

Promoting responsible business practices and sustainable development through foreign investment screening

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Why Responsible Investment?

- Investments can impact progress on all Sustainable Development Goals
- But not all investment contributes to sustainable development
- Responsible investment can ensure that investments benefits people, the environment and economy in Viet Nam

SUSTAINABLE
DEVELOPMENT GOALS

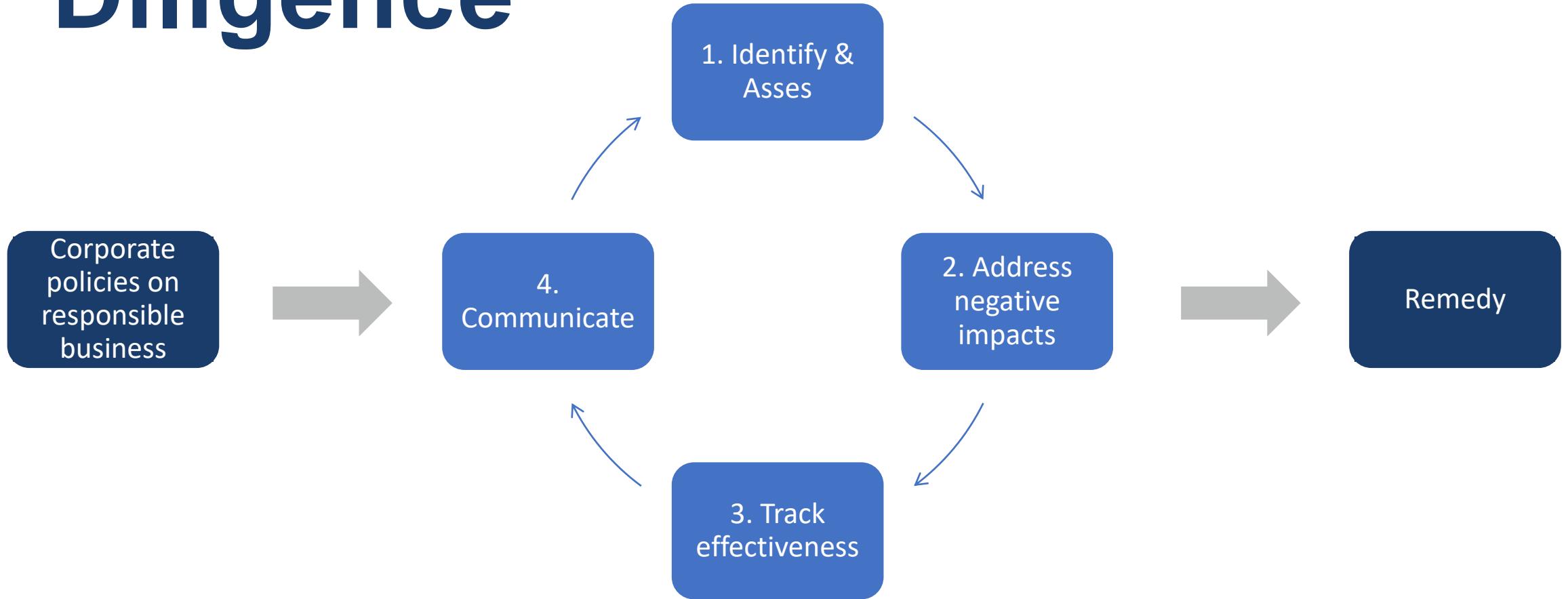


Responsible Business Practices

- 1) How a company addresses its negative impacts on people, the planet and the economy
- 2) Positive actions that a company takes to improve the lives of people, the environment and

- Examples of impacts:
 - Human rights and labour rights
 - Environment
 - Taxation
 - Bribery and Corruption
 - Competition/antitrust
- What can companies do? Corporate policies on responsible business, responsible business due remediation

