for critical internal discussions, while at the same time avoiding playing the CSOs off against each other.

Shell in Nigeria Delta

In the 1990s tensions arose between the native Ogoni people of the Niger Delta and Shell. The concerns of the locals were that very little of the money earned from oil on their land was getting to the people who live there, and the environmental damages caused by Shell's practices. In 1993 the Movement for the Survival of the Ogoni People (MOSOP) organized large

protests against Shell and the government, often occupying the refineries. Shell withdrew its operations from the Ogoni areas. The Nigerian government raided their villages and arrested some of the protest leaders. Some of these arrested protesters were later executed, against widespread international opposition from the Commonwealth of Nations and human rights organisations. Shell maintained that it asked the Nigerian government for clemency towards those found guilty but that its request was refused. A 2001 Greenpeace report claimed that "two witnesses that accused them later admitted that Shell and the military had bribed them with promises of money and jobs at Shell. Shell admitted having given money to the Nigerian military...". Shell denied these accusations and claimed that MOSOP was an extortionary movement that advocated violence and secession. In December 2003, Shell Nigeria acknowledged that the conflict in the Niger Delta makes it difficult to operate safely and with integrity and that "we sometimes feed conflict by the way we award contracts, gain access to land, and deal with community representatives", and that it intends to improve on its practices.

Ken Saro-Wiwa, president of the MOSOP, led a nonviolent campaign against environmental degradation of the land and waters of Ogoni land and was arrested, hastily tried by a special military tribunal, and hanged in 1995. In 2009, Shell offered to settle the Ken Saro-Wiwa case with US\$15.5 million while denying any wrongdoings and calling the settlement a humanitarian gesture. According

to the New York Times the settlement came days before the start of a trial in New York that was expected to reveal extensive details of Shell's and MOSOP's activities in the Niger Delta.

On early 2011 Amnesty International and Friends of the Earth International contested the claims by Shell that up to 98% of all oil spills in Nigeria were due to sabotage. Indeed, rebels occasionally attack Shell Oil pipelines causing oil spills. The two groups filed a complaint against the company in the OECD. Under Nigerian law, Shell has no liability when spills are classified as result of sabotage. Soon after, Shell representatives were interrogated by the Dutch Parliament and Shell revised its estimates from 98% to 70%. It was the second time the company did such a large revision to its oil spill statistics. In July 2013, Amnesty International and the Nigerian National Coalition on Gas Flaring and Oil Spills (NACGOND) called for an independent inquiry into the remote cause of recent fire at a section of Shell Petroleum Development Company of Nigeria's (SPDC's) pipeline in Ogoni land of Rivers State. Eight people working for companies contracted by the SPDC were arrested which Shell blamed on damage caused by oil thieves. The fire incident had prompted the oil giant to shut the Trans Niger pipeline (TNP), resulting in deferment of 150,000 barrels of oil per day. Later, a Dutch company watch-dog, found that Shell's statements that sabotage is responsible for most oil spilt in Nigeria were based on disputed evidence and flawed investigations.

Victims of Fashion

Be Linked

Several months ago, the world witnessed in horror the collapse of Rana Plaza in Bangladesh where some ready-made factories for western retail corporations were situated. Rana Plaza became a particular symbol for the worst working conditions in the garment industry suffered by male and female workers. Such a disaster required reconsideration of the responsibilities of enterprises in subcontractor chains, answers to questions about factory control problems and auditing independence as well as related standards.

Once again, the deaths of over a thousand people raised the question about working conditions and safety issues in garment factories, and whether the tragedy was related to lack of social responsibility of international enterprises. The fundamental cause is the production model applied by fashion distributors: the majority of factories are not owners of trademarks but only sub-contracted local providers. Of the over 47 million products in 2009 provided by Zara, for example, only 7% were produced by trademark owners.

Governments also bear responsibility for failing to establish and implement safety standards. Obviously, however, the economic situation in Bangladesh weakened activities of the local authorities. When 80 percent of a country's exports depend on western enterprises, states must select the economic development rather than safety.

Pressure from NGOs and business chambers was co-ordinated in the *Clean Clothes Campaign*. This facilitated the conclusion of an historical agreement on safety for factories located in Bangladesh, signed by over 70 groups. This was the first time companies formally recognised their obligations in this field. They committed to publicly listing their suppliers,, independent audits to work on standards in buildings and national power systems, and they recognized the possibility of workers' refusing to work if safety conditions were disregarded. In order to ensure these provisions do not simply encourage multinational companies to leave Bangladesh, the agreement and commitment with providers should incorporate certain standards into the agreement. In particular, trademarks must maintain their relationships with factories for at least two years at specified minimum levels of output. The financial participation of enterprises (for activities of Steering Committee, independent safety inspectorate, trainers, etc) would be fairly determined in accordance with the annual productivity of enterprises. In addition to direct solutions, some business administration training programs and safety training programs for workers, establishing the safety assurance team, are expected. Three weeks before the Rana Plaza disaster, Walmart announced its intention to establish a cooperative relationship with an NGO, *Institute of Sustainable Communities*, and to grant up to USD1.6 million to the *Institute of Environmental Health and Safety* for factory managements in Bangladesh – the safety issue had been well known before the accident in Rana Plaza happened.

