

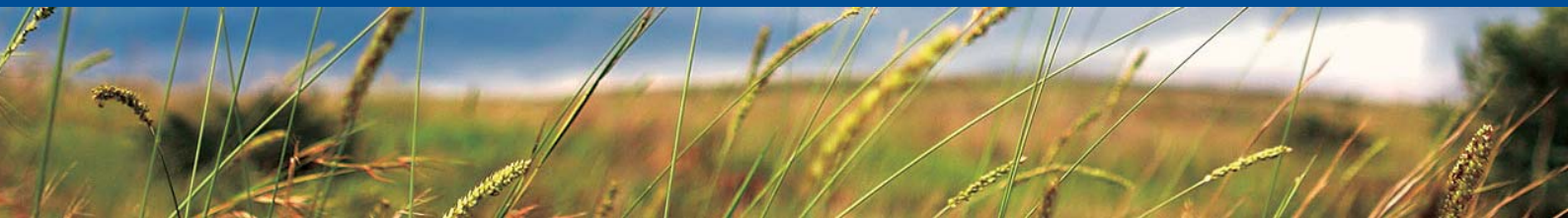


THIS REPORT IS PRINTED ON RECYCLED PAPER

Annual Report on Social Responsibility
of the Chinese Textile and Apparel Industry



2007



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Foreword

“Yesterday I took cocoons to the market in the town; I returned my scarf soaked in tears. None there draped in elegant brocade had ever tended silk worms.” This famous poem, *Silkworm Woman*, was written over a thousand years ago by the poet Zhang Yu of the North Song dynasty. The poet could never have imagined that his poem might make him the first commentator on the lack of social justice and the imbalance of responsibilities in the textile supply chain. The description given in this poem is relevant and profound whether from the micro perspective of labor relations in some textile and apparel enterprises, or from the macro perspective of the current conditions of the global textile and apparel supply chain. It also demonstrates the classic textile industry issue of how to distribute benefits and responsibilities in a fair and balanced way among the industry and its supply chain. This still has as much relevance today as it had then.

For many years, the China National Textile and Apparel Council (CNTAC) has been exploring solutions to this issue. In order to address the “silkworm woman dilemma” at both the micro level of the Chinese textile and apparel enterprises and the macro level of the global textile and apparel supply chain, CNTAC has been promoting and implementing the China Social Compliance for Textile & Apparel Industry (CSC9000T) corporate social responsibility (CSR) management system since 2005. The case studies and data from CSC9000T promotion and implementation over the last three years lead to a number of conclusions. First, it is of vital importance to the inherent competitiveness of enterprises and necessary for the industry itself to develop, that workers are respected as the enterprises’ primary driving force. It is also important to allow them to take initiatives, to protect their rights, and to encourage them to grow together with their enterprises. Second, external stakeholders are now placing urgent demands on textile and apparel enterprises



to reduce energy and resource usage. They are expected to protect the environment, and to foster the growth of the industry in harmony with the environment and available resources. Also they are expected to strike a balance between development speed, structural soundness and efficiency, to build a resource-efficient and environment-friendly industry, and to achieve sustainable development. Finally, in order to build the industry into a safe, open, and efficient economic system where all players can mutually benefit, it is necessary for enterprises to raise awareness of social responsibility. They should develop a global perspective, think of the big picture, promote healthy competition, and strengthen supply chain management regarding value and responsibility. In this way, the industry will be able to develop the capability to deal with the opportunities and challenges arising as the global economy and the global textile industry move forward. It is an important strategy for the Chinese textile industry to undertake significant restructuring in order to participate in the next round of international economic cooperation and develop new competitive advantages in the context of economic globalization.

As part of the management innovation and the CSC9000T research project for public good, CNTAC started publishing an annual industry social responsibility report in 2006. By doing so, we expect to establish a regular stakeholder engagement

mechanism through which the industry can demonstrate to its stakeholders in a timely manner its achievements and the changing situations and challenges it has faced during the year. This practice will contribute to the development of the industry with significant social and economic benefits.

This report is composed of four parts: Part One introduces the development of the Chinese textile and apparel industry in 2007, and analyzes the influence of various industry and macro factors within the industry's social responsibility development. Part Two details the actions and achievements of the industry in CSR development during 2007. Part Three highlights the results and findings of the CSC9000T pilot project, and the implementation of the "10+100+1000" Project at different stages. Part Four puts forward the 2008 social responsibility development plan of the Chinese textile and apparel industry, i.e. the Plan "200·8". This report is compiled by the research team of the Office for Social Responsibility of CNTAC under the guidance of leaders and various departments of CNTAC, who have contributed significant support in materials and invaluable suggestions.

Part One

The Development of the Chinese Textile and Apparel Industry in 2007 and Its Impact on Corporate Social Responsibility



Du Yuzhou, President, CNTAC

I. The Development of the Chinese Textile and Apparel Industry in 2007

1. Industry Output and Investment

Industry Output - In 2007, the gross industry output and profit of the Chinese textile and apparel industry maintained its momentum and achieved considerable growth. The industrial structure continues to be optimized. However, as structural adjustment accelerated, the industry began to see growing polarization of the enterprises' conditions with an increasing number of enterprises facing difficulties. For the period from January to November 2007, the cumulative gross industry output of qualifying textile enterprises, i.e. textile enterprises that meet the industry's statistical threshold in scale, reached 2,788.844 billion yuan. This was 22.53% over the same period last year with growth rate accelerated by 0.75 percentage points. The total annual gross industry output of 2007 is expected to reach 3080 billion yuan, 22.4% over the 2006 output. However, the growth rate of the gross industry output showed a decelerating trend over the course of the year. (Figure 1.1)

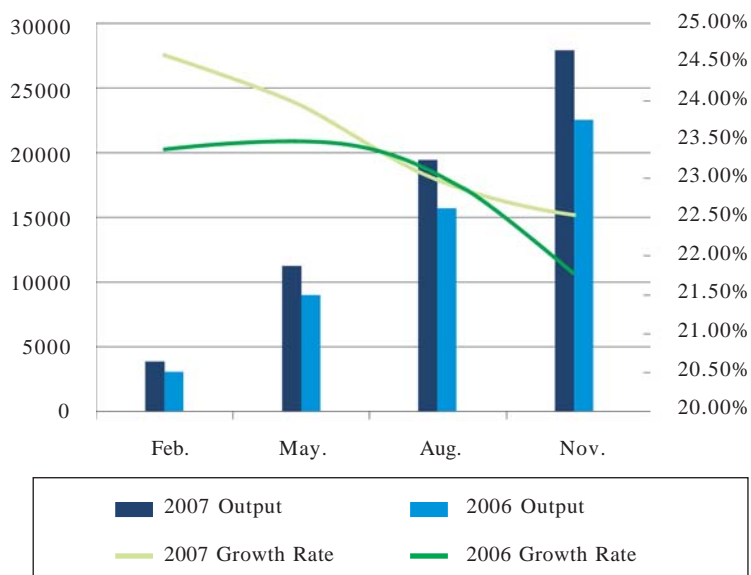


Figure 1.1: Gross Industry Output and Growth Rate of the Chinese Textile Industry, 2007 and 2006

Source: CNTAC, *The Development Report of the Chinese Textile Industry, 2007-2008*

Industry Investment - In 2007, the total value of fixed asset investment projects of Chinese textile enterprises with a turnover above 5 million yuan reached 255.212 billion yuan, 25.74% over 2006. The investment growth rate was decelerating before July, it then accelerated again after August as the textile enterprises became more confident and risk tolerant. At the end of the year, the investment growth rate started decelerating again. (Figure 1.2)

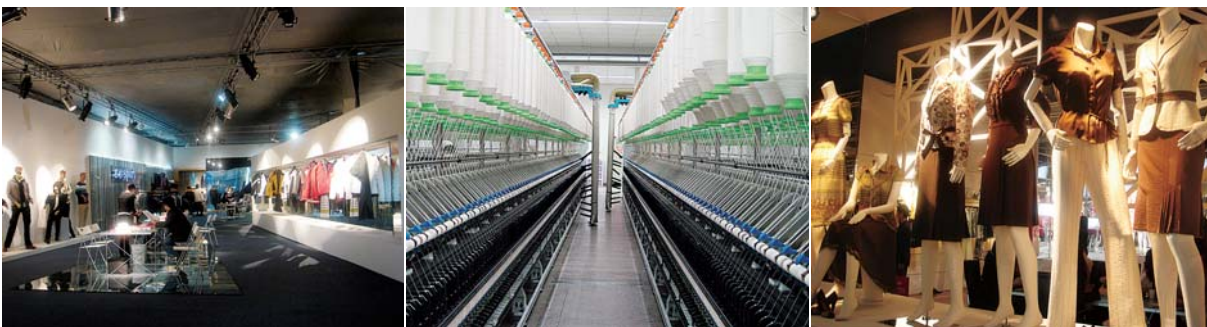


Figure 1.2: Fixed Asset Investment Trend of the Chinese Textile Industry, 2007 and 2006

Source: CNTAC, *The Development Report of the Chinese Textile Industry, 2007-2008*

2. Domestic and International Market Performance

Domestic Market - In 2007, Chinese textile enterprises' domestic sales percentage over total sales kept increasing as domestic demand maintained rapid growth. Meanwhile, the domestic market continued to upgrade and become more segmented. Business innovation played an increasingly important role in promoting industry growth. According to the National Bureau of Statistics of China, China's gross retail sales of consumer goods reached 8921 billion yuan in 2007, 16.8% over the 2006 amount. Total retail and qualifying wholesale sales of textile and apparel products achieved 28.7% year-over-year growth, with a growth rate accelerated by 9.5 percentage points. Total retail sales of consumer goods grew less, by only 11.9 percentage points. The changes in the amount and structure of consumption showed the same trend. For instance, in constant terms, total income of urban and rural households in China increased by 12.2% and 9.5% respectively in 2007. Spending on apparel products increased by 16.46% and 16.57% accordingly, 4.26 and 7.07 percentage points faster than the total income growth rate. Apparel consumption of rural households had a bigger

increase than that of urban households, showing great market potential. Boosted by robust domestic demand, the gross sales of qualifying textile enterprises reached 2715.61 billion yuan from January to November 2007. Domestic sales consisted of 75.04% total sales, with 1.87% year-over-year growth.

While both the market size and the market demand in China maintained their growth momentum, the retail prices of apparel products demonstrated a clear decreasing trend. According to China National Commercial Information Center statistics from major large-scale retail enterprises in China, in-store apparel sales saw 23.26% year-over-year increase, with a growth rate accelerated by 5 percentage points. However, according to the National Bureau of Statistics of China, the average consumer price index (CPI) for apparel products was 99.4 in 2007, maintaining a decreasing trend throughout the year. Therefore, it can be concluded that the Chinese textile industry has contributed to China's price stability by ensuring relative stable market prices of apparel and textile products with abundant supply even when the CPI keeps increasing. (Figure 1.3)

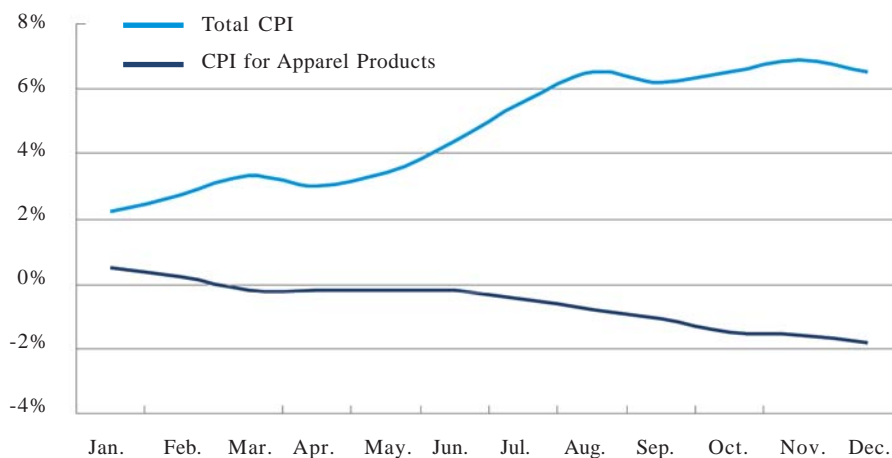


Figure 1.3: Changes in Total CPI and CPI for Apparel Products, 2007

Source: CNTAC, *The Development Report of the Chinese Textile Industry, 2007-2008*

International Market - In 2007, China's textile and apparel export competitiveness continued improving even though growth was slowing. China's total textile and apparel exports reached 175.616 billion U.S. dollars in 2007, 19.11% over last year, while the growth rate fell by 6.03 percentage points. Total apparel exports were 115.074 billion dollars, 20.89% over last year, with the growth rate falling by 8.02 percentage points. Export destinations became increasingly diversified (Table 1-1). While the two major markets, the United States and the European Union, experienced decelerating growth because of sluggish demand. Emerging economies such as the ASEAN countries, Russia and Africa showed healthy growth, which helped China's textile and apparel exports maintain relatively robust growth.



Table 1.1 China's Textile and Apparel Export to Major Markets, 2007

Country/Region	Export (USD100m)	Year-over-Year Growth (%)
Hong Kong	182.28	1.02
Macao	9.27	13.54
Taiwan	6.87	4.97
Japan	203.43	4.04
Korea	56.95	6.53
Turkey	28.67	41.87
ASEAN	109.24	53.23
European Union	292.14	-0.67
Africa	91.14	34.49
Australia	29.35	18.87
United States	266.34	14.42
Canada	45.74	41.50
Mexico	17.5	8.94
Russia	100.67	101.54

Source: CNTAC, *The Development Report of the Chinese Textile Industry, 2007-2008*

In view of the overall conditions in international markets, the Chinese textile industry showed strong competitiveness even as international textile and apparel trade was affected by the global economic slowdown. China's textile and apparel exports price index enjoyed 7.70% year-over-year growth in 2007. Textiles and apparel products increased by 3.71 and 9.93 percentage points respectively. Over the same period, the export competitiveness indexes of China's yarn, fabrics, knitting, apparel, and garment accessories were 26.62%, 50.75%, 68.58% and 96.64%, with year-over-year increases of 8.7, 1.67, 3.69 and 0.54 percentage points respectively.

3. Operational Efficiency and Profitability of the Industry

Operational Efficiency - Textile industry operational efficiency kept improving in 2007 due to factors including tech-

nological progress and management improvement. Industry productivity averaged 74,400 yuan per person for the period from January to November 2007, 22.37% higher than the same period of 2006, with growth rate accelerated by 5.45 percentage points. The total percentage of "three fees" was 6.24%, 0.20 percentage point lower than the 2006 ratio.

Profitability - Industry profitability also experienced continuous growth in 2007. From January to November, qualifying textile enterprises had made 106.346 billion yuan profit in total, 36.99% higher than the 2006 amount, with growth rate acceleration of 7.45 percentage points. In 2007, the average profitability of the industry was 3.97%, with 0.42% year-over-year growth; gross margin was 11.16%, with 0.59% year-over-year growth; and operating margin was 4.18%, with 0.48% year-over-year growth.

Table 1.2 Operational Efficiency of Textile Sub-industries, January - November 2007 over the Same Period of 2006

Performance Metrics	Productivity			Percentage of Products Sold			Percentage of Three Fees		
	2007 Accumulative (10,000 yuan / person)	2006 Accumulative (10,000 yuan / person)	2007 Accumulative (%)	2006 Accumulative (%)	Change (percent)	Change (%)	2007 Accumulative (%)	2006 Accumulative (%)	Change (percent)
Industry Total	27.94	23.70	97.37	97.60	-0.23	17.89%	6.24	6.44	-0.20
Cotton	28.11	23.58	97.67	98.05	-0.38	19.21%	5.05	5.14	-0.09
Wool	41.48	36.16	97.23	98.04	-0.82	14.71%	4.99	5.07	-0.08
Linen	18.31	14.76	95.82	96.68	-0.86	24.05%	6.70	6.96	-0.26
Silk	33.99	28.55	97.22	97.59	-0.37	19.05%	5.16	5.16	0.00
Finished Products	33.49	28.36	97.61	97.73	-0.12	18.09%	7.13	7.15	-0.02
Knitting	22.50	18.98	97.87	97.30	0.57	18.55%	7.04	7.40	-0.36
Garment	18.56	15.94	97.00	96.96	0.04	16.44%	8.29	8.80	-0.51
Chemical Fiber	90.88	74.71	97.21	98.06	-0.85	21.64%	4.58	4.47	0.11
Textile Machinery	35.71	29.21	96.08	97.00	-0.92	22.25%	9.29	9.97	-0.68

Source: CNTAC, *The Development Report of the Chinese Textile Industry, 2007-2008*

Table 1.3 Profitability of Textile Sub-industries, January - November 2007

	Profit (100 million yuan)	Year-over-year Change (%)	% in Industry Profit Growth (%)
Industry Total	1063.46	36.99	-----
Cotton	282.83	42.72	29.48
Wool	53.19	19.23	2.99
Linen	6.45	12.56	0.25
Silk	28.36	0.57	0.06
Finished Products	83.74	29.65	6.67
Knitting	106.18	25.54	7.52
Garment	277.29	27.12	20.60
Chemical Fiber	138.82	109.27	25.24
Textile Machinery	28.56	39.56	2.82

Source: CNTAC, *The Development Report of the Chinese Textile Industry, 2007-2008*

Industry Restructuring and Profit Breakdown - Industry restructuring and upgrading accelerated in 2007, helped by a combination of factors: externally, the national economy began adopting a scientific development approach; internally, the textile industry was transforming from its traditional extensive development model to a model focusing on quality and profitability. Under these circumstances, the industry experienced intensified industry consolidation and increasing polarization in profitability among textile enterprises. From January to November 2007, qualifying textile enterprises made a total profit of 106.346 billion yuan. About 14,000 or 31.8% of the qualifying enterprises generated 90% of the total profit. Meanwhile, 17% of the qualifying enterprises had a total loss of 11.6 billion yuan, and the remaining 51% barely broke even.

According to industry statistics, from January to November 2007, 31.81% of the 44,232 qualifying textile enterprises recorded profit margins higher than the industry average. The total profit of these 14,071 enterprises rose by 52.88% over the same period of last year. Their total profit accounted for 89.19% of the industry total. Their profit margin made a 1.35% year-over-year increase and averaged 8.46%, more than double the industry average profit margin of 3.97%. Among these 14,071 enterprises, there were 3,156 enterprises or 7.14% of all qualifying enterprises, with profit margin above 10%.



In 2007, textile and apparel manufacturers production costs increased significantly because of the following factors, resulting in much lower profit margins.



Their total profit increased by 76.8% over the same period of last year, accounting for 35.65% of the industry total. Their average profit margin was 15.65%, increasing by 3.92% over the same period of last year.

From January to November 2007, 30,161 enterprises or 68.18% of all qualifying enterprises, recorded a profit margin below 3.97%. They employed 7.0581 million people, accounting for 64.89% of the total workforce of the industry. Their total profit was 11.495 billion yuan, only 10.81% of the industry total. Their average profit margin of 0.74% fell by another 0.45% from the 1.19% of the same period of last year. Among these enterprises 7,506 enterprises employing 1.93 million people, made losses accounting for 17% of the industry total. Their total loss was 11.607 billion yuan, 14.34% more than the total loss of the same period of last year. The other 22,655 enterprises, employing 5.13 million people, made some profits. Their average profit margin, 0.88%, fell by 0.58% from the same period of last year.