Responsible Business Due Diligence



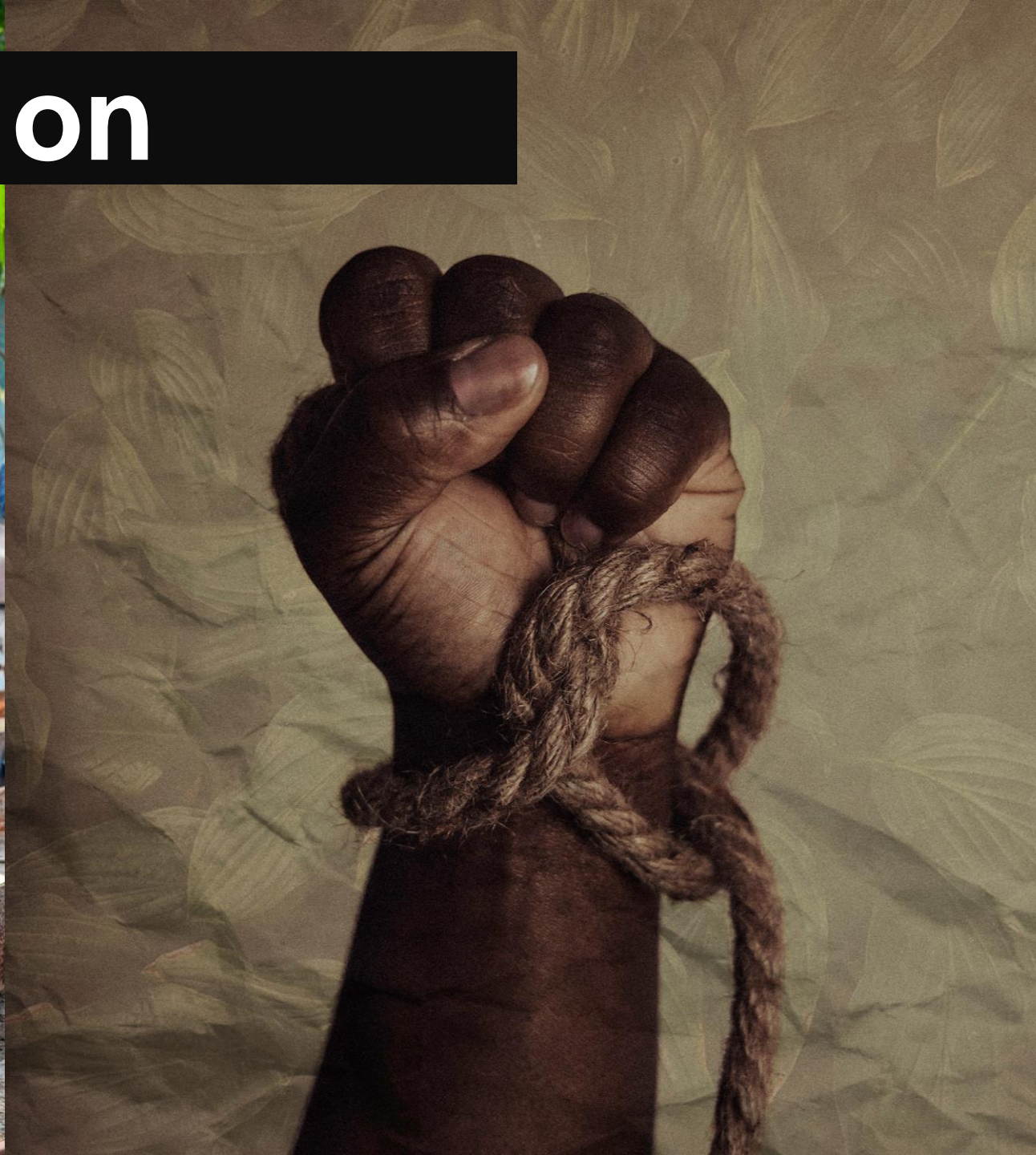
Difference between RBP and CSR

- Corporate Social Responsibility (CSR) does not equate to Responsible Business Practices (RBP)
- Key difference: addressing negative impacts (RBP) vs corporate philanthropy (CSR)
- RBP is about addressing negative impacts of a company's business model
- Businesses cannot compensate negative impacts with philanthropy (CSR)

