

**Social Responsibility Report  
of  
China's Textile and Apparel Industry  
2018-2019**



# Foreword

In 2018, China's textile and apparel industry feared no challenges and forged ahead through adversity. The industry did a good job by enlarging the total exports and maintaining a steady growth even in face of a complicated and volatile international climate as well as huge pressure from the trade friction between China and the United States. As the largest industrial platform in terms of economic power worldwide, China's textile and apparel industry has gradually grown into an important industrial force that powers international economic and cultural cooperation as well as global governance.

In this context, China's textile and apparel industry focused its social responsibility work on forging the internal strengths of industry players, including establishing a corporate social responsibility system and enhancing capabilities related to concrete issues. On the other side, it took the responsibility for improving the industrial development environment by taking measures such as promoting responsible investment overseas and collaborating with domestic and overseas stakeholders to resolve the corporate social responsibility and sustainable development challenges faced by the global supply chain.

This Report is the 14<sup>th</sup> social responsibility report of the industry that the China National Textile and Apparel Council (CNTAC) has successively published. It is sponsored by the CNTAC and compiled by the Office for Social Responsibility of the CNTAC, with great support from the leaders and various departments. The Chinese and foreign stakeholders of the CNTAC gave valuable suggestions during the compilation of this Report. This Report includes four parts: Part 1 reviews the general development status of China's textile and apparel industry in 2018 and analyzes how the industry trends have affected corporate social responsibility work; Part 2 focuses on major practices that the CNTAC and industry players have implemented as well as the progresses made in 2018; Part 3 addresses the findings of the CNTAC's survey on Chinese-funded enterprises in the Lancang-Mekong countries regarding investment and sustainable development; and Part 4 provides the 2019-2020 social responsibility work plan of China's textile and apparel industry.

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Part I

The Development Status of China's Textile and  
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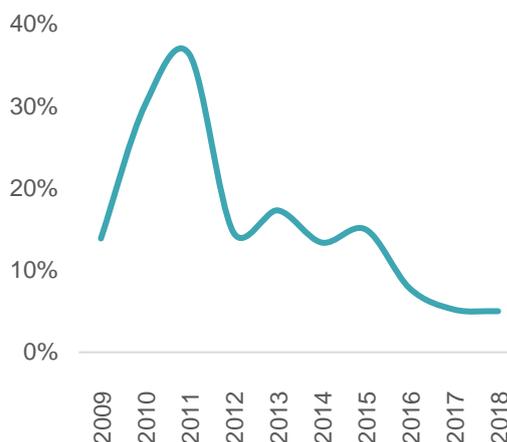
## 1.1 The Development Status of China's Textile and Apparel Industry in 2018

### 1.1.1 Contributing to the steady development of the Chinese economy

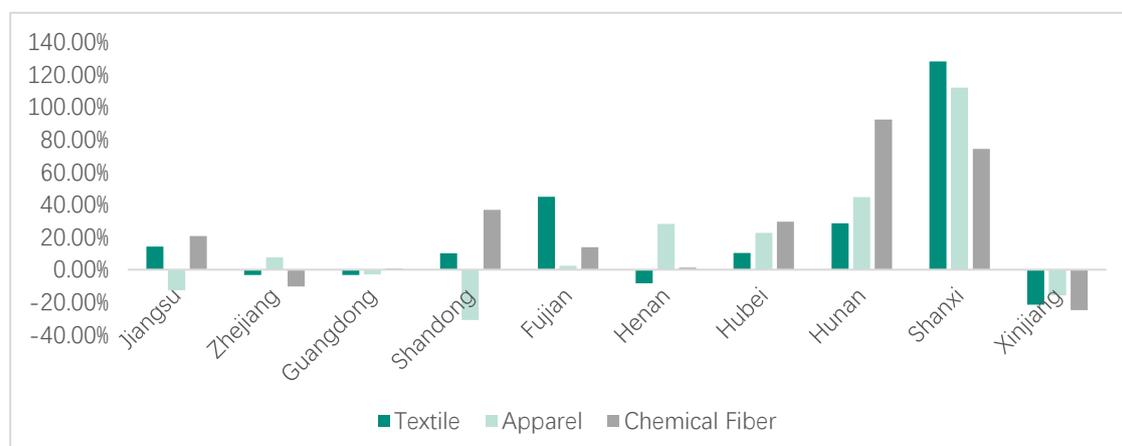
The textile and apparel industry represents an important force that supports the steady development of the Chinese economy. In 2018, the Prosperity Index of China's Textile Industry mainly remained in developing areas. The investment growth rate geared down, but Shanxi, Hunan, Fujian took the lead nationwide in terms of investment growth rate.



Prosperity Index of China's Textile Industry mainly remained in developing areas\*



Investment growth rate of textile and apparel industry\*



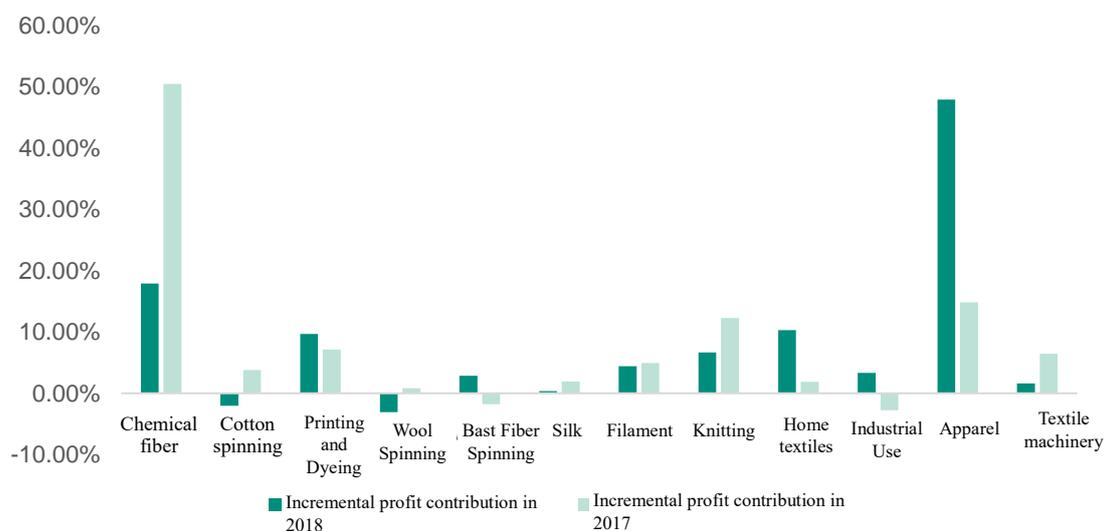
Investment dynamics in major regions\*

\*Data Source: Research Institute for Industry Economy, China National Textile and Apparel Council

