Corporate Social Responsibility In The Vietnamese: Case study Research

Author Details: Hoang Long Tran - University of Economics – Technology for Industries
Correspondence: Hoang Long Tran, 456 Minh Khai, Hai Ba Trung, Ha Noi
E: thlong@uneti.edu.vn; T: +84 (0) 972. 598. 988

Abstract:
The objective of this paper is to assess the current state of corporate social responsibility in Vietnamese food businesses. By qualitative analysis method based on case studies, the author analyzed the current situation of corporate social responsibility activities in the 4 typical companies of Vietnam's food industry. The results show that enterprises are not fully aware of the role of corporate social responsibility in their sustainable development strategy. The corporate social responsibility is not considered as a long-term investment strategy, but it only complies with customer requirements. In 4 case studies, Vinamilk is the most comprehensive corporate social responsibility provider.

Keywords: Corporate social responsibility, food industry, Vietnam

1. Introduction

Corporate social responsibility (CSR) has attracted the unprecedented attention of governments, non-government agencies, civil society and businesses in developing countries. The interest was heightened when recent significant economic growth has been accompanied by unsustainable and irresponsible business practices and their resultant environmental and social problems in these countries. For more than a decade, the number of companies all over the world recognizes the economic benefits of CSR practices. CSR commitments go beyond the desire of profit growth and show that the company is fully aware of its responsibility to employees, customers, communities and the environment. A variety of companies have used CSR as a new business strategy when they realize that it can help improve the financial situation, employees' motivation and boost customer loyalty as well as company trademark. When markets become more and more difficult and consumers become "smarter", products are not only required to ensure quality but also require to ensure environment.

In fact, CSR awareness of Vietnamese enterprises is not comprehensive and the implementation of CSR in Vietnamese enterprises appear passive and reluctant in the uptake of CSR because foreign partners requires compliance with their code of conduct (Twose and Rao, 2003). Some businesses understand that CSR is for charity purpose. Some businesses hesitate to implement CSR because they assume CSR programs are very expensive. There are not many businesses being fully aware of CSR and integrate CSR activities effectively in the production process of the enterprise. They still view CSR as a cost or a compliance issue pushed by global buyers rather than a sustainable investment to gain a competitive advantage. Therefore, in the last few years, we have seen many cases of violation of CSR exposed and condemned by the social community. There is a need for CSR studies in Vietnam to promote the implementation of CSR in the business community because CSR have been a part of increasing importance in the development process of enterprises. CSR programs can be considered in the strategic management process of the business, which can be integrated into the daily operations of the business and thereby create a competitive advantage for the business.

The paper analyzes the status of CSR activities in 4 typical companies in the food industry in Vietnam.

2. Literature review

There have been many different definitions of scholars for Corporate Social Responsibility (CSR). For example, right from 1973, Keith Davis came up with a fairly broad concept: “CSR is the interest and response of businesses to issues that go beyond meeting legal, economic, technology”. Meanwhile, Archie Carroll (1999) also said that CSR has a broader scope: “CRS includes social, economic, legal, ethical and charitable expectations of organizations in a certain time ”. Matten and Moon (2004) argue, “CSR is a cluster concept, including many different concepts, such as business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility. school. It is a dynamic concept and has always been challenged in each specific economic, political, social context ”... Meanwhile, according to the World Business Council for
Sustainable Development," CRS is a commitment resulting in ethical conduct and contribute to economic development, while improving the quality of life of the workforce and their families, as well as the local community and society as a whole. "... Or recently, according to the World Bank's Private Economic Development Group (WB)," CRS is the commitment of businesses to contribute to sustainable economic development, through enhanced jobs, the quality of life of workers and their family members, for the community and the whole society, in a way that benefits the whole enterprise, as well as the general development of society ... Although the expression, the form of expression are different, but the reflection of CSR basically have in common that, in addition to its own development benefits, Each enterprise's compliance with the current laws must be linked to the common development interests of the social community.

