



Product Service

Choose certainty.  
Add value.



## TÜV SÜD - EuroCham Vietnam CSR Certification

A CSR Audit Program

## TÜV SÜD - EuroCham Vietnam CSR Certification

### Introduction

Vietnam has been experiencing an unprecedented path of economic growth and inflow of foreign direct investment (FDI). The scale of the economic success of the country has also brought about a demand for progress in business practices and namely the contribution of the private sector to sustainable development by delivering economic, social and environmental benefits to all stakeholders. This is what can be broadly defined as Corporate Social Responsibility (CSR).

CSR is a concept with many definitions and practices. The way it is understood and implemented differs greatly across companies and countries. Moreover, CSR is a very broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Whatever the definition is, the purpose of CSR is to drive change towards sustainability.

### Why be CSR Certified?

Enterprises, whether local or foreign, have a responsibility towards the context in which they operate. In Vietnam, the consequences of the exploitation of natural resources, urbanization, and labour-intensive industries call for the private sector to take an initiative towards change.

However, this is difficult for most companies without experience in a CSR approach to know where to start. In addition, many do not have the resources to organize a showcasing of their action or to measure their impact, which creates a disincentive to embark on new initiatives.

This creates a need for both guidance and recognition by an external specialist entity which can provide an independent analysis and provide input to steer a company towards fully and efficiently integrating a CSR approach in its operations. This is what a CSR certification is for.

Being CSR certified not only ensures company is going in the right direction, reducing cost and increasing competitiveness – particularly in supply chains – it also adds brand value and credibility to service providers and suppliers. Currently, more and more companies are being requested by their customers and buyers to demonstrate that what they deliver is put forth with sustainable development in mind.

### TÜV SÜD-EuroCham Vietnam CSR Certification

EuroCham has partnered with the leading audit services provider TÜV SÜD to offer EuroCham members the opportunity to become CSR certified and to embark on a new and necessary way of approaching business.

There are many different areas of CSR to be addressed and it is difficult, even for larger and more experienced companies, to always stay ahead in all of its dimensions. The **TÜV SÜD-EuroCham CSR Certification** is a comprehensive audit process available exclusively to EuroCham member companies and carried out by the leading specialists of TÜV SÜD.

CSR certification, depending on the size of the company, can represent an investment which can be for many business professionals difficult to understand if there are time limitations that prevent them from being able to grasp its true purpose.

Under a special agreement between TÜV SÜD and EuroCham, this Certification aims to tackle precisely these two aspects: raise awareness about the relevance and the workings of a CSR audit, while being financially accessible. In this way, EuroCham members will be able to be prepared for the era of sustainable business with little cost, while becoming holders of a globally recognized certificate. EuroCham members benefit from subsidised pricing, making CSR certification financially accessible to all.

The **TÜV SÜD-EuroCham CSR Certification** approaches the most fundamental dimensions of CSR, providing a certification that has an impact, while preparing the company to acquire more advanced certified qualifications in this field.

#### 1. Scope:

The scope of the Certificate program is to ensure ongoing compliance for a given facility (office or factory) over a period of time. All Eurocham members are entitled to this service under its special conditions.

#### 2. Benchmarks:

The audit indicative benchmarks\* will be followed as below:

- Health and Safety
- Legal Compliance & Management system
- Forced, bonded or involuntary labour
- Environmental Impact
- Working Hours
- Wages and Benefits
- Child Labour
- Living Conditions – Dormitories (as applicable)

\*can be adapted to businesses in different sectors to suit more service or manufacturing-oriented companies.

### 3. Types of Assessment

Companies new to CSR practices will engage in a Full Initial Audit, which will require an in-depth assessment of their operations by TÜV SÜD's CSR expert auditors. They will work with the company and align on the identification of gaps and improvements.

Companies will be awarded a certificate upon successful completion of the audit.

In case there are nonconformities to be corrected, and depending on their relevance classification, they will be verified in subsequent renewal audits or, if necessary, in additional follow up audits.