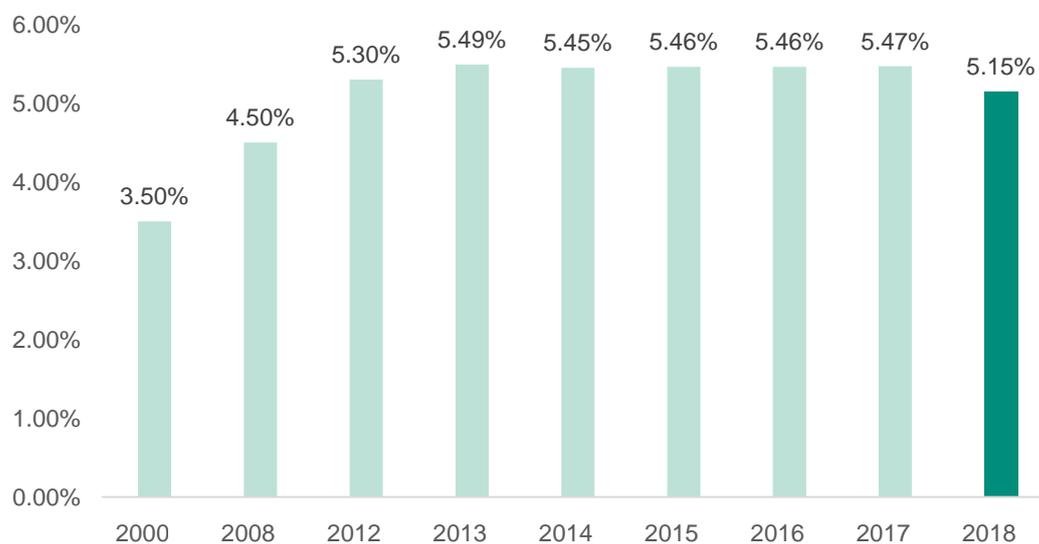
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The benefits of apparel, home textile, dyeing and other sectors evidently changed for the better, while the profit margin from main operations remained high at enterprises above the designated size.



Incremental profit contribution by industry\*



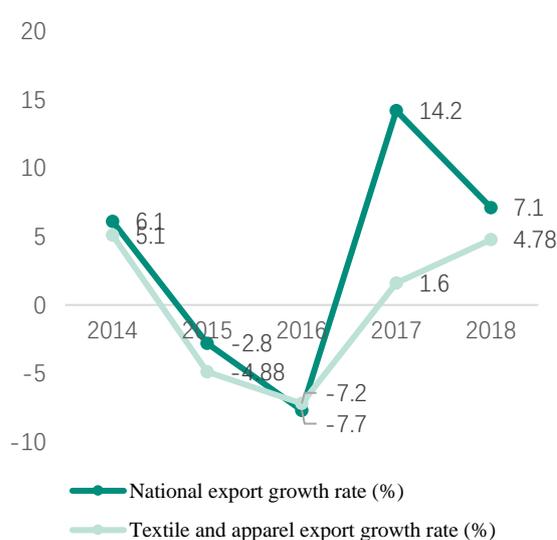
Profit margin of main operations at enterprises above designated size\*

\*Data Source: Research Institute for Industry Economy, China National Textile and Apparel Council

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### 1.1.2 Rising Competitive strengths in international market

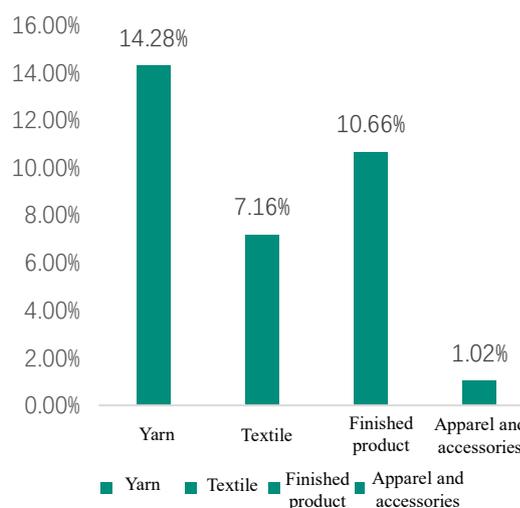
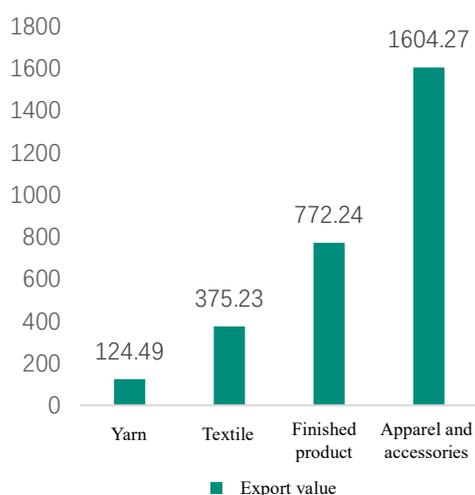
In 2018, the international trade remained sluggish, affected by trade protectionism and other factors. China's textile and apparel industry maintained a decent performance in the international market. In the full year, the industry recorded a total export value of USD287.623 billion, representing a year-on-year growth rate of 4.78% with a rise of 3.18 percentage points over the previous year, and played a constructive role in stabilizing the Chinese currency and maintaining the balance of payments.



Growth rates of national export and textile and apparel export\*



Textile and apparel export value\*



Export values and growth rates of major products: Midstream and upstream products became much more competitive in the export market\*

\*Data Source: Chinese Customs

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## China-US trade friction: challenges for the textile and apparel industry and its responses

On July 10, 2018, the US declared a raise in tariffs on USD200 billion worth of Chinese products that involved all types of textile yarns, textiles, industrial products, some home textiles and weaving machinery.

Trade friction ruined the liberal and open environment for trade, destroyed the market entities' confidence in sustainable development, and even worse, upset the cooperative order of global value chain. In 2018, China's textile and apparel industry "forged ahead through adversity" in the context of international pressure, awarded by an increase in both total export value and growth rate in the full year.