3. Corporate social responsibility in Vietnam

3.1. Vietnam Dairy Products JSC

3.1.1. Overview of Vietnam Dairy Product JSC

Established since 1976, Vietnam Dairy Products JSC, aka Vinamilk, is one of the biggest companies in Vietnam food industry. The company has a vision of becoming a global brand in food and beverage industry and achieving customer trust through the production of nutrient and healthy products. The business and operation of Vinamilk is set around five core values, including integrity, respect, fairness, ethics, and compliance. The company commits that all business activities to be carried in highest transparency and integrity. Moreover, the employees and the partners of the company are treated with the respects and fairness. The operation of the company is to strictly follow the governmental laws, the internal policies and procedures, and code of conduct. Vinamilk establishes ethical standards and they are maintained frequently. After nearly 50 years of operation, Vinamilk is growing rapidly with more than 200 products to be distributed to more than 30 countries and more than 18 million products are consumed everyday by the consumers. The products of Vinamilk are categorized into liquid milk, Vinamilk yogurt, powered milk, infant cereals and ridielac, special nutrition products for adults, condensed milk, beverages, ice cream, cheese, and soymilk. Towards the CSR implementation and practices, it is worth to explore how Vinamilk acts to achieve sustainable development. Currently, the sustainable development of the company is achieved through clear commitment and plan towards human nutrition, environment and energy, local economic development, employees, and support and community development.

3.1.2. Human nutrition and safety

In term of human nutrition, Vinamilk considers food safety is the most importance and it is guaranteed through a closed loop production cycle as depicted below:
Figure 1: Production cycle of Vinamilk

Source: Vinamilk (2019)

Figure 1 depicts current production cycle of Vinamilk and it is begun with the research and design for safe and nutritious products. To achieve the objective of producing safe and nutritious products, Vinamilk is very careful during raw material selections and a code of conduct is established to restrict the use of unhealthy ingredients and chemicals that result the negative effect to the customers’ health. Vinamilk commits that 100% of its final products are going through immune system before going to the market. The company also collaborates with different governmental bodies to produce the products with high values to human health. For example, Vinamilk cooperates with the National Institute of Nutrition to produce a nutrition product for diabetics and this product helps to stabilize blood glucose and to reduce the risk from the diabetics. Vinamilk’s effort in producing valued products is remarked by the introduction of Dielac Alpha Gold and CanxiPro. While Dielac Alpha Gold is developed for infants with the main value to brand development, CanxiPro aims to strengthen the bones with the addition of calcium and low fat.

In the process of strengthening food safety, Vinamilk gains the certification HACCP system. Moreover, Vinamilk also achieve Halal standards in order to supply its products to Muslim countries. The food safety is further expanded by the achievement of FSSC 22000 in 2014. The raw materials are imported from famous suppliers in U.S., Australia, New Zealand, and France. Beside of imported raw materials, the company also builds its raw material supplying system with the establishment of large scale dairy farms located in different regions of Vietnam, including Binh Dinh, Nghe An, Thanh Hoa, Lam Dong, Tuyen Quang, and Tay Ninh. To ensure the quality of raw materials collected from dairy farms, Vinamilk fulfills the requirement of ISO 9001:2008 issued by the Bureau Veritas and Global GAP issued by the Control Union. After raw materials are selected, they are put into production process and Vinamilk applies modern equipment and technologies in order to product high quality products. Overall production process of Vinamilk is controlled by a management and quality control system. It is denoted that this system qualifies for international standards, such as BRC and ISO 17025. Vinamilk also develops clear policy for product recalls and the disposal process. Finally, all information related to the company’s production process is published to the customers. These information is printed in the packages of Vinamilk’s products with the ingredients, the nutritious values, and the preservation guidelines.
3.1.3. Environment and energy

Besides of producing nutritious products, Vinamilk directs its business and operation towards environmental protection and energy saving. Vinamilk provides a clear target for energy consumption during the period of 2012-2017 in which the company aims to reduce energy consumption by 3%, to minimize the CO2 emission to reduce the impact from green house effects, and to build an energy management system to comply with ISO 50001:2011 in all belonged factories. The commitment of Vinamilk is partially fulfilled and it is evidenced by the action of replacing traditional energy by renewable energy. In some factories, Vinamilk utilizes CNG and BIOMASS instead of oils consumption. It is denoted that CNG is a type of fuel which is very useful in case of the ground area is not enormous while BIOMASS is a renewable energy which gains much attention of big companies in Vietnam.

