



# Social Responsibility Report of China's Textile and Apparel Industry

2021 — 2022





# Foreword

2021 is a year of both opportunities and challenges. With its GDP for the year of 114.37 trillion yuan at a year-on-year increase of 8.1%, China has revitalized its national economy steadily with an internationally leading growth and made a good start for the 14<sup>th</sup> Five-Year Plan. However, the geopolitical changes, the COVID-19 pandemic, the "triple pressures" and "unexpected changes" are still imposing pressure on both the economic and social development.

2021 is a year of both endeavor and hope. As a pillar of the national economy, China's highly resilient and greatly promising textile and apparel industry has made great contribution to the economy stabilization, people's livelihood maintenance, employment support and risk prevention. The value chain of the global textile and apparel industry is facing profound changes as the world goes into a new era of civilization driven by digitalization and greenness. Cooperation strengthening, a more complete innovation system, a manufacturing system with higher quality, a market system with deeper integration and a more responsible ecological system have become the key to the joint efforts to better shape the global textile and apparel industry in the future.

This report, the 17<sup>th</sup> consecutive CSR report of the industry issued by CNTAC, was presided over by CNTAC, prepared by the Office for Social Responsibility of CNTAC and supported by the leaders and departments of CNTAC. In addition, many domestic and foreign stakeholders of CNTAC also offered valuable revision opinions during its preparation. The report falls into four parts. The first part outlines the development of China's textile and apparel industry in 2021, and the impact of the industry development trend on social responsibility construction; in the second part, the main CSR efforts and achievements of CNTAC and enterprises in this industry in 2021 are presented; the third part analyzes the impact of digital technology on the improvement of environmental, social and governance performance of Chinese textile and apparel enterprises; and the CSR plan of China's textile and apparel industry from 2022 to 2023 is indicated in the fourth part.



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# 01 Part

## Development of China's Textile and Apparel Industry and Its Impact on CSR Construction

02 Development Overview of the Industry in 2021

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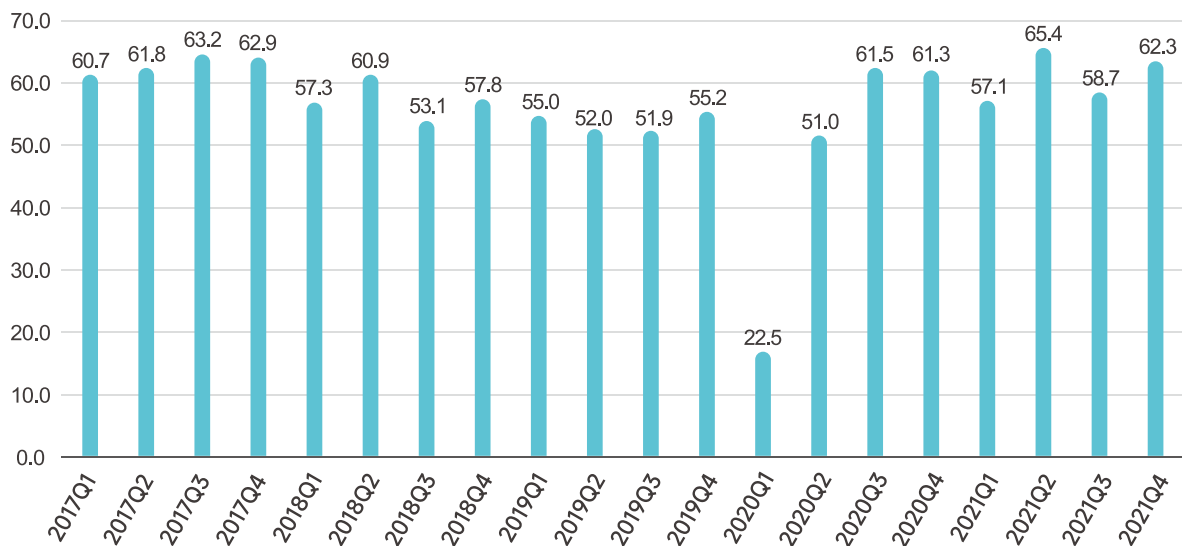
# Development Overview of the Industry in 2021



## Support the stable development of China's economy



In 2021, the domestic pandemic prevention and control, the stable recovery of the production and sales increased the overall business confidence of Chinese textile enterprises and further consolidated the foundation of the economic recovery of the industry. The prosperity of the textile and apparel industry continued to fall in the range indicating an expansion.