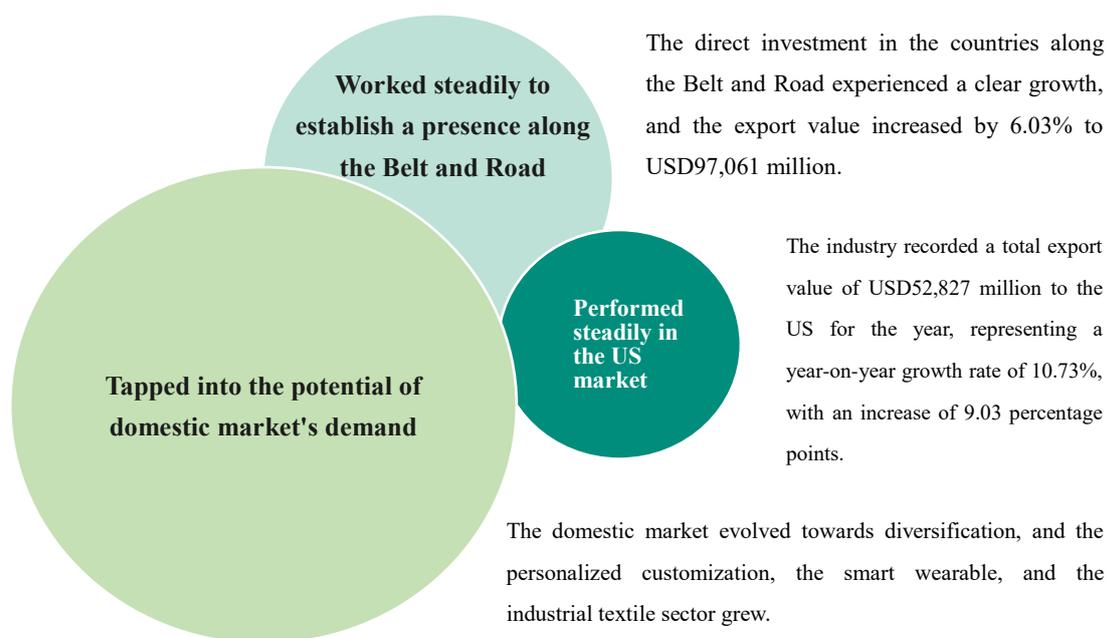


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China has maintained a steady performance in the global textile and apparel industry and has taken an important position in the total of textiles and apparel among the imports of the US, the European Union, and Japan.

In 2018, China's textile and apparel industry maintained a stable performance in major international markets. \*



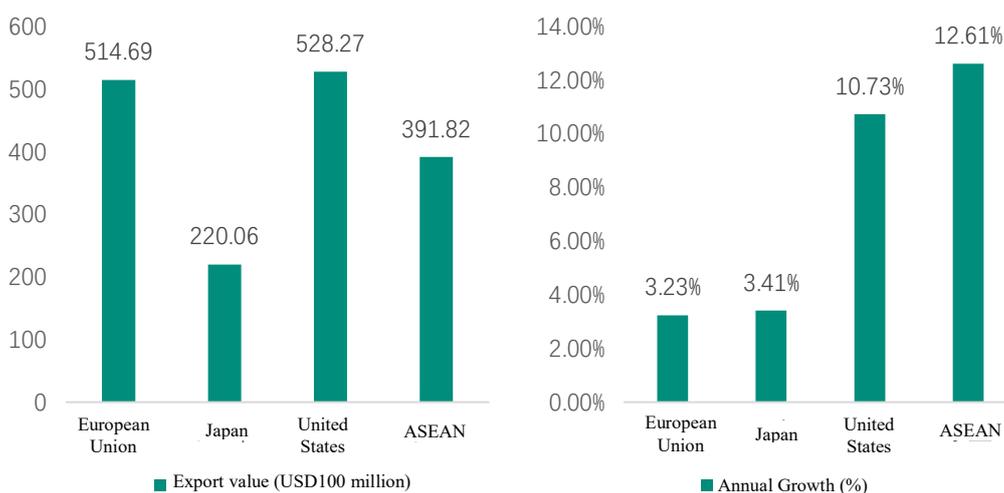
The **US** imported **USD40,594 million** worth of textiles and apparel, representing a year-on-year growth of 4.85% and a market share of 36.53% from China.



The **European Union** imported **EUR38,839 million** worth of textiles and apparel, representing a year-on-year growth of 1.46% and a market share of 33.13% from China.



**Japan** imported **JPY2.469892 trillion** worth of textiles and apparel, representing a year-on-year growth of 0.6% and a market share of 57.8% from China.



Export values and growth rates with major markets\*\*

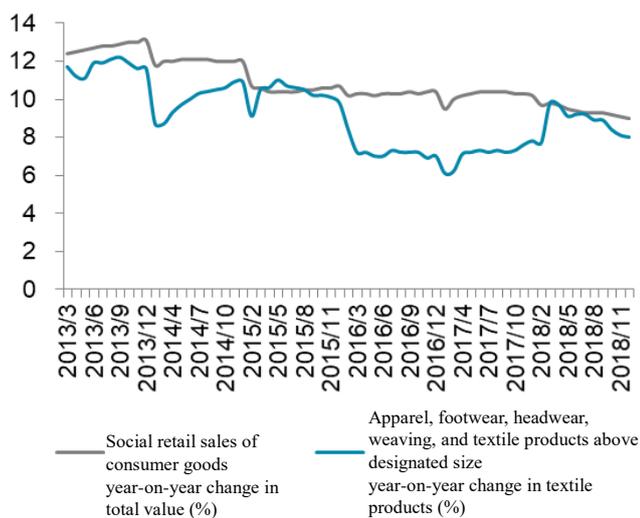
\*Data Source: US, EU, and Japanese Customs

\*\*Data Source: Chinese Customs

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### 1.1.3 Boosted upgrade of domestic consumption demand

In 2018, the domestic textile and apparel market continued to grow steadily, and the retail volume of apparel, footwear, headwear, knitwear, and textile sectors above the limit added up to RMB1,370.65 billion, representing a year-on-year growth of 8.0% and outperforming the growth rate of national consumer expenditure per capita (6.2%).



Retail growth rates of domestic consumer goods versus apparel and knitwear\*

The market demand became more personalized, multi-level, and diverse.

- The middle-income sector has already exceeded 400 million people
- The rural residents' income kept growing quickly
- Young consumers emerged as the major consumer group
- Demographic ageing changed for the worse
- Demand for industrial textiles grew

Spurred by the enormous consumption upgrade demand; personalized customization and smart wearable products emerged as new drives in the industry.

The consumption grew robustly in rural areas as well as in tier-3 and tier-4 cities.

Young consumers chose to express their lifestyles with products, and paid more attention to building resonance and emotional links with brands.

The elderly consumer market took shape at a fast speed among people aged 60 and above, which represent 17.9% of the total population.

The usage for textiles kept broadening, and functional textiles emerged as a new major segment.

\*Data Source: Research Institute for Industry Economy, China National Textile and Apparel Council

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## 1.2 Important trends behind China's textile and apparel industry in 2018 and their CSR impacts

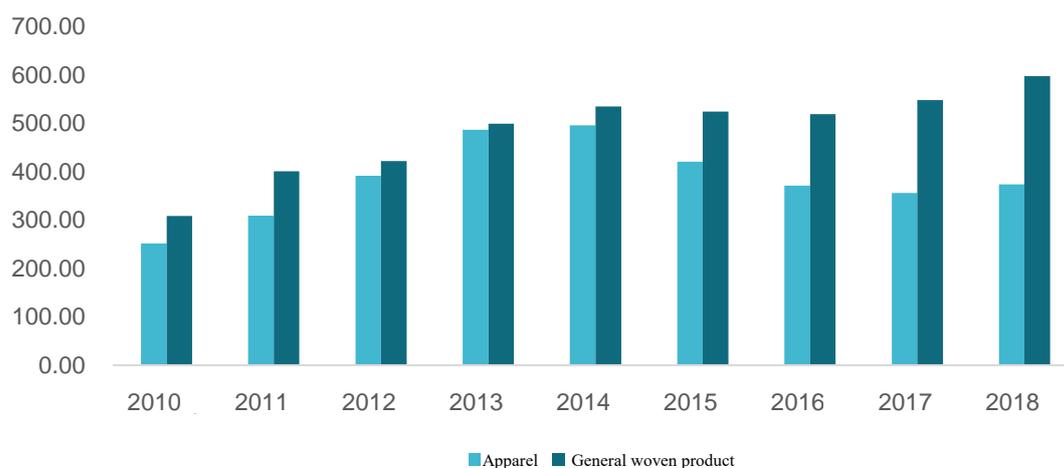
### 1.2.1 Cooperation in the value chain along the Belt and Road

China's textile and apparel industry shifted its global market focus step by step to the countries along the Belt and Road. In 2010-2018, China's textile and apparel industry maintained an annual average growth up to 7.12% in the total export value to the countries along the Belt and Road. This figure was 3.24 percentage points higher than the annual average growth of total export to the world, and these countries contributed as much as 54.31% of China's textile and apparel export value.