Impacts on workers



Impacts on workers



Community impacts



Groups facing disproportionate impacts



Environme nt

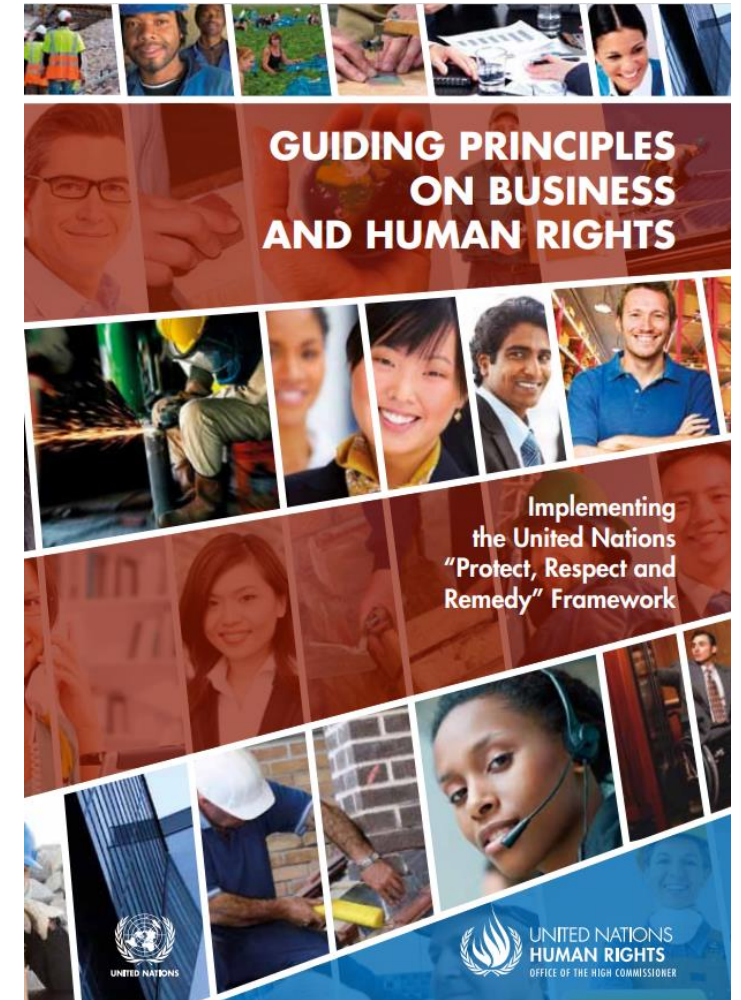


The background of the image is a collage of various Vietnamese banknotes. Visible denominations include 200,000 (orange), 500,000 (light blue), and 1,000,000 (pink). The banknotes feature portraits of Ho Chi Minh and the national emblem of Vietnam. The text 'CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM' is visible on several notes. A black rectangular box is superimposed over the center of the image, containing the title text in white.

Taxation, antitrust, bribery and corruption

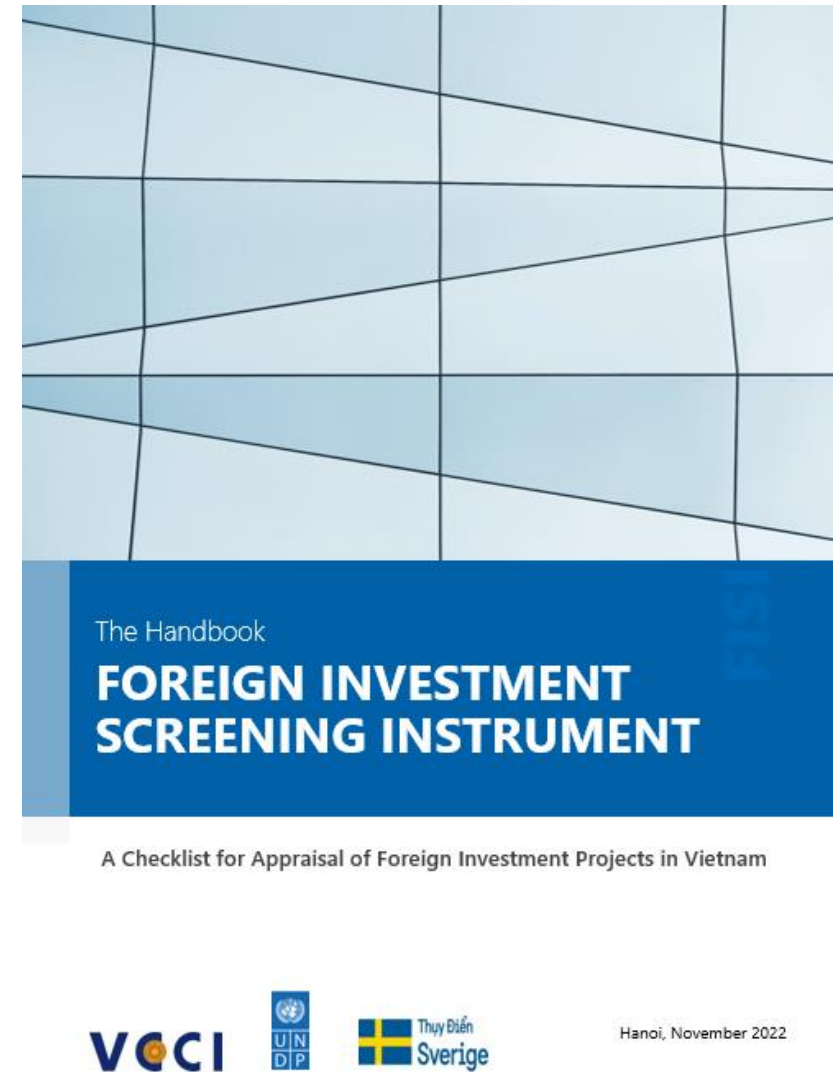
How to use the FISI?

