



Empowering Sustainability into Global Textile Supply Chain

CSR Practice of CNTAC

中国纺织工业联合会社会责任办公室
Office for Social Responsibility
China National Textile and Apparel Council

■ China National Textile and Apparel Council (CNTAC)

- ✓ A guidance institution and the interests representative of all textile-related industries in China
- ✓ From government body to service organization for Guidance, Policy study, Standardization and Information exchange in the textile and apparel industry.

The Profiles of Chinese Textile and Apparel Industry

Year	Employees (Millions)	Fiber Processed (Millions tons)	Share of the global quantity (%)	Share of global textile and apparel exports (%)
2000	13	13.6	25.83%	15%
2005	19.60	26.9	40.67%	24%
2007	>20	35.3	48.63%	30%
2008	>20	35.1	54.29%	30.26%
2012	>20	45	55%	36%

Chronicles of CNTAC's CSR Roadmap

■ Office for Social Responsibility of CNTAC

- ✓ the first industry-wide and professional organization for the promotion of CSR in China since 2005

Mutual evaluation between

CSC9000T and BSCI

Firstly, 10 leading companies
joint-launched CSR Reports

2009

2010

2011 : Introduced CSC9000T to
electronic industry as CSC9000E

1st CSR Reporting system
(CSR-GATEs) in China

2008



1st cooperation agreement
between CSC9000T and BSCI on
CSR in China

2007

2012 : Initiation of Multi
Stakeholder Advisory Committee
by CSC9000T, BSCI, SAI, WARP,
Solidaridad

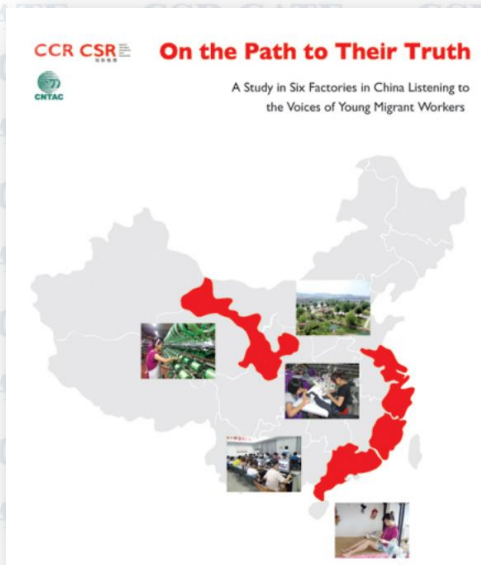
1st CSR report at industrial level

2006

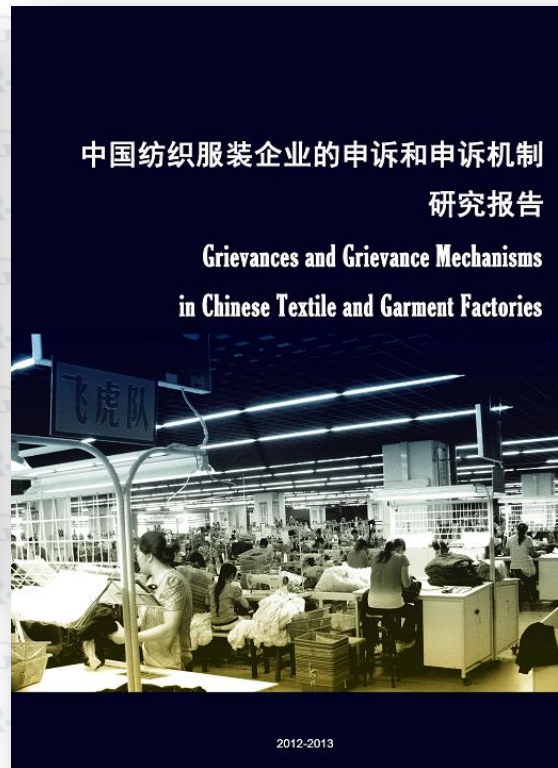
2013 : Firstly, 7 leading textile
clusters Joint-launched Sustainability
Reports