In 2018, the industry recorded a total export value of USD97,061 million to the countries along the Belt and Road, representing a year-on-year growth rate of 6.03% with a growth

rate 3.08 percentage points higher than the previous year.

Under the framework of the "Belt and Road Initiative", China's textile and apparel industry has further diversified their options to go global and accelerated the pace to launch overseas merger and acquisition deals, make investments, set up plants and build industrial parks. At the same time, enterprises must face supervision, financing, cultural tradition, social environment and other challenges in local operations, which makes it imperative to further enhance the capacity to identify and manage social and environmental risks.



Exports to the Belt and Road markets\*

\*Data Source: Research Institute for Industry Economy, China National Textile and Apparel Council

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The trading pattern has evolved from exporting products to cooperating in the value chain.



The Garment Manufacturing Association of **Cambodia** has a total of more than 500 corporate members, out of which more than 70% are Chinese-funded enterprises.



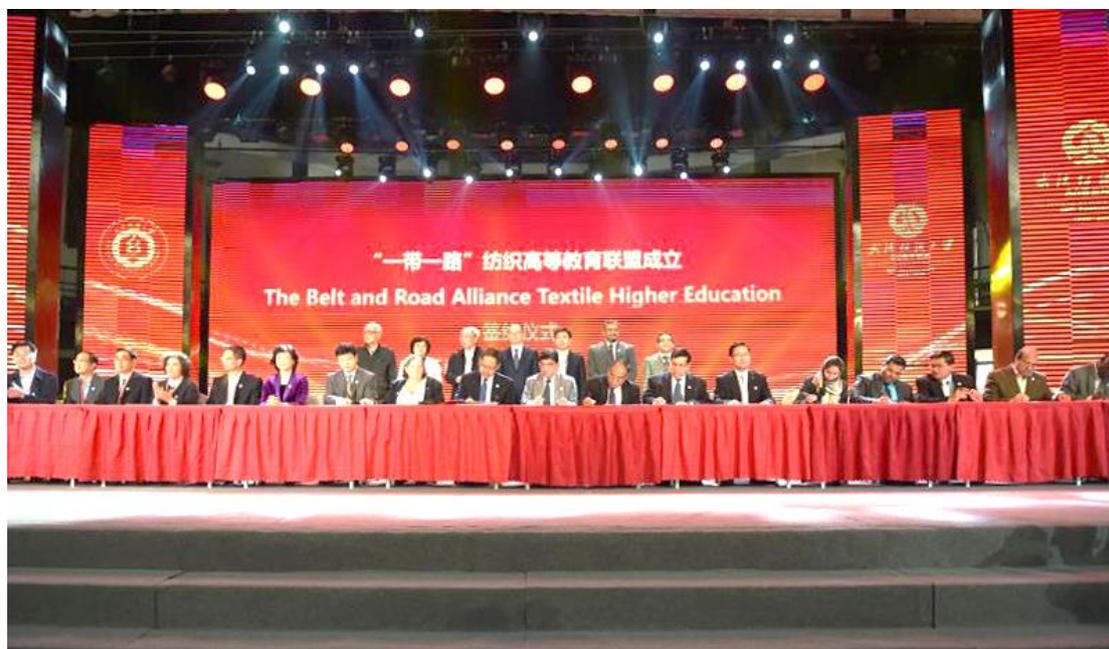
China is the biggest foreign investor in **Bangladesh**, and the textile and apparel industry has attracted the largest proportion of Chinese investment in the country.



In **Myanmar**, there are more than 300 Chinese-funded apparel enterprises, which have created nearly 300,000 jobs.



China and **Vietnam** are important trading partners in the textile and apparel industry, of which China is also the largest foreign investor.



Donghua University has formally launched the Belt and Road World Alliance of Textile Universities in partnership with a total of 33 universities from 18 foreign countries.

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## 1.2.2 An innovation and technology-driven industry

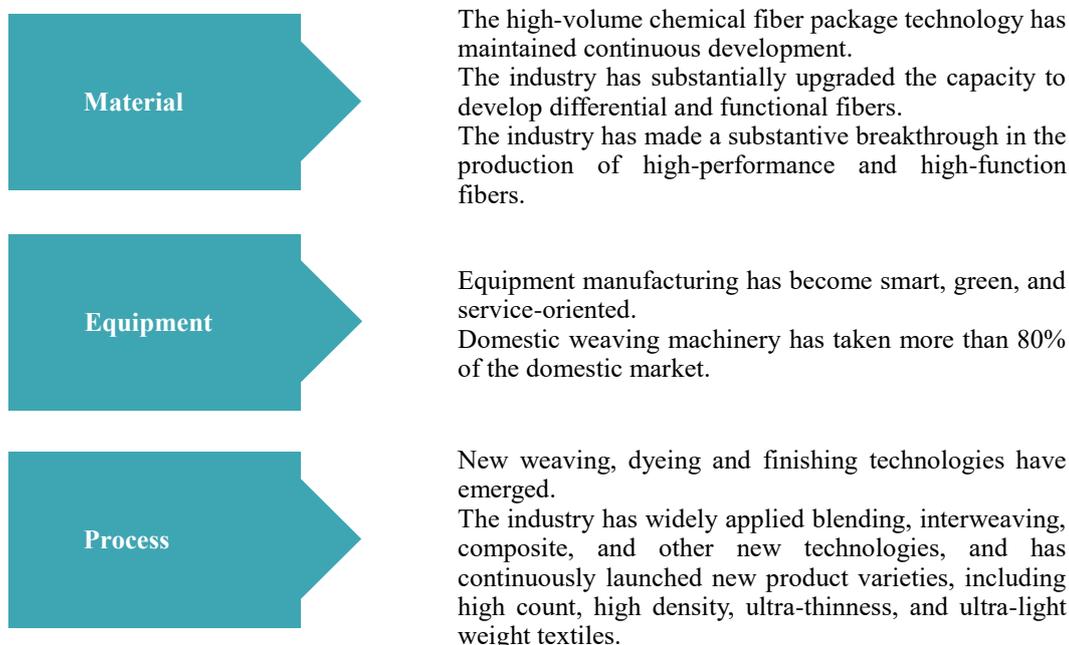
China's textile and apparel industry has grown into an industrial sector with independent innovation capacity that has injected intelligence, and digital technology in depth into key links of the entire industrial chain, ranging from raw material supply, design, and R&D research to textile dyeing and processing, textile manufacturing, and operation retail.