Prosperity index of China's textile and apparel industry <sup>1</sup>

[ <sup>1</sup> Source from: Industrial economy research institute of CNTAC. A prosperity index of China's textile industry higher than 50 indicates a good condition of the industrial business; a higher index shows a more prosperous business. ]

The advantage of a complete industrial supply chain was especially obvious with a crippled global supply chain. In 2021, enterprises with the designated or larger size increased their industrial added value by 4.4% on a year-on-year basis and realized a growth 7% higher than the same period of the previous year.



Enterprises with the designated or larger size increased their industrial added value by

**4.4%**



On a year-on-year basis and realized a growth higher than the same period of the previous year.

**7%**

#### Quarterly cumulative change of key economic operation indicators of textile and apparel industry in 2021 <sup>2</sup>

| Key indicators   | Q1   | Q1 and Q2 | Q1, Q2 and Q3 | The whole year |
|--|------|-----------|---------------|----------------|
| Industrial added value (of enterprises above the designated scale) | 20.3 | 9.6       | 6.3           | 4.4            |
| Operating revenue (of enterprises above the designated scale)      | 26.9 | 20.3      | 15.6          | 12.3           |
| Total profit (of enterprises above the designated scale)           | 93.0 | 41.1      | 31.7          | 25.4           |

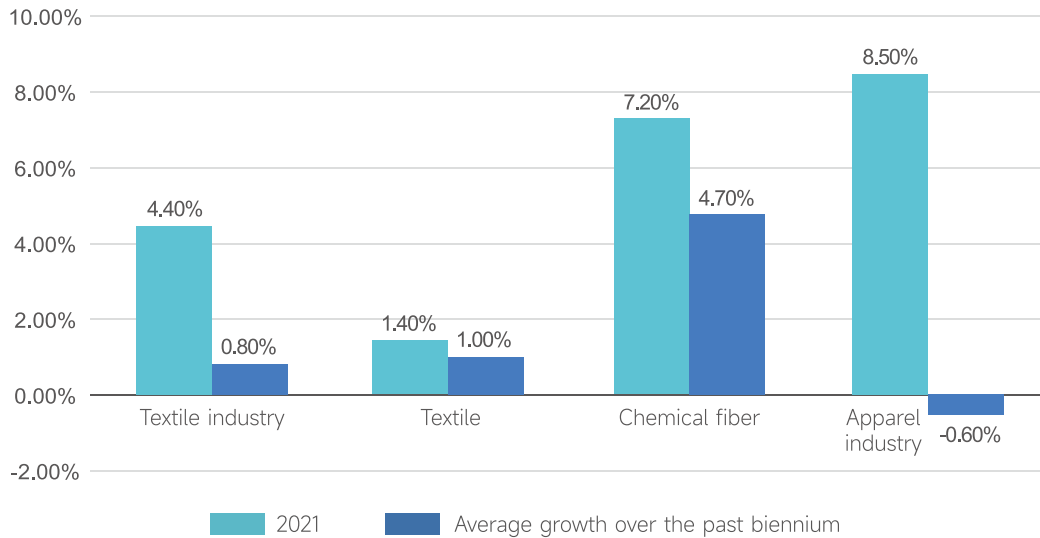
The industrial added value of most sections of the textile industrial chain increased, and the increase was especially significant in the production of upstream raw materials, for example, the chemical fiber industry, which increased by 7.2% over the previous year.



which increased by over the previous year.

**7.2%**

[ 2 Source: National Bureau of Statistics. ]



Year-on-year growth of the industrial added value of textile and apparel industry and sub-industries in 2021 <sup>3</sup>

Most major products experienced increases- at different levels- in their output in 2021. Among them, the output growth of chemical fiber, yarn and cloth was 9.5%, 9.8% and 9.3% respectively comparing to the previous year.



Chemical fiber

9.5%



Yarn

9.8%



Cloth

9.3%

Output growth of major product categories of textile enterprises above the designated scale in 2021 <sup>4</sup>

| Name of product | Year-on-year growth in 2021 (%) | Comparing with 2020 (%) | Average growth over the two years (%) |
|-----------------|---------------------------------|-------------------------|---------------------------------------|
| Yarn            | 9.8                             | 17.2                    | 0.8                                   |
| Cloth           | 9.3                             | 26.4                    | -4.8                                  |
| Dyeing cloth    | 11.8                            | 15.5                    | 3.7                                   |
| Nonwoven        | -3.2                            | -19.0                   | 5.9                                   |
| Apparel         | 8.4                             | 16.1                    | 0.04                                  |
| Chemical fiber  | 9.5                             | 5.4                     | 6.8                                   |

[ 3 Source: National Bureau of Statistics. ]

[ 4 Source: Industrial economy research institute of CNTAC. ]

The operation of the textile and apparel industry experienced an improvement. The operating margin of textile enterprises above the designated scale in 2021 was 5.2%, 0.6% higher than the previous year; the total assets turnover rate was 1.2 times/year, 5.5% faster than the previous year; the financial costs, management costs and marketing costs accounted for 6.6%, 0.4% less than the previous year.