II. The Factors Affecting the Industry and Their Impacts on CSR

1. Increasing Costs and Profit Margins Under Pressure

Input Price Increases - In 2007, Chinese textile and apparel industry input prices experienced significant increases pushed up by both structural price increases in the Chinese economy and continuous increases in material prices on international markets. According to the National Bureau of Statistics of China, China's CPI increased by 4.8% in 2007, while the price of industrial products increased by 3.1%, and retail prices increased by 3.8%. Globally, soaring oil prices further lowered the profit margin of the Chinese chemical fiber industry and caused chemical fibers prices to increase sharply. Cotton price increases on the international market had further impact on the market equilibrium of China's domestic cotton market, causing the cotton supply gap to further deteriorate. These fiber price increases in the upstream market of the industry chain triggered further increases in the prices of other textile materials.

Currency Revaluation - According to the 2007 Bank of China Annual Renminbi Market Report, the yuan maintained its appreciating momentum and increased by 6.5% in value against the U.S. dollar in 2007. Data from the China Foreign Exchange Transaction Center shows that the value of the yuan had risen over 10% by the end of 2007 since

exchange rate reform began. According to industry estimates, for every 1% appreciation of the yuan, the total profit of the industry will decrease by 7.2 billion yuan. The Bank of China report also says that the value of the yuan is expected to go up an additional 8%-10% in 2008, suggesting that currency revaluation will continue to impact on the competitive price advantage of China's textile and apparel exports.

Interest Rate Adjustments - In 2007, the industry saw its borrowing cost increased due to adjustments to the interest rate of the yuan. The People's Bank of China (PBoC) made ten upward adjustments of the reserve ratio, bringing it to a 15% record level. Meanwhile, deposit and lending rates had six increases, raising the one-year benchmark rate for loans to 7.47% at the end of the year. This further limited the ability of textile enterprises to obtain bank loans. The industry paid an additional 15 billion yuan in loan interest in 2007, based on the size of qualifying enterprises total debt.

These increased industry costs will make some textile firms think carefully about their commitment to CSR. Many enterprises still believe that in order to fulfill social responsibility they will have to take resources from elsewhere and see their costs rise further. But while price increases give people employed by the industry great incentive to demand better treatment, the increase in operational costs may force enterprises to cut back on employee wages and welfare. This tension between supply and demand may result in the extreme outcome of mass job cuts or business closures. Furthermore, the yuan's continuous appreciation weakens the price advantage of Chinese textile and apparel products on the international market, and the interest rate hikes hurt the industry's willingness to invest in new technology and equipment. All of these are detrimental to the protection of job security and employee rights, as well as the development of textile enterprises.

However, pressure from cost increases and profit decreases often give enterprises the incentive to look for solutions to improve efficiency. These detrimental conditions have less impact on enterprises with sound financial positions and management system than on those without proper management. Therefore, cost increases may trigger further consolidation in the industry, bringing more high-quality labor resources available to enterprises with outstanding CSR performance.

2. Changes in Government Industry Policies

In 2007, the Chinese government implemented a number of industry policies, laws and regulations that had profound economic and social impacts on the development of





the industry.

Domestic Demand Stimulation -The June 2007 revision of the Individual Income Tax Law of China increased the tax threshold. Meanwhile, the government intensified efforts to support less developed areas and disadvantaged people, such as through increased transfer payments. These efforts had a positive impact on stimulating domestic demand and promoting overall economic development by increasing the disposable income and purchasing power of low and medium-income households. Robust growth in China's domestic consumer demand was boosted by the government's macro economic policies. In 2007, domestic sales accounted for over 75% of total sales of all qualifying textile enterprises, and the domestic market became the main driving force for the development of the industry. This did not only create an environment and market conditions conducive to textile industry development, but also provided continuous material support for textile enterprises to fulfill their social responsibilities.

Consumers will play an increasingly important role in guiding the direction of CSR development as Chinese consumers become more and more aware of social responsibility. Overseas consumers have to pass their social responsibility requests through brands and retailers. In contrast, the social responsibility request of Chinese consumers will be much more direct and focused and thus have greater leverage over Chinese textile enterprises encouraging them to become more active and committed in developing their CSR policies and actions. The boycott campaign against the Semir Company in mid 2007 triggered by Semir's advertisement saying, *inter alia*, that "can't deal with global warming, but at least I look good" represented a clear example of this trend.

The Unification of Tax Burdens -The Enterprise Income Tax Law of China passed on March 16, 2007 unifies the income tax treatment for domestic and foreign-invested enterprises. It also gives a 20% preferential tax rate to qualifying small-scale, low-profit enterprises. It is an important measure to facilitate the development of small and medium-sized enterprises (SMEs), and to stimulate employment and economic development. The unification of the income tax system for Chinese and foreign enterprises embodied the vertical equality of the tax burden, helping create an encouraging tax environment for promoting fair-competition among Chinese textile enterprises. It is also conducive to the transformation of the economic growth model, industry restructuring, and the coordinated development of the regional economy. There are numerous small-scale, low-profit enterprises in the textile and apparel industry. The implementation of this policy gives them incentives, allowing them to develop and scale-up at a faster pace,

and to assume their social responsibility. It will contribute to social development by providing employment opportunities, stimulating local economic growth and promoting innovation in science and technology.

Additional Scaling

Back of the Export Tax Refund - After the two adjustments in 2004 and 2006, the export tax refund was adjusted again in June 2007. The tax refund rate for apparel and viscose fiber export was lowered by 2% and 6% respectively: from 13% to 11% for apparel export, and from 11% to 5% for viscose fiber export. The export tax refund is the “life saver” for many export-oriented textile enterprises. This significant cut of the export tax refund rate has great impact on the profit margins of these enterprises, especially the small and medium-sized textile and apparel enterprises that rely on export.

Export Guarantee System for OEM Raw Materials - The Controlled Merchandise Catalog for the Processing Trade, issued jointly by the Ministry of Commerce (MOFCOM) and the General Administration of Customs, took effect in July 2007. The Catalog contains over 1,500 tax codes for textile products. Enterprises have to deposit a certain amount of guarantee funds into an account designated by the customs authority when they import raw materials for producing these products. They can only receive a refund when the finished products are exported. This policy brings significant and direct pressure to the cash flow of export-oriented textile enterprises, and further increases their operating cost.

The implementation of the two macro adjustment policies above has increased costs for textile and apparel enterprises. The impact of cost increases on the development of CSR in the industry is like a double-edged sword. On the one hand, on the macro level, it encourages competition in productivity, facilitates industry upgrading, enables capable enterprises to upgrade technology following industry policy, boosts added values of products, and improves the overall competitiveness of the enterprises. On the other hand, on the micro level, cost increase may impact on the enthusiasm of enterprises to promote CSR, and affect their ability to invest in areas such as employee welfare, labor protection, environmental protection, social development, etc.



3. Progress in Employment Protection Standards and the Labor Contract Law

In 2007, China promulgated a number of laws and regulations aimed at encouraging and protecting employment. While reflecting the industry's efforts in promoting CSR in recently years, these laws and regulations also set more specific requirements and higher challenges for the industry.

Employment Promotion - The *Regulations for Employment of Persons with Disabilities* that the State Council passed on February 14, 2007 took effect on May 1, 2007. It stipulates that employers must ensure that at least 1.5% of their workforce are people with disabilities, or make a contribution to the Employment Security Fund for People with Disabilities. It also requires employers to sign labor contracts or service agreements in accordance with the law with people with disabilities they hire, and to provide them with appropriate labor conditions, workplace protection, and necessary trainings. The law also forbids any form of discrimination against employees with disabilities in promotion, compensation, social security insurance, etc.

On August 30, 2007, the Standing Committee of the National People's Congress (NPC) passed the China Employment Promotion Law, which took effect on January 1, 2008. The law requires employers to provide all employees with equal employment opportunities and equitable employment conditions. It forbids any form of employment discrimination, including discrimination based on nationality, ethnicity, gender, or religion of the employees. It is worth noting that the law clearly forbids employers to refuse employment opportunities to people on the grounds they are carriers of infectious pathogens. If an employer is found to exercise employment discrimination, the law grants employees who have suffered discrimination the right to file lawsuits in court. The law also clearly stipulates that workers from rural areas have the same rights of equitable employment as those from urban areas.

Adjustment of Pay and Welfare Standards - The Ministry of Labor and Social Security (MOLSS) issued *the Notice on Further Improvement to the Minimum Wage System* in June 2007. The notice calls for "continuous and greater efforts to adjust minimum wages" through the timely adjustment of minimum wage standards so that the effective minimum wage rate will not fall due to rising CPI. It also calls for gradual increases in the minimum wage rate in accordance with economic growth so as to make



sure ordinary workers can share the benefit of economic development. The Notice asks that employers make active efforts to set up and improve collective bargaining systems, through which the employer and employees define the pay scales, distribution systems, standards and payment methods of wages within the enterprise.

Emphasis on Workplace Safety - The *Regulation on the Report, Investigation and Handling of Work Safety Accidents*, passed by the State Council on 28 March 2007, took effect on 1 June 2007. The regulation sets clearly-defined degrees of accidents, procedures and strict response time limits for the reporting and investigation of such workplace safety accidents. It also significantly increases the intensity of penalties. For instance, an organization give false or delayed report or forge accident scenes will be fined from 1 million up to 5 million yuan, according to its seriousness, and main people in charge or people directly responsible will re-

ceive a fine ranging between 60% -100% of their annual income.

Labor Contract Law - The promulgation of the Labor Contract Law in 2007 was the most influential event related to CSR in China during the year. The law sets up a rigorous legal system regarding establishing labor contract relationships, signing written labor contracts, enterprise rules and



regulations, contract terms, probation periods, implementation, exemption and termination of labor contracts, collective contracts, and labor service contracts.

The promulgation of the Labor Contract Law had a profound impact on improving the labor contract system. It clearly defined the rights and obligations of the parties to the labor contract, with the aim to protect labor rights, and construct and develop harmonious and stable labor relationships. Meanwhile, its articles on indefinite-term labor contracts, economic compensation, enterprise rules and regulations, etc. will bring changes to the existing labor contract management model and human resource management principles. It increases the level of legal risk of hiring practices. Due to the lack of appropriate management systems and scant experience in negotiating, the Labor Contract Law will, in the short term, increase human resource management and labor costs for thousands of small and medium-size textile and apparel enterprises. Because of these issues, it is particularly urgent to develop a supporting system for the law. For Chinese textile and apparel enterprises, the two issues that President of CNTAC, Mr. Du Yuzhou, listed in his proposal at the NPC session in 2007, *Two Policy Suggestions for the Promotion of Corporate Social Responsibility in Textile and Apparel Enterprises*, are of critical importance.

The first issue is the inter-regional transfer and the use of social security funds for workers from rural areas. The



second is how to allow enterprises to temporarily extend working hours within China's current labor legal framework and the legal interpretation of such actions. Furthermore, the government should provide high quality and highly efficient enterprise services at low or no cost to SMEs, assisting and facilitating the establishment and implementation of the various systems required by the Labor Contract Law.

As a core element of the CSC9000T management system, the regulating and management of labor contracts is an important aspect of the CSR promotion among textile enterprises in China. In October 2007, more than 100 managers from over 50 enterprises attended special training sessions on the Labor Contract Law hosted by the Office for Social Responsibility of CNTAC in Shanghai and Shenzhen.

4. Energy Saving and Emission Reduction Requirements

The Development Guidelines on the Textile Industry in the 11th "Five-year Plan" (2006-2010) put forward three binding targets. The environmental protection target requires the industry to lower its wastewater emission per unit of output by 22% by 2010 over the 2005 level. Now energy saving and emission reduction is the top development priority of the industry. The mid 2007 outbreak of blue-green algae crisis at Lake Taihu rang an alarm for the dyeing and printing industry. Currently, the dyeing and printing capacity of Jiangsu province ranks No. 2 in China, accounting for 1/3 of all dyeing and printing products exported from China. Among the 960 plus major dyeing and printing enterprises in the province, 60%, or over 570 in number, are located in the Lake Taihu area. Their wastewater and COD emissions accounted for 75.3% and 72.3% of the total emission of the entire dyeing and printing industry in Jiangsu province. According to CNTAC statistics, the dyeing and printing industry has the second highest water usage among the different manufacture industries, with only 7% of its used water recycled. Given these circumstances, the government put intensified efforts to manage energy saving and emission reduction. Provincial governments have introduced new strict emission standards. The government has also adopted pricing measures to give enterprises a greater incentive to put more effort into energy saving and emissions reduction.

The State Council issued *the Comprehensive Energy Saving and Emission Reduction Working Plan* in May 2007. The plan further defines the goals and general requirement for energy saving and emission reduction. It tries to limit the rapid growth industries



with high-energy consumption and high pollution, and encourages the introduction of major energy saving and emission reduction technologies. This has great potential and many different applications in key industries such as the steel, textiles and paper industry. The plan emphasizes the responsibility of enterprises, for instance, enterprises need to strictly comply with energy saving and environmental protection laws, regulations and standards, and actively save energy and cut emissions. They must assume their responsibility in controlling pollution following the principle that “whoever pollutes cleans up, whoever invests benefits”. In October 2007, MOFCOM and the State Environmental Protection Agency (SEPA) jointly issued *the Notice on Strengthening Environmental Supervision at Exporting Enterprises*. The notice sets up the principle of “green trade” and asks for a stricter environmental audit in export management. Environmental violations will be publicly punished, and under the most serious circumstance, polluting enterprises will be punished by suspension of the export license. The notice also suggests the establishment of the environmental supervisor system in industries with a large trade-surplus, rapid growth and serious environmental problems, such as in the chemical, textile and light industries. Under the system, enterprises shall set up an environmental management department with dedicated environmental supervisors in charge of reviewing and recording environmental performance indicators of the enterprise. They shall also, on a regular basis, report to local business and environmental protection authorities, and publish environmental reports to the general public for public scrutiny.

The energy saving and emission reduction efforts will increase the operating cost of textile enterprises. But in the long-run, it is an important approach to speed up the transformation of the industry growth model and optimize the industry's structure. In order to better save energy and reduce emissions,



new technology and equipment will be deployed at a faster pace. This will speed up the process of product upgrading, industry restructuring and industry upgrading. CNTAC therefore adopted a series of measures in 2007 to promote energy saving and emission reduction in the industry. In early 2007, the State Council launched the First National Survey of Pollution Sources. Following a request from the survey's Leading Committee, CNTAC set up a task force to compile waste emission metrics for the textile industry. CNTAC signed a cooperation agreement with the China Research Academy of Environmental Sciences on 16 June 2007 to carry out the work.

In October 2007, China Dyeing & Printing Industry Association (CDPA) published the first *Catalog of Recommended Advanced Dyeing and Printing Technologies for Energy Saving and Emission Reduction in China* at the 2007 Annual Conference of the industry on the same topic. Covering 35 new items of dyeing and finishing technology and equipment (new fiber processing technology, water recycle and reuse technology, dyeing and printing waste recycle and reuse technology, online product inspection and control technology, new high-efficiency dyeing auxiliary material technology, etc.), the Catalog will facilitate introducing and implementing them, helping the industry develop sustainably.

5. Changes in International Trade Environment

In 2007, both the European Union and the United States, the two most important markets for the China's textiles and apparel trade, adopted a series of measures with profound impact on the industry. However, they imply very different approaches towards CSR.



United States - In 2007, the US government imposed quantitative quotas on 21 categories of textile products imported from China, such as cotton-knit shirts, cotton pants, synthetic fiber cloth, etc.

The US Department of Commerce additionally ruled in March 2007 to apply an anti-subsidy law to coated-paper products imported from China, and started charging temporary countervailing taxes. This reversed the practice, adopted by the US government since 1984, of not applying the anti-subsidy law to "non-market economies." It may also provide the US textile industry with another way to restrict textile and apparel imports from China upon the expiry of the Sino-US Textile Agreement in 2008. Soon after this verdict, US industry organizations, such as the National Council of Textile Organizations (NCTO), started discussing using anti-subsidy tax as another effective tool to limit textile imports from China. They also started planning to initiate countervailing investigation against Chinese apparel products. While the US International Trade Commission (USITC) ultimately decided on 20 November

2007 not to apply anti-dumping and countervailing sanctions on Chinese coated-paper enterprises, similar practices are becoming a new form of trade barrier in Sino-US trade, and other countries might follow suit.

In July 2007, for example, the US Department of Commerce started a joint anti-dumping and anti-subsidy investigation against composite woven bags imported from China. The number of anti-dumping investigations initiated by India and Turkey against Chinese textile products has passed that made by the European Union. US restrictions on Chinese textile and apparel products appear to be reverting to a more traditional pure protectionist posture, and CSR-type measures or discussions have hence not featured in the scenario of Sino-US textile trade.

European Union - In early April 2007, European Commission Vice President Guenther Verheugen said in Beijing that the European Union would not apply protectionist measures against China. In October 2007, China and the EU Commission reached a new textile and apparel trade agreement

that removes quantitative quotas on 10 categories of Chinese textile exporting to the EU from January 1 of 2008. Protectionist measures in the Sino-EU textile trade thus weakened further in 2007. Nonetheless, CSR-related issues, ranging from consumer protection, environmental protection to social responsibility qualification in trade, are now becoming one of the most important topics in the dialogue mechanism and related measures of Sino-EU textile trade.

The EU's *Registration, Evaluation, Authorization and Restriction of Chemicals Restriction (REACH)* took effect on 1 June 2007. It seeks, by regulating all chemicals - applying a comprehensive monitoring system of all those produced and imported - to safeguard human health



and the environment from damaging chemicals used and sold in the EU. The textile industry is a downstream industry of the chemical industry. Yarn, fabrics and other textile and apparel products made from them inevitably contain some chemical traces. In the long term, the strict environmental and technological standards of REACH can help Chinese textile enterprises upgrade technology and improve quality, eventually facilitating industry restructuring and upgrading. In the short-run however, early experience since REACH took effect showed a negative impact on China's textile industry. Lacking knowledge of REACH, the bar has been raised for most Chinese textile enterprises in exporting to the EU. Furthermore, because REACH imposes higher-priced dyeing chemicals and stricter requirements for procedures and techniques, the industry will experience higher costs as a result of it.

In May 2007, the EU decided to extend the life of its eco-label system for six categories of products, including textile

products. The expiration date for textile products was extended to 31 May 2008 (from 31 May 2007). This eco-labeling system adopts the environmental standards for textiles from the EU Ecolabel on Textiles Decision (2002/371/EC, as amended). These standards include: the prohibition of using certain chemicals in the transportation and storing of textiles, the prohibition of using heavy metal salts (except iron) or form-

aldehyde for stripping color or detreating; the prohibition of using chromium media dye; the prohibition of using carcinogenic, teratogenic or toxic dyes and flame retardants that are harmful to environment and public health etc.

Under the new Sino-EU textile trade agreement reached in October

2007, the Sino-EU textile trade is controlled by a "dual supervision" system, i.e. China uses an export permit system for exports aimed at the EU market, while the EU employs an automatic import permit system. The new agreement is more relaxed than the import quota system, with 8 product categories under restriction instead of 10, as previously. Based on this agreement, the China Chamber of Commerce for Import and Export of Textiles (CCCT), CNTAC and China Association of Enterprises with Foreign Investment (CAEFI) jointly issued *the 2008 Textile Export Enterprises Qualification Standards for Sino-EU Bilateral Monitoring* in late October 2007. It requires textile and apparel enterprises intending to export to the EU market to "abide by Chinese laws and regulations, with no record of violations of intellectual property and environmental protection legislations for three successive years; and meet the industry's self-discipline requirements of related industry associations and chambers of commerce." To fulfill social

responsibility and develop and improve proper social responsibility management system are among the industry's requirements for self regulation.