Technological innovation has reshaped a new textile and apparel industry in China. First, the industry has improved production efficiency. Industry players have improved the production environment with the information technology and have raced to introduce "smart plant", "smart logistics", and "smart outlet" in a move to improve the production efficiency and service experience. Second, the industry has upgraded the product portfolio, with further diversified product varieties, and better quality, which has enabled the industry to remain competitive on the international arena.

In 2018, China's textile and apparel industry won the National Scientific and Technological Advancement Award with

2

results.\*



\*The two projects are titled *Integrated Technologies for High-efficiency Regeneration of Waste Polyester and Fiber Production Industrialization* and *High-performance Special-purpose Fabric Weaving Technologies, Equipment, and Industrialization*.

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Jiangsu Sunshine Group has won the China Quality Award and became the first enterprise that has won the award in the textile industry.

### 1.2.3 A culture-guided fashion industry

Textile and apparel products represent a key fashionable language and an important cultural emblem in consumer life. In 2018, Shanghai Fashion Week and China Fashion Week both edged into the world top ten fashion weeks. At the same time, more and more Chinese brands made a debut on international arenas, including Paris, New York, London and Milan. China's textile and apparel industry has continuously increased the say and cultural confidence of Chinese fashion in the international market.

Behind the rise of Chinese fashion is the refinement of the market environment. The industry has persisted in integrating Chinese traditional cultures, values, and concepts into product design, which has driven the rise of both market demand and oriental aesthetic consciousness. At the same time, the industry has non-stop perfected the fair play and intellectual property protection mechanisms, and further refined corporate social responsibility and credit system.



Chinese brands joined hands to attack the international market on the "Tmall China Day" at the New York Fashion Week

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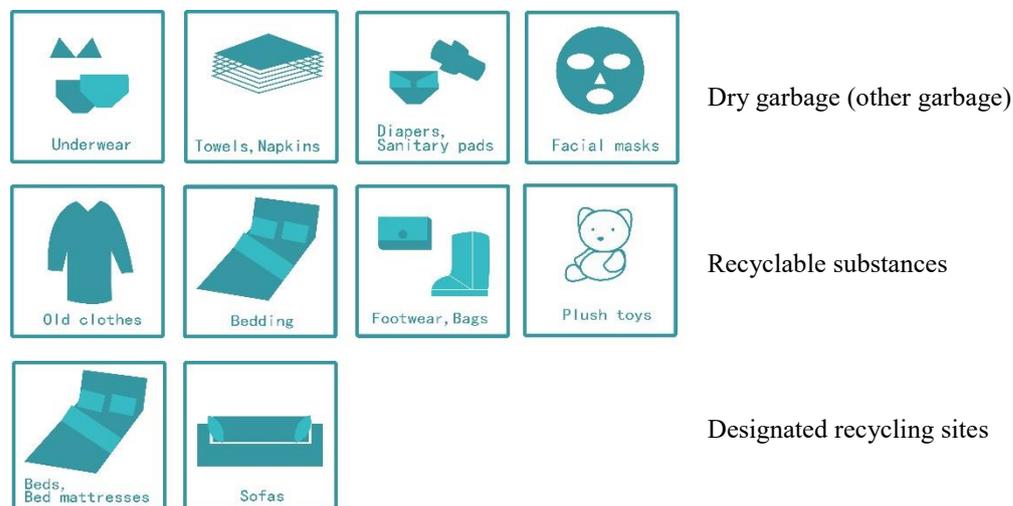
## 1.2.4 A responsibility-oriented green industry

Green mountains and clear waters are our biggest treasure. In 2018, China's textile and apparel industry was deeply affected by a series of new environmental protection laws and regulations, including the Environmental Protection Tax Law that defined the rule of market - "pollution treatment and emission reduction will make a profit, and out-of-standard pollutant emissions will make a loss", formal start of the national carbon emission trading system and implementation of the pollutant emission permit system nationwide. In response, the industry reinforced the traceability of chemical, water, and energy footprints as well as supply chain management, phased out outdated facilities and reduced pollutant emissions. It gradually evolved environmental management in a direction to go both scientific and compliant, and further enhanced sustainable development capacities.

### Garbage classification being a new fashion

Effective utilization of waste textiles, which are a type of recoverable resources, can save a large quantity of raw materials, thereby alleviating petrol consumption and shortage of arable land. At the same time, it also reduces hazardous gas emissions from the incineration of textile and soil pollution due to filling.

#### How to classify textile waste?



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## 2.1 Responsibility for the People

**Creation of job opportunities.** China's textile and apparel industry employs more than 20 million people and creates more than 10 million jobs for migrant workers every year. It is a pillar force that supports community development and drives improvement of people's lives.

In February 2018, the *Xinjiang Textile and Apparel Industry Development Plan (2018-2023)* was issued and implemented. The plan sets the objective to take the overall strength and development level of the industry to a new height and to create 1 million jobs by developing the textile and apparel industry by 2023. In particular, the industry will provide employee opportunities for more than 650,000 people in the southern part of the autonomous region.



Employee index of textile and apparel industry\*



140 individuals with outstanding contribution to the respective industry were commended in celebration of the 40<sup>th</sup> anniversary of the reform and opening up policy.

\*Data Source: Research Institute for Industry Economy, China National Textile and Apparel Council

**Experience exchanges with international organizations.** On June 18-19, 2018, the Corporate Social Responsibility Mission of CNTAC was invited to visit Geneva, Switzerland and held a talk with the International Labour Organization (ILO), the United Nations Conference on Trade and Development (UNCTAD), the International Committee of the Red Cross (ICRC) and the Secretariat of the United Nations Industry, Commerce and Human Rights Workgroup. The mission shared the practices and experiences in promoting corporate social responsibility inside and outside the industry, and noted that extensive and profound international cooperation was an important option to forge a responsible and sustainable global supply chain for the textile and apparel industry.

**Preventing sexual harassment in the workplace.** CNTAC has prepared the *Corporate Instruction Manual for Refining the Mechanism Preventing Sexual Harassment in the Workplace* in collaboration with China Women's University, in a move to enhance corporate executives, sexual awareness and to promote the best practices and latest research results among enterprises, in the hope of instructing and promoting enterprises to refine the mechanism against sexual harassment in the workplace.

**Advancing gender equality.** CNTAC has worked together with the Asia Foundation to launch the "Promoting Corporate Social Responsibility and Gender Equality at Textile and Apparel Enterprises in Fujian and Hubei Provinces" project, and selected 3 pilot enterprises in Fujian and Hubei Provinces respectively. In 2018, the project completed 3 concentrated trainings, 5 on-site or remote guiding sessions and final assessment in relation to female members, and issued the *Implementation Guide for Promoting Gender Equality at Textile and Apparel Enterprises*.