Table 1: Occupational health and safety index in Vinamilk

<table>
<thead>
<tr>
<th>Energy type</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>DO/FO</td>
<td>9%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Vapor</td>
<td>53%</td>
<td>60%</td>
<td>62%</td>
</tr>
<tr>
<td>CNG/Biomass</td>
<td>38%</td>
<td>30%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Vinamilk (2019)

Moreover, Vinamilk’s energy consumption is reduced significantly by the adoption of LED technology since it allows the company to save energy consumption by more than 50% compared to traditional lighting methods. Like other companies in food industry, Vinamilk deals with high water usage and the company commits to apply economical recycling solutions to reduce the water consumption. It is confirmed by the achievement of QCVN 40:2011 which is defined as Vietnamese standards for industrial sewage treatment. It is denoted that 100% wastewater is treated before flushing through the pipeline. Total water use in 2017 is decreased significantly by 8.6% in comparison with 2016. Vinamilk’s factories also achieve the ISO 14001:2004 which is perceived as international standards for environmental management.

3.1.4. Local economic development

Local economic development is positioned as important area in the sustainable development of Vinamilk. It is asserted that Vinamilk is a leading company in Vietnam and the company’s business brings values to the economic development such as infrastructure renovation, bringing employment opportunities to local people, and further improving dairy industry of Vietnam. Up to now, Vinamilk has dairy farms located in different provinces and the company invests into surrounding infrastructures as well as brining more than 4,500 stable jobs to local people. A supply chain model is developed and utilized by Vinamilk in which the company collaborates with the dairy cow breeders. The collaboration brings the benefits to both Vinamilk and the breeders. While Vinamilk can control the raw materials quality, the breeders gain the benefit of stable and reasonable purchasing prices and they are able to join in training programs provided by Vinamilk to further improve the quality and the productivity. During 2013, Vinamilk conducts more than 40 trainings for more than 1,600 households in different provinces; that is considered as remarkable training results. The role of Vinamilk to local economic development is reflected through the company’s participation into market stabilization programs. For example, when Vietnamese economy was suffering through a downturn cycle as adverse effect from global financial crisis in late 2008, Vinamilk commits with the government to provide the products with stable prices.

3.1.5. Employees

The employees are key stakeholders in the business of Vinamilk. At first, Vinamilk commits to maintain and to continuously enhance workplace safety and healthcare for its labors. Workplace safety is fulfilled by providing personal protection equipment to all employees, the submission of different healthcare programs and health insurance, the application of anti-fire system with trainings are given to the employees, and clear regulation and policies related to workplace safety. Vinamilk also invests into personal hygiene and safety network in all factories and storages. The employees of Vinamilk have annual health checks and the insurance coverage is 100%. Women labors are being cared effectively since Vinamilk provides two times of health check per annum. There are no gender discrimination in the workplace and it is evidenced through the ratio of women
labor holding managerial position in Vinamilk more than 54%. Vinamilk regulates that when a labor gets into workplace accidents, the insurance claimed value is up to 30 monthly salary. Occupational health and safety indexes are constructed and measured in Vinamilk with key criteria are occupational disease rate, leave date rate, and injury rate. All occupational accidents are reported by the company in annual sustainable reports.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Disease Rate</td>
<td>0.15</td>
<td>0.15</td>
</tr>
<tr>
<td>Leave Day Rate</td>
<td>92.11</td>
<td>108.15</td>
</tr>
<tr>
<td>Injury Rate</td>
<td>0.03</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Source: Vinamilk (2019)