To conclude, with the continued growth of its exports, China's textile and apparel industry faces an unprecedented combination of impacts from two different kinds of trade policies, protectionist practice and social responsibility requirements. Protectionist barriers such as anti-dumping and countervailing, will still be the main threat that the Chinese textile export enterprises have to face in the near future. However, Chinese textile and apparel enterprises are much less experienced in dealing with CSR issues than the former. Therefore, from the industry point of view, on the one hand, Chinese textile and apparel enterprises should be encouraged to take proactive action to improve their own CSR management system and performance; while on the other, CSR requirements cannot be allowed to be used as pure technical trade barriers, as what is called "green barriers" and "blue barriers."

Part Two

CSR Development in the Chinese
Textile and Apparel Industry in 2007

Chen Shujin, Vice President, CNTAC

2007 was the year that CNTAC has made significant progress and strategic breakthroughs in the field of social responsibility. This part of the report introduces in detail the development of CSR in the Chinese textile and apparel industry in 2007 from the following five aspects: the CSC9000T implementation and international cooperation projects, and CSC9000T system and expert team development; strategic cooperation and dialogue on supply chain; recognition and impact at home and abroad; CSR promotion beyond the textile industry; and other CSR practices within textile industry.

I. Promotion, Implementation, System and
Expert Team Development of CSC9000T

1. CSC9000T Promotion and Implementation

CSC9000T entered its second year of implementation in 2007, expanding from pilot enterprises to industry clusters, with richer content and a more sophisticated model. The CSC9000T pilot project was completed during the year with ten firms participating. After completion of re-evaluation conducted from April to July 2007 and the establishment of the corporate social responsibility management system as defined by and complied with CSC9000T, nine of them have become the first group of CSC9000T implementing enterprises. They were:

Beijing Aimer Lingerie Co., Ltd.

Beijing Topnew Knitting Group Co., Ltd.

Wenzhou Baoxiniao Group Co., Ltd.

Suzhou Gaiqi Garment Co., Ltd.

Hangzhou Hempel (China) Co., Ltd.

Wuxi Hongdou Group Co., Ltd.

Wenzhou Jodoll Garment Co., Ltd.

Shandong Ruyi Wool Co., Ltd.

Guangdong Esquel Group.

Part 3 of this report highlights the findings and results of the CSC9000T pilot project.

Besides, as an important expansion step of the strategic implementation plan of CSC9000T, the “10+100+1000” Project of CSC9000T promotion and implementation among industry clusters was officially launched in 2007. Part 3 of this report also gives a systematic introduction to the planning of this project and its implementation in 2007.

Meanwhile, CSC9000T has received increasing recognition and support from enterprises in the industry. For instance, the one hundred Chinese apparel enterprises attending the Nanshan Conference of the Chinese apparel industry in April 2007 worked together to develop a set of seven strategic development priorities for the industry. One of these aims to “develop stronger industry self-discipline and put the market in order, so as to allow the Chinese apparel industry to integrate with the international supply chain and meet the challenge of economic globalization”. For this purpose, “The industry association will actively promote and implement the CSC9000T Principles and Guidelines”.

2. Development of the CSC9000T System and Expert Team

After releasing *The CSC9000T Principles and Guidelines* in 2005 and *The CSC9000T Implementation Guidance*

Documents in 2006, the research team of the Office for Social Responsibility of CNTAC put its efforts into the development of system evaluation tools and an enterprises documentation system in 2007. A CSC9000T implementation documentation system and toolkit was completed in March 2007, before the re-evaluation of the CSC9000T pilot project started. The completion was marked by the official launch of a complete set of the *CSC9000T Trainer and Evaluator Document Toolkit* consisting of 35 documents and tools, together with the document templates for the implementing enterprises.

As the documentation system and implementation toolkit became ready, the Office for Social Responsibility of CNTAC officially started building the expert team. In March 2007, the first training session for CSC9000T trainers and evaluators was held in Beijing. Twelve CSR experts from three partner organizations of CNTAC, TUV NORD (Germany), CHINACIPC (China) and SGS (Hong Kong), attended a three-day intensive training and received CSC9000T evaluator and trainer certificates after passing the exam. CNTAC also used this opportunity to launch the *Code of Conduct for CSC9000T Evaluator and Trainer (Trail Version)* to regulate the qualifications, codes of conduct and other professional requirements for CSC9000T professionals. In August 2007, eleven experts from four partner organizations, including Det Norske Veritas (DNV), participated in the second training in Beijing and became CSC9000T evaluators and trainers accordingly.

By the end of 2007, there were already over thirty members in the CSC9000T expert team, who conducted most of the CSC9000T factory evaluation, training and consulting work in the whole year.

II. Stakeholder Recognition and International Cooperation

1. Stakeholder Recognition

The introduction and implementation of CSC9000T have aroused great social influence both at home and abroad, attracting the attention and interest of various stakeholders of the Chinese textile and apparel industry.

Soon after the *2006 Annual Report on Social Responsibility of China Textile and Apparel Industry* was launched at the first Annual Conference on Social Responsibility of the industry, China WTO Tribune, a publication under the MOFCOM, selected the publication of the report as one of the *2006 Top 10 Corporate Social Responsibility Events* in January 2007. It remarked that the report:

“...symbolized the vision and practice of the Chinese textile and apparel industry in transforming China from a large to a major textile producer through industry restructuring and upgrading. To this end the industry, by establishing and implementing industry self-discipline standards, is trying hard to build harmonious enterprises, harmonious industry clusters, a harmonious industry, and a harmonious global supply chain.”

The journal also affirmed that “industry associations are capable of playing a major role in promoting and implementing good business ethics and codes of conducts”.

In April 2007, experts from government agencies, academic institutions and enterprises participated in the Conference on CSC9000T Study and Assessment in Beijing. In the *Assessment Report*, the experts concluded that “the research on and implementation of CSC9000T has great strategic importance. It contributes to the harmonious economic and social development of business, industry and society following a people-oriented, scientific development strategy. The unique innovation in the study and management system of combining theoretical research with industry practice should be promoted”. In November 2007, CSC9000T won the first prize in the CNTAC Science and Technology Awards.

In May 2007, the National Development and Reform Commission (NDRC) published a study report entitled *Progress in Social Responsibility Development in the Textile Industry* on its website. The report paid high tribute to the textile industry’s efforts to develop social responsibility, such as coordinating studies, designing systems, estab-





lishing leading organizations, involving major enterprises in the pilot project, and initiating international communications. All these measures, the report concluded, would help China's textile firms learn new management principles, develop management skills and core competences, improve productivity and profitability, and create positive images of the industry both at home and abroad. In September, NDRC added CSC9000T to its *Recommended Industry Standards Development Plan* because it was in line with the industry policy and development priorities of the textile industry.

"Industry self-discipline, people-centered, and scientific development" are the three core principles that the Chinese textile industry has followed in developing CSR in the industry. These principles and other efforts of the industry were highly regarded by interested international organizations, projecting a positive world image for the Chinese manufactory industries. In October 2006, the French organization Observatoire sur la Responsabilite Societale des Entreprises (ORSE), remarked in its report of *Corporate Social Responsibility in China* that "The aim of this system, is to create a fair-completion market and improve the international image of Chinese manufacturers. The practicability of the management system makes it possible to help companies improve social and environment efficiency. The CSC9000T also advocates the expansion of the decision-making process to other stakeholders, mainly the employees".

In February 2007, the United Nations Department of Economic and Social Affairs (UNDESA) highly commended CNTAC for its innovation and practice in sustainable development. In the first issue of its 2007 *Sustainable Development Innovation Briefs*, UNDESA remarked that "In China, officials have actively endorsed efforts to make the country a standard-setter, not simply a 'taker' of standards developed elsewhere. CSC9000T, a textile industry standard, was developed within the China Textile and

Apparel Council with government endorsement and adopted in 2005. It is based on Chinese legislation and provides a management system for companies wishing to be socially responsible". The World Bank also listed CSC9000T as an example of country specific CSR standards in its *Key Corporate Responsibility Codes, Principles and Standards*. The Office of the US Trade Representatives expressed its positive opinion on the "management system principles" of CSC9000T in its *2007 National Trade Evaluation Report: China*. It says that "Increasing numbers of Chinese firms have realized the importance of social accountability but remain confused about the various foreign corporate social accountability standards and certifications bodies that exist. The Council formed CSC9000T to formulate Chinese CSR standards to promote among Chinese firms. The standards are based on relevant Chinese legislation and regulations and reference of international practices... CSC9000T is designed as a capacity building program to train members on best practices for complying with Chinese legal standards, rather than an accreditation or audit-based system".

Meanwhile, CSC9000T became a hot topic for the study of CSR globally. During 2007, the Office for Social Responsibility of CNTAC received requests of scholars and students from universities and research institutions in China, the United States, Germany, New Zealand, Sweden, the United Kingdom and the Netherlands for information on their studies. In January and November, EMBA students at the Copenhagen School of Business in Denmark studied the design and implementation of CSC9000T to learn about the development of CSR in China. Internet search hits show that CSC9000T and its implementation were covered by over 200 theses and reports, receiving objective analyses and positive remarks from most of them. For instance, in a paper published in March 2007, Cynthia A. Williams and Li-Wen Lin of the University of Illinois College Of Law pointed out "The standards set forth in the CSC9000T are long-term goals or commitments rather than immediately applicable substantive standards. CSC9000T is a management tool to help a firm manage its social responsibility risk, as well as improve its performance, rather than a standard by which to certify performance. While CSC9000T does not, in principle, have the force of law, it may nonetheless be useful in helping local



government officials develop the capacity to evaluate manufacturing facilities.”

2. International Cooperation

CNTAC continued with the implementation of two main international cooperation projects on CSR in 2007. They are: the CSR in Chinese Textile Industry Project jointly conducted by CNTAC, the International Labor Organization (ILO) and the United Nations Industrial Development Organization (UNIDO), and the joint project of China Textile Industry Environmental and Social Performance Improvement Project between CNTAC, IVAM Netherland, Shandong Provincial Bureau of Environmental Protection and Shandong University.

The CSR in Chinese Textile Industry Project adopted the approach of training management and workers together. Two managers with relevant responsibilities and worker representatives from each participating enterprises received training on how departments in the workplace with different functions could collaborate better to improve their CSR performance. The training covered five subjects: workshop cooperation, quality and productivity, clean production, occupational health and safety and human resource management. Two training models were adopted: comprehensive training with expert guidance, and intensive training with self-study. Through the training, the CSR performance of the participating firms kept improving. By the end of 2007, over 240 managers and workers from 30 enterprises located in three areas: Zhongshan

city in Guangdong, Wujiang city in Jiangsu and Hainjing city in Zhejiang, attended the trainings of this project.

The China Textile Industry Environmental and Social Performance Improvement Project continued in Shandong province in 2007. In April and August, managers in charge of human resources, safety, energy conservation, and environmental protection at 29 major textile enterprises from all over the province participated in the in-depth training in CSR management in Weifang and Zibo. During the two years since the project was launched, over 500 managers from 88 textile enterprises in Shandong province have received trainings in social responsibility and environmental management.

Besides these two projects, the Office for Social Responsibility of CNTAC worked with the EU-China Trade Project (EUCTP) to launch the China-EU Corporate Social Responsibility “Train the Trainer (TTT)” Project in late November 2007. This project intends to provide capacity building to senior and middle-level management of firms implementing CSC9000T, and local people in charge of CSR at the participating industry clusters of the “10+100+1000” Project. It helped them master the basic principles and skills of corporate social management, and encouraged them to pass on this knowledge to others at their enterprises. During the second half of December 2007, over 70 people attended a training session on the construction of collaborative labor relationship in Beijing, and another on responsible production in Guangzhou.

III. Supply Chain Strategic Cooperation and Dialogue

1. International Supply Chain Strategic Cooperation

CNTAC had a very successful year in 2007 in its efforts in strategic cooperation and dialogue on responsible supply chain. It reached consensus with the European Foreign Trade Association (FTA) on further efforts to promote and implement CSR in the international supply chain. A cooperation agreement was signed on 18 May 2007.

According to the agreement, the two organizations have become strategic partners in building a responsible supply chain through a series of measures, such as information exchange, joint trainings for suppliers on social performance, exchange of evaluation results, joint development of training materials, and creating a platform for dialogues in supply chain management, etc. The two organizations actively work together to avoid duplication in their work and finally to unify both systems. This partnership is another landmark in the development of CSR in China, marking the dawning of a new era in which people start exploring and assuming mutual responsibilities in the supply chain. It not only allows Chinese and European enterprises to develop social responsibility in a supportive and interactive way, but also provides strategic guidance and a feasible sample for the development of a responsible global supply chain.

The first action following the agreement was taken by CNTAC and FTA in late May 2007. A series of joint trainings on their respective systems was given to over 800 Chinese suppliers in Shenzhen and Shanghai. At the end of 2007, at FTA's invitation, a CNTAC delegation paid a 10-day CSR study tour to Europe. The eighteen members of the delegation were from CSC9000T implementing enterprises, industry clusters, NDRC, MOLSS, MOFCOM, the Chinese Financial, Commercial, Light Industry, Textile and Tobacco Workers' Union, and the Office for Social Responsibility of CNTAC. During this visit, the delegation participated the "European Market Place on CSR" hosted by CSR Europe in Brussels. The delegation also visited and had discussions with a number of government agencies and organizations, such as the EU Commission, FTA, the Swedish Textile Importers Association, the Swedish Foreign Ministry, and GTZ, and brands and retailers such as Lindex, Stadium and Indiska in Sweden and Otto, C&A, Arcandor in Germany. During this visit, CNTAC reached a preliminary agreement with the Swedish Textile Importers Association on joint training and mutual recognition of CSR management





2. Annual Conference on CSR and Dialogues on Supply Chain

In order to summarize and review the development of social responsibility in the previous year, and provide the supply chain and stakeholders with a regular dialogue platform, the second Annual Conference on Social Responsibility of the Chinese Textile and Apparel Industry was convened in the Great Hall of the People in Beijing on 18 December 2007. The subject of the conference was “Assume responsibility and Uphold the People-oriented, Scientific Development Approach” At the conference, the industry’s achievements in CSR promotion and implementation were highlighted and appreciated, and the *Plan “200·8”* was presented as the action plan for future development (refer to Part IV of the report for details). CNTAC President Du Yuzhou pointed out in his speech that the development of CSR was demanded by the industry itself for its own healthy and sustainable development. NDRC Vice Chairman Ou Xinqian highly praised CNTAC’s efforts and devotion to CSR in the past two years. In their keynote speeches on *The Construction of a Responsible Global Textile Supply Chain*, FTA representatives talked about their suggestions on solutions to a responsible and sustainable textile supply chain; and WRAP representative introduced their plan to work together with CNTAC to coordinate their efforts following a technical committee model. WRAP believes that “as both CSC9000T and WRAP are rule of programs, there is a great possibility for integrated acknowledgement of each program”. The conference concluded by honoring twenty five people “CNTAC Awards for CSR Promoters” (see Appendix I for a complete list).

systems, with the aim of promoting mutual understanding and capacity building in the textile supply chain between China and Sweden, and to gradually eliminate audits on the social responsibility performance of Chinese textile and apparel firms conducted by Swedish textile buyers.

From August to October 2007, the Office for Social Responsibility of CNTAC had discussions on cooperation in CSR with a number of organizations and companies, such as Worldwide Responsible Accredited Production (WRAP, previously known as the Worldwide Responsible Apparel Production), the Organization of Economic Cooperation and Development (OECD), and the Walt Disney Company etc..

IV. CSR Promotion Activities beyond the Textile Industry

In 2007, as the practice of the industry in developing CSR attracted more and more interest and recognition, the Responsibly Supply Chain Association (RSCA) of CNTAC initiated a series of exchange and promotion projects beyond the textile industry, creating extensive and profound social impacts.

On February 28 2007, CNTAC and the Chinese Financial, Commercial, Light Industry, Textile and Tobacco Workers' Union of the All China Federation of Trade Unions (ACFTU) held their fifth joint meeting to share the experience of the successful implementation of CSC9000T, and to explore how to advance the development of harmonious labor relations,

healthy growth of the industry and harmonious society in a pragmatic way under the new circumstances. On June 28 2007, the Office for Social Responsibility of CNTAC was invited to talk at a CSR training program organized by China Federation of Light Industry Association (CFLIA). On the subject of "Corporate Social Responsibility and Industry Development", the CNTAC expert gave a detailed introduction on the development and practices of CSR both in China and abroad and the experience from CSC9000T implementation. CFLIA leaders highlighted the importance and urgency of CSR to the healthy development of the industry, and representatives from over 50 CFLIA member associations participated in this training program.

In 2007, CNTAC also actively engaged in communication and cooperation with academic institutions and NGOs beyond the industry. During the CSR Training and International Communication Program hosted by China Philanthropic Times in May 2007, expert from the Office for Social Responsibility of CNTAC introduced the enterprise perspectives on CSR development to senior and middle-level staff members of over 30 NGOs from all over China. Main topics discussed included how CSR was understood in enterprises, the different CSR development models of enterprises with different ownership structures, and case studies on enterprise-NGO partnerships.

In November 2007, the China Association for NGO Cooperation (CANGO) and the





Department of Commerce of Ningxia Autonomous Region worked together to host a training program on “Employee Management and Corporate Social Responsibility”. The Office for Social Responsibility of CNTAC was invited to give lectures on the core issues of CSR development, such as workplace health and safety management and productivity improvement. Feasible solutions to these challenges based on CSC9000T were also presented. Participants of the training program included senior and middle-level management from local state-owned enterprises (SOEs), private enterprises, and joint-ventures of the metallurgy, construction, food processing, textile and apparel, telecommunications and supply chain industries, local Trade Unions, government representatives from the Bureau of Textile and Light Industries, Bureau of Quality and Technical Supervision, Legal Office, as well as people from local NGOs, such as the Women’s Federation, the Entrepreneurs’ Association, the Poverty Alleviation Foundation, etc. It was the first recorded training program on CSR in Western China, and a groundbreaking activity of CNTAC in promoting knowledge about CSR and the concept of sustainable development in the central and western regions of China.

In 2007, the CNTAC Social Responsibility Office teamed up with the Center for Women’s Law Studies and Legal Services of Peking University to work on the Workplace Sexual

Harassment Prevention Program. On 19 and 20 January 2007, the two organizations co-hosted the International Seminar on Developing Enterprise Sexual Harassment Prevention Systems in Beijing. This was the first time in China that an industry association collaborated with an academic institution to study the prevention of sexual harassment. Experts from the Office for Social Responsibility of CNTAC introduced their experiences in designing and implementing CSC9000T with regard to workplace sexual harassment, which was highly appreciated by the participants. In November 2007, a workshop on “CSR and the Prevention of Workplace Sexual Harassment” initiated by the two organizations was held at Beijing Aimer Lingerie Co., Ltd., making it the first Chinese enterprise to offer thematic training on this topic. Over thirty management staff from Aimer took part. Aimer management affirmed their plan to establish and improve the relevant system within their CSC9000T framework, and that such a system should be able to reflect international practice and to help create a safe and pleasant working environment. They also put into the plan concrete steps to strengthen such internal workplace sexual harassment prevention scheme through training, communication, and complaint procedures. By doing so, they felt, the company would be able to effectively avoid risks in its march into the international market.



V. Other Corporate Social Responsibility Practices within the Industry

2007 witnessed CSR being one of the most discussed topics in the industry. People of the industry worked actively to interpret, advocate and promote it, resulting in many highlights other than the work originated by CNTAC.