Providing corporate social responsibility training for overseas Chinese companies

**Supporting enterprises going global in performing corporate social responsibility.**

CNTAC signed a memorandum of cooperation with the Ethical Trading Initiative (ETI) and Myanmar SMART, whereby the three parties initiated a joint training entitled “Promoting Corporate Social Responsibility and Labor Relations of Chinese-funded Enterprises” to help enterprises which were going global understand the local business environment in depth and to refine the communication mechanism between the capital and the labor. In 2018, the council hosted a total of 3 training or seminar events covering more than 240 representatives from local Chinese-funded enterprises in Myanmar and Cambodia.

**Caring for vulnerable groups.** In 2018, CNTAC and the United Nations Children Fund initiated a corporate social responsibility communication event themed “World Children Rights and Corporate Brand Responsibility” at the 23<sup>rd</sup> China (Humen) International Fashion Accessories Fair, and won the “Citizen Most Welcomed Booth Award” at the fair.

## 2.2 Responsibility for the Environment

**Setting-up of the Chemical Environmental Management Committee.** On April 11, 2018, China's textile chemical enterprises from the Innovation Alliance for Supply Chains Green Manufacturing Industries and 14 major textile enterprises issued *Joint Statement of China's Textile Supply Chain on Chemical Environmental Management Innovation 2020 Action Plan* to set up the Chemical Environmental Management Committee, in a move to prompt enterprises along the China's textile industry chain to participate in building a global sustainable supply chain.



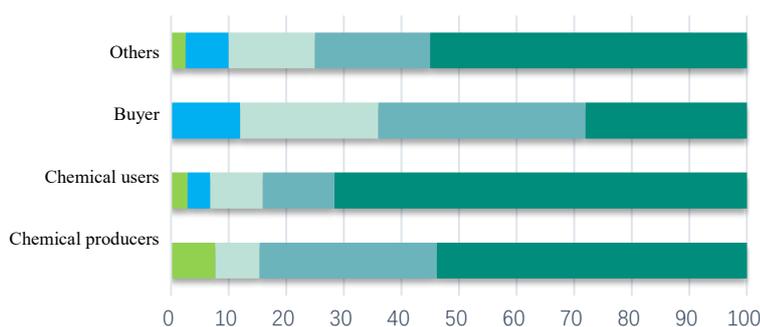
**Sponsoring the Fashion Industry Charter for Climate Action.** In December 2018, CNTAC, 31 global textile brands/enterprises, and 10 industry organizations jointly signed the *Fashion Industry Charter for Climate Action* under the United Nations Framework Convention on Climate Change (UNFCCC). Declared at the 24th United Nations Climate Change Conference in Katowice, Poland on December 10, the Charter aimed at joining hands with the global textile industry chain to advocate a green, low-carbon, circular, and sustainable development pattern and reshaping an emerging community of shared future for the global textile industry. CNTAC was the only industrial organization that has initiated the Charter.

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**Upgrading the chemical management toolkits.** CNTAC has completed the “Comprehensive Assessment System for Green Manufacturing of Consumer Goods” project and forged the comprehensive green manufacturing assessment platform (CiE) for the industry. The CiE comprises three modules, including green plant assessment, carbon emissions, and water management. With the platform, an enterprise can perform self-assessment and expert assessment of its green manufacturing level, and enter data to generate a green plant report. Alternatively, it can generate a sustainable development report or a special report on carbon management, water management, and chemical management based on different stakeholders’ needs.



In July-September 2018, CNTAC organized a training on the usage of CiE about managing the information of chemical substances in textiles. The event attracted over 300 participants from more than 150 enterprises. Until the end of 2018, the CiE chemical module recorded more than 350 corporate users, including over 200 chemical enterprises and more than 150 textile enterprises. The user base soared 300% year on year, and the module traced over 26,000 chemical items.



	Chemical producers (dye and additive producers and other chemical enterprises)	Chemical users (textile printing and dyeing enterprises)	Buyer (brand, retail, trader and other supply chain managers)	Others
1	7.69	2.84	0.00	2.50
2	0.00	3.98	12.00	7.50
3	7.69	9.09	24.00	15.00
4	30.77	12.50	36.00	20.00
5	53.85	71.59	28.00	55.00

Assessment of intent to use the CiE system after training

## 2.3 Responsibility for the Market

**Disclosure of CSR Information.** On September 28, 2018, CNTAC organized the “2018 Annual Conference on Corporate Social Responsibility in the China’s Textile and Apparel Industry” to explore sustainable development methods for the textile and apparel industry from the perspective of sustainable fashion and construction of an ecosystem enabled by responsibility. The 2017-2018 Social Responsibility Report of China’s Textile and Apparel Industry was published at the conference. Since 2006, the council has disclosed the Industrial Social Responsibility Report for 13 years in a row.

**Increased voice in the international community.** On January 30, 2018, CNTAC and the OECD signed the memorandum of cooperation to promote responsible business conduct at the Forum on Due Diligence in the Garments and Footwear Supply Chains. According to the memorandum, the OECD will provide technical support for China’s textile and apparel industry to promote the CSC9000T in the international community, which has substantially enhanced the international influence of Chinese standards.

On June 20, the *OECD Due Diligence Guidance for Responsible Business Conduct* was officially released. It is the first due diligence guidance that is applicable to all industries in the world. As the only representatives from a non-OECD member, the experts of CNTAC have participated in the entire work to formulate the guidance.



The CNTAC signed a memorandum on promoting responsible business conduct with the OECD

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**Industry exchanges and cooperation reshaped the market structure for sustainable development.**

<b>CNTAC The Third Session of the Fourth Council</b>	Issued the <i>Three-year Action Plan for Industry-Finance Fusion in the Textile Industry</i> in order to promote the fusion between the textile industry and the capital market, and to drive the transformation, upgrade, and sustainable development of the textile industry with financial leverage.
<b>Shengze Summit for Sustainable Development and Regional Cooperation in Asia</b>	Issued the <i>Overseas Investment and Corporate Social Responsibility of China's Textile and Apparel Industry: Country Survey Reports on Four Asian Countries</i> , the <i>Three-year Action Plan of China's Textile and Apparel Industry for Overseas Sustainable Development under the Belt and Road Initiative (2018-2020)</i> and the Sustainable Asian Textile Industry Website.
<b>2018 First World Textile Merchandising Conference</b>	Explored collaborative development of the global textile industry, transformation and upgrade of China's textile industry, trends, and frontiers of future textile technologies, trends of global fashion industry, green manufacturing of sustainable development, new business models, and other major agendas.
<b>China's Textile Military-Civil Integrative Development Forum</b>	Exchanged views in relation to the interpretation of policies and strategies of the state, military-civil integrative development of textile, military-civil dual-purpose textile technologies, and other agendas, matched the supply and demand for textile products, and mediated military-to-civil technologies and civil-to-military technologies.
<b>Signed memoranda with industry associations in Myanmar and Cambodia</b>	The CNTAC signed a memorandum with the China Enterprises Chamber of Commerce in Myanmar, the Myanmar Garment Manufacturers' Association, the Garment Manufacturers Association in Cambodia, and the Textile Enterprise Association of Chinese Chamber of Commerce in Cambodia, whereby all parties forged a strategic partnership and established a new roadmap to promote the corporate social responsibility program among overseas Chinese-funded enterprises.