US Retail Corporations, including Walmart and Gap, refused to sign this agreement and are expected to launch their own safety plan. They refused the global standards, because they assumed that there were many legal and financial restrictions. The current American plan under preparation, supported

by Bipartisan Policy Center, USA advisor, gathers together many politicians but not civil society organizations. Two organizations representing corporations and NGOs, namely *International Labor Rights Forum* and *Workers Rights Consortium*, objected to the draft and requested the White House to make a definitive decision. Until recently, no regulation was available for powerful brands. However, it released a notice on preferential customs agreement that was signed over 30 years ago in Bangladesh.

NGOs and corporations recognize that the Rana Plaza disaster is a catalyst for changes in safety standards and social rights in Bangladesh as well as in the developing world as a whole. For example, the disaster was one of the factors initiating a report released by the *Business & Human Rights Resource Center* on the social impacts of business activities. It argues that rights of association must be submitted to UN and Governments.

THE CLEAN CLOTHES CAMPAIGN

The Clean Clothes Campaign is an alliance of organisations in 15 European countries. Members include trade unions and NGOs covering a broad spectrum of perspectives and interests, such as women's rights, consumer advocacy and poverty reduction. Since 1989, the CCC has worked to ensure that the fundamental rights of workers are respected. The CCC educates and mobilises consumers, lobbies companies and governments, and offers direct solidarity support to workers as they fight for their rights and demand better working conditions. The CCC relies on a partner network of more than 200 organisations and unions in garment-producing countries to identify local problems and objectives, and to develop campaign strategies to support workers in achieving their goals. The CCC cooperates extensively with similar labour rights campaigns in the United States, Canada, and Australia.



A campaign of Clean Cloth Campaign



3 REASONS FOR JOB SEEKERS PREFER SUSTAINABLE COMPANIES

1 Sustainability draws job seekers because it's a source of employee pride. Sustainability actions often lift a company's reputation and status, leading many job seekers to believe they'd feel proud to work for a prestigious organization admired for its sustainability. **Reinforce that anticipated sense of pride by creating and celebrating a distinctive reputation for sustainability.** What you can do:

Adopt sustainability practices that *exceed industry norms* and distinguish your organization from other employers, such as by integrating sustainability with your brand, products and services.

Link sustainability to the organization's prestige by seeking *recognition and awards* from reputable third-party organizations.

Demonstrate employee pride through *testimonials* and by showing how you celebrate sustainability achievements.

2 Sustainability draws job seekers because it implies the company cares about its employees. To some job seekers, sustainability initiatives suggest that the company genuinely cares about the well being of society more generally, and therefore must treat its own people - its employees - well. **Reinforce the belief that the company cares about society and the planet more generally, and link this to your people practices.** What you can do:

Showcase *employee-driven sustainability initiatives* to illustrate how your concern for sustainability is tied to efforts to create meaningful and rewarding experiences for your employees.

Communicate to job seekers how your *sustainability practices are connected to your people practices* through messages like, "We strive to reduce our environmental impact because we care about how we treat the planet, just like we care about how we treat our people."

Some people may be skeptical of this kind of value-laden message, even viewing it as a self-serving marketing ploy. Job seekers know that the primary purpose of most for-profit organizations is to make money. So be transparent about viewing sustainability as a source of competitive advantage through reduced energy costs, employee retention, brand management, and so on. But people tend to react negatively unless they see motives beyond profit-seeking, so be sure to link your sustainable practices to social and environmental values as well.

3 Sustainability draws job seekers because it helps them connect specific organizational values to their own personal values. Job seekers want an employer whose values are a good fit with their own. More than three decades of research shows that the match a person feels with an organization is a major driver of job choice decisions. **Clearly link your sustainability initiatives to specific organizational values and demonstrate their authenticity.** What you can do:

Explicitly describe *company values* that drive specific sustainability actions, such as values about protecting the natural environment, managing relationships with external stakeholders, addressing employee concerns, and being a responsible corporate citizen.

Highlight *management's commitment to sustainability*-from the C-suite through to the front lines. Managers set the tone on values and organizational culture, so use managers as role models. Show job seekers how sustainability is infused in daily work activities, training programs, reward systems, and operational practices and objectives.

5 RULES

for Becoming a CSR Leader

1 Take the Long View

Executives need to think long-term. Neither ecological cycles nor stakeholder relations run on quarterly timelines. Research by Murad Antia (University of South Florida) and colleagues shows CEOs with a long-term view lead their companies to better financial performance.

2 Show Employees Who They're Helping

Research by Adam Grant (Wharton Business School) shows that doing good is a powerful driver for employees. In one study of fundraisers, bringing in scholarship recipients (i.e. the beneficiaries of the fundraising) to meet employees led to increases in productivity of 400 per cent. Professor Grant has also found that showing employees how their actions help creates better commitment to the company.