During the 2007 sessions of the National People Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), proposals raised by textile and apparel industry representatives placed CSR under the spotlight. Qian Yuebao, NPC member and chairman of Menglan Group in Jiangsu province, called on the owners of private textile enterprises to assume their responsibility and create wealth for general and shared prosperity. Shen Aiqin, NPC member and chairman of Wanshili Group in Zhejiang province, said that during China's transition from a "arge" to a "major" textile producer, not only is it necessary to focus on quality instead of quantity, but also to establish a sustainable industry development pattern that was responsible to people, society and the environment. He proposed to give CSR a clear definition, and to add an article to the general principles of the Company Law providing, among other CSR requirements, that "companies should take feasible actions to assume their social responsibility in workplace safety, environmental protection, occupational health, employee rights." In his bill to the NPC, Zhao Linzhong, NPC member and general manager and party secretary of Fu Run Holdings Group Co. in Zhejiang, proposed that government shall make full use of the leverage of tax policies to solve the problem of textile workers' low income levels, and further address the issue of equitable distribution of social wealth. Gao Dekang,

NPC member and chairman of Bosideng Holdings Ltd., defined the social responsibility of Chinese textile entrepreneurs as to include brand building, intellectual property protection, and construction of fair market competition, which all contribute to the healthy development of the industry.

Among the various CSR issues, the proactive protection of labor rights is now one of the shared views on the CSR core requirement among all textile and apparel enterprises. In June 2007, the All China Federation of Industry and Commerce and the All China Federation of Trade Unions announced the Fourth “Care for Win-Win” Awards. Senior management from firms such as Jiangsu Yulun Textile Group, Jilin Provincial Garment Company, Guangdong Virtue Group, Jiangsu Shuangshan Group, and Quanzhou Jiumuwang Apparel Development Co., were awarded for their efforts in actively promoting the balanced development of enterprises and employees.

Last but not least, active involvement and engagement in CSR by other enterprises in the industry, such as Beijing Lining Sports Co. and Hunan Wangbuliao Apparel Co., to name but a few, also won wide recognition and high praise of stakeholders.



CSC9000T

中国纺织企业社会责任管理体系
China Social Compliance for Textile & Apparel Industry

系统提高社会责任管理水平 持续提升行业整体竞争力



■ 管理体系



■ 劳动合同



■ 童工



■ 强迫或强制劳动



■ 工作时间



■ 薪酬与福利



■ 工会组织与集体谈判权



■ 歧视



■ 骚扰与虐待



■ 职业健康与安全



CSC9000T “10+100+1000”项目

在十个左右纺织服装产业集群内选择百家骨干企业建立中国纺织企业社会责任管理体系CSC9000T，对上千家中小纺织服装企业进行社会责任基础培训，并在项目实施过程中为各产业集群、骨干企业及中小纺织服装企业培养1500名左右企业社会责任管理人员。

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Part Three

Implementation of CSC9000T Pilot Project and the "10+100+1000" Project



I. CSC9000T Pilot Project

1. Initial Evaluation and Training

On 28 March 2006, CNTAC officially launched the CSC9000T pilot implementation project with the participation of ten enterprises. The first circle of the process, "Initial Evaluation - Training - Re-evaluation," commenced in April 2006. At the initial evaluation stage, CSR conditions in the pilot firms were assessed through on-site visits, employee interviews and document checks. An evaluation report was generated for each enterprise, showing their performance and identified problems. Based on the findings, each firm was then required to conduct initial self-improvement. Meanwhile, management of each pilot enterprise spent time taking part in on-site training conducted by CSC9000T experts on performance improvement and system establishment and operation. Upon completion of the training, management and experts worked together to develop a specific action plan for system development. The enterprise then had a chance to do a trial run with at least two months between the completion of the system set-up and re-evaluation. The re-evaluation asked whether the system in place was complete, how effective it was, and how were the problems identified in the initial evaluation improved.

The Office for Social Responsibility of CNTAC sent the expert evaluation team to ten pilot enterprises to conduct the initial evaluation in mid May 2006. The initial evaluation was completed in June 2006. CSC9000T experts gave system training at the pilot enterprises from early August to early November 2006. Each pilot enterprise started system development after they finished the training. The system trial run process started in mid January 2007.

According to the system development procedures given by the Office for Social Responsibility of CNTAC, the CSC9000T implementation at the pilot enterprises would reach the training stage after the enterprises completed self-improvement based on the results of the initial evaluation. Implementation proper then started. Starting from early August 2006, the Office for Social Responsibility assigned one expert trainer to each pilot enterprise. The trainer gave a 16-hour on-site training, lasting two and a half days, to management and employee representatives of the firm. The training had two themes, CSC9000T-based analysis of CSR conditions and problems, and the establishment of CSC9000T management system. The first theme focused on identifying and analyzing problems with the specific CSR conditions in textile enterprises, especially in the pilot enterprise itself. Through this process, management could clearly understand the specific requirements regarding each issue. The second theme focused on how to develop and operate the CSC9000T CSR management system, including how to prepare system documentation, how to manage and control the operation of the, with the aim to help the management understand the principles of the system. Even though the two-month training period overlapped with the busy season of production, these pilot firms arranged for their medium and low-level managers to be able to complete the training in full. Over three hundred people from the ten pilot enterprises participated in the training, including top and senior management from some of the enterprises.

After the training, the trainer at each enterprise spent two hours communicating with management, including senior management, on specific follow-up arrangements for the project. This included goals and deadlines for performance improvement, team development, resource allocation, employee communications and cross-training, compiling system documentation, etc. Based on their communication and

discussion, a *System Development Plan* was developed as the basic guide for the next step of the project between the enterprise and the Office. Compiling documentation was the core of the development of CSR management system in the plan. Based on data from the training and the specific conditions at the enterprise, each pilot enterprise started preparing system documentation and corresponding management systems and procedures by following *The CSC9000T Implementation Guidance* issued by CNTAC. During the compilation and self-improvement processes, the pilot enterprises could ask for advice and help from the trainer or the Office for Social Responsibility of CNTAC. They could also ask the Office to send experts for on-site guidance. From early August 2006 to mid April 2007, CNTAC sent thirty-two experts to the pilot enterprises to give on-site assistance. Statistics show that CNTAC experts also gave over eighty suggestions to the pilot enterprises on system development and self-improvement through e-mail and phone calls.

According to *The System Development Plan* co-developed by the firm and the trainer, and observations on the follow-up work of the Office for Social Responsibility of CNTAC, a pilot enterprise would normally finish the preparation work-including documentation compilation, evaluation and feedback, staff assignment, system set-up, and resources allocation-in about two months.

Each pilot enterprise subsequently entered into a trial run stage of its CSC9000T management system lasting two to three months. During the trial run, the enter-



prise needed to make timely adjustments to the system based on its results. Eventually the system should reach its optimal condition in which it operated in the most appropriate, efficient and effective way. The enterprise could also try to use this system to prevent and solve CSR problems. Once the system had been fully established and was operating smoothly, the enterprise could apply for re-evaluation.

2. Re-evaluation

The re-evaluation stage of the CSC9000T pilot project was officially launched at the Hongdou Group in Wuxi, Jiangsu province on April 9, 2007. Its focus was on the compliance, effectiveness and applicability of the CSC9000T system. It also examined whether problems identified during the initial evaluation had been solved and prevented in a systematic way. Therefore, the first task for the pilot enterprise during the re-evaluation was to submit *The Problem Improvement Report* and *The System Development Report* to the expert team. *The Problem Improvement Report* covered the improvement measures and processes taken by the enterprise to address problems identified in the initial evaluation, and their outcomes. The firm was required to include all identified problems in the report, but it could have in-depth discussions with evaluation experts on disputed problems. *The System Development Report* focused on the efforts and inputs the enterprise made to establish the CSC9000T system, including staff assignment, resource allocation, employee communications and cross-training, compilation and briefing on system documentation. The enterprise could also include the experience it gained in the system implementation process, and its opinions and suggestions on how to improve the system. Other than these two reports, the re-evaluation also used questionnaires and expert interviews to examine the enterprise's improvement in CSR performance. Especially in the questionnaire, employees

of the pilot enterprise were asked to rate its CSR performance, both at the time of the initial evaluation and at the time of the re-evaluation, in percentage terms. These two scores, after being averaged for each enterprise, were returned to the enterprise as part of the CSR performance metrics.

Besides examining the improvement over the identified problems, the re-evaluation also applied special evaluation tools to examine the quality of the enterprise's CSR management system. For instance, the re-evaluation report listed four grades of "improvement" :

1. Improved: the problem has already been improved with clear results;
2. Action taken: improvement measures have been taken, but results have not been identified;
3. Not handled: no measure is taken and problem remains;
4. Problem disputed: the enterprise doubts whether it is a legitimate problem, or has other reasonable explanation for the problem.

Regarding evaluation of the CSC9000T system itself, the re-evaluation report contained two attachments, a *Procedure Evaluation Form* and a *Documentation Evaluation Form*, which made comprehensive, item-by-item analyses of the compliance, effectiveness and appropriateness of all necessary CSC9000T procedures and documents, and other procedures and documents maintained by the enterprise. They also provided improvement recommendations accordingly. After the evaluation expert filled out the two forms, they became part of re-evaluation report, providing a checklist for the pilot enterprise to improve its procedures and documentation for its CSR system development. Meanwhile, the two forms (and other information) could also be used by the enterprise as internal audit tools.



The re-evaluation of the first nine CSC9000T pilot enterprises was completed successfully in late July 2007.

3. Summary of Re-evaluation Results

The completion of the re-evaluation of the nine pilot enterprises marked the successful completion of the applicability test of CSC9000T at the industry level. It also marked a new era of normative, systematic and generally applicable CSR practice in China's textile industry. The results not only showcased the applicability of the CSC9000T, but also, to some degree, reflected changes in perceptions and actions of the industry in general, and these enterprises and their management and employees in particular regarding CSR during the previous year. This part of the report utilized the findings of the CSC9000T re-evaluation (including re-evaluation report, employee survey and management survey) to illustrate the conditions and changes at the pilot enterprises in the following aspects: key CSR performance metrics, the improvement of problems identified during the initial evaluation, employee

participation and satisfaction, CSR management and supply chain impact, and stakeholder evaluation.

(1) CSR Performance Metrics

Performance indicators for each core CSC9000T element were identified before the re-evaluation started. These indicators formed a basic framework to evaluate the management of CSC9000T elements at the pilot enterprise. They also consisted of a basic indicator system with which the enterprise's CSR management system was constructed and how it functioned. Therefore, the nine pilot enterprises were put into two categories, Compliance and Non-compliance, regarding the core performance indicators for each CSC9000T element. The results reflected the CSR performance of the pilot enterprises, and the major challenges of CSR in the industry represented by these enterprises. The element of management system is discussed separately later in this chapter, so is not covered in this section.

Employment Contract

All pilot enterprises maintained a high percentage of employees with employment contracts (some enterprises did not sign employment contracts with temporary workers), and all employees were given an original copy of their employment contract. Some articles of some enterprises, however, did not comply fully with CSC9000T or other laws and regulations. Major non-compliance included lacking of wage clause, base wage below the local minimum wage level, non-defined job descriptions or employment protection and labor conditions, etc.. (Figure 3.1: The horizontal axis shows the serial number of the indicators, and the vertical axis shows the number of enterprises. The text box to the right of the graph provides indicators. The same convention applies to other figures.)



2.1 Employment contract signed by enterprise with all employees

2.2 Contract articles meet requirements of CSC9000T and other laws and regulations

2.3 All employees are given an original copy of their employment contracts



Figure3.1 CSC9000T Performance Indicator - Employment Contract

Child Worker

Almost no pilot enterprise employed child workers, except for one enterprise which had an inherited case. All enterprises registered juvenile workers in their workforce according to the law. However, a few enterprises did not establish effective management measures to prevent the entry of child labor. Some enterprises, on the other hand, gave insufficient protection to juvenile workers, or only provided health examinations upon hiring, without periodical examination arrangement or records. (see Figure 3.2)



- 3.1 No child worker identified
- 3.2 Effective measures to prevent the hiring of child labor
- 3.3 All existing juvenile workers registered according to the law
- 3.4 Proper protection to and physical examination records for juvenile workers

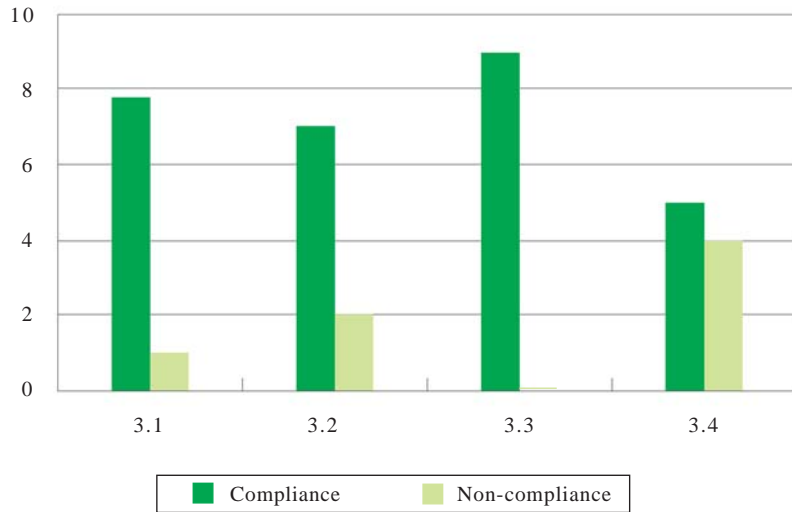


Figure3.2 CSC9000T Performance Indicator - Child Worker

Forced or Compulsory Labor

All pilot enterprises had good performance at all indicators regarding this issue. There was only one enterprise that asked its employees to give their ID to the management for a month to prepare their employee documentations and passes. (Figure 3.3)



- 4.1 No forced or compulsory labor identified
- 4.2 Employees are not asked to turn in IDs or deposits

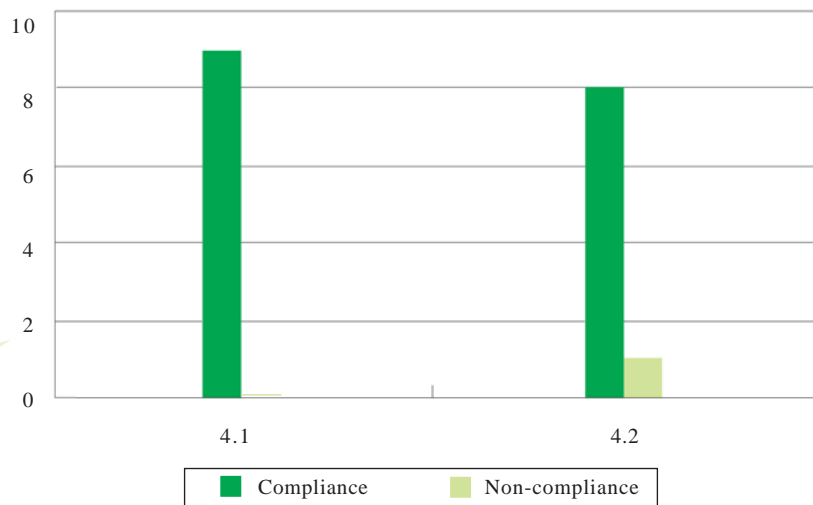
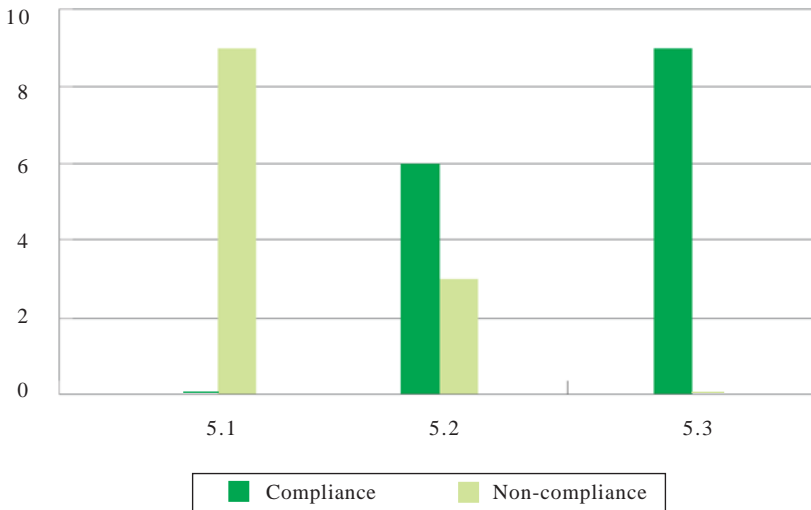


Figure3.3 CSC9000T Performance Indicator - Forced Labor or Compulsory Labor

Working Hours

As in the initial evaluation, the re-evaluation results show that the nine pilot enterprises still could not meet the legal requirements for working hours. However, the amount of overtime hours had decreased at each enterprise by different degrees. On the other hand, some enterprises that partially adopted the comprehensive working time system were not able to provide proper approval from the local labor authorities. (Figure 3.4)



- 5.1 Working hours meet legal requirements
- 5.2 Approved by labor authority if comprehensive working hours system is applied
- 5.3 Extended working hours decreased (compared with that of the initial evaluation)

Figure3.4 CSC9000T Performance Indicator - Working Hours

It is worth noting that since 2007, several pilot enterprises have brought up systematic long-term improvement scheme to promote productivity and cut working time, for instance, Aimer adopted the “working time-correlated management performance evaluation system” to encourage all levels of management to substantially reduce working time of employees, and Topnew implemented a “production process restructuring” plan for the same purpose. Along with CSC9000T management system, Dajin Apparel Company of the Glorious Sun Group implemented in 2007 a test program on “Systematic Advancement of Productivity” to explore for a feasible way to reduce overtime through productivity enhancement, which can be promoted within the industry if successful. The Office for Social Responsibility of CNTAC provided technical assistance to the design and development of these schemes, and have been following their implementation, and will document and streamline the experiences of these programs for further dissemination.



6.1 Clearly informs the workers of wage and welfare system, and the prevailing minimum wage standard

6.2 Wages of all employees meet local prevailing minimum wage standard

6.3 Cash wage payment on time each month

6.4 Provides social insurance to all employees as prescribed by law

6.5 Pays legitimate wage for vacations and leaves caused by work relate injuries

Wages and Welfare

In terms of wages and welfare, most pilot enterprises paid their employees on time each month, and paid them according to law for holidays and leave caused by work-related injuries. On the other hand, some companies still failed to obtain and inform the workers of the prevailing minimum wage standard in a timely and transparent manner. At most enterprises, some employees were paid at rates below the local minimum. A major problem regarding welfare was, except for one enterprise that mainly hired locally, most enterprises could not provide social insurance to all employees as required by law. This was partially because some local authorities have set up a minimum ratio for employees with proper social insurance. It was also because that many migrant workers did not trust the social insurance system due to its difficulties and limits on trans-regional transfer. (Figure 3.5)

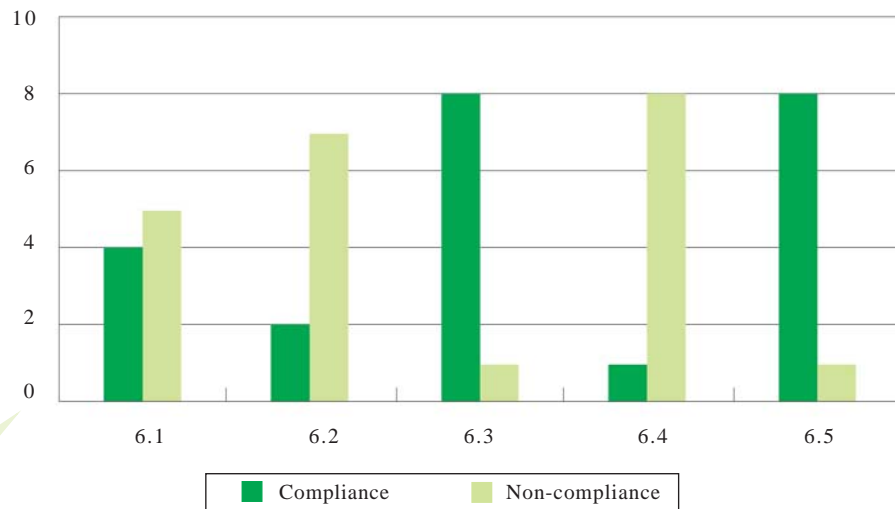


Figure3.5 CSC9000T Performance Indicator - Wages and Welfare

Trade Unions and Collective Bargaining

Results from the re-evaluation showed that most pilot enterprises had established trade union or employee representative assembly system, and provided funding and other aid and support for union activities prescribed by law. However, employees had extremely poor understanding of the organization of the union and their rights as members. A large proportion of employees in almost all pilot enterprises lack such understanding. Even though collective contract is not a compulsory legal requirement, most pilot firms actually had effectively developed collective contracts and reported them to the local labor authorities. (Figure 3.6)

7.1 Has established trade unions or other legal employee organization
 7.2 Provides union with funding as required by law and does not interfere with union activities
 7.3 All employees have sufficient understanding of union rights
 7.4 Signed and publicized collective contract.