**Implementing research on the value chain of textiles industry in the Lancang-Mekong Region.** In 2018, CNTAC and the Chinese Academy of Social Sciences worked together to take on the "Value Chain of Textile Industry and Economic Development in Six Countries along the Lancang-Mekong River" project outsourced by the China Secretariat of the Lancang-Mekong Cooperation under the Ministry of Foreign Affairs of China, in a move to promote the dialogue and long-term cooperation between the textile and apparel industries in different countries along the Lancang-Mekong River and to promote the formation of regional value chain of textile and apparel industry featuring sharing, mutual benefit, and sustainability.

**Forging a responsible global textile supply chain.** In 2018, CNTAC and amfori BSCI joined hands and cosponsored a total of 8 supplier training events themed "decent working hours and reasonable remuneration". The events attracted more than 200 enterprises.

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**Exerting a spillover effect of corporate social responsibility work.** On September 18, 2018, the *Corporate Social Responsibility Management System for Electronic Information Industry* was issued. It is another industrial corporate social responsibility guideline based on the CSC9000T after the *China Corporate Social Responsibility Management System for Communication Industry* in order to help electronic information enterprises better perform corporate social responsibilities and to build up sustainable development capacities.

**Supporting sustainable development in South-South Cooperation.** In April 2018, the China Center for International Economic Exchanges under the Ministry of Commerce of China and the United Nations Development Program banded up to initiate a training project themed “Chinese Civil Organizations’

Participation in South-South Cooperation to Boost the 2030 Agenda for Sustainable Development”, and an expert from CNTAC delivered the first speech entitled *Decoding the 2030 Sustainability Agenda*.

During the Global South-South Development Expo (GSSD Expo) in November, the experts of CNTAC participated in the seminar themed “Inclusive Partnership of South-South Cooperation: Promote the 2030 Agenda through Traditional and Innovative Development Cooperation” organized by the United Nations Development Program at the United Nations Headquarters, and shared the practices of Chinese industrial organizations for promoting the sustainable development goals of the United Nations to land and take root worldwide through responsible foreign investment.



Experts of the CNTAC and the Chinese Academy of Social Sciences visited the China Enterprises Chamber of Commerce in Myanmar.



The CNTAC signed a three-party memorandum of cooperation with the China Enterprises Chamber of Commerce in Cambodia and the Garment Manufacturers' Association of Cambodia (GMAC).

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Part III

The Chinese Investments in Textile Industry Parks  
in Mekong Countries in 2018:  
Sustainable Development and Case Study



## 3.1 Research Background

In 2018, CNTAC, together with the Lancang-Mekong Environmental Protection Center, launched a research project pertaining to the sustainable development and case study of Chinese investments in the textile industry parks in the Mekong countries, and completed the *Sustainable Development and Case Study of Chinese Investments in Textile Industry Parks in Mekong Countries* and the *Environmental Protection Guide for Lancang-Mekong Sustainable Textile Industrial Parks*.



## 3.2 Main Contents

### 3.2.1 Development Profiles of Textile and Apparel

#### Industries in Countries along the Mekong

The Mekong countries are all developing countries and face similar environmental and social challenges. The textile and apparel industry is an important pillar industry in the national economies of all these countries, but varies in development status and size.

- After decades-long development, Thailand and Vietnam have forged a relatively sound industrial chain, but the textile and apparel industry still remains at the apparel processing stage in Cambodia, Myanmar and Laos.
- In Cambodia, the export value of textile and apparel products accounts for 63% of the total export value, and it mainly comes from finished apparels. In Vietnam, this figure is only 17%.
- The textile and apparel industry among countries tends to develop agglomeratively. So far, they have finished the construction of the first set of industrial parks with sound infrastructure and a compliant management.

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### 3.2.2 Development Status of Chinese-funded Textile and Apparel Enterprises in Countries along the Mekong

The textile and apparel industry is one of the major industrial sectors that have attracted direct investment from China. At the same time, China also ranks among the largest investors of the textile and apparel industry in the Mekong countries.



Chinese textile enterprises invest in the Mekong Region mainly by building plants, namely, they dispatch Chinese executives, buy local raw materials, hire local labor, and rent local plants. Some Chinese enterprises also collaborate with local governments to build industrial parks together.



So far, the absolute majority of Chinese enterprises establishing the presence in the Mekong countries have recognized the sustainable development concept and put it in practice to some extent, but there is still space for further improvement of the implementation capacity and effect. Most of them have assured compliant production, introduced advanced technologies and equipment from China, and carried forward green production. A few enterprises have suffered an investment failure, which is principally attributable to labor disputes and environmental pollution.

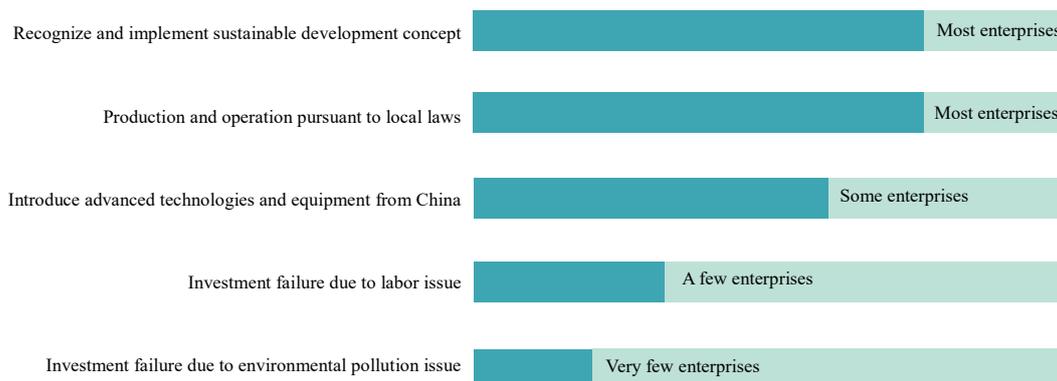


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### 3.2.3 Suggestions for China's Investment in Textile and Apparel Industry in the Mekong Countries

The research results reveal that building an industrial park proves an effective option for Chinese enterprises to invest in the Mekong countries and become successful there. We would like to advise enterprises as follows:

- Band up to go global, and build industrial parks with comprehensive functions and sound infrastructures;
- Forge a full life circle management mechanism, and build a due diligence management system that is able to deal with economic, social, and environmental risks at different stages before, during, and after investment;
- Strengthen communication and coordination and establish an effective interaction mechanism with key stakeholders;
- Align environmental and social standards for foreign investment to international leading standards and implement the same to the letter.