3 Live Your Values

David Mayer (University of Michigan) and colleagues find leaders who exhibit ethical values have employees that did the same. Their departments also have less internal conflict and colleagues are more supportive and respectful of each other. Work with HR to assess the integrity of new managers. And to reinforce good behaviour over the long term, put posters or other visual cues with ethical messages in places where employees will see them daily

4 Customize - and Reward - CSR through the Ranks

C-suite champions are crucial to your sustainability program. But Jesús Ángel del Brío and colleagues (Universidad de Oviedo, Spain) suggest the best-performing companies also have personalized environmental agendas for employees. They use specific rewards to incent new ideas or positive behaviours. These companies reward both individuals and groups alike - giving them money, public recognition or both for driving one-off projects or helping meet annual targets.

5 Cultivate "Master Managers"

Research by Carolyn Egri (Simon Fraser University) and Susan Herman shows the best sustainability leaders have three distinct traits. They show concern for the welfare of others and the environment, and they are motivated to create change within the company. They are multi-talented "master managers" who simultaneously perform a wide variety of leadership and managerial roles. And they inspire others to support their vision. They garner this support by collaborating across the organization and focusing on employees as individuals.

10 COSTLY MISTAKES of CSR Reporting

- 1 Weak Goals:** Sustainability reports built around weak organizational goals are doomed to fail. Know what success looks like for your company and build your CSR reporting around that.
- 2 Mismanaged Data:** Good data collection is essential to gaining meaningful results from initiatives like auditing or footprinting. Assign data collection responsibilities to trained people - either inside or outside your company - and continuously check the numbers for accuracy.
- 3 Disordered Priorities:** Recognize that the pillars of the triple bottom line (TBL) are interconnected, and that long-term sustainability goes beyond shareholder profits. A good manager will prioritize sustainability in their CSR reports by weighting it equal to financial performance.
- 4 Discounting Feedback:** Reporting shouldn't be a one-way endeavour. Take the advice of third parties such as auditors and stakeholder panels, who can comment on your report and help verify data accuracy.
- 5 Breaking the Rules:** Good reporting should follow a trusted framework or guideline. The Global Reporting Initiative (GRI) is an excellent example.
- 6 Tenuous Comparisons:** Companies are inclined to track their progress internally. Accept the fact that you're one fish in a large sea. Stakeholders will want to know how sustainable you are compared to your *industry peers*, not necessarily your own benchmarks.
- 7 Unreachable Targets:** Targets in CSR reporting should be linked to corporate priorities. Make them relevant and aggressive but still achievable.
- 8 Underreporting:** Don't limit communication of your sustainability performance to the CSR report. Use a variety of media to communicate your progress and challenges. Ensure your message is consistent across media.
- 9 Thinking Short-Term:** Don't turn down a sustainable opportunity simply because it has a higher price tag or longer payback period. Yes, quarterly results are important, but keeping your eye on the prize will pay off in the long run.
- 10 Inadvertently Greenwashing:** While it's important to convey your environmental and social progress, it's a mistake to focus solely on the positives or on programs that are immaterial to your organization. Make reporting meaningful by acknowledging the areas where you still have room for improvement and tying your CSR goals back to your company mission.

Background

Corporate social responsibility is receiving growing interest. A number of initiatives were introduced in Vietnam through multinational companies and their supply chain in their codes of conduct. Most of these CSR practices were initiated by the business sector and the government, with support from international donors. Promoting CSR as a comprehensive approach, especially monitoring corporate accountability is still a fairly new territory for NGOs in Vietnam, even for those engaged in a single theme of CSR such as labor issues, environment, or supporting small rural enterprises. On the one hand CSR is a subject with high potential and opportunities for NGOs to explore and grow, while, on the other hand, NGOs' engagement in CSR could contribute effectively toward sustainable development.

Objectives

- To strengthen the capacity of Vietnamese civil society organizations in addressing issues relevant to corporate social responsibility.
- To improve the visibility of network member's expertise and best practices for international donors, enterprises...
- To strengthen communication, to develop partnerships between civil society organizations and other stakeholders involved in the field of corporate social responsibility: public authorities and enterprises.

Priority

This initiative aims to establish a network of Civil Society Organisations (CSOs) in Vietnam to be more committed to CSR in promoting human rights at work, improving environmental practises and monitoring business obligations by active engagement of community.
Period: 2012-2013

Activities

- A mapping study on civil society involvement in CSR and its relationship with state and private sectors.
- Setting a new civil society network on CSR of 10-15 interested organizations.
- Training needs assessment and capacity building in CSR for the newly established network of CSOs and for universities.
- A resource group of experts in Vietnam on the thematic issues of human rights, environment and labor rights.
- Conduct 2 roundtable dialogues on CSR issues with relevant stakeholders (governmental authorities and companies).
- Organize 2 workshops in 2012 and 2013 dedicated to these exchanges.



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