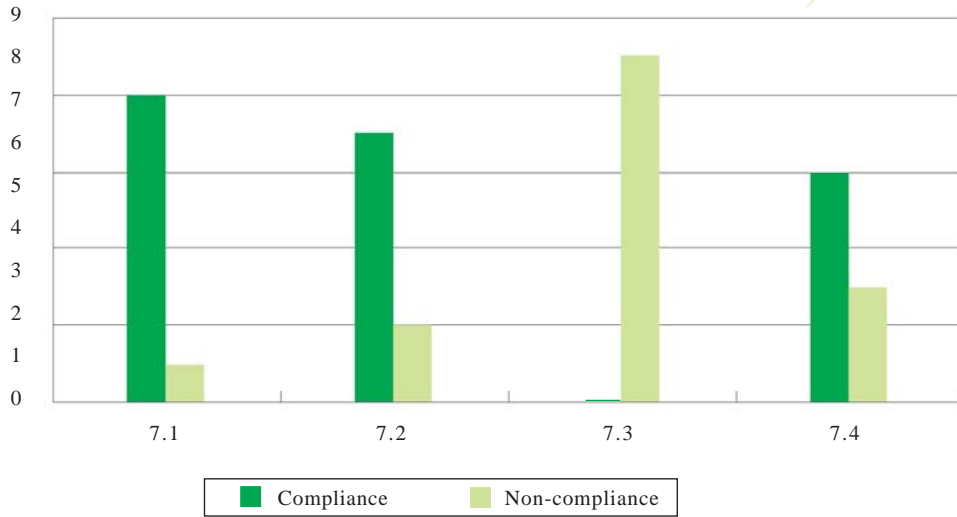


Figure 3.6 CSC9000T Performance Indicator - Trade Union and Collective Bargaining

Discrimination

Except for one enterprise whose hiring advertisement bordered on residency discrimination, no pilot enterprises had discriminatory rules or regulations concerning hiring, wages, training or promotion. All pilot enterprises had established special protective measures for female and disabled employees. (Figure 3.7)

8.1 No discriminatory rules or regulations on hiring, wage, training or employment
 8.2 Provides special protection for female and disabled employees

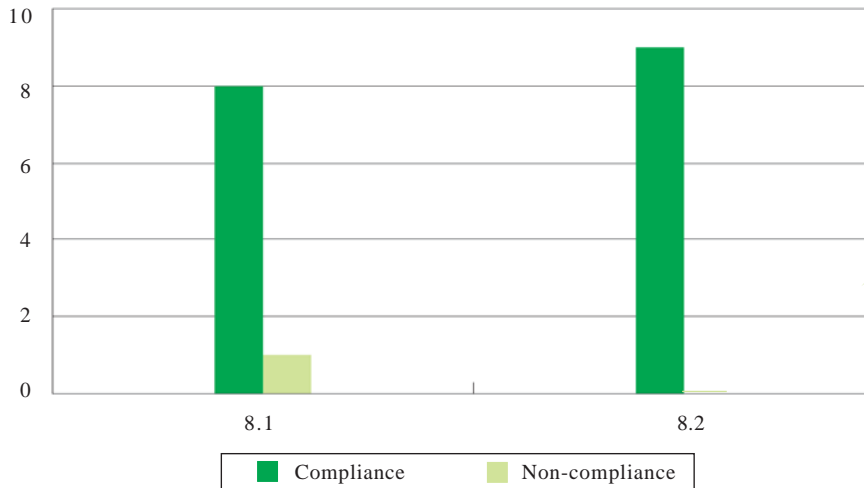


Figure 3.7 CSC9000T Performance Indicator- Discrimination

Harassment and Abuse

No widespread, systematic or serious cases of harassment or abuse were identified in any of the nine pilot enterprises. All pilot enterprises have followed the CSC9000T requirements to establish management systems to receive and handle harassment and abuse cases.(Figure 3.8)

9.1 No widespread, systematic or serious case of harassment and abuse

9.2 Established system to deal with harassment and abuse

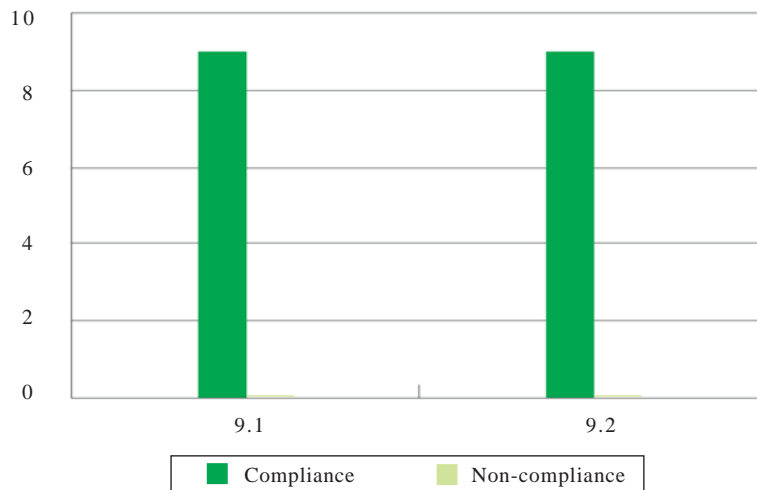


Figure 3.8 CSC9000T Performance Indicator - Harassment and Abuse

Occupational Health and Safety

All nine pilot enterprises had defined or reviewed their occupational health and safety policy before the re-evaluation. Most had also established relatively complete, adequately resourced occupational health and safety management systems with clearly defined authorities and responsibilities. In terms of specific measures, most enterprises had instituted relatively complete fire emergency contingency plans and conducted fire drills accordingly. Workplace lighting, temperature and other key features at all pilot enterprises met legal requirements, and most firms were able to present testing reports. Furthermore, a majority had good safety and health conditions in dormitories and cafeterias, and had proper inspection certificates and eligible qualifications for their special equipments and people who operated the equipments. Only a minority, however, gave adequate health and safety trainings to their employees; some had not yet finished identifying all risks or had not developed an appropriate risk control system; and some did not have appropriate fire extinguishing equipment in production facilities and living quarters. Some had problems with implementing fire equipment inspection and patrol systems. The health and safety management systems of a few enterprises were

compromised by poor planning. Safety and health conditions at dormitories and cafeterias, for example, were not good. (Figure 3.9)



- 10.1 Established occupational health and safety policy
- 10.2 Established complete occupational health and safety management system
- 10.3 Fully identified and controlled risks
- 10.4 All employees provided with proper training on occupational health and safety
- 10.5 Developed contingency plan for fire and conducted fire drills
- 10.6 Fire extinguishing equipment in production and living quarters meet legal requirements
- 10.7 Lighting and temperature and other features in production areas meet requirement
- 10.8 Special equipments and operators have proper certificates and qualification
- 10.9 Dormitory and cafeteria with appropriate safety and health conditions

Figure 3.9 CSC9000T Performance Indicator- Employment Health and Safety

(2) Improvement of Problems Identified in the Initial Evaluation

In order to show improvement these pilot enterprises had made on issues that were identified during the initial evaluation, each enterprise's improvement was evaluated and included in the following charts (numbers in the charts indicate the total number of problems identified for each CSC9000T element corresponding with various improvement levels):

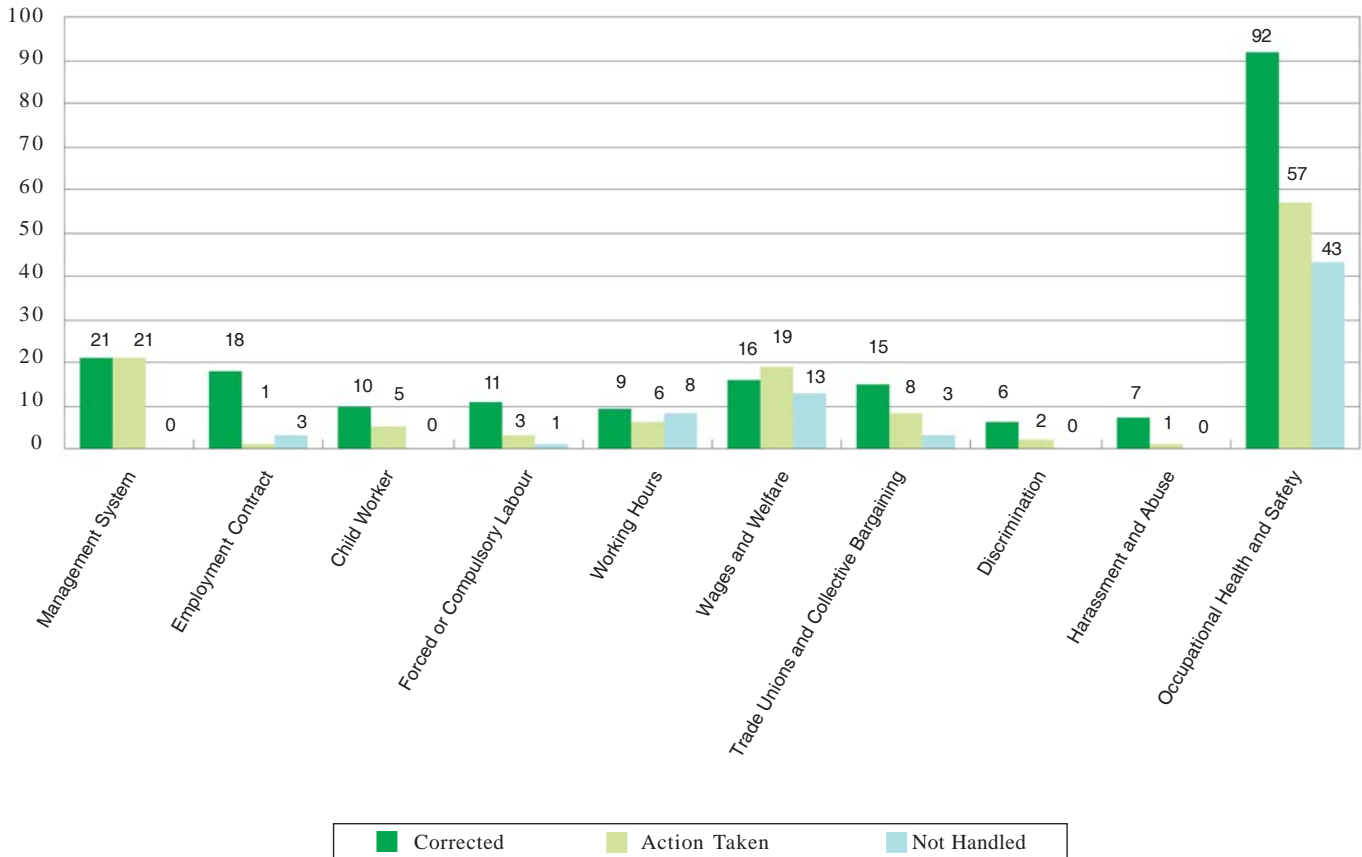


Figure 3.10 Improvement of Problems Identified in CSC9000T Initial Evaluation

From Figure 3.10, it can be observed that the prime improvements lie in employment contract (81.82%), child worker (66.67%), forced or compulsory labor (73.33%), discrimination (75.00%), harassment and abuse (87.50%), while “Action Taken” or “Not Handled” happened mostly in management system (50.00%), working hours (60.87%), wages and welfare (57.89%), and occupational health and safety (52.08%). The layout of these results is largely corresponding with that of the initial evaluation, with the only exception in employment contracts. Of the ten enterprises taking part in the initial evaluation, eight failed to perform satisfactorily regarding employment contracts. But these pilot enterprises made the second best improvement regarding this issue by the time of the re-evaluation. Obviously, this was directly due to the launch of the Labor Contract Law in 2007, and the adjustment that the pilot enterprises had made according to it.

In terms of the performance of individual firms, the one that made the best improve-

ment had virtually no issues listed in the third category (Not Handled), even though the effectiveness of some measures had not been tested. On the contrary, the enterprise with the least improvement took no improvement measures in over 40% of the problems related to working hours, wages and welfare, and health and safety.

(3) Employee Perception and Satisfaction

In order to evaluate the level of employee participation in the development of CSR systems, and the changes in employee rights since the implementation of CSC9000T at the pilot enterprises, the re-evaluation questionnaire was designed to include a process to obtain employee responses. Employees were sampled randomly at 3%-5% ratios from those with at least one year of work history at the enterprise.

For the question “Do you know that your enterprise is one of the implementing pilot enterprises of CSC9000T?”, 84% of the 461 valid questionnaires collected answered “yes”, scores ranging from a high of nearly 100% at two enterprises, to the lowest score of 61.9% at another.

Regarding the development of CSR management systems, the questionnaire asked two questions of the employees: “To your knowledge, has your enterprise implemented (or have you been notified of) management regulations concerning employment contracts, prevention of child and forced labor, wages and welfare, and occupational health and safety?” and “Do you think these CSR management regulations are necessary and do they function well at your enterprise?” The responses showed that over 80% employees had realized there were changes in the management systems of their enterprises. 99% of the sampled employees thought that it was necessary to implement them, and 75% believed that they played an important role. (Figure 3.11 and Figure 3.12)

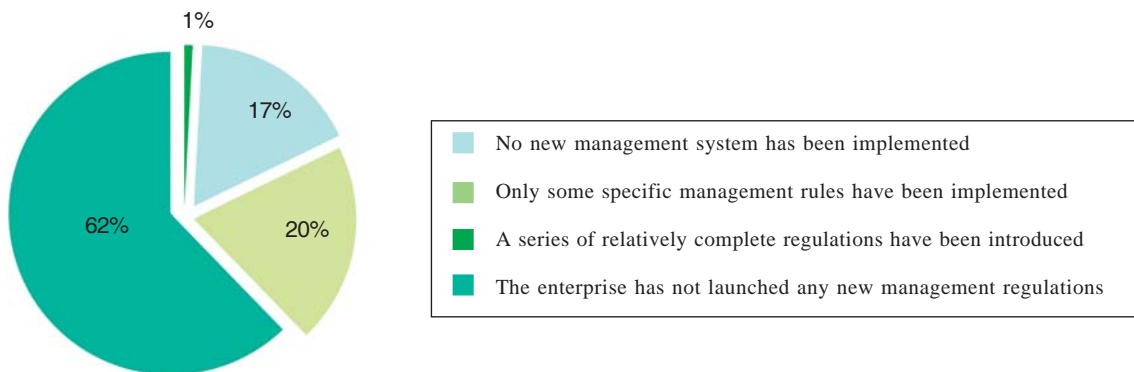


Figure3.11 Employee Perceptions and Satisfaction - Managemnet System

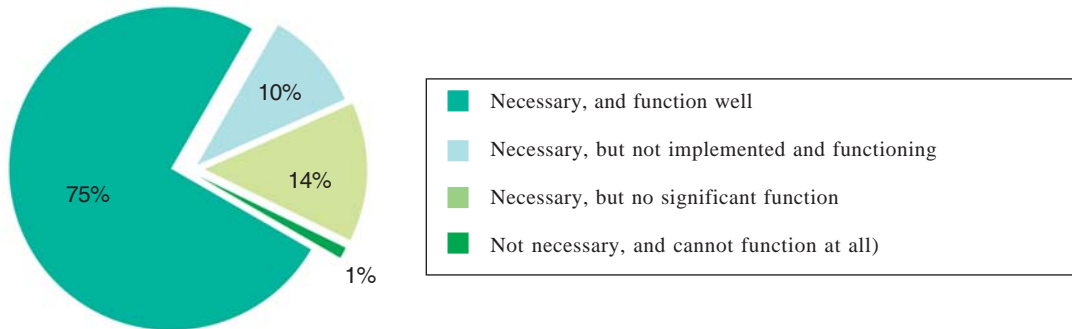


Figure3.12 Employee Perceptions and Satisfaction - Effectiveness of Management System

“Now, the problem is how to let everybody understand the matter. Not only the bosses, managers, but also all staff members and workers in the enterprise have to realize it. Our expectation can only be realized when all of us are conscious of it.”
 - Yang Xun, Vice President, Glorious Sun Group

Regarding specific improvements in employee rights, the questionnaire selected two crucial issues, working hours and wages and welfare. For the question “If you think your total overtime hours has decreased in the last 6 months, what is the specific reduction per month?” Over 80% of the employees sampled at these pilot enterprises replied that the amount of overtime working hours had decreased to certain extent; 38% believed their overtime working hours were limited within 40 hours per month, while 17% believed the amount “might have increased”. For the question “If you think the conditions of your wage and welfare have improved in the last six months, what is the specific change you see personally?”, over 85% of the employee sampled believed that their average monthly wage had increased by at least 10% over six months ago, but 27% of them did not participated in social security system. (Figures 3.13 and 3.14)

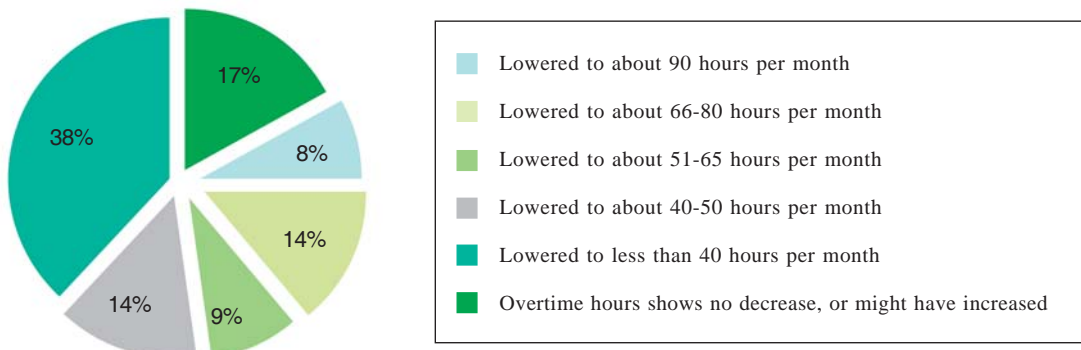


Figure3.13 Employee Perceptions and Satisfaction -Improvement in Working Hours

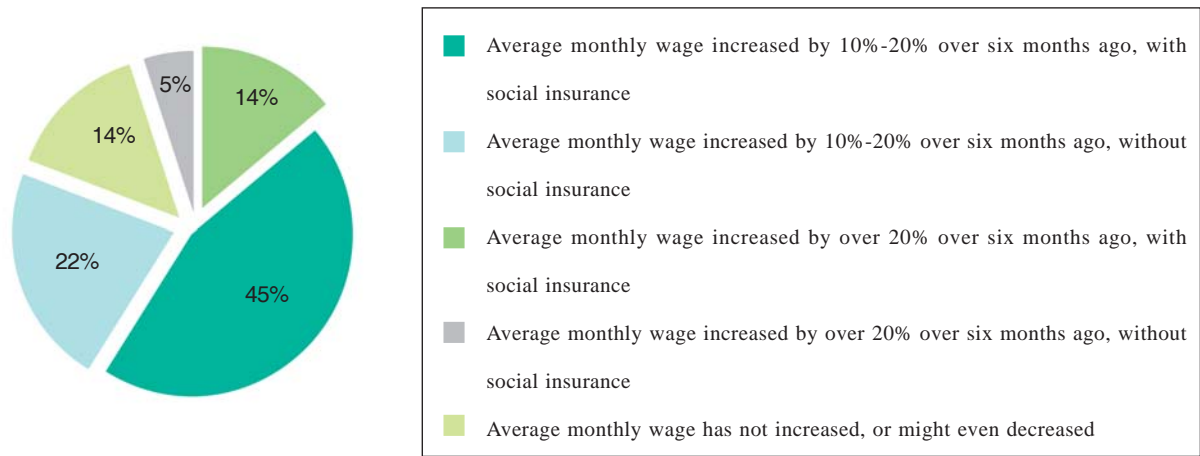


Figure3.14 Employee Perceptions and Satisfaction - Improvement in Wage and Welfare