2005

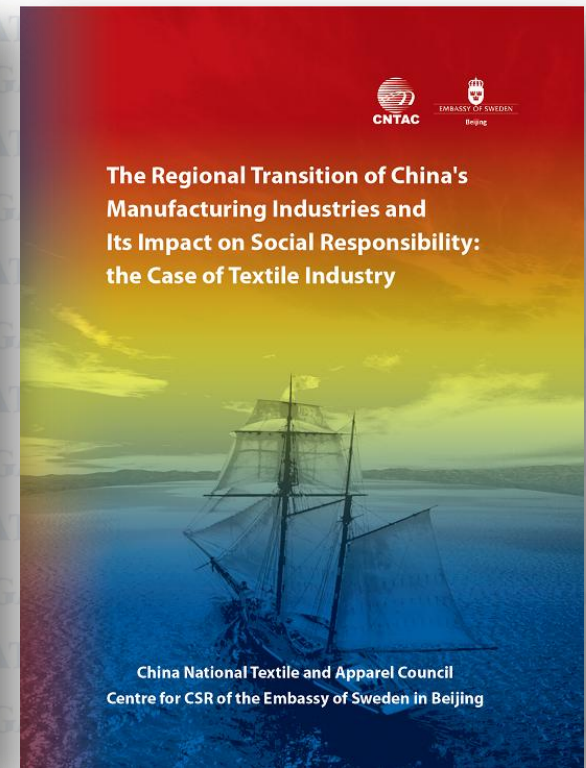
- 1st standardized CSR management system in Chinese industry—CSC9000T , which is Self-discipline, Voluntary & Proactive CSR Tool



Young Workers Study
“On the path to their truth” – a study carried out in 2011 by the Center for Child-Rights and Corporate Social Responsibility (CCR CSR) and the China National Textile and Apparel Council (CNTAC)



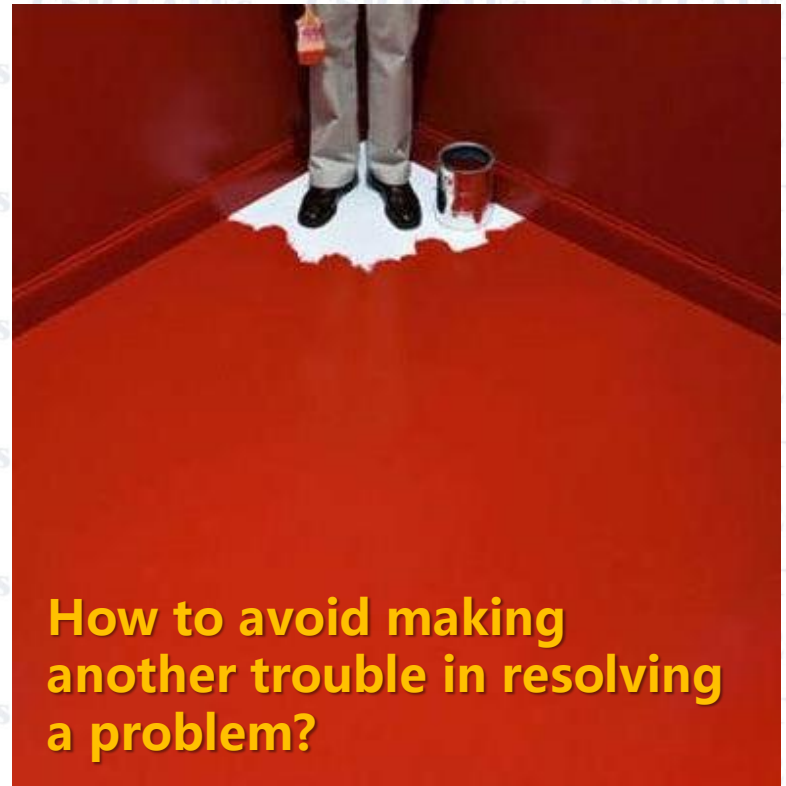
Grievance and Grievance Mechanisms in Chinese textile and Garment Factories



The Regional Transition of China's Manufacturing Industries and Its Impact on Social Responsibility: the Case of Textile Industry

Some Challenges in CSR Implementation

- State law and regulations are the basis of CSR, however, enterprises face some practical problems.
- Common problems ——— misunderstanding of CSR and blindness in following CSR standards.
- Factory audit and accreditation raised awareness on CSR, but failed to establish long-term CSR mechanism.
- The understanding, trust and assistance of the supply chain partners are crucial.