Second, Vinamilk strictly follows Vietnam’s laws in term of labor rights. To do that, Vinamilk commits to comply with the labor laws, the usage of children labor is prohibited, the trade union is established to protect the labor rights and the collective labor agreement is applied for all employees. Moreover, Vinamilk constructs modern human resource management system in which the qualification of individual is recognized and the employees to receive career development plan. In addition, Vinamilk’s employees are able to join the trainings to improve their working skills. For example, Vinamilk spends more than VND6.5 billion into training programs during 2013 and the courses cover both internal and external trainings. This number is increased to VND16 billion in 2017 with more than 601 training courses to be delivered. In addition, the employees who are working for Vinamilk also achieve the average salary which is nearly 5 times higher than regional average salary and their salary level is reviewed in yearly basis and the revision is based on target achievement during the year.

3.1.6. Support and community development

As being big company in Vietnam, Vinamilk contributes its effort to the community development. Vinamilk also participates into the community activities such as “One Million Trees for Vietnam” program with the objective of growing trees and forest area in Vietnam. Another community development program of Vinamilk is the “Stand Tall Vietnam” which is known as a milk funded by Vinamilk and its objective is to provide milk products to disadvantaged children. During 2017, this program subjects the amount of VND9 billion to more than 16,000 children nationwide. In addition, Vinamilk establishes a scholarship fund named as “Vinamilk – Nurturing Vietnamese Young Talent”. This scholarship is approved by the Ministry of Education and Training and its objective is to provide financial supports to primary school children to achieve better educational results. There are other community development programs conducted by Vinamilk such as the financial supports to people who face with diseases in different provinces in Vietnam, gifts to the children living under special situation, financial and food supports to people in the regions affected by natural disasters, and the strong participation into blood donation programs.

3.2. C.P. Vietnam Corporation

3.2.1. Overview of CP Vietnam

The second case study is Charoen Pokphand Group (aka CP). CP Vietnam is a subsidiary of Charoen Pokphand Group and the business in Vietnam is started from 1988 with the first representative office is opened in HCMC. After nearly 30 years of operations, CP Vietnam gains remarkable results in multiple industries. The company maintains six core values, including three benefits to sustainability, speed and quality, simplification, adapt to change, innovativeness, and the combination of integrity, honesty, and reciprocity. Key products of CP Vietnam consists of animal feeds, farming products, and food products. The connection between feed, farm and food production of CP Vietnam is depicted in the figure below in which feed refers to the operation of feed mill while farming production is divided into breeder and live animal. Food production includes food processing and valued added products.
Regarding to the study’s topic about CSR in food industry, the food production process of CP Vietnam is put into the analysis. Currently, food production process of CP Vietnam is divided into two main functions, including the production of seafood with main food products as shrimp and fish and the second function refers to daily foods. The company has two factories located in Hanoi and Dong Nai. The business of CP Vietnam is further expanded with the introduction of new food brands such as grilled chickens, CP fresh mart, and CP shop fridge and they are operating under the objective of better serving Vietnamese consumers’ demands towards different types of food products. Since the operation of CP Vietnam is within food industry, the company develops a CSR framework to support the sustainable development. It is denoted that the company is to follow a CSR framework with three important factors, including heart, health, and home.

3.2.2. Heart

The first pillar in CP Vietnam’s CSR framework is “heart” and its context refers to the importance of living right. In this pillar, CP Vietnam focuses on four subsets, including corporate governance, human rights and labor practices, leadership and human capital development, and stakeholder engagements. Currently, CP Vietnam follows specific corporate governance principles and these principles are developed to integrate different parts of the company together such as corporate cultures, corporate governance committee, stakeholder engagement, and risk governance. Moreover, CP Vietnam establishes a corporate governance and business ethics handbook in which it addresses the importance of maintaining the integrity, quality, people, and assets. Corporate governance is established to control and to mitigate the risks to CP Vietnam. It is perceived that the company is operating under 8 risk factors, including economic risk, social risk, environmental risk, reputational risks, strategic risk, operational risk, financial risk, and legal and regulatory risk. The perception of each risk factor allows CP Vietnam to better control its business operations and segments to reduce the adverse impacts. To further expand corporate governance, CP Vietnam conducts the training to the employees and the training contents to focus on some specific areas such as risk management, business code of conduct, anti-corruption, and the importance of corporate governance.