The questionnaire also tested the employees' understanding of the union organization. Of the employees sampled, 68%, mostly from six pilot enterprises that had established unions before the initial evaluation, responded that "there has always been a union organization in the enterprise". 15%, mainly from two enterprises, responded that "the union was established within the last six months." Note, however, that for 14% of the employees sampled, "it does not matter whether the enterprise has a union or not." (Figure 3.15)

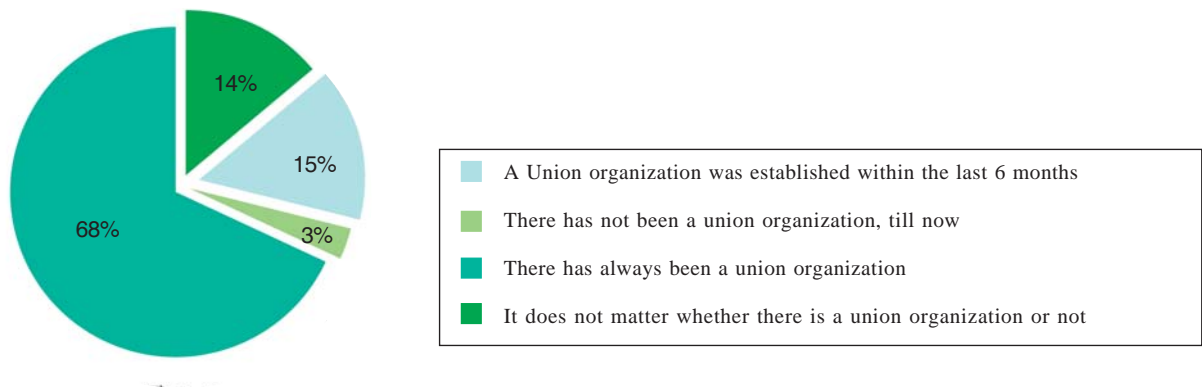


Figure3.15 Employee Perceptions and Satisfaction - Trade Union

To grasp the effect of CSR performance on the employee loyalty at pilot enterprises after the implementation of CSC9000T, the questionnaire included the following final question: "Excluding all personal reasons (e.g., marriage, maternity, etc.) and other unexpected factors, is the CSR performance of your enterprise an enough reason for you to stay for the next year (or next contract term)?" 91% of employees sampled said that the CSR performance of their enterprises were good enough to convince them to

“keep working for the enterprise”. The percentages range from 98.68% to 72.97% at individual pilot enterprises.

The questionnaire also asked the employees sampled to rate their enterprise’s social performance before the initial evaluation and at the time of the re-evaluation (The questionnaire phrased the question in a definitive way as “the degree of protection given to employee rights”) on a 100-point scale. The following figure (Figure 3.16) was constructed with the average scores each enterprise received. It shows that the score for all enterprises have improved with participation in the CSC9000T pilot project by between 7.91 and 1.65 points. Most enterprises scored over 80 points, with the highest receiving over 95 points.

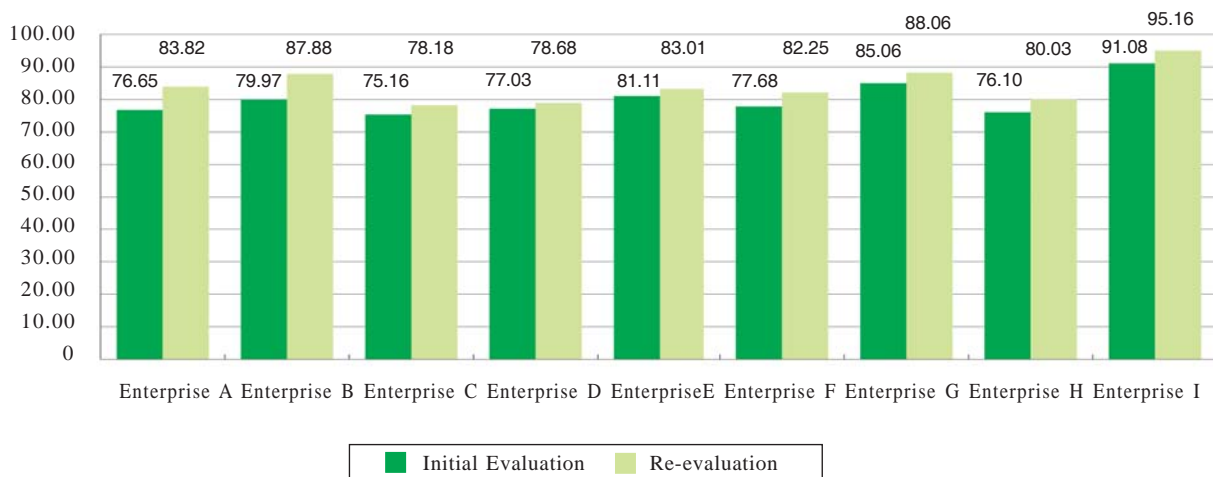


Figure 3.16 Changes in Employee Satisfaction

(4) Development of CSR Management

According to *The Procedure Evaluation Form* and *The Document Evaluation Form* generated in the re-evaluation process, all nine pilot enterprises had established relatively complete CSR management systems and made necessary adjustments to their original management systems to comply with the CSC9000T system. It is particularly interesting that some enterprises made efforts to integrate their CSR management system with their environmental management system and quality control system. Their efforts had already started seeing some significant results. All of these demonstrate that the CSC9000T pilot enterprises had already started taking CSR as a proactive management tool and development strategy. For instance, the CSC9000T Application Report of the Hongdou Group Co., Ltd. says that “Originally the company did not have a complete CSR management system. After the introduction of CSC9000T, the company

developed its own CSR management system based on its unique conditions. Management plans were made, trainings were given to relevant management departments, and necessary resources were allocated to guarantee its smooth operation... The company's cohesion has been strengthened, and the competitiveness of the company's human resources has also been enhanced."

"CSC9000T helped us establish an improved social responsibility management system, allowing us to solve problems within a management framework, improve management skills, and control social responsibility risks more effectively."

- Gu Zhezhaoh, Deputy General Manager, Beijing Topnew Co., Ltd.

Management surveys during the re-evaluation showed that over 90% of the management staff at these enterprises believed that there was "definite correlation" or "some correlation" between CSR performance improvement and CSC9000T implementation, because "the implementation of these systems brought these issues to the attention of the enterprise, which led to changes", or "the implementation of CSC9000T has facilitated these improvements".

"Previously, auditors from foreign buyers forced us to move forward. Now our industry's CSC9000T leads us to move forward by ourselves. We think it is a great change."

- Zhou Haijiang, President of Hongdou Group Co. Ltd.

However, the CSC9000T is still in a nascent stage at the pilot enterprises. Its evolving nature also makes it impossible to establish a complete management system in these enterprises all at once. For example, according to the performance statistics regarding the core issues collected in the re-evaluation, senior management at these enterprises had good understanding of the importance of and necessity for a CSR management system. They had assigned managers to take charge and allocated necessary resources for the CSC9000T implementation. However, some of the enterprises had still not established effective management systems, and some had not clearly defined the functions and authorizations of different departments. Some had not established well-defined, appropriate CSR management goals and benchmarks. (Figure 3.17)



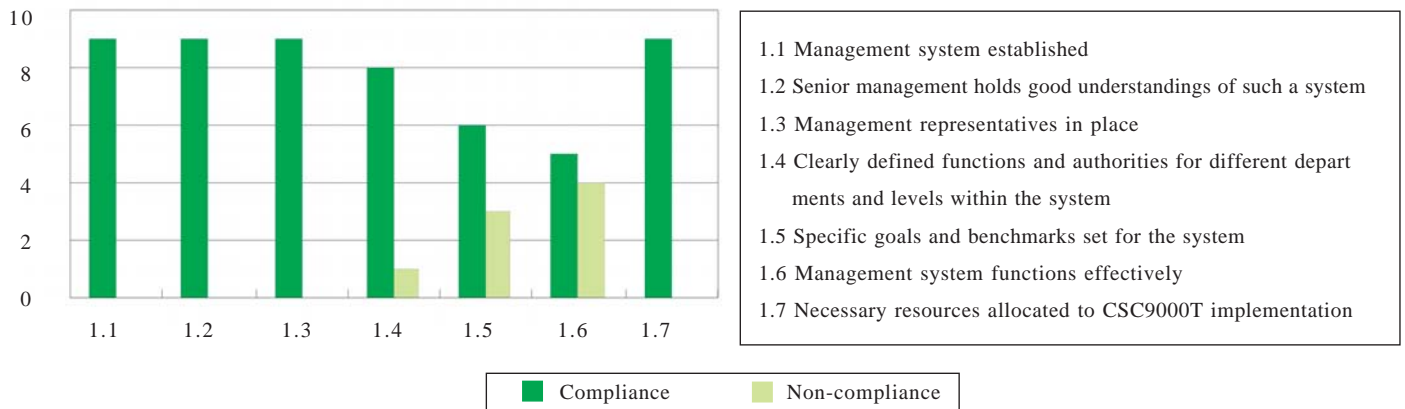


Figure3.17 CSC9000T Performance Indicator - Management System

Employee participation is an important aspect of CSR management. It needs effective internal communication. Regarding this, the pilot enterprises adopted various measures during CSC9000T implementation to communicate effectively with their employees. For example, some enterprises included CSC9000T content in their new employee orientation kit; some posted CSC9000T Principles and Guidelines in workshops, bulletin boards and on web sites. Some conducted extensive employee surveys to collect opinions before making decisions on certain issues. According to a questionnaire survey of 450 employees, over 300 thought, “employee complaints and opinions were processed in a timely manner with proper feedback, and improvements of the management system had been made based on these opinions” among these pilot enterprises. And, “enterprise has developed open communication channels between senior management and employees which function well in practice.” Only 25 (about 5%) of the employees surveyed thought that the pilot enterprises “have not made any improvement in terms of internal communication and employee participation, and employee opinions and complaints are ignored”. (Figure 3.18)

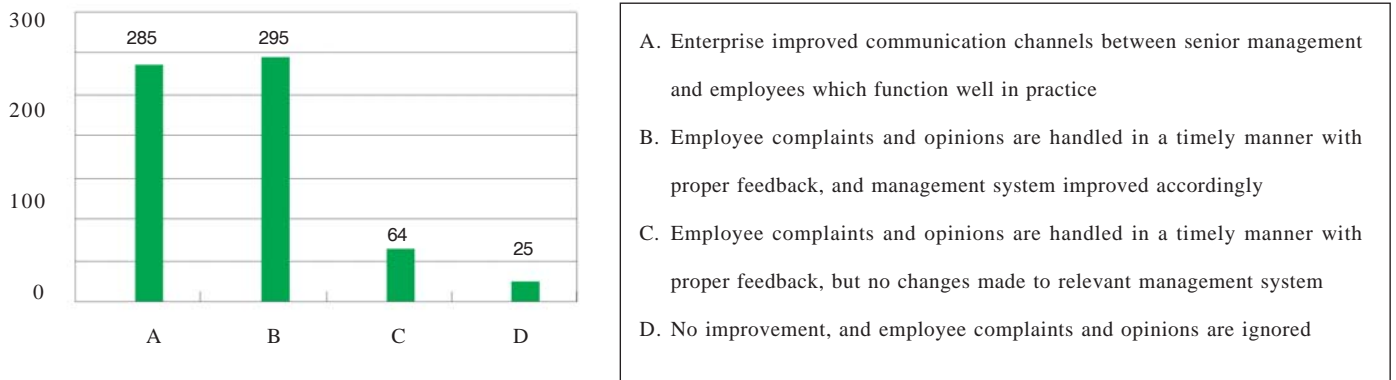


Figure3.18 Employee Perceptions and Satisfaction - Communication Mechanism

(5) Impact on Supply Chain and Stakeholder Reviews

The successful implementation of CSC9000T in nine textile and apparel enterprises signifies that Chinese industries now have their own social responsibility benchmark and model. It also demonstrates that the Chinese industries started taking initiative and showing a responsible image in the international supply chain. Responsibility became the new basis of competitiveness for these enterprises. According to a survey that CNTAC conducted after the Chinese New Year, the on-time return to work ratio at the nine pilot enterprises was all above 95%, with the highest close to 110%. After the re-evaluation, the nine enterprises formally became the first batch of CSC9000T implementing enterprises. Their CSR performance has great impact both in China and globally. Their participation in CSC9000T implementation attracted great attention. For instance, an implementing enterprise was visited by over twenty delegations of Chinese and international CSR experts from enterprises, academic institutions and media. All pilot enterprises indicate that they would actively recommend CSC9000T to their textile partners in their business exchanges.

What is more important is the huge economic benefit from their supply chain because of their CSC9000T implementation. In April 2007, six experts from the sourcing and social compliance department of the German company Hugo Boss visited Shandong Ruyi Group for a factory inspection. They highly commended the CSC9000T documentation and records presented by the company, noticing that it was very rare for Chinese enterprises to take the initiative to develop a CSR management system in such a systematic way. The experts from Hugo Boss also asked for some copies of the CSC9000T

documentation and *CSC9000T Principles and Guidelines* to recommend to other suppliers of their company in China. In the end, for the 12-item inspection, Ruyi got an outstanding score of 44 points out of 48, and forged a long-term business partnership with Hugo Boss.

In November 2007, ten shareholders from the Swedish company H&M visited Beijing Topnew Knitting Group. The Topnew management briefed the visitors on the company's efforts in developing a CSR management system as one of the first CSC9000T implementing



enterprises, and showed the implementing enterprise certificate to the guests. The H&M shareholders were impressed and took pictures of the certificate. They said that they had never thought that CNTAC and the Chinese textile and apparel enterprises would undertake a systematic initiative of CSR. After the visit, H&M significantly increased the quantity of its order from Topnew.

Other related actions of these enterprises have also been highly regarded by their stakeholders. Taking the two enterprises mentioned above as examples, Ruyi was granted the first prize for “Innovative Achievement and Excellent Application Award in Modernization” by the Jining municipality government, Shandong province because of its application of the CSC9000T system; and Topnew was recommended by the Bureau of Labor and Social Security of Tongzhou district, Beijing as one of the candidates for the “Organizations in Beijing with Harmonious Labor Relations” competition. Furthermore, in the 2007 CCTV Annual Employer Survey, the Hongdou Group won the “Employer with the Best Sharing Spirit” special award because of its outstanding CSR performance. Beijing Aimer Lingerie Company is the only pilot enterprise that mainly focuses on the domestic market. However, it still actively participates in the industry’s CSR project. With innovation both in products and CSR management, the company is paving a two-rail track to internationalization. Since visiting Aimer, Dr. Lynn Sharp Paine, a famous professor specializing in CSR and the internationalization of businesses at the Harvard Business School, has included the corporate development scheme of Aimer in her MBA case studies for research on Chinese businesses.



II. CSC9000T “10+100+1000” Project

1. Project Goals and Planning

CNTAC formally launched the pilot implementation of CSC9000T among textile industry clusters on December 12 2006. The project selected 100 major textile enterprises from 10 textile industry clusters to implement the CSC9000T. It also planned to provide awareness trainings on CSR knowledge and capacity building skills to about 1000 small and medium-sized textile and apparel enterprises. It was therefore nicknamed the “10+100+1000” Project. The following 10 industry clusters were selected based on voluntary applications and CNTAC’s recommendation:

The wool sweater industry cluster in Puyuan township of Tongxiang city, Zhejiang province;

Child apparel industry cluster in Zhili township of Huzhou city, Zhejiang province;



Garment for export production base in Jintan city, Jiangsu province;
 Garment for export production base in Pinghu city, Zhejiang province;
 Chinese textile industrial base in Haining city, Zhejiang province;
 Underwear industry cluster in Shenhu township in Jinjiang city, Fujian province;
 Chinese textile industrial base in Shaoxing city, Zhejiang province;
 Chinese textile industrial base in Zhongshan city, Guangdong province;
 Chinese textile industrial base in Kaping city, Guangdong province;
 Leisure wear industry cluster in Shishi city, Fujian province;
 Women's apparel industry cluster in Humen township, Guangdong province.

The geographical location, product category and size of enterprises for each industry cluster were considered in the selection process.

The objectives of the "10+100+1000" Project include demonstrating the experiences and effects of CSC9000T to neighboring areas, creating an encouraging environment for CSR development in the industry all over the country, setting examples in different clusters so local textile enterprises can follow, and promoting positive competition in the industry clusters in hiring practice, management system development and self-discipline. Furthermore, the "10+100+1000" Project also aims at introducing the concept of sustainable development and CSR to the numerous small and medium-sized textile and apparel enterprises through training and capacity building, so as to allow them to improve their CSR performance. The CSC9000T system development at the 100 major enterprises of the "10+100+1000" Project adopted too the model of "Self-evaluation-Initial evaluation - Training - Trial implementation - Re-evaluation," which was developed from the CSC9000T pilot project and had been fully tested by the practices of the implementing enterprises. The system development at the 100 key enterprises will take approximately two years before completion, expected by the end of 2008. Besides the goals mentioned above, the "10+100+1000" Project also seeks to train about 1,500 CSR managers and professionals for the industry clusters, key enterprises and small and medium-sized textile enterprises during project implementation.



Figure 3.19 Participating Industry Clusters of the "10+100+1000" Project

2. Progress of the “10+100+1000” Project

The “10+100+1000” Project was officially launched in May 2007, with the launch conferences and awareness trainings conducted between late May to mid July. Officials and experts from NDRC and CNTAC travelled over 20,000 kilometers for these events in all nine clusters: Puyuan, Humen, Kaiping, Zhongshan, Shenhu, Shishi, Pinghu, Haining and Jitan. Over 3,600 managers and employee representatives from 940 plus enterprises in these areas attended the half-day awareness trainings on CSR fundamentals given by experts from the Office for Social Responsibility of CNTAC. Representatives from the first group of implementing enterprises were also present to share their perspectives and experiences.

By July 2007, 114 major enterprises had been applied and selected from the participating industry clusters to take part in the system development part of the project. 18 enterprises applied to participate from Haining city, Zhejiang province alone. Among the enterprises selected, those establish the management system and pass the re-evaluation would become the second group of CSC9000T implementing enterprises. Starting from late July 2007, the Office for Social Responsibility of CNTAC dispatched over 200 expert evaluators to 92 major enterprises to conduct the initial evaluation. Through initial evaluation, CNTAC experts developed a basic understanding of the actual conditions of CSR management at these enterprises. This knowledge would help them direct the training for the next step of the project. Trainings for the CSC9000T system development was launched in mid September 2007. By the end of the year, over 1,600 managers and employee representatives from 75 enterprises had participated in this training program, coming from 7 industry clusters: Puyuan, Kaiping, Shenhu, Shishi, Pinghu, Haining and Jintan. Currently, these 75 enterprises are working on system docu-

mentation compilation and system establishment with help from the CNTAC experts.