How to avoid making another trouble in resolving a problem?

□ Capacity Building

——Management System (China Social Compliance for Textile Industry, CSC9000T)

- ✓ 12 core elements compatible with ISO 26000
- ✓ over 300 Chinese textile and apparel companies have implemented CSC9000T; Over 30000 Participants and 171 trainings within capacity building and “10+100+1000” Project



□ Information Disclosure

——Reporting Guideline (China Sustainability Reporting Guideline, CSR-GATEs)

- ✓ Building a normative resolution to guide the social reporting practice for Transparency, Credibility & Confidence
- ✓ **61** textile companies released **177** CSR reports include **66** reports according to CSR-GATEs

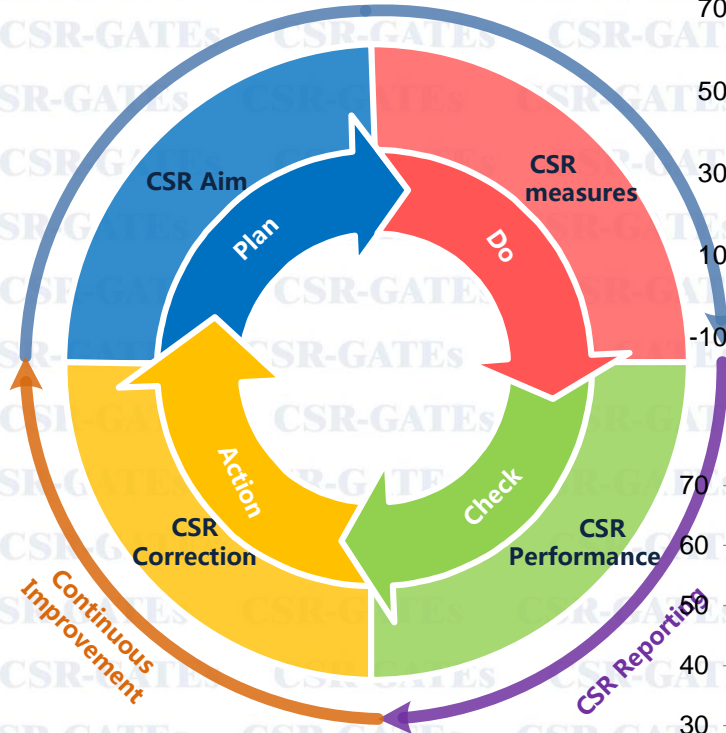


□ Industry Stakeholders Engagement

- ✓ Annual CSR Conference
- ✓ Multi-Stakeholder Advisory Committee

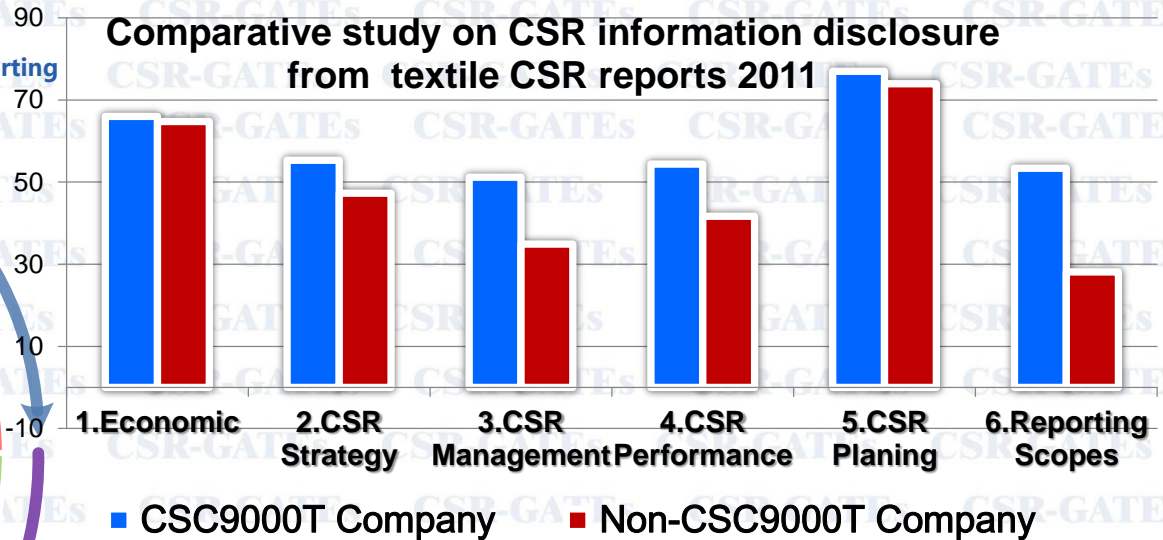
CSR Report & Management system

Relation between CSR Management system and CSR Reporting

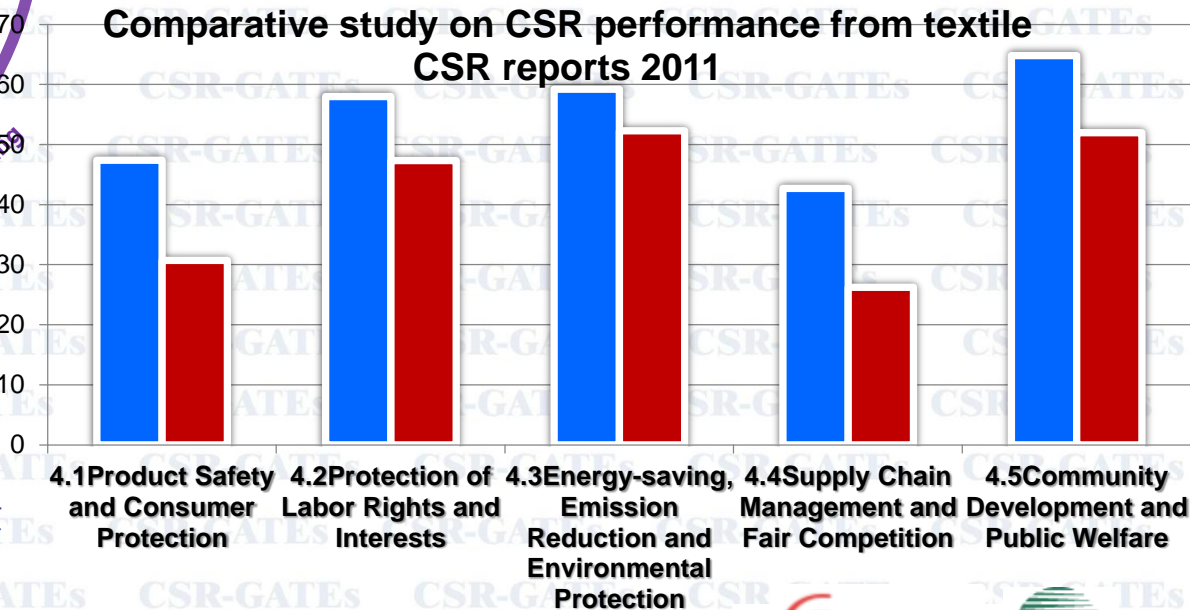


- reporting from continuous management ,
- then improving management with reporting