#### Main operational quality indicators of textile and apparel industry and major sub-industries in 2021 <sup>5</sup>

| Industry         | Operating margin |                     | Turnover rate of finished products |           | Total asset turnover |           |
|------------------|------------------|---------------------|------------------------------------|-----------|----------------------|-----------|
|                  | 2021 ( % )       | Year-on-year change | 2021 ( Time/year )                 | YoY ( % ) | 2021 ( Time/year )   | YoY ( % ) |
| Textile industry | 5.2              | 0.6                 | 13.6                               | -0.7      | 1.2                  | 5.5       |
| Textile          | 4.7              | -0.2                | 13.2                               | 0.3       | 1.2                  | 4.4       |
| Chemical fiber   | 6.1              | 2.8                 | 15.9                               | -3.0      | 1.0                  | 14.1      |
| Apparel          | 5.2              | 0.5                 | 12.9                               | -2.3      | 1.3                  | 3.0       |

The domestic demand was on a steady upturn. According to the National Bureau of Statistics, Chinese people spent an average amount of 1,419 Yuan (5.9% of the per capita consumption expenditure) on apparel in 2021, with an increase of 14.6% comparing to the previous year. The retail sales of apparels, shoes, hats, knitwear and textiles of distributors above the designated scale increased by 12.7% comparing to the previous year-a growth 19.3% higher than that in 2020 and an average growth rate of 2.6% over the previous biennium, gradually approaching the pre-pandemic level. The online retail sales grew stably in 2021, as evidenced by the online retail sales growth of clothing products by 8.3% over the previous year- a growth rate 2.5% faster than the previous year and an average growth of 7% over the past biennium- but still slower than the level in the pre-pandemic period.



Chinese people spent an average amount of on apparel

**1419** yuan



The retail sales of apparels, shoes, hats, knitwear and textiles of distributors above the designated scale increased by comparing to the previous

**12.7%**



The retail sales of online wearing goods increased by over the previous

**8.3%**

[ 5 Source: National Bureau of Statistics. ]



Cumulative quarterly growth on a year-on-year basis of key economic operation indicators of textile and apparel industry in 2021 <sup>6</sup>

| Major indicators   | Q1   | Q1 and Q2 | Q1, Q2 and Q3 | The whole year |
|--|------|-----------|---------------|----------------|
| Retail sales of apparels, shoes, hats, knitwear and textiles of distributors above the designated scale in China | 54.2 | 33.7      | 20.6          | 12.7           |
| Online retail sales of clothes in China  | 39.6 | 24.1      | 15.6          | 8.3            |

The gap in the investment was still to be closed. According to the National Bureau of Statistics, in 2021, the completion rate of investment in fixed assets of China's chemical fiber industry, textile industry and apparel industry increased by 31.8%, 11.9% and 4.1% comparing to the previous year respectively. If considering the two-year average growth rate, the overall scale of investment in chemical fiber industry and textile industry has recovered to the pre-pandemic level, while that in the apparel industry was still lower than that of 2019.



#### Chemical fiber industry

The completion rate of investment in fixed assets of China's increased by comparing to the previous year

**31.8%**



#### Textile industry

The completion rate of investment in fixed assets of China's increased by comparing to the previous year

**11.9%**



#### Apparel industry

The completion rate of investment in fixed assets of China's increased by comparing to the previous year

**4.1%**

The smooth operation of the textile and apparel industry chain has helped to control the prices. The industry has created more than 20 million direct positions for the society and a great chance for small and micro private companies to start their own businesses. Both the most and least developed regions were working to develop their textile and apparel industry. Most of the towns with a GDP higher than 100 billion Yuan took the textile and apparel industry as the pillar of their economic development. In 2021, the provinces in the central and western part of China, such as Guangxi, Xinjiang, Guizhou, Jiangxi and Shanxi, experienced an aggressive growth. The gradient transfer of the industry greatly promoted resource coordination and balanced development in the regions, while the industrial cluster strongly promoted rural revitalization and the construction of a new type of urbanization.