- Full Initial Audit: is the first experience of the company with the TÜV SÜD-EuroCham CSR Certification, comprising a full analysis of its operations in the assessed facility in light of the indicative benchmarks (see no.2).
- Renewal Audit: a successful classification will lead to the issue of the TÜV SÜD-EuroCham CSR Certification which will be valid for a maximum period of 12 months. After this period, a new audit will be necessary in order for the certificate to be renewed. These do not require a new in-depth assessment of the company's operations, but will focus on aspects that require more attention based on the findings of the full initial audit. Renewing the Certification demonstrates good maintenance and continued progress of a company's best CSR practices.
- Follow-up Audits:
  - if the result of the initial/renewal audit is in the **Yellow** category, the company must request a Follow-up Audit within 6 months from the initial audit;
  - If the result of the initial/renewal audit is in the **Orange** category, the company must request a Follow-up audit within 3 months from the initial audit.
  - If the result is in the **Red** category, a Follow-up audit is advised at the earliest time possible, after taking the advised corrective measures.

### 4. Classification and validity of Certificate :

GREEN	<b>SATISFACTORY</b> The company complies with all the requirements. <b>Certificate is issued with the validity of 12 months.</b> No corrective action and improvements are requested from the company. No audit required for a period of 12 months..
YELLOW	<b>MINOR</b> The factory achieves acceptable results, with the audit highlighting a few necessary corrections. <b>Certificate is issued with the validity of 6 months</b> , which will then be increased to 12 months after a successful Follow-up Audit. Follow-up Audit is required within <b>6 months</b> from the Initial Audit. If the Follow-up Audit is not requested, the company must undergo a full Initial Audit to request the Certification again in the future.
ORANGE	<b>MAJOR</b> The methods and records observed during the audit do not meet minimum standards and corrective actions must be carried out by the company. <b>Certificate is not issued.</b> A Follow-up Audit must be scheduled within 3 months to check that the factory has taken relevant improvement action. If the Follow-up Audit is not requested within 3 months, the company must undergo a full Initial Audit to request the Certification again in the future
RED	<b>CRITICAL</b> The audit identifies critical nonconformities. <b>Certificate is not issued.</b> High priority improvement measures need to be implemented by the company as soon as possible.

TÜV SÜD and the company will establish a working time frame, and one or several Follow-up Audits may be necessary to ensure appropriate corrective action is carried out and implemented.

## 5. Auditor's Man-days:

### 5.1. Full Initial and Renewal Audit for a Factory

Auditor Man-days	No. of Employees	Total Employees Interviewed	Worker files/time and wage records checked per month*
1	1-750	10	10
2	751+	20	20

### 5.2. Full Initial and Renewal Audit for an Office

Auditor Man-days	No. of Employees	Total Employees Interviewed	Worker files/time and wage records checked per month*
1	1-20	05	05
2	20+	10	10

### 5.3. Follow-up Audits

#### 5.3.1. On-site:

- During the Follow-up Audit, a number of interviews will be conducted with staff and management and a sample of documents will be reviewed.
- The sample size of these reviews will be determined by the perceived necessity for corrections as the process advances.
- All Follow-up Audits are planned in 01 man day.
- Companies must schedule Follow-up Audits with TÜV SÜD up until 01 month before the initial certificate's expiry date or as agreed with the auditing team.

#### 5.3.2. Desk review:

- If the nonconformities can be assessed on the basis of document review and email submissions, and the process can be closed via this approach, a desk review may be sufficient.
- Desk reviews will be carried out in 0.5 man day on average, the company will be informed in case this period needs to be extended.

## 6. Auditor Profile:

Only Qualified auditors are allowed to perform the certification audits. In addition, they must be signatories to the TÜV SÜD Code of Conduct and its Confidentiality Agreement.

## 7. Audit Request Process:

1. The TÜV SÜD-EuroCham CSR Certification can be requested by EuroCham members to the EuroCham Secretariat.
2. The EuroCham Secretariat will coordinate with TÜV SÜD for the commencement of the service.
3. In case TÜV SÜD is contacted directly for this service, EuroCham shall be informed for tracking purposes.
4. After introduction, TÜV SÜD will follow-up directly with the EuroCham Members in regards to the required services as agreed between the two parties and respective administrative proceedings.
5. EuroCham shall be informed of the commencement and conclusion of the Services, but **will not** receive any further information on the audit's occurrences or results.