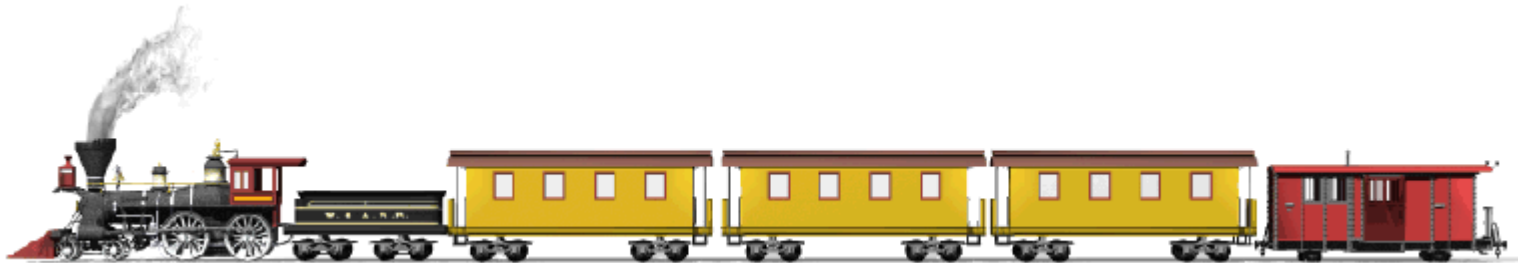
Comparative study on CSR information disclosure from textile CSR reports 2011



Comparative study on CSR performance from textile CSR reports 2011



- **CSR has become a main stream issue in China**
- **NGOs and Consumers are playing a greater role in the development of CSR in China**
- **Chinese enterprises' confidence and initiative in CSR is getting stronger**
- **The improvement of legal system is raising the bar of CSR**
- **The role of factory audits will be greatly decreased and may finally be driven out of the market**
- **Standard integration , Transparency and cooperation in supply chain is the ultimate outlet**



- In 2011, **M**ulti-stakeholder **A**dvisory **C**ommittee established with SAI, BSCI, WRAP and Solidaridad to promote cooperation between standards and system.



Solidaridad



An example: CSC9000T & BSCI: Cooperation and Recognition along Supply Chain

- In 2008, Joint Declaration on Supply Chain Cooperation signed by CNTAC and FTA at Sino-EU Supply Chain Summit Talk convened in Beijing demonstrate agreement on furthering recognition between CSC9000T and BSCI.

CSC9000T and BSCI: Complementary Driving Forces and Mechanisms

	CSC9000T	BSCI
Standard holders	suppliers	brands and buyers
Driving forces	responsible production	responsible purchase
Implementing mechanism	capacity building based on performance evaluation	correction action plan (CAP) based on auditing

Transparency : Responsible Production

- Promoting Reporting company qualified Responsible Production in InterTextile with Fabrics China with Label "Responsible Production"
- To share Responsible Production to buyers, and support responsible sourcing