III. Thoughts and Inspirations

The CSC9000T Implementation Pilot Project starting in 2007 and the subsequent “10+100+1000” Project have taught CNTAC that development and continuous improvement and innovation of CSR in the industry depends on the active participation of numerous Chinese textile and apparel firms. The development of CSC9000T is the direct outcome of the industry association’s efforts to respond to the needs of firms in the industry. For the same reason, its implementation has been actively supported and participated in by over 100 enterprises in a period of one year. During this process, large and medium-sized enterprises have been playing a particularly leading role with their desire to innovate and willingness to play a historic role in setting industry benchmarks.

Meanwhile, it can be observed that compared with these large enterprises, SMEs face a number of challenges, such as relatively weak management, lack of expertise, etc. Therefore, it is very hard to require small and medium-sized enterprises to develop a complete CSR management system all in one step. For instance, 8 small and medium-sized enterprises quit the “10+100+1000” Project during the year because of their lack of sound foundations. This raises, firstly, the question of how to encourage and ensure continuous and sustainable commitment to CSR from the enterprises, especially how can stakeholders encourage small and medium-sized textile and apparel enterprises to develop the long-term confidence in and devotion to CSR. Secondly, it can be concluded from this observation that it is more realistic for SMEs to improve their CSR performance in a step-by-step manner: starting from awareness raising and training in capacity building; setting up man-



agement and control regulations regarding key CSR issues (such as procedures to prevent child and forced labor, to rationalize management on occupational health and safety, wage and working time, etc.), and introducing effective employee participation and communication systems; a systematic and customized CSR management system will eventually take shape as the firm boosts its CSR performance positioning.

On the other hand, successful implementation of the CSC9000T Pilot Project and the “10+100+1000” Project also de-

pendent on support and assistance from stakeholders in the Chinese textile and apparel industry. Local government and industry organizations have given tremendous support to the implementation of CSC9000T. When the pilot project started showing results, local governments gave various recognitions and encouragement to the participating pilot enterprises, effectively making them the benchmarks for local enterprises, which has led more of them to join the efforts. Local government and industry organizations have also been directly involved in implementing the “10+100+1000” Project, and in some regions, special work force and financial and policy supports have been allocated to participating enterprises in the project.

“For these enterprises, it is up to us to organize them, guide them and educate them on how to fulfill corporate social responsibility.”

-Shen Shunnian, Director of Administrative Committee, Warp Knitting Industry Development Zone, Haining City, Zhejiang Province

Furthermore, both Chinese and foreign media have extensively covered the stories of CSC9000T. This helped create a public opinion environment conducive to promoting CSR both in the industry and in the society as a whole. For instance, on April 17 2007, the China Textile Roundtable - CSR Forum was held to discuss “Corporate Social Responsibility: Practice, Experience and Challenges”. Discussions on various issues

were covered in a comprehensive and in-depth manner, including practice, challenges and policy recommendations for promoting CSR in the

industry, experiences and difficulties for different parties regarding their CSR practices, the role of local government in policy guidance, case studies and experiences from textile enterprises in CSR development, etc. On October 17 2007, CCTV broadcast a program featuring CNTAC’s work in the development and implementation of CSC9000T using the example of the Jiangsu Hongdou Group, which was simply a fine manifestation of *The Financial Times*’ observation in February 2007 that “the textile industry’s scheme coincides with a push from ministries in support of CSR, turning a concept hitherto unknown in China into a buzz-word”.

Part Four



Sun Ruizhe, Vice President, CNTAC

The Plan "200·8" for CSR Development in the Chinese Textile and Apparel Industry

Against the background of the construction of a well-off society with the people-oriented and scientific development approach, 2008 will be the start of a new era in which the Chinese textile industry will accelerate its strategic restructuring and transformation of development models, to improve its strength and the international competitiveness. One of the primary goals in this new era is to further promote and implement CSR, and to help the textile enterprises increase their awareness and management capacity of CSR. The Office for Social Responsibility of CNTAC therefore has developed the *Plan "200·8"* for the Development of CSR in the Chinese Textile and Apparel Industry to further its efforts. The overall objective of the plan is to ensure the number of enterprises involving in CSC9000T system establishment, regulation making or evaluation participation reaches 200 by the end of 2008. The plan also looks at improving the CSC9000T management system, and creating and deepening value-added service mechanisms on CSR through the following 8 tasks:

1. Implementation of the "10+100+1000"

Project: CNTAC will continue its efforts to provide awareness raising and capacity building training to the SMEs in the 10 pilot industry clusters. CNTAC will help these enterprises with both willingness and capacity to set up specific control regulations on key CSR issues (such as child and forced labor, overtime working hours, occupational health and safety, etc.), and assist bigger and more developed enterprises in the clusters in establishing the complete CSC9000T management systems to be qualified as CSC9000T implementing enterprises.

2. CSC9000T Promotion in Key Sub-industries:

Promotion of CSC9000T in 2008 will also focus on two major sub-industries: garments and home textiles. 30 large and medium-sized enterprises from the China National Garment Association (CNGA) and China Home Textile Association (CHTA) have already applied and become RSCA members. Furthermore, China Textiles Development Center will collaborate with the Office for Social Responsibility of CNTAC in 2008 to promote CSC9000T among enterprises with the status of national textile products development base.

3. CSC9000T System Upgrading, Refining and Standardization:

CSC9000T will be upgraded to its 2008 version by incorporating recent changes in laws and policies regarding the key elements. Two new issues, environmental impact and fair competition and supply chain management, will be added. The compilation of industry standard will also be completed based on the 2008 version of CSC9000T. In order to facilitate CSC9000T promotion in sub-industries, the Office for Social Responsibility of CNTAC plans to develop *CSC9000T Implementation Guidance for Sub-industries* respectively, which will cover industries of garment, dyeing and printing, and home textiles etc..

4. The Establishment and Promotion of CSR Reporting Systems:

From the year of 2008 on, CNTAC will publish the *Annual Report on Social Responsibility of the Chinese Textile and Apparel Industry* in the first half of each year, in order to cover all significant information and facts on the conditions of the industry and its CSR performance in the previous year. Together with the Annual Report, CNTAC will also release the “*China Sustainability Reporting-Guidelines for Apparel and Textile Enterprises*” (CSR-GATEs) to provide guidance to textile and apparel enterprises on how to disclose information on their CSR performance, so as to cultivate an open, transparent and credible reporting culture in the industry. In 2008, CNTAC will promote this reporting system among large and public-listed companies. It will also provide assistance in CSR reporting to enterprises that report according to the CSR-GATEs.



“The enterprises’ primary role in the construction of social responsibility shall be emphasized, and their enthusiasm and initiatives to fulfill social responsibility shall be mobilized; government bodies should intensify guidance and supervision, improve the framework and policy and social environment for the fulfillment of social responsibility; industry associations shall advance the implementation of social responsibility by enterprises through the perspective of industry self-discipline. This shall step-by-step create a mechanism that is guided by the government, driven by the industry, implemented by enterprises and engaged by the whole society.”

-Ou Xinqian, Deputy Minister of Industry and Information, Former Deputy Director of NDRC, Speech at the 2007 Annual Conference on Social Responsibility of the Chinese Textile and Apparel Industry.

5. Construction and Optimization of Social Performance Databank and Resource Database:

In 2008, as more and more enterprises become CSC9000T implementing enterprises, CNTAC will set up the framework of the Chinese Textile and Apparel Enterprise Social Performance Databank. The CSR data of CSC9000T implementing enterprises with outstanding performance based on their evaluation results will be archived in the databank, which will be accessible to stakeholders sometime in the future. By so doing, CNTAC hopes that it will serve as a platform for the industry to recommend outstanding Chinese textile and apparel enterprises to partner stakeholders on the international supply chain. It can also be a reference for government agencies, industry organizations and the general public to evaluate the CSR performance of the enterprises in the industry. Furthermore, in order to help textile enterprises obtain useful information on CSR and make improvements accordingly, CNTAC will also construct a CSR Resource Database focusing on the global textile supply chain, which will contain relevant laws and regulations, best practices, case studies, and management tools, etc.

6. Training CSR Professionals: The effective establishment, operation and maintenance of CSR management system depends on CSR professionals with sufficient expertise as well as management skills. In 2008, the Office for Social Responsibility of CNTAC plans to train about 300 CSC9000T internal auditors for the implementing enterprises, and start annual joint evaluation of system. The evaluation team will consist of both internal auditors of the implementing enterprise under evaluation and one or two CSC9000T evaluation experts, who will work together to evaluate the performance of CSC9000T at implementing enterprises and make suggestions for improvement. On the other hand, the third and

fourth groups of CSC9000T evaluators and trainers will also be trained in 2008, with the aim that the expert pool of CSC9000T professionals is to reach 50 by the end of 2008.

7. International Promotion and Cooperation:

In 2008, CNTAC will keep working on established international cooperation projects, including the Chinese Textile Enterprise CSR Project with the International Labor Organization (ILO) and the United Nations Industrial Development Organization (UNIDO), the Chinese Textile Industry Environmental and Social Responsibilities Improvement Project with IVAM Netherland and Shandong University, and the Train the Trainers Project with EUCTP. Meanwhile, CNTAC will start implementing other projects that it has developed in 2007 with international partners, such as FTA and WRAP, with the concentration on joint training and cross-evaluation. Furthermore, emphasis will also be given to dialogues and cooperation on CSR with international brands, sourcing companies, and industry organizations, in order to share CSR knowledge and recognize CSR performance on international textile supply chain. CNTAC will also join forces with international organizations, NGOs and academic institutions to conduct research and exchanges on CSR and supply chain issues.

8. CSR Training and Consulting Services:

Finally, the Office for Social Responsibility of CNTAC will use the resources and expertise it has attained in recent years to provide CSR research, training and consulting services to enterprises, government agencies, other industry and social organizations, which will form joint efforts to produce a favorable environment for the promotion of information sharing and capacity building, and policy and mechanism development, and finally the realization of social responsibility in China.

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National Development and Reform Commission

Ministry of Labour and Social Security

Ministry of Commerce

Chinese Financial, Commercial, Light Industry, Textile and Tobacco Workers' Union of the All China Federation of Trade Unions

Departments and Member Associations of China National Textile and Apparel Council

SGS Hong Kong Ltd.

Det Norske Veritas Shanghai Branch

TUV NORD Group

Classical Intellectual Profession Group

International Labor Organization

United Nations Industrial Development Organization

Foreign Trade Association

EU-China Trade Project

Swedish Textile Importers Association

Shandong Textile Industry Office

China Association for NGO Cooperation

Center for Women's Law Studies and Legal Services of Peking University

IVAM, Netherland

Copenhagen School of Business, Denmark

Walt Disney Company, U.S.A.

Lindex Group, Sweden

Stadium Company, Sweden

Indiska Company, Sweden

OTTO Company, Germany

C&A Company, Germany

Arcandor Company, Germany

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Zhongshan City, Guangdong Province

Humen Town, Dongguan City, Guangdong Province

Shishi City, Fujian Province

Shenhu Town, Zhenjiang City, Fujian Province

Pinghu City, Zhejiang Province

Haining City, Zhejiang Province

Puyuan Town, Tongxiang City, Zhejiang Province

Jintan City, Jiangsu Province

CNTAC Awards for CSR Promoters 2007

Representatives of Implementing Enterprises

GAO Zhiwei	General Manager, Hempel (China) Co.,Ltd.
GU Yanchun	Factory Manager, Hongdou Group Co., Ltd.
GU Yanlai	System Representative, Beijing Aimer Lingerie Co., Ltd.
JIN Haili	System Manager, Baoxiniao Group Co.,Ltd.
LIU Zhiyong	Deputy Director, General Affair Department Shandong Jining Ruyi Technologies (Group)
LUO Minyan	CSR Director, Esquel Group
SHAN Mingjun	HR Manager, Beijing Topnew Knitting Group Co., Ltd.
SHEN Yingqin	General Manager, Jodoll Garment Enterprise Co., Ltd.
SUN Kunhao	Factory Manager, Shishi Gaiqi Garment Co., Ltd.
YANG Xun	Vice Chairman & General Manager, Glorious Sun Group
ZHANG Mingjie	General Manager, Youngor Yingcheng Garment Co.,Ltd.
ZHU Jie	General Manager, Youngor Woolen Printing & Dyeing Co.,Ltd.

Representatives of Industrial Clusters

GUAN Jinliang	General Manager, Kaiping Textile Technology Innovation Center, Guangdong Province
SHEN Jixian	Party Secretary, Puyuan Town of Tongxiang City, Zhejiang Province
SHEN Shunnian	Director Managing, Committee, Haining Warp Knitting, Industrial Park, Zhejiang Province
SHI Yunliang	Vice Mayor, Pinghu City, Zhejiang Provincedirector of the economic and trade

TAN Zhiqiang	Director , Humen Economic & Trade Office, Guangdong Province
XIE Guofang	Office Director, Chamber of Commerce for Apparel Industry of Jintan City, Jiangsu Province
YE Saiyu	Vice Secretary-General, Chamber of Commerce for Apparel Industry of Shishi City, Fujian Province
ZHANG Chaoyang	Chief of Town, Shenhu Town of Jinjiang City, Fujian Province
ZHU Bohui	Director, QC Department, Economic & Trade Office of Dayong Town, Zhongshan City, Guangdong Province

Representatives of Cooperative Institutions

CAO Shujian	Classical Intellectual Profession Group
DONG Jianhua	Senior Auditor, Det Norske Veritas (DNV), Shanghai
GUO Jian	Project Manager, SGS, Hong Kong
JIA Hongwei	General Manager, East China, TUV - Nord Group.

(In Alphabetical Order)

Members of Responsible Supply Chain Association (as of Dec. 31 2007)

Anhui

Anhui Huamao Group Co., Ltd.
Huaibei Printing & Dyeing Co., Ltd.
Tongling Worldbest Linen & Ramie Textile Co., Ltd.

Beijing

Beijing Aimer Lingerie Co., Ltd.
Beijing White Collar Fashion Co., Ltd.
Botao Clothes Co., Ltd.
Beijing Dahua Tiantan Garment Co., Ltd.
Phiharonimc Lide (Beijing) Garment Co., Ltd.
Beijing Clothing & Textile Trade Association
Beijing Hongdu Group
JinJiLie Group Company
Beijing Jing Gong Garment Group Co., Ltd.
Beijing Jingmian Group Co., Ltd.
Jingwei Textile Machinery Company Limited
Beijing Luoman Clothes Co., Ltd.
Beijing Linen-century Linen Science & Technology Development Co., Ltd.
Beijing Shenshi Garment Company Limited
Shiqi Clothing Co., Ltd.
Beijing Topnew Knitting Group Co., Ltd.
Beijing Wumu Suite Co., Ltd.
Beijing Wsfm Dress & Personal Adornment Co., Ltd.
Beijing Wuzhou Clothing Accessory Trademark Weaving Co., Ltd.

Xinxing Ductile Iron Pipes Group Co., Ltd.
Beijing Faith Fashion Co., Ltd.
Beijing Snow-lotus Cashmere Co., Ltd.
Beijing Eve Fashion Co., Ltd.
China Garment Co., Ltd.

Fujian

Shishi Gaiqi Garment Co., Ltd.
Fujian Haosha Clothing Co., Ltd.
Fujian Jalice Home Textile Co., Ltd.
Dali Clothing & Knitting Co., Ltd.
Derong Garment Co., Ltd.
Huali Garment Co., Ltd.
Jiahua Garment Co., Ltd.
Jinglang Clothing & Knitting Co., Ltd.
Kangya Dress & Weaving Co., Ltd.
Shengyang Clothing Weave Co., Ltd.
Zhongtian Clothing & Weaving Co., Ltd.
Yonghexing Weaving Industry Co., Ltd.
Pengcheng Industrial Co., Ltd.
Fujian Septwolves Industry Co., Ltd.
Bun Tat Group Co., Ltd.
Quanzhou Haitian Textile Co., Ltd.
Quanzhou Jiumuwang Western-style Fashion Clothing Co., Ltd.
Quanzhou Textile & Garment Commerce Chamber
New Baijia Clothing & Knitting Co., Ltd.
Huafei Garment Co., Ltd.

; 1 Rambow Classics Fashion Co., Ltd.
 ; 1 Bindwood (China) Co., Ltd.
 ; 1 Shishi Dina Bra & Underwears Co., Ltd.
 ; 1 Hualian Garment Component Co., Ltd.
 ; 1 Cabbeen Clothing Development Co., Ltd.
 ; 1 Jian Jian Group Company
 ; 1 Fujian Stava Garment Co., Ltd.
 ; 1 Weles(China) Dress Co., Ltd.
 Man Hing Group (International) Limited
 Xiamen Xianglu Chemical Fiber Co., Ltd.
 Fujian XiaoXing Textile Dyeing & Printing Co. Ltd.
 ; 1 Yebao Children's Wear Co., Ltd.
 Fujian Zhonghe Co., Ltd.

Guangdong

Sunland Industry Co., Ltd.
 Guangdong D.K.D Group
 ; 1 Dajin(Huizhou) Garment Co., Ltd.
 ; 1 Dongguan Need Join Finere Industrial Co., Ltd.
 ; 1 Hongyue Clothing Co., Ltd.
 Kalong Clothing Co., Ltd.
 ; 1 Shiyi Garment Co., Ltd.
 ; 1 Song Ying Industrial Co., Ltd.
 Zedaijiayi Clothing Co., Ltd.
 ; 1 Yuanye Garment Co., Ltd.
 Foshan Guancheng Knitting Co., Ltd.
 Tay Hsin Knitting Co., Ltd.
 Foshan Nanhai Hop Hing Sock & Garment Co., Ltd.
 Foshan Nanhai Jiaxinglong Textile Co., Ltd.
 Foshan Nanhai Xiangxiang Textile Trade Co., Ltd.

Foshan Qiaoli Chemical Fiber Weaving Co., Ltd.
 Foshan Zhang Cha Knitting Industrial Cluster
 Guangdong Textile Garment Association
 Guangshunshijia Garment Co., Ltd.
 Guangdong Foreign Trade Group Co., Ltd.
 The Union Developing Group of China Ltd
 Kaiping Aiyang Textile & Clothing Co., Ltd.
 Kaiping Panther Textile Co., Ltd.
 ; 1 Guangdong Kaiping Chunhui Co., Ltd.
 ; 1 Kaiping Fulin Weaving & Garment Co., Ltd.
 Kaiping Kaida Clothing Co., Ltd.
 Kaiping Pingda Cotton Spinning Co., Ltd.
 ; 1 Guangdong Kaiping Pingfeng Textile Co., Ltd.
 Kaiping Chaida Clothing Co., Ltd.
 Kaiping Red Sun Clothing Co., Ltd.
 Kaiping Tongxin Digital Embroidery Company
 ; 1 Ying Xie Manufacturing Co., Ltd.
 Kaiping Xinyufeng Clothing Co., Ltd.
 Dragon Legend Industry Co., Ltd.
 Guangdong Fomory (Group) Co., Ltd
 Shenzhen Apparel Industry Association
 Shenzhen China Silk Enterprise Ltd
 Shenzhen Baliso Industrial Company Limited
 Guangdong Silk Corporation (Group)
 ; 1 Kenpass(Zhongshan) industrial Co., Ltd.
 ; 1 Guangdong Yishion Group Co., Ltd.
 ; 1 Esquel Group
 Zhongshan Fenghua Sock Factory Co., Ltd.
 ; 1 Anqi Manufactory Co., Ltd.
 ; 1 Fadannu Garment Co., Ltd.