Beside the corporate governance, CP Vietnam develops a system to control human rights and labor practices. To do that, CP Vietnam introduces human rights due diligence which is perceived as a management approach. Key indicators related to human rights and labor practices are captured, including occupational health and safety, forced labor, child labor, and discrimination. CP Vietnam further expands its control to the suppliers
and the farmers in its supply chain process. In addition, CP Vietnam is to follow labor practices which are developed by Charoen Pokphand Group in managing occupational health and safety. During 2017, injury rate in CP Vietnam is about 2.47 cases per 200,000 hours worked for females and 1.79 cases per 200,000 hours worked for males. Lost time injury rate 0.51 and 0.30 for males and females while lost day rate is 4.26 for males and 2.33 for females.

Leadership and human capital development is the third component of heart pillar. In CP Vietnam, the development of human resources is driven by a unique model, namely Workforces 4.0 in which the company digitalizes employees’ experiences. CP Vietnam can send the employees to CP Corporate University and they are able to receive more than 300 retail-related training courses and the training contents cover different professional skills. During 2017, Charoen Pokphand Group provides the trainings to more than 120,000 employees in global context in which each employee receives an average of 16 training hours and the trainings are delivered by 415 experts. The company also provides a sponsorship for young leaders who are coming from different units of Charoen Pokphand Group in the globe.

Stakeholder engagement is the essential part in every business and it is true in case of CP Vietnam. Currently, stakeholder engagement is to follow a management approach with five main stages, including identifying key stakeholders, choosing the channels to engage the stakeholders, evaluation of stakeholders’ expectations, providing the feedbacks to stakeholders, and controlling overall stakeholder engagement process. There are 10 stakeholders in CP Vietnam and they are employees and families, customers, shareholders and investors, business partners, communities and societies, governments, non-governmental organizations, media, and competitors.

3.2.3. Health

The second pillar in CP Vietnam’s CSR framework is “health” or “living well”. This pillar consists of social impact, health and well-being, education, and innovation. CP Vietnam is part of Charoen Pokphand Group and the group provides many social programs to the farmers and small and medium companies in the globe. According to Charoen Pokphand Group (2019), the group provides certain supports to more than 92,000 farmers and more than 57,000 SMEs. Moreover, there are 15,245 disadvantaged people are engaged in social support program of Charoen Pokphand Group. Regarding to the supports to the farmers, Charoen Pokphand Group provides the contract farming program with the involvement of insurance services so that the farmers do not have to carry the risks in case of natural disasters or the damages. There is another social program which is carried between Charoen Pokphand Group and Chinese government with the main objective of reforming agricultural and rural areas. This program is delivered with the application of advanced technologies so that it helps the farmers to boost productivity. Charoen Pokphand Group also establishes a developer team and its responsibility is to help the farmers to shape their farming process and therefore improving yearly earnings.

The second pillar refers to health and well-being. CP Vietnam focuses on food safety and quality standards, including CPF food standard, ISO 22000 for food safety management, ISO 9001 for quality management, ISO 17025 for laboratories quality, Global Manufacturing Practices (GMP), Good Agricultural Practices (GAP), Halal, International Food Safety Standards of FSSC 22000. CP Vietnam also employs QR technology from Charoen Pokphand Group and it helps the customers to trace the food safety of products. Some other social programs to promote well-being of people is blood donation, supporting the development of medicine, and distribution of milk products to disadvantaged children.