inter**textile**

BEIJING apparel fabrics

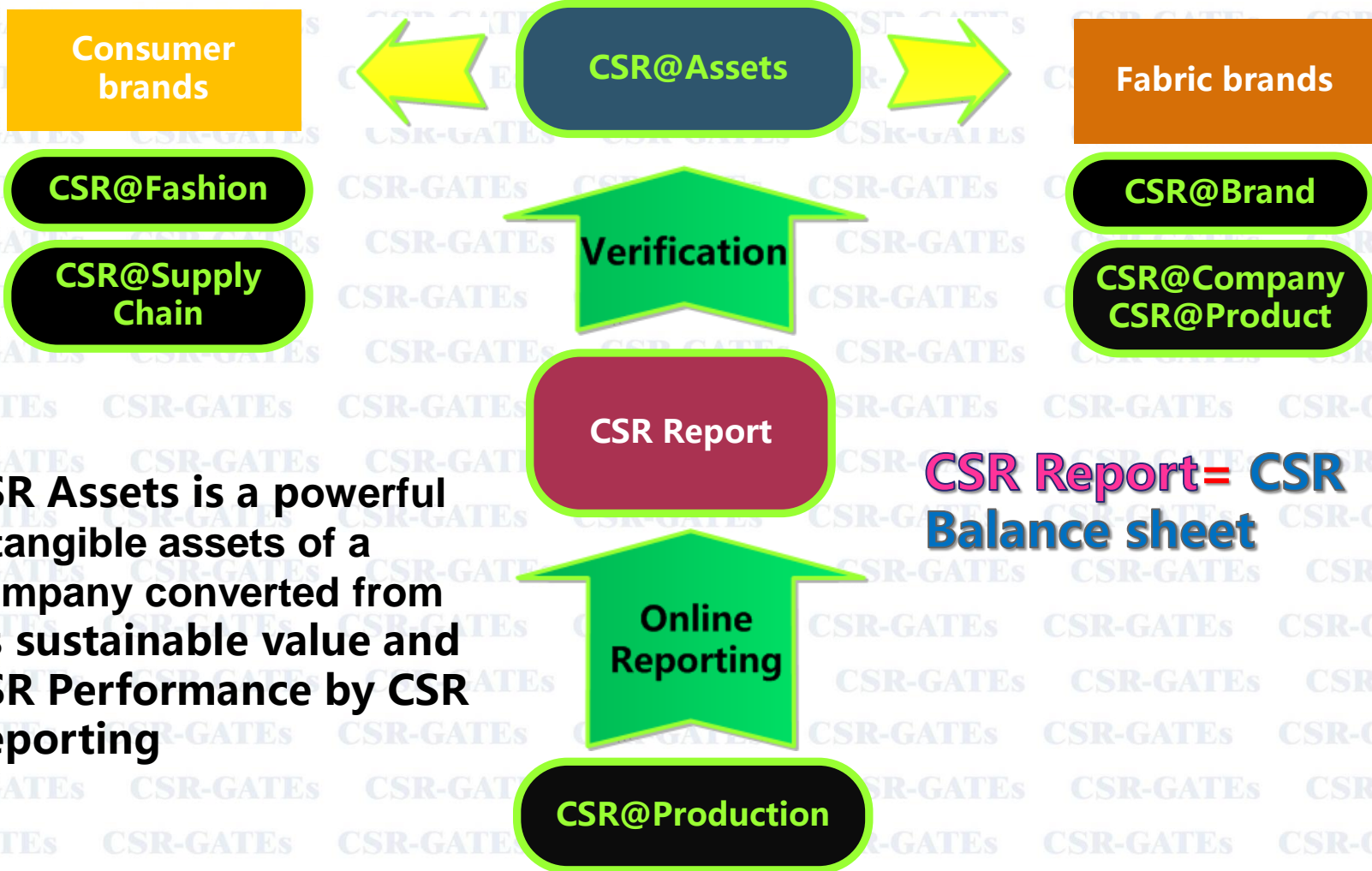
inter**textile**

SHANGHAI apparel fabrics



- **People Foremost** (legal employment , Harmonious labor relations , OHS)
- **Green Production** (Energy saving , Water saving , emission reduction , Low carbon)
- **Green Product** (Recycling Material , Harmless to human and environment)