- No one size fits all: use on a case-by-case basis
- Avoid check-the-box approach
- Understand investment plans and business models, and assess their social, environmental and economic impacts
- Look at the big picture: business models, corporate policies, responsible business due diligence, remedy
- See international standards, for example:
 - UN Guiding Principles on Business and Human Rights
 - OECD Guidelines for Multinational Enterprises
 - ILO Tripartite declaration of principles concerning multinational enterprises and social policy



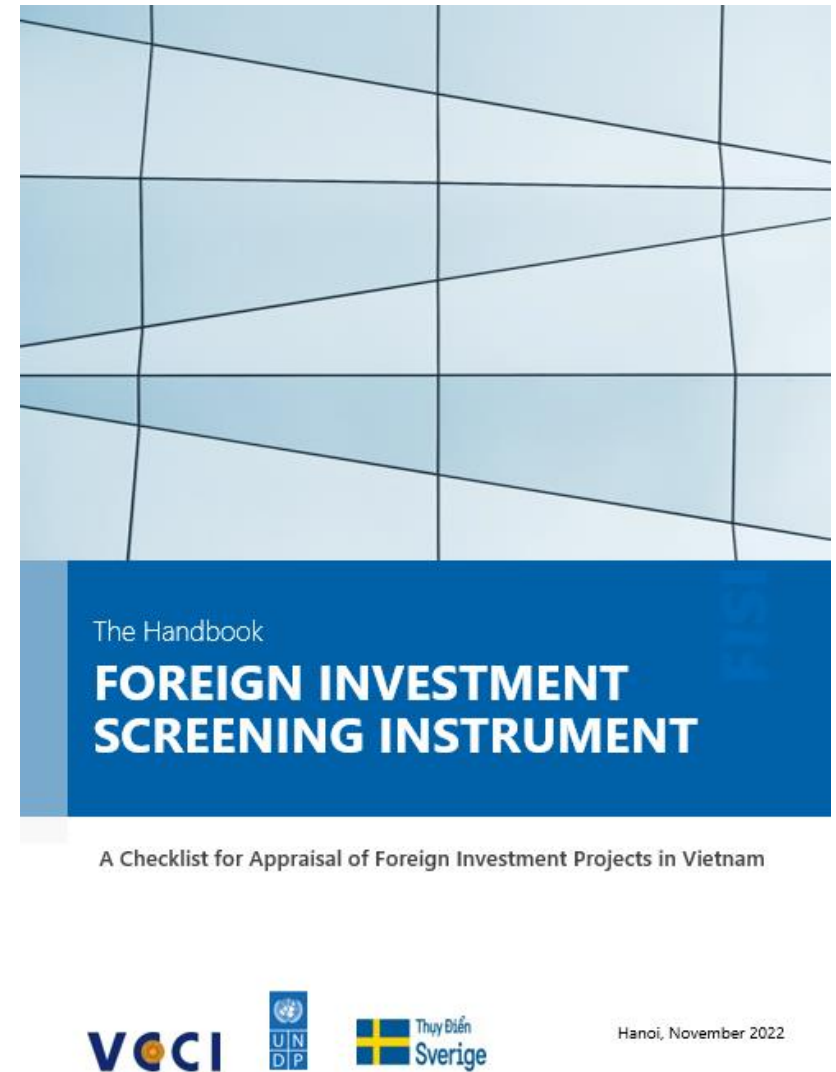
Potential next steps

- Capacity building on how to use the screen investments using the FISI?
- Develop procedures for investigating the business practices of investors and fact-checking the information they submit?
- Develop a database of approvals and rejections, to inform future appraisals and promote peer-learning, and inform Government policies?
- Develop procedures that provincial governments can use, to prevent races to the bottom?
- Develop procedures for follow-up and enforcement of Vietnamese laws vis-à-vis approved investment projects?
- Regional knowledge sharing platforms between investment appraisal departments?



Potential impact

- Balance economic goals with social and environmental goals to promote sustainable development
- Prioritize quality foreign investment that benefits the Vietnamese economy
- Preserve policy space relating to international investment agreements and investor-State dispute settlements
- Serve as example for promoting policy coherence in Viet Nam
- Government leading by example: making responsible business a requirement for investment approvals



Thank you

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