#### Sustainable Development Practices of the Cambodia Sihanoukville Special Economic Zone

China has built a total of 45 parks overseas in the countries along the Belt and Road, including 10 in the five countries on the Mekong. The Cambodia Sihanoukville Special Economic Zone is one of the first economic and trade cooperation zones that have been confirmed by the Ministry of Commerce and the Ministry of Finance after evaluation. It is the largest special economic zone approved by the Cambodian government and more importantly, a landmark project under the Belt and Road Initiative. It has been hailed by the leaders of both China and Cambodia.

##### Pay attention to communication with stakeholders

All stakeholders win: Shareholder, employee, customer, supplier, partner, environment, community, and government.

Increase employment, and improve the living standards of the local community; care for public welfare.

##### Take the initiative to bear corporate social responsibility

##### Adhere to green development

Preserve the original ecological environment and prevent pollution in construction and operation.

Strictly observe local laws and regulations, and safeguard legitimate rights and interests of employees.

##### Fully respect local cultures



**2018-2019**

Social Responsibility Report of China's Textile and Apparel Industry

**Part IV**

**2019-2020 Social Responsibility  
Development Plan of China's Textile  
and Apparel Industry**



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#### **4.1 Forging the foundation for implementation mechanism of CSC9000T membership system**

We will design and complete the *Implementation Guidance Document for CSC9000T Corporate Social Responsibility Management System of Textile and Apparel Enterprises* based on process management and risk due diligence management; we will count on the CSR Construction and Promotion Committee of CNTAC (RCSA) and major textile enterprises to design the promotion mode for the CSC9000T membership system and launch a pilot program; and we will seek the support and participation of supply chain partners and related standard families in the implementation of the CSC9000T membership system.

#### **4.2 Upgrading the environmental and climate action of textile and apparel industry**

We will continuously take the 2020 Action for Chemical Management Innovation, promote the application of the CiE system as a tool in the textile supply chain, and participate in depth in the work to design and research the implementation mechanism for the *Fashion Industry Charter for Climate Action* and propel the participation and commitment of Chinese enterprises. Also, we will initiate the 2030 Climate Innovation Action for China's Fashion Industry and the innovation project involving circular economy management in China's fashion industry, and develop the new technology platform for sustainable innovation.

#### **4.3 Supporting responsible investments overseas of China's textile and apparel enterprises**

Pursuant to the *Three-year Action Plan of China's Textile and Apparel Industry for Overseas Sustainable Development under the Belt and Road Initiative (2018-2020)*, we will strengthen investment guide, local training, support network, and experience exchange. In detail, we will continue to survey the textile industry parks in the Lancang-Mekong Region, make Chinese-funded textile and apparel enterprises in the overseas regions, particularly the Southeast Asia and Africa, more competitive in the CSR dimension, and participate in the work to launch the CSR Alliance of Chinese Enterprises in Africa.

#### **4.4 Reinforcing cooperation with multiple stakeholders in due diligence and capacity building of supply chains**

We will cooperate in depth with related organizations of the United Nations, the OECD, embassies and consulates, international non-government organizations and other stakeholders, and strengthen the research, technical development, and promotion pertaining to due diligence management of supply chains in the textile and apparel industry. Meanwhile, we will partner with major industry exhibitions to promote a profound fusion of the CSR standards and practices with the supply chain-based business relations, and explore new trends of responsibility performance, including family-friendly practices.

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Appendix

**CSR MEMORABILIA OF KEY MEMBERS  
OF CHINA NATIONAL TEXTILE AND  
APPAREL COUNCIL IN 2018**



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## Appendix: CSR Memorabilia of Key Members of China's Textile and Apparel

### Council in 2018

<p><b>China Dyeing and Printing Association</b></p>	<ul style="list-style-type: none"> <li>● Strictly implementing the pollutant discharge permitting system, reinforcing management and monitoring from the source and improving the capability and level of end governance, continuously and significantly reducing the emission of pollutants per unit product.</li> </ul>
<p><b>China Home Textile Association</b></p>	<ul style="list-style-type: none"> <li>● Elevate the soft strength of home textile design and enhance the power of discourse in home textile fashion by keeping a foothold in creative design, fashion promotion and brand building, and organizing various forms of cultural activities such as promotion of intangible cultural heritages, fiber art exhibitions and professional skills certification and training for home textile designers.</li> <li>● Release the <i>Quality (Standard) Development Report for China's Home Textile Industry</i>, in which the industry's quality (standard) work was sorted out in an all-round manner, and the paths and measures for future development of the industry's quality and standard work were put forward from the perspective of top-level design.</li> </ul>
<p><b>China Nonwovens and Industrial Textiles Association</b></p>	<ul style="list-style-type: none"> <li>● Organize the preparation of the industry standard -- <i>Calculation Method and Basic Quota of Integrated Energy Consumption for Spun-melt Nonwovens Enterprises</i> to further implement the requirements of energy saving and emission reduction.</li> </ul>
<p><b>China National Garment Association</b></p>	<ul style="list-style-type: none"> <li>● In November 2018, the "2018 Campaign of Sending Warmth in Winter" hosted by China Foundation for Poverty Alleviation and China National Textile and Apparel Council was jointly launched by Textile Vision Science and Education Fund, China National Garment Association and China Home Textile Association. In December, the "2018 Campaign of</li> </ul>

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	<p>Sending Warmth in Winter and Targeted Distribution of Bosideng Cold Protective Clothing” was held at Ayake Tamu Village, Tuman Tale Township, Kashi Prefecture, Xinjiang Uygur Autonomous Region.</p>
<p><b>China Textile Enterprise Association</b></p>	<ul style="list-style-type: none"> <li>● Initiate the participation of textile and apparel enterprises in credit evaluation, organize the declaration for the <i>List of Key Cultivated Enterprises for 2019</i> and the <i>Cultivated List of STAR Market</i>, and recommend the models of state-owned enterprises for comprehensively deepening the reform.</li> <li>● Advocate and organize the enterprises (entrepreneurs) in China's textile and apparel industry to “voluntarily plant green edge ecological forests for anti-desertification” at Tengger Desert in Alashan, Inner Mongolia.</li> </ul>
<p><b>Brand Office of China National Textile and Apparel Council</b></p>	<ul style="list-style-type: none"> <li>● Participate in the drafting of the industry standard -- <i>Implementation Guidance for Brand Cultivation Management Systems-Textile Industry</i>, introducing energy saving and environmental protection as an important part of resource management; list credit and CSR construction as key performance indicators.</li> <li>● Assist in organizing the selection of textile and clothing creative design pilot parks as well as the regional brand pilot of clothing and home textile in 2018, and list CSR construction as one of the evaluation indicators.</li> <li>● Release the <i>Annual Report of China's Textile and Apparel Brands in 2018</i>, and list CSR construction into the achievements and highlights of brand building.</li> </ul>