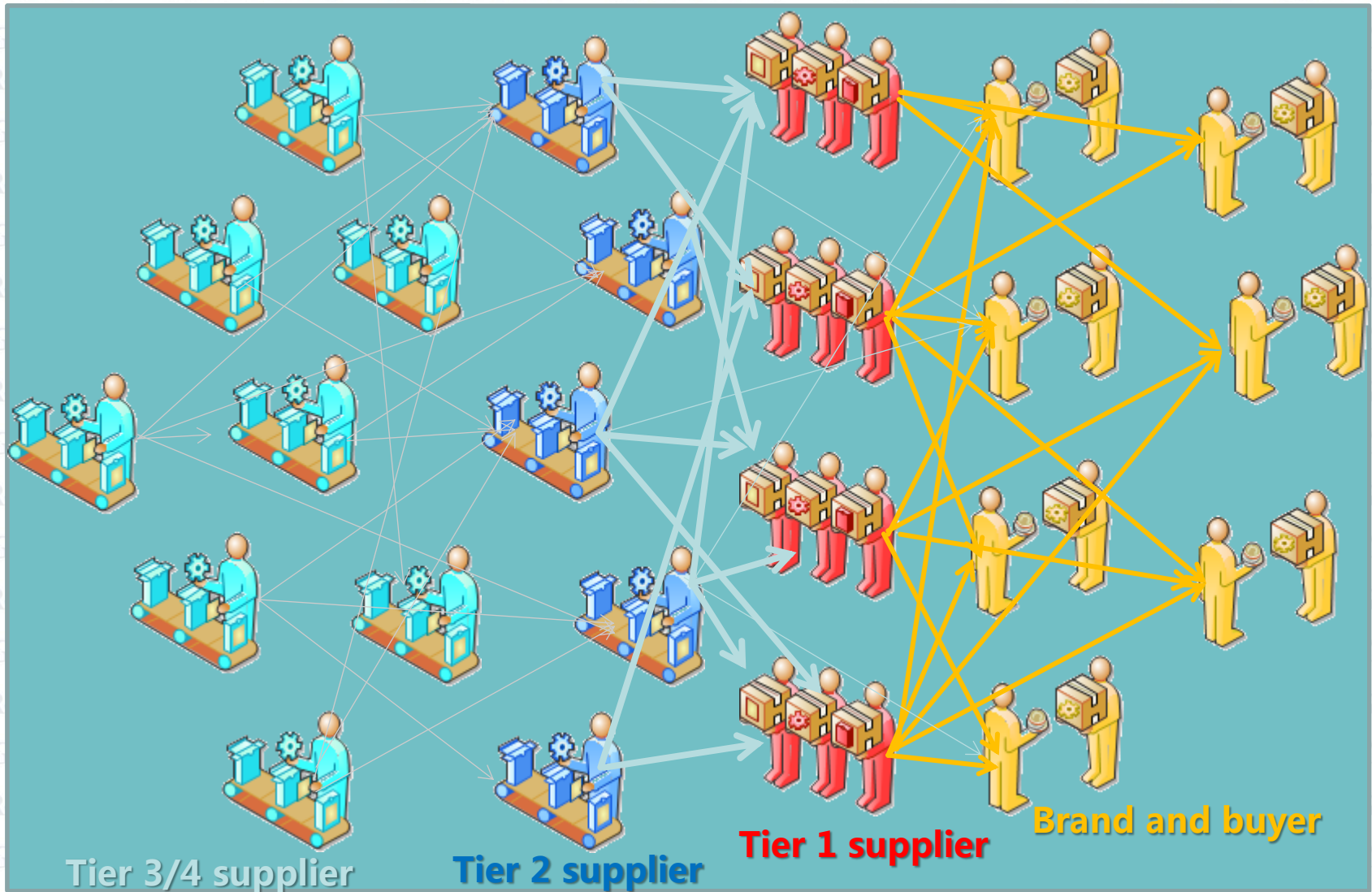
Upgrading: CSR Assets Program



CSR Assets is a powerful intangible assets of a company converted from its sustainable value and CSR Performance by CSR Reporting

CSR Report = CSR Balance sheet

Transparency and Traceability Matrix



Advantage of cooperation in supply chain

- Optimize resources of supply chain parties and enhance coordination and engagement on CSR between stakeholders
- Strengthen the coherence and integrity of CSR standards and increase the transparency of standard operation along supply chain
- Reduce transaction costs on supply chain and build up institutional assurance on CSR
- Increase responsible supplier options for international buyers as well as their opportunity of participating in local CSR construction
- Increase suppliers' business opportunity and reduce their auditing costs and pressure, encourage the commitment of suppliers in CSR