Sustainable development of CP Vietnam comes along with education and innovation. CP Vietnam provides the supports to the students in Vietnam and the company also provides technical and financial support to the universities in the North of Vietnam in term of using the Internet-based technologies for teaching and learning. Regarding to the innovation, CP Vietnam also send talent employees to research and development centers of Charoen Pokphand Group. Currently, there are four R&D centers established under the management of Charoen Pokphand Group, including Center for Research and Development of Medicine and Pharmaceuticals, CPF Food Research and Development Center, Animal Feed Research and Development Center, Horticulture Research and Development.
The last pillar in CP Vietnam’s CSR framework is “home” and the essence of this pillar is to address the context of living together. This pillar includes climate change management, water stewardship, ecosystem and biodiversity protection, and responsible supply chain management. The main objective of this pillar is to reduce the negative impact from the business to external environment. In the global context, CP Vietnam achieves significant reduction in greenhouse gas emissions and the increase of renewable energies. In 2017, greenhouse gas emissions of CP Vietnam is decreased by 2.21% while renewable energies usage is increased by more than 9%. CP Vietnam collaborates with its mother group to implement some renewable energies such as Biogas, Biomass, Biofuel, and solar energy. CP Vietnam plans to apply a Closed-Loop Eco-Recycling Model in the Agro-industry and Food Sector.

3.3. Heineken Vietnam
3.3.1. Overview of Heineken Vietnam

Heineken Vietnam is a subsidiary of Heineken known as a multinational company in food and beverage industry. It is highlighted that Heineken is existed for more than 150 years and the global company has more than 300 beer and cider brands and its products to be appeared in more than 190 countries. Heineken Vietnam is established in 1991. After many years of operations, Heineken Vietnam has six factories located in Hanoi, Da Nang, Quang Nam, HCMC, Vung Tau, and TienGiang. Total employees of Heineken Vietnam is about 3,500 people and its production contributes to 0.9% of Vietnamese GDP. During 2017 and 2018, Heineken Vietnam is determined the best sustainable company in Vietnam, awarded by Vietnam Chamber of Commerce and Industry.

3.3.2. Prosperity of people

Heineken Vietnam takes the responsibilities related to the prosperity of people. To do that, the company recognizes stakeholders’ expectations and provides respective responses. Heineken Vietnam firstly guarantees responsible consumption, showing through a vast number of marketing programs such as “When you drive never drink” in 2017. This marketing program is conducted with the participation of the National Traffic Safety Committee (NTSC) and UBER with total investment of VND15 billion. Furthermore, ethical responsible marketing are both maintained by Heineken Vietnam. The company develops a list of principles and requires the compliance from its partners. The principles cover different marketing and production aspects, including trade promotions, packaging, advertising, point of sales, etc.

The development of Heineken Vietnam is associated with the development of its distributors. Heineken Vietnam provides technical trainings to its distributors. During 2017, nearly 6,000 hours of training are given to 490 distributors. The company holds up a frequent conference with the distributors to widespread the messages related to responsible consumption. Moreover, Heineken also contributes to the lower unemployment rate in Vietnam. It is proven through the fact that the company establishes about 98,000 jobs in both on-trade and off-trade outlets. A practical example of tight collaboration between Heineken Vietnam and the distributors is from the program of giving the trainings to adult children who may take over the family business. During 2017, there are 48 households to be participated into this training.

Heineken Vietnam considers its employees as important stakeholder. At the end of 2017, the company has more than 2,800 employees and they are under full-time labor contracts. The company establishes Speak Up mechanism. It is allowed the employees to raise the questions and concerns via email or telephone and it is available 24/7. In case of receiving the questions and concerns, the information is transferred to Trusted Representatives to provide the resolutions. Being a brewery producers, Heineken Vietnam is always looking for the solutions to achieve a safer and heathier workplace. In 2017, Heineken Vietnam achieves injury rate of 9, occupancy disease rate of 0, and lost day rate of 110. Heineken Vietnam also introduces the Employee Engagement Index (EEI) to measure how the employee engagement level. Obtained result shows that EEI of the company is 17% higher than the norm provided by IBM. Heineken Vietnam also deliver the Performance Enablement Index (PEI) and it is 12% higher than the norm provided by IBM.