## 8. Scheduling:

- TÜV SÜD requires at least 10 days' notice in order to schedule the audits.
- All audits will be performed in ANNOUNCED mode (meaning that the Audit will be pre-scheduled).

## 9. Audit Process:

### a. Opening Meeting

- The TÜV SÜD Audit team will introduce the roles and responsibilities of members in the team
- The applicant company will introduce its management team including H&S, Environmental, Union and HR representatives involved in the audit process.
- In this meeting, the applicant company will express its full awareness of the process as explained by the TÜV SÜD:
  - Confirm that the audit is conducted on a voluntary and transparent basis.
  - Confirm full awareness of the objectives, scope and criteria of the scheduled audit, as well as the roles of each of the individuals involved.
  - Confirm its approval of the audit plan and other relevant arrangements.
  - Confirm full acceptance of the audit methods to be used, particularly sampling and random checks.
  - Confirm an understanding of the scoring system and level of Certificates awarded.
  - Confirm the H&S, emergency and security procedures for the audit team.
  - Confirm that the company is aware of the confidentiality aspects of the audit process, particularly when it comes to employee interviews and facility checks.
  - Confirm that the Audit is understood and that all aspects will be discussed and potentially closed in the Closing Meeting.
- Both parties will agree on the tentative scheduling of the Closing Meeting.
- The TÜV SÜD Audit team will answer any questions that may arise regarding what was discussed in the meeting.

### b. Facility Tour

In principle, all of the following aspects will be covered. However, there will be more focus on certain aspects according to the profile of the company. Where applicable and according to the profile/natures of business of the company the auditors may be seeking evidence related, but not limited to:

- Health, safety and emergency equipment.
- Evacuation plans and means of egress.
- Conditions of toilets/sanitation and availability of potable water etc
- Visual checking/verification of any child labour (a few questions on-site with workers who may look younger or in question).
- Unreasonable restrictions of workers' freedoms or rights.
- Visual hygiene issues e.g. food storage areas.
- Canteen and recreational facilities, first aid equipment and facilities.
- Relevant issues related to environmental sustainability, which may include plastic and paper waste practices, energy efficiency and saving, other.
- Selection of individual workers for quick interview on-site
- Where the facility operates dormitories for workers, the site tour includes a visit to evaluate:
  - Health, safety and emergency equipment, environment and conditions including fire, first aid, mechanical, electrical, hazardous materials, etc.
  - Evacuation plans and means of egress
  - Physical size, conditions and amenities.
  - Approval certificates of the building/construction, equipment, as necessary
  - Hygiene issues e.g. food storage areas.
  - Toilet and potable water, showers availability.
  - Dormitory rules
  - Provision to ensure the safety of the workers
  - Unreasonable restriction on workers' freedoms or rights
  - Gender segregation and privacy

### c. Document Review

- Where applicable, confidential verification of handbooks, employee files, payroll, time records, legal documents, service agreements, among other.

- During the audit, the information, documents/records relevant to objectives, scopes and criteria shall be freely and openly provided to the TÜV SÜD Audit team for review.

#### *d. Employee Interviews*

- Individual interviews and/or group interviews may be conducted in a closed room without the presence of the company's management (usually, the total interview times will be divided in the two types)
- Individual interviews will last up to 20 minutes, and group interviews up to 30 minutes on average.

#### *e. Closing Meeting*

- Final Wrap-Up, highlighting good practices and advising changes and corrections.
- The conclusions will be reflected in a Corrective Action Plan (CAP) document, signed by both parties, which will be the guideline for the company to address non-compliance aspects in an agreed timeline.

### **11. Post Audit Process**

#### *a. Audit Report*

- After completion of the audit, the lead auditor, together with the audit team, will prepare a comprehensive audit report.
- The audit report is an overview of the evaluation made by the auditors in written form.
- The audit report will also contain a brief overall description of the observed aspects of the company's facilities and working processes. This may include introductions to the nature of the business, size of the company, number of employees, sitemap, among other; used to enhance the accuracy and validity of the audit findings and conclusions.