⌚ Zhongshan Jinxing Garment Industry Co.,Ltd.

⌚ Conlia Group

⌚ Zhongshan Lifeng Garment Industry Co.,Ltd.

⌚ Nuduozi Textile Co.,Ltd.

⌚ Tongwei Garment Co.,Ltd.

⌚ Zhongshan Wenquan Garment Co.,Ltd.

⌚ Zhongshan Jinlong Underwear Co.,Ltd.

Minwei Garment Co.,Ltd.

Guangzhou Garment Group Co., Ltd.

Guangzhou Mixmind Art & Design Co., Ltd.

Hebei

Hebei Baoding Yimian (Group) Co., Ltd.

Handan Sunman Textile Co., Ltd.

Handan Xuechi Group Co., Ltd.

Shijiazhuang Changshan Textile Stock Co., Ltd. No.1 Cotton Textile Company

Henan

Luoyang White Horse Group Co., Ltd.

Hubei

Wuhan No.1 Textile Group Co., Ltd.

Xianfan Knitting & Textile Factory

Hubei Xiaomian Textile Group Co.,Ltd

Hubei Yubo Jean Co., Ltd

Hunan

Hunan Isunte Hemp Fashion Co., Ltd.

Jiangsu

Jiangsu White Rabbit Textile Group Co., Ltd.

Jiangsu Baihua Industrial Group Co., Ltd.

⌚ Jiangsu BSM Clothing Co.,Ltd.

⌚ Changzhou Chengye Garment Joint-Venture Co., Ltd.

⌚ Jinsong Fashion Garment Co., Ltd.

Changzhou Guotai Dongnan Printing & Dyeing Co., Ltd.

Chenfeng Group Ltd.

Jiangsu Danmao Textile Co., Ltd.

⌚ Jiangsu Flying Ocean Fish Garment Co., Ltd.

Gaiqi (Suzhou) Textile Co., Ltd.

⌚ Jiangsu Gao Gao Clothing Co., Ltd.

Canal Technologies Co., Ltd.

Black Peony (Group) Co., Ltd.

⌚ Hongdou Group Co., Ltd.

⌚ Hongruichangtai Textile Co., Ltd

Jiangsu Hubao Group Co., Ltd.

⌚ Jin Tan Technologies Co., Ltd.

Jiangsu Ever-Glory International Group Corporation

⌚ Jiansu Jinghong Textile Co., Ltd.

⌚ Qingqing Knitting Co., Ltd.

Jiangsu Qinman Group Co., Ltd.

Rugao Orient West Yarn Dyed Co., Ltd.

Rugao Shunyuan Garment Co., Ltd.

Suzhou Jienisi Textile Co., Ltd.

Jiangsu Tianlun Dyeing & Weaving Industrial Co., Ltd.

Wuxi Xiexin Group Co., Ltd.

Xiang Xing Group

Jiangsu Xiangyang Group

Jiangsu Xinyalu Group Co., Ltd.

Jiangsu Zhenyang Co., Ltd.

JiangSu Sunshine Group

Liaoning

Dalian Textile & Garment Association

Zhong Yi Trading Co., Ltd.

Dalian Dayang Trends Co., Ltd.

Inner Mongolia

Chifeng Worldbest Woolen Industry Co., Ltd.

Erdos Group Corporation

Inner Mongolia King Deer Cashmere (Group) Company

Shandong

Shandong Uniform Co., Ltd.

Bofine Textile Co., Ltd.

Shandong Demian Co., Ltd.

Sunvim Home Textile Co., Ltd.

Shandong Henlon Co., Ltd.

Shandong Binzhou Huafang Textile Co., Ltd.

Jinan Down Wind Cloth Co., Ltd.

Jinan Zhenghao Advanced Fiber Co., Ltd.

Shandong Jining Ruyi Technologies (Group)

Lanyan Group Co., Ltd.

Shandong Nanshan Group Worsted Woolen Factory

Shandong Nanshan Industrial Co., Ltd.

Qingdao Hisun Group

Redcollar Group

Qingdao Textile Garment Association

Qingdao Xi Ying Men Group

Shandong Ruyi Group

Shandong Tianxiang Woollen Co., Ltd.

Shandong Wantai Enterprise & Investment Co., Ltd.

Weifang Qirong Textile Co., Ltd.

Shandong Yeliya Garment Group Co., Ltd.

Shandong The Facts Group Stock Co., Ltd.

Shanxi

Shanxi Greenland Textile Co., Ltd.

Shanxi

Shanxi Caicheng High-Tech Dyeing & Finishing & Trading Co., Ltd.

Northwest No. 2 Cotton Group Co., Ltd.

Shanghai

Bosideng International Holdings Ltd.

Shanghai International Fashion Federation

Hyx China (Group) Garment Co., Ltd.

Hyx China (Group) Home Textile Co., Ltd.

Shanghai Worldbest Hometex (Group) Co., Ltd.

Judy Mao Shanghai Garment Co., Ltd.

Shanghai Luolai Home Textile Co., Ltd.

Shanghai Association of Underwear Trade

Shanshan Group Co., Ltd.

Pacific Mechanic (Group) Co., Ltd.

Tianjin

Tianjin Textile Group Tianyi Co., Ltd.

Tianjin Ruifeng Knitting Imp. & Exp. Co., Ltd.

Tianjin Textile Garment Association

Tianjin Tiange Textile Co., Ltd.

Hong Kong

Linmark (HK) Limited

Runcheng Printing & Dyeing Company

Viction (Group) Co.,Ltd.

Glorious Sun Group

Zhejiang

Aobenni Garment Co.,Ltd.

i î Zhejiang Aoyangchun Garment Co., Ltd.

Babei Group Co.,Ltd.

Bailide Group

i î Zhejiang Banyu Industry Co., Ltd.

i î Baoxiniao Group Co.,Ltd.

i î Viperson Group Co.,Ltd.

Busen Group Co.,Ltd.

Zhejiang Rainbow Village Printing & Dyeing Co.,Ltd.

i î Zhejiang Purelove Garment Co.,Ltd.

High Fashion Silk (Zhejiang) Co., Ltd.

Zhejiang Delong Summit Textile Co., Ltd.

i î Zhejiang Dinkun Garment Co.,Ltd.

i î Zhejiang Duoling Holding Group

Furun Imp&Exp Co., Ltd.

Furun Group Co.,Ltd.

Kobron Fashion Group Co., Ltd.

i î Zhejiang Hailide New Material Co., Ltd.

Haining Guishidi Leather Garment Co., Ltd.

i î Jinyonghe Home Textile Co., Ltd.

Haining Shengdannu Warp Knitting Co.,Ltd.

i î Haining Chaoda Warp Knitting Co., Ltd.

Haihui Textile Corporation

i î Haining Haishao Knitting Co.,Ltd.

i î Haining Hongfeng Knitting Co.,Ltd.

i î Haining Huachang Fabric Co.,Ltd.

i î Haining KingBaili Textile Co.,Ltd.

Haining Shengdannu Warp Knitting Co.,Ltd.

i î Haining Tongxin Sock Co.,Ltd.

i î Haining Wanfang Warp Knitting Co.,Ltd.

i î Sinoproud International Ltd

i î Haining Yarun sock Co.,Ltd.

i î Haining Yeshe sock Co.,Ltd.

i î Hanbaoliluo sock Co.,Ltd.

i î Hempel (China) Co.,Ltd.

Hangzhou Liangji Cloth Industry Co.,Ltd.

Hangzhou Garment Association

Hangzhou Zhonghui Textile Co.,Ltd.

Hemboug Group Co.,Ltd.

i î Zhejiang Houyuan Textile Co., Ltd.

i î Huacheng Industrial Investment Co., Ltd.

Huafu Group Co., Ltd

Rose Garment (CHINA) Co., Ltd.

i î Jiaxing Marbos Garment Co.,Ltd.

i î Jiaxing Qiaoya Garment Co.,Ltd.

i î Zhejiang Jiaxing Tongxin Garment Co., Ltd.

i î Jiaxing Yongcheng Garment Co.,Ltd.

i î Jinda New Material Co.,Ltd.

i î Lansheng Cashmere Garment Co.,Ltd.

Zhejiang Langsha'erweidi Garment Co.,Ltd.

i î Leekwan Embroidery(Haining) Co.,Ltd.

Romon Group Ltd.

Zhejiang Meirong Piece Goods Co.,Ltd.

Metersbonwe Group

Zhejiang Msd Warp Knitting & Coating Co.,Ltd.

î Ĥ Zhejiang Mozhihua Industrial (Group) Co.,Ltd.

î Ĥ Haining Naier Sock Co.,Ltd.

Bros Holding Limited

Ningbo Boyang Textile Co.,Ltd.

Ningbo Progen Group Co.,Ltd.

Ningbo Garment Association

Ningbo Peace Bird Group

Ningbo Hope Time Co.,Ltd.

Youngor Group Co.,Ltd.

î Ĥ Youngor Woolen Printing & Dyeing Co.,Ltd.

î Ĥ Youngor Yingcheng Garment Co.,Ltd.

î Ĥ Xinchengda Garment Co., Ltd.

î Ĥ Yuechun Sweater Co., Ltd.

î Ĥ Zhejiang Qianqiu Kintwear Co., Ltd.

î Ĥ Jodoll Garment Enterprise Co., Ltd.

î Ĥ Zhejiang Queping Textile & Chemical Co., Ltd.

Semir Group Co., Ltd.

Chamber Of International Commerce Shaoxing

Zhejiang Yulong Industrial & Trade Group Co.,Ltd.

Zhejiang Twin Lantern Home Textile Co.,Ltd.

Zhejiang Tianlong Digital Printing & Dyeing Co., Ltd.

Zhejiang Tianma industrial Co.,Ltd.

Zhejiang Tiansheng Holding Group Co.,Ltd.

î Ĥ Zhejiang Tianxing Techtextile Co.,Ltd

î Ĥ Tongxiang Shunxin Woolen Textile Co., Ltd.

Zhejiang Sock Co., Ltd.

Zhejiang Weifeng Weaving Printing & Dyeing Co., Ltd.

Wenzhou Dandinghe Dress Co., Ltd.

Wenzhou Fashion Association

Tengxu Co., Ltd.

Wenzhou Zhongke Garment Accesseseries Co., Ltd.

Sharmoon EZ Co., Ltd.

Xintianlong Group

Zhejiang Xuege Garment Co., Ltd.

Zhejiang Yataite Wide Cloth Printing & Dyeing Co., Ltd.

î Ĥ Yaxin industrial Co., Ltd.

î Ĥ Zhejiang Yujia'ai Furnishing Products Co., Ltd.

Yuhua Textile Co., Ltd.

î Ĥ Hopetex Garment Co., Ltd.

Zhejiang Yuehua Textile Co., Ltd.

Zhejiang Yuehong Holding Group Co., Ltd.

Junder Group Co., Ltd.

Canada

Hudson's Bay

î Ĥ CSC9000T Implementing Enterprises (10)

î Ĥ Initial Evaluation Completed within "10+100+1000" Project (17)

î Ĥ Initial Evaluation and Training Completed within "10+100+1000" Project (74)

CSC9000T Chronicles



December 18th, 2007

The CSC9000T Plan 200-8 launched at the 2007 Annual Conference on Social Responsibility of China Textile and Apparel Industry

December 16th-21st, 2007

The “Train the Trainer (TTT)” Project executed in Beijing and Guangzhou, by CNTAC and EUCTP

December 2007

Over 180 managers and workers from 25 enterprises in 3 clusters (Zhongshan, Shengze, Haining) accepted the joint training of the factory improvement project undertaken by CNTAC, ILO and UNIDO



November 28th-December 7th, 2007

The study tour to Europe of CNTAC CSR delegation at the invitation of FTA and European companies

November 21st, 2007

Joint training on the prevention of work-place sexual harassment between CNTAC and the Women’s Legal Service Center of Peking University implemented in Beijing Aimer Lingerie Company

November 21st, 2007

EMBA students from Copenhagen Business School studied CSC9000T

November 12th, 2007

CSC9000T ranked the first grade in CNTAC technology advancement awards

October 23rd-26th

RSCA provided trainings on the Labor Contract Law in Shanghai and Shenzhen to Member Companies

August 31st, 2007

The initial evaluations of “10+100+1000” Project commenced at 50 companies in 5 clusters: Puyuan, Shenhu, Pinghu, Haining and Jintan





August 27th, 2007

Mr. Sun Ruizhe spoke at the Forum on the Social Responsibility of Foreign Invested Enterprises in China, on the development and implementation of CSC9000T

August 10th-12th, 2007

The second group of CSC9000T auditors and trainers trained in Beijing

May 26th-July 11th, 2007

The launch ceremonies of CSC9000T "10+100+1000" Project and the awareness trainings on CSR held in Puyuan, Humen, Shishi, Shenhu, Pinghu, Haining, Kaiping, Jintan and Zhongshan



June 28th, 2007

The Office for Social Responsibility of CNTAC gave training on CSR to representatives of over 50 sub-industries of China Confederation of Light Industries

June 16th, 2007

Workshop on Media Observation of CSR in China Textile and Apparel Industry held in Beijing



May 28th, 2007

The joint project on the Corporate Social Responsibility in the Chinese Textile Industry between CNTAC, ILO and UNIDO officially launched

May 22nd, 2007

The NDRC issued the public report on the development of social responsibility in China textile and apparel industry

May 2007

Joint training with FTA conducted on BSCI and CSC9000T for 400 companies in Shenzhen and Shanghai

May 18th, 2007

Cooperation Agreement signed with FTA to further the unity between BSCI and CSC9000T



May 9th-10th

RSCA offered trainings on CSR to over 30 Chinese NGO representatives

April 17th, 2007

China Textile Round Table Forum on Corporate Social Responsibility discussed the practice, experiences and challenges on CSR

April 13th, 2007

CSC9000T passed the project appraisalment



April 10th, 2007

Mr. Sun Ruizhe met with OECD officials for financial and enterprise affairs, discussed CSR issues

April 2007

CSC9000T proclaimed by NDRC as an industrial standard

March 31st, 2007

The first batch of CSC9000T auditors and trainers trained and recognized by RSCA



March 12th, 2007

President Du Yuzhou issued the "Two Policy Proposals concerning the Implementation of CSR in Textile and Apparel Industry" on the NPC and NPPCC meeting

February 28th, 2007

The 5th Joint meeting between CNTAC and ACFTU discussed CSR issues

January 18th, 2007

The International Seminar on the Prevention of Work-place Sexual Harassment acknowledged the experienced of CSR in related areas



December 12th, 2006

The First Annual Conference on CSR for China textile and apparel industry was held and the Annual Report on CSR of China Textile and Apparel Industry (2006) published

November 24th-December 1st 2006

The training sessions related to the Environmental and Social Compliance Program for China Textile Industry jointly organized by CNTAC, the University of Amsterdam and other parties involved were conducted in De Zhou, Bin Zhou, Wei Fang and Zi Bo of Shan Dong province



November 11th-18th, 2006

The EU-China Corporate Social Responsibility Forum and its related training programs were jointly organized by CNTAC and EU DG Enterprise in Humen, Shishi and Haining, three major textile industrial clusters

August 5th, 2006

The CSC9000T pilot program entered into the training stage

July 26th, 2006

Ministry of Finance, NDRC and Ministry of Commerce jointly issued a circular regarding "The policy to encourage Chinese textile enterprises in adjusting the growth mode and to expand business in overseas markets", placing an emphasis on the support of the textile industry to develop CSR management system building, formulation of industry specific CSR standards and its dissemination both at home and abroad



July 24th, 2006

The CSC9000T pre-evaluation of the first 10 pilot enterprises completed

July 12th, 2006

In the EU-China Symposium on CSR jointly organized by NDRC and EU DG Enterprise, CSC9000T and the CSR practice in China's textile industry was introduced



July 2nd-8th, 2006

The CNTAC delegation composed of representatives of CSC9000T implementing enterprise and related organizations had the first study tour on CSR in Europe

June 13th, 2006

NDRC circulated the “Development Guidelines on the Textile Industry in the 11th Five-year Plan Period”, underlining the dissemination and improvement of the CSC9000T management system in Chinese textile industry for better CSR performance

May 11th, 2006

The CSC9000T pre-training session for the pilot program was organized by CNTAC, which was intended for the senior management of the first 10 pilot enterprises

April 29th, 2006

10 ministries and government departments, including the National Development & Reform Commission (NDRC), Ministry of Labor & Social Security and Ministry of Commerce jointly issued a circular concerning the acceleration of the textile industry structural adjustment, stressing the encouragement of the textile industry to implement the CSC9000T management system to improve CSR performance

April 1st 2006

The Environmental and Social Compliance Program for China Textile Industry jointly launched by CNTAC, the IVAM, the University of Amsterdam and the University of Shandong was initialized, which is a part of “Asia Facility for China 2005”, a Sino-Dutch governmental cooperative project

March 28th, 2006

CSC9000T Implementation Guidance was published and its Pilot Program launched

November 30th, 2005

CNTAC was invited to attend the UN Global Compact Summit in Shanghai, and the practice of CSC9000T was introduced



October 27th, 2005

CNTAC signed a Letter of Endorsement on CSC9000T with the Canadian retailer Hudson's Bay Company

September 13th, 2005

The CSC9000T official website (www.csc9000.org.cn) was launched

May 31st, 2005

The Responsible Supply Chain Association (RSCA), CNTAC was established and China Social Compliance for Textile and Apparel Industry Management System-CSC9000T (Principles and Guidelines) published



March 22nd, 2005

A group of 140 Chinese textile and apparel enterprises proposed the joint initiative regarding "Greater CSR Advocacy" to further address CSR related issues in support of developing industry specific and self-disciplinary CSR standards by CNTAC



January 13th -18th, 2005

The Chinese textile delegation led by Mr. Du Yuzhou, President of China National Textile and Apparel Council (CNTAC) attended both the Canadian Retail Conference in Toronto and the Annual Conference of National Retail Federation in New York. Mr. Du made speeches at both events and had broad exchange of views and ideas with international retailers on CSR advocacy in the Chinese industry

A Brief Introduction to the Office for Social Responsibility of CNTAC

The Office for Social Responsibility of CNTAC was established in May 2005, which is directly under the administration of CNTAC, and the executive body of the Responsible Supply Chain Association (RSCA).



Visions

To establish the CSR management system in Chinese textile enterprises according to specific Chinese conditions.

To protect labor rights and provide assistance to businesses in establishing the management system for social compliance.

To disseminate the industry specific social compliance information in collaboration with the multi-stakeholders including government, trade union, civil society and all interested parties on the supply chain.

To guide businesses to follow the scientific approach to development and to enhance core competitiveness.

Goals and Objectives

To facilitate businesses in achieving the CSR based management by providing professional services, elevate the level of modern corporate management, enhance a healthy and sustainable development of the industry, promote the building of a responsible global supply chain.

Competencies & Services

- ※ Operates and improves CSC9000T, China Social Compliance for Textile and Apparel Industry, in line with Chinese law, international practices and specific Chinese conditions
- ※ Conducts performance evaluations of the CSC9000T management system and issues performance reports, provides training and consulting services, technical and professional assistance to businesses for CSR management
- ※ Manages the CSR performance databank of the Chinese textile and apparel manufacturers and offers consultation to players on international textile and apparel supply chain
- ※ Provides assistance to the compilation of CSR reports based on CSR-GATEs
- ※ Exchanges and shares CSR information with stakeholders and general public by organizing forums, symposiums and seminars, etc.
- ※ Undertakes CSR-related research and education programs
- ※ Collaborates with government departments, international organizations, trade unions, academic institutions and media, on CSR and supply chain projects

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