Heineken Vietnam also provides the supplier code procedures with 4 steps, including signing, supplier risk analysis, supplier monitoring, and audit. The signing step requires the supplier definition and the collection of databased related to a supplier. The supplier risk analysis step refers to the importance of categorizing the
risk related to the suppliers and Heineken Vietnam is required to identify potential risks of the suppliers. The third step is supplier monitoring with 360° supporting evidence and supplier scorecard. The last step is audit action and the suppliers which comply with the codes are randomly selected for audits.

Heineken Vietnam provides adequate activities to support community development. The company delivers financial support through community investment. During 2017, Heineken Vietnam donates more than VND7 billion to raise public awareness towards responsible drinking and water savings. The company also encourages its employees to participate into volunteer jobs, evidenced by more than 2,088 volunteer hours in 2017. Other support is given from Heineken Vietnam to local universities and the supports include career consulting, career fairs, and internship programs.

3.3.2. Prosperity of planet

Heineken Vietnam provides sustainable actions to sustain the planet. The company takes stringent measurement on waste management and ensures the compliance with the government laws on environment protection. During 2017, Heineken Vietnam achieves remarkable result whether 99% of inputs are recycled. The company also invests into high technology such as Beer Membrane Filter (BMF) to reduce the raw material usages. Heineken Vietnam surpasses the minimum energy intensity targeted by Vietnamese government and encourages the use of renewable energy. In 2017, Heineken Vietnam has energy intensity two times lower than the minimum requirement of the government. Moreover, 4 factories of the companies are being operated by renewable energies. The company also installs solar panel to balance the electrical demands. Compared between 2016 and 2017, the shares of renewable energy is increased from 50.8% to 77.8%. Heineken Vietnam also uses green fridges during its production throughout the action of replacing Hydrofluorocarbons (HFCs) by hydrocarbon refrigerant, changing standard lightings to LED, introducing energy management system, and installing energy efficient fans. The company conducts some actions to save the water. Heineken Vietnam develops Daily Control System to control the water usage, leading to significant reduction of water consumption from 332 hl/hl beer in 2013 to 3.00 hl/hl beer in 2017.

3.4. Vedan Vietnam

3.4.1. Overview of Vedan Vietnam

Vedan Vietnam is established since 1991. It is being considered as among top 500 Vietnamese companies and contributes to Dong Nai’s GDP. The company has several branches located in different provinces of Vietnam. Total employees of Vedan Vietnam is over 3,000 people and the percentage of employees who qualify for high school and above is over 50%. One of competitive advantage of Vedan Vietnam is the operation of steam power system to balance the electricity usage and the establishment of cargo docks in Phuoc Thai Port and Vung Tau Port system which allow the company to ship the products worldwide.

3.4.2. Social responsibility activity

The first part of CSR system of Vedan Vietnam refers to social responsibility activity. To do that, the company establishes quality and food safety policy throughout the achievement of international quality standards such as KOSHER, HALAL, ISO 9001, HACCP, FSSC 22000, ISO 17025, ISO 14001, etc. The employees of Vedan Vietnam are being trained to ensure that they understand and be encouraged to achieve the quality policies. Vedan Vietnam also conducts several programs to strengthen its social responsibility. In 2016, Vedan Vietnam provides home support program to 25 difficult families in Dong Nai, Ba RiaVung Tau, Ha Tinh, and BinhPhuoc, bringing total houses support to 175. Responding to the campaign of local authorities on actively participating in gratitude activities, Vedan Vietnam Joint Stock Company financed more than VND2 billion for gratitude fund in Long Thanh district of Dong Nai, of which VND30 million was donated to visit and give gifts to policy families. Phuoc Thai and PhuocBinh communes in Long Thanh and Dong Nai and VND2 billion to build a temple of martyrs in Phuoc Thai commune. This work is to educate the historical tradition, patriotism, love of the homeland of generations.