#### *b. Technical Review*

- The complete audit report, CAP and other potentially required documents will be submitted by the TÜV SÜD Audit team internally to TÜV-SÜD's central team for internal review.
- The central team will review the report in detail by confirming its full alignment with the framework related to the law of the land, international regulations and country-specific limitations.
- The final certificate decision will be communicated and confirmed by the aforementioned central team.

### **12. Certificate Issuance:**

After TÜV-SÜD's central team's final confirmation, the certificate will be issued in English.

#### Certificate Contents:

1. Scope statement(s) including all activities undertaken related to the audit.
2. Certification period: Date of issue and Date of expiry.
3. Company locations monitored.
4. TÜV-SÜD and EuroCham Vietnam logo will be featured in the certificate.
5. The title of this certification is: **TÜV SÜD-EuroCham Vietnam CSR Certificate.**
6. As per the Classification explained above, the certificates may be issued with a **Green** classification (valid for 1 Year –full compliance with requirements) or **Yellow** (valid for 6 months - minor issues still present).

### **13. Access Denied:**

- If in some way the company does not allow the auditors to perform the audit, the service shall be concluded as "Access Denied"
- In this case, "Access Denied" carries an established fee to be borne by the company
- There are two types of "Access Denied": full and partial.
  - ✓ In case of a full "Access Denied": audit fees would not be refunded.
  - ✓ In case of a partial "Access Denied": the section of the audit procedure affected by an access refusal will be highlighted in the report and may lead to a negative classification.

### **14. Appeal Mechanism:**

- The audited company may appeal the conclusions of the audit 5 (five) days after receiving the final audit report.

- TÜV SÜD will review the request and take the appropriate decision.
- In case the appeal is favoured, the audit report – and in some cases the Certificate – will be issued accordingly and the appeal will be mentioned in the final report.

#### 15. Report Requirements:

- The final Audit Report shall be submitted to the company within 07 working days after completion of the audit.

#### 16. Key Account Management:

- TÜV SÜD will appoint a dedicated Key Account Manager to liaise with EuroCham and its members.

#### 17. Billing:

a. Service Rates:

##### Full Audit and Renewal Audit

Type of Company Facility Inspected*	Auditor Man-days	No. Employees	Rate**
Small Office	1	1-20	1000 USD
Large Office	2	20+	1400 USD
Small Factory	1	1-750	1200 USD
Large Factory	2	751+	1600 USD

*\*\*The above rates are all inclusive of travel, accommodation and service tax, as applicable.*

b. Payment: The payments shall be made directly to TÜV SÜD **at least 5 days** prior to on-site audit execution.

#### 18. Follow up Audit:

Follow-up Audits (on-site) are required in case the report is classified Orange (major issues to be resolved) or Red (critical issues to be resolved) in the Initial Full Audit findings. They are charged as follows, according to whether they are conducted on-site or remotely (desk review) as determined by the pending issues to be resolved (agreed by both parties after TÜV SÜD's recommendation):

a. On-site

Type of Company Facility Inspected*	Auditor Man-days	No. Employees	Rate**
Any	1	Any	750 USD

*\*More than one location accrues as an individual service price*

*\*\*The above rates are all inclusive of travel, accommodation and service tax, as applicable.*

b. Desk review

Type of Company Facility Inspected*	Auditor Man-days	No. Employees	Rate**
Any	0.5	Any	350 USD

*\*More than one location accrues as an individual service price*

*\*\*The above rates are inclusive of service tax, as applicable.*

#### 19. Contact Information:

Mr. Nguyen Ngoc Dang Huan  
Marketing Officer

Phone: (0) 28 3827 2715

Email address: [marketing@eurochamvn.org](mailto:marketing@eurochamvn.org)

**Address:**

European Chamber of Commerce in Vietnam  
The Landmark, Room 2B, Floor 15th, 5B Ton Duc Thang, District 1, HCMC

*The Quoted Job will be governed by the "Standard Terms and Conditions" on testing, technical/ product certification services of TÜV SÜD Viet Nam Co., Ltd. The "Standard Terms and Conditions" of TÜV SÜD Vietnam and the global "Testing and Certification Regulations" of TÜV SÜD group.*

*These documents can be received as printed version on request or downloaded from the following website:*

<http://www.tuv-sud.vn/vn-en/resource-centre/terms-and-conditions-of-tuv-sud-services>