[ 6 Source: National Bureau of Statistics. ]

## Optimize the overseas market structure



**Foreign trade was experiencing an improvement in both the scale and quality.** In 2021, China realized a goods export scale of 21.73 trillion Yuan, a year-on-year growth of 21.2%. The international demand recovery and orders coming back together brought the export volume and growth of China's textile and apparel industry to a record high in the year, with an overall value of 315.47 billion US dollars and a year-on-year growth of 8.4%. Meanwhile, the annual export of apparel was 170.26 billion US dollars, indicating a year-on-year growth of 24%-the highest since 2015.



China realized a goods  
export scale

**21.73** trillion Yuan



Year-on-year growth

**21.2%**



China's textile and apparel  
industry went to a record high in  
the year

**315.47** billion US dollars



Year-on-year growth

**8.4%**



The annual export of apparel  
was

**170.26** billion US dollars



Year-on-year growth

**24%**

In terms of export, China's overall export of textiles and apparel to developed economies decreased as the demand for pandemic prevention and control supplies declined. In 2021, China's export of textile raw materials and textile products to the US (products included in Chapter 50-63 in Category 11 of China Customs) reached 51.66 billion US dollars, a year-on-year increase of 2.1%, among which the export value of apparel experienced an explosive growth of 37.1%; its export of said materials and products to EU, UK and Japan decreased by 12%, 26.4% and 7.2% respectively over the previous year, while the export value of apparel to these regions increased by 20.8%, 3.1% and 7.2% respectively. Emerging economies acted as an engine for the growth of China's textile and apparel industry. In 2021, the value of textile raw materials and products exported to Vietnam and India increased by 18.2% and 63.9% respectively over the previous year.

China's export of textile raw materials and products to major countries and regions in 2021 <sup>7</sup>

| Countries and regions | Export value (Unit: 100 million US dollars) | YoY (%) | Average annual growth over the two years (%) | Proportion of export value (%) |
|-----------------------|---|---------|--|--------------------------------|
| Global                | 3047.9                                      | 8.6     | 8.2  | 100                            |
| The US                | 516.6                                       | 2.1     | 10.1   | 16.9                           |
| EU                    | 454.9                                       | -12     | 8.1  | 14.9                           |
| Japan                 | 192.8                                       | -7.2    | 0  | 6.3                            |
| Vietnam               | 177.5                                       | 18.2    | 8.7  | 5.8                            |
| The UK                | 85.7  | -26.4   | 13   | 2.8                            |
| India                 | 57.7  | 63.9    | 12.2   | 1.9                            |

Cross-border e-commerce as a new type of business prospered. China's import and export through cross-border e-commerce reached 1.98 trillion Yuan in 2021, with a growth of 15% comparing to the same period of the year before. Textile and apparel enterprises were a key part of this sector, among which there were a lot of great players, such as Shein.



China's import and export through cross-border e-commerce reached

**1.98** trillion Yuan



Year-on-year growth

**15%**

[ 7 Data from: National Bureau of Statistics, China Customs.]

**China's outward investment was on an upturn.** In 2021, the direct outward investment by China's textile and apparel industry was 1.35 billion US dollars, 82.4% more than that in 2020 and 55 million US dollars more than that in 2019. The amount of new outward investment made by the industry in 2021 was the highest since 2017 (with foreign exchange rate and other factors excluded). In 2021, the proportion of textile and apparel industry in the overall outward investment made by the manufacturing industry recovered to 7.34%, significantly higher than that of 2020 (3.68%) but still 1.5% lower than 2019.