3.4.3. Environmental protection

Environmental protection is considered as the most important activity in CSR practices of Vedan Vietnam, especially after the incident of throwing untreated waters to ThiVai River. In 2017, Vedan Vietnam continues to strictly implement the activities related to the objectives and policies of the Environmental Safety
Management System and to contribute for the cause of environmental protection and community responsibility. The company achieves ISO 14001 certification which is the standard of environmental protection management to be issued with the aim of promoting businesses when applying this management standard. Moreover, the company achieves OHSAS 18001 which is known as occupational health and safety certification which must be obtained to ensure safety and hygiene in a working environment at a business. With this policy, Vedan Vietnam wants all employees in the company to always uphold the concept of occupational safety and health, to prevent the occurrence of risks causing harm to employees, loss of assets and damage to the work environment, creating a good working environment for employees.

3.4.4. Employee activity

Vedan Vietnam also creates diversified activities for the employees. For example, Vedan Vietnam holds a cooking day to celebrate International Women Day. Another employee activity is Chess Championship which enables the chess games to all employees in Vedan Vietnam’s system. Year-end party is also considered as unforgettable event which is hold up in the end of every year. During year-end party, the company provides the consolidate results after one year as well as providing clear communication towards the target for next years.

4. Conclusion

Author realized the importance of CSR implementation in business for sustainable development. This study is developed with the main objective of studying analyze the general conclusion of how CSR has been applied in the Vietnamese food industry, in addition, author also addresses the administrative role of government in regulating and managing CSR actions. A large body of literatures is collected in order to get certain understandings about CSR. It helps the researcher to understand more about the definitions of CSR and its roles to the business of the companies. To explore how CSR activities to be conducted in Vietnamese food companies, the overview and the trend of the Vietnamese food industry is explored and it confirms rapid growth in the industry. In addition, the market is participated by many players in the context of consumer behavior towards health and safety food products is becoming more important. Moreover, Vietnamese consumers are getting ethical towards the companies’ business and operation whether it is making any harmfulness to the environment. To study further about how CSR activities in Vietnamese food companies, the researcher collects four case studies, including Vinamilk, CP Vietnam, Heineken Vietnam, and Vedan Vietnam. Among these companies, Vinamilk is local-based company and it successfully develops a comprehensive CSR framework. The researcher perceives that Vedan Vietnam has a poorer CSR system compared to Vinamilk, CP Vietnam and Heineken. These companies develop a CSR system in which both qualitative and quantitative indicators to be developed. Focused areas of Vinamilk, CP Vietnam and Heineken are quality and safety food products and they are confirmed by international quality standards and the control towards the suppliers, the creation of jobs and training to the employees, social programs to support disadvantage people, the application of renewable energy, wastewater treatment, reduce energy and water usage through advanced technologies.

5. References


xi. Forest L. Reinhardt, Robert N. Stavins, Richard H. K. Vietor, 2008 CORPORATE SOCIAL RESPONSIBILITY THROUGH AN ECONOMIC LENS.


xiii. Kotler P., Lee N. (2008), Corporate Social Responsibility: Doing the Most Good for your Company and your Cause (2nd ed.), Wiley India Pvt. Ltd.

xiv. Marc Orlitzky, PhD, Donald S. Siegel, PhD, and David A. Waldman, PhD, 2011, Strategic Corporate Social Responsibility and Environmental Sustainability.


xx. Nguyen Thi Thu Ha, Tran Quoc Trung 2016, STRENGTHENING SOCIAL RESPONSIBILITIES OF VIETNAMESE FISHERING AND EXPORT PROCESSING ENTERPRISES.

xxi. Nguyen Vo Thuc Quyen, 2013 CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION BY VIETNAMESE ENTERPRISES, LAHTI UNIVERSITY OF APPLIED SCIENCES.


xxiii. Pham Duc Hieu, "CORPORATE SOCIAL RESPONSIBILITY: A STUDY ON FACTORS AFFECTING CSR IMPLEMENTATION AND CSR DISCLOSURE IN VIETNAM" University of Commerce, Ha Noi.


xxix. Vo Thi Mai Ha - Hue University (Vietnam), Does Corporate Social Responsibility (CSR) matter to Vietnamese Consumers? A Qualitative Study of Modern Food Retailers.