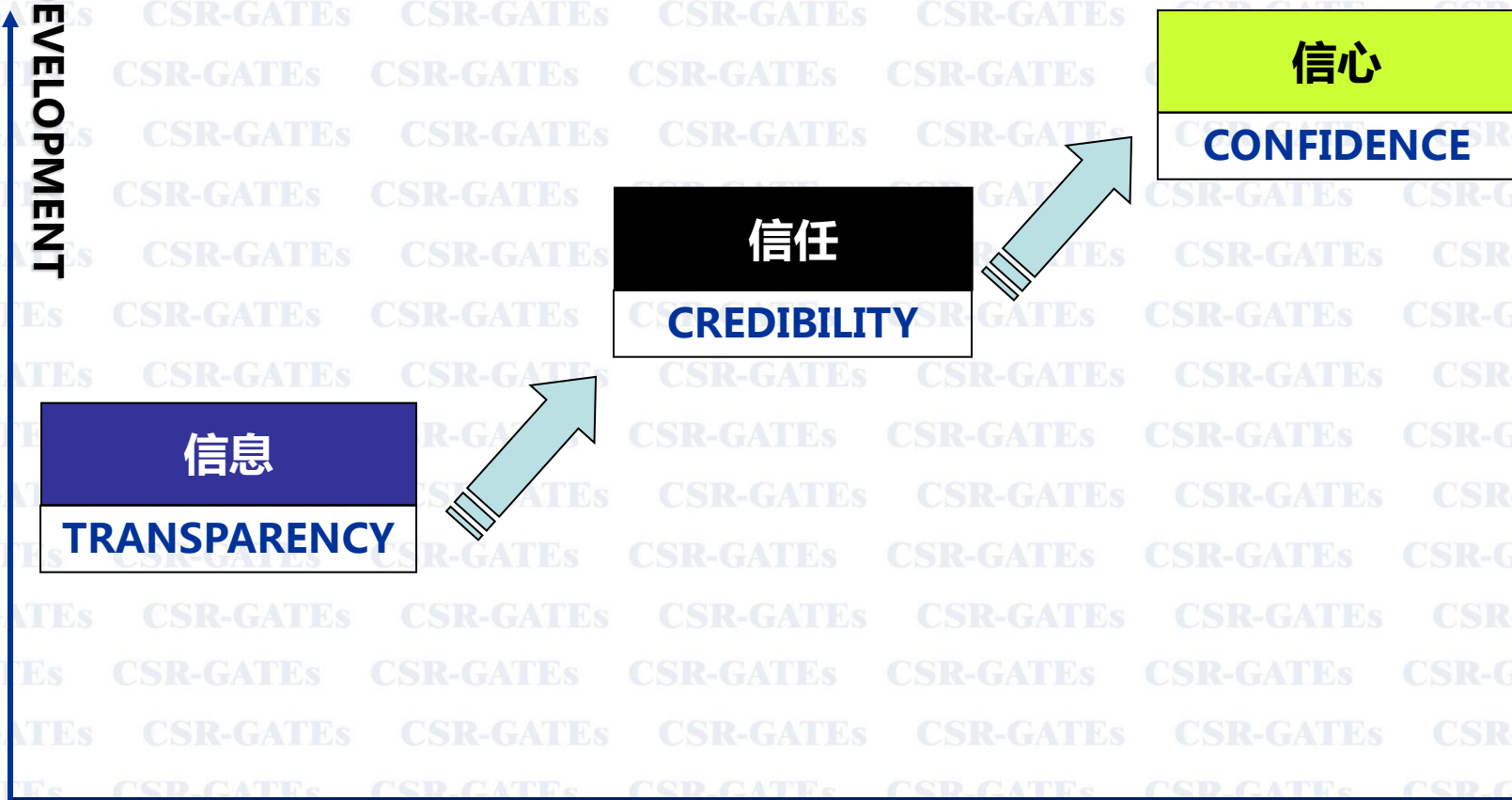
■ Cooperation with **Zero Discharge Hazardous Chemicals**
Ø ZDHC



CNTAC-ZDHC Stakeholder Meeting on Hazardous Chemicals in the Textile Industry
2013.8.29 北京 Beijing



DEVELOPMENT





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