Direct outward investment  
by China's textile and  
apparel industry was

**1.35** billion US dollars



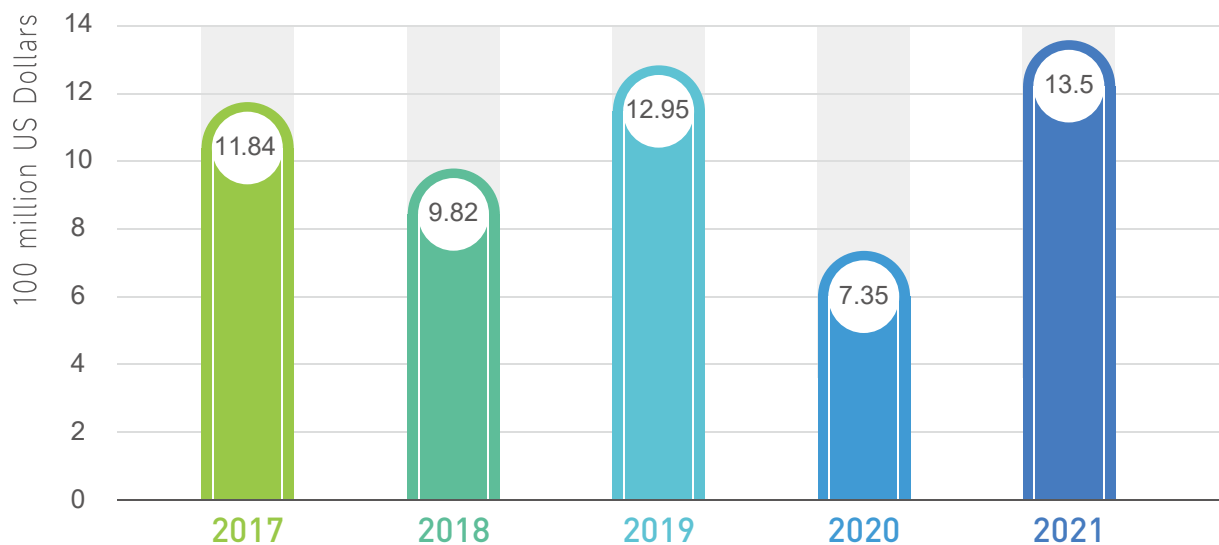
more than that in 2020

**82.4%**



more than that in 2019

**55** million US dollars



Outward investment made by the textile and apparel industry, 2017-2021 <sup>8</sup>

**The structure of outward investment has changed significantly.** From the perspective of sub-industry, the textile and apparel industry made 520 million US dollars of outward investment in 2021, achieving a year-on-year growth of 20.9% and accounting for 38.5% of the total investment made by the industry; the textile wearing and apparel industry made an overall outward investment of 170 million US dollars, indicating a year-on-year decrease of 19.0% and accounting for 12.6% of the total investment of the industry; the outward investment made by the chemical fiber manufacturing industry reached 660 million US dollars with a leap by 560%, and accounting for 48.9% of the overall industry.

[ 8 Data from: Ministry of Commerce. ]





The textile and apparel industry made outward investment

**520** million US dollars



Achieving a year-on-year growth

**20.9%**



Achieving a year-on-year growth

**38.5%**



Textile wearing and apparel industry made an overall outward investment

**170** million US dollars



Indicating a year-on-year decrease

**19%**



Accounting for the total investment of the industry

**12.6%**



Outward investment made by the chemical fiber manufacturing industry reached

**660** million US dollars



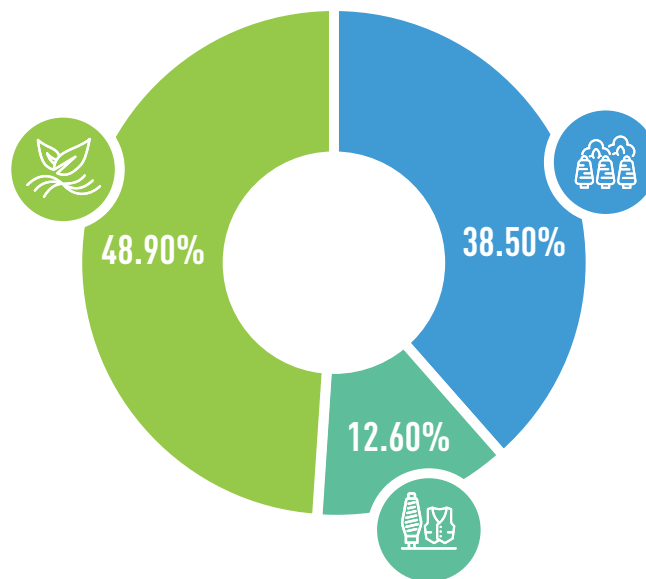
With a leap by

**560%**



Accounting for the overall industry

**48.9%**



■ Textile ■ Textile clothing and Apparel ■ Chemical fiber manufacturing

Structure of outward investment by the textile and apparel industry in 2021 (by sub-industry)<sup>9</sup>

[ 9 Data from: Ministry of Commerce. ]

The execution and implementation of RCEP promoted the investment, cooperation and development of the textile and apparel industry in Southeast Asia and provided enterprises in the industry with new opportunities for investment under the "Belt and Road" Initiative. From 2015 to 2021, the textile and apparel industry made direct investments in RCEP countries with