**TERMS of REFERENCE**

1. **Background**

As an effort to address corporate sustainability practices, the European Commission released its proposal for a Directive on corporate sustainability due diligence (CSDD) on February 23rd, 2022, and was adopted by the European Parliament on June 1st, 2023. A compromise text was adopted by the EU Council on 15 March 2024 and approved by the European Parliament's Committee on Legal Affairs (JURI Committee) on 19 March 2024, The rules still need to be voted on by MEPs in April, 2024. The Directive, aligning with UNGPs and OECD guidelines on the responsibility of business in respecting worker rights, aims to foster sustainable corporate behavior throughout global value chains. Specifically, it obliges large companies headquartered or operating in the EU to integrate due diligence into policies, assess actual or potential worker rights and environmental impacts throughout their operations and their supply chains and to take action to prevent, mitigate, and remediate the identified worker rights and environmental harms. The law applies to the company's own operations, its subsidiaries, and its value chains (both direct and indirect business relationships). Small and medium-sized companies are indirectly affected, for example, as suppliers to large companies headquartered or operating in the EU. Companies must ensure their suppliers do not violate worker rights and environmental principles such as, but not limited to, forced labour, child labour, inadequate health and safety at work, exploitation of workers, and environmental violations such as greenhouse gas emissions, pollution or the destruction of biodiversity and ecosystems.

To comply, companies will need to:

* Integrate Due diligence into company policies and management systems
* Identify actual or potential adverse impacts on worker rights and environment, and take appropriate action to prevent, mitigate and remedy them;
* Establish grievance mechanisms and provide access to them to all persons along the supply chain;
* Provide transparent and public information on the performance of their due diligence obligations, including an annual report
* Control and monitor the effectiveness of these measures

For production countries, the legislation offers local business opportunities to conduct responsible and sustainable business practices, have more intensive engagement with European counterparts in the implementation of HRDD and provide workers with mechanism to access remedy.

Given that the EU is the second largest export market of Vietnam[[1]](#footnote-1) and the context of corporate sustainability due diligence, it is increasingly required that suppliers have sufficient capacity to comply with the national labour law, implement labour standards and international regulations, proactively assess potential risks and develop prevention solution and remediation which will bring real competitive advantages for businesses in more and more challenges context.

Besides the requirement to the suppliers, the context of HRDD legislation opens the opportunities for trade union, particularly factory- level trade union present the important role in ensuring the labor regulation and policy compliance and conducting the risk assessment at factory through the more meaningful participation in whole process. However, the trade union is not fully aware of their opportunities and role as well. And both factory management and trade union lack understanding on the CSDDD, what are different between HRDD and CSR, how to conduct corporate sustainability due diligence at factory and what are the roles of each actor, how to make sure the meaningful stakeholder engagement in the due diligence process.

1. **Objectives**

The shift from voluntary to mandatory due diligence would push companies to explore the risks within their supply chain, cease and mitigate those risks, leading to responsible business conduct policies with improved labour conditions on the work floor. However, we know that risk~~s~~ assessments do not automatically lead to company actions. This is exactly why it is necessary to create a better connection between stakeholder information on the ground and purchasing practices of brands to ensure that due diligence implementation is actually impactful and changes practices on the work floor. Making validated stakeholder information and lessons learned accessible in a structured way, throughFW's HRDD facilitation hub, and the Corporate Sustainability Due Diligence Hub (CSDD Hub) developed by CDI, is therefore a central element in our efforts to drive industry action. Also, to make it useful for the suppliers, it can be used by them to monitor progress.

For the CSDD hub, it aims to

* Create awareness of CSDD Directive among suppliers share trusted information and show what role and opportunities the legislation can create for the suppliers.
* Support brands and suppliers in implementing CSDD in production countries, with the initial pilot on garment and textile industry in Vietnam and FW's member suppliers;
* Have an objective, trusted tool for suppliers to show their progress in the HRDD journey;
* Connect this data as trusted, validated information to the system to drive brands’ actions.

1. **Scope of work**

The CSDD Hub Project consists of two phases.

Phase 1 (Sep 2024 - July 2025): is Learning component Development phase: In this initial phase, CDI will develop a comprehensive online platform focused on building fundamental CSDD/HRDD knowledge and capacity. The platform will provide general explanations of CSDD context and concepts, along with learning modules tailored for Vietnamese suppliers. This phase includes developing user stories, design the platform structure, creating content outlines, adapting existing materials, and developing new content specific to suppliers' needs. All content will be translated into Vietnamese and thoroughly tested before the platform launch.

Phase 2 (July- December 2025): The second phase focuses on developing advanced features and assessment tools. This includes creating a CSDD Suppliers Self-Assessment. system and CSDD index, along with guiding questions that help suppliers understand their position in the CSDD process. The platform will be enhanced with risk assessment tools and practical guidance to support suppliers in their interactions with garment brands. This phase will culminate in a complete platform that enables suppliers to assess, track, and demonstrate their CSDD implementation progress.

Following developing the CSDD self - assessment, a pilot implementation period will run with suppliers to test and refine the platform's functionality with actual users.

CDI would like to recruit a consultant/ consultancy team to build the structure of the platform to meet the project's description and requirements.

1. **The duties of the consultant**
   * Develop the structure framework of CSDD implementation process
   * Develop the list of learning module related to the CSDD implementation process that will be presented and train on the platform
   * Develop the training module materials on CSDD implementation process
   * Test the relevant learning modules with suppliers
2. **Timeline and payment progress**

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| **Time frame** | **Assigment & Outputs** | **Payment progress** | **Note** |
| Sep – Dec, 2024 | * Draft 1 of Structure Framework of CSDD implementation process * Draft 1 of Learning module list | Dec 2024: First payment, 50% of contract value |  |
| Jan – June 2025 | * Developing. training module materials on CSDD implementation process | July 2025, 30% of contract value |  |
| July – December 2025 | Testing the relevant training module with suppliers | Dec 2025, 20% of resting contract value. |  |

1. **Requirements for the Consultant**
   * Must have expertise, knowledge, and at least 15 years of experience in conducting training and assessments related to the International Labor Organization (ILO) labor standards and Vietnamese labor law, working conditions, and workers' rights, especially for workers in the electronics, garment, and related sectors.
   * Must have at least 5 years of experience in risk assessment in enterprises.
   * Must have knowledge and experience in Human Rights Due Diligence (HRDD)
   * Must comply with information security requirements.
   * Must be open and actively listen, willing to share and provide constructive feedback.
   * Must ensure compliance with information security requirements for data provided by CDI.
   * Must be able to work independently and in a team.
   * Must have a high sense of responsibility and provide timely support.
   * Must have experience working with non-governmental organizations in Vietnam.
2. **Budget**

Proposed by consultant

1. https://www.usitc.gov/publications/332/executive\_briefings/ebot\_vietnam\_integration\_in\_global\_value\_chains-opportunities\_and\_vulnerabilities.pdf [↑](#footnote-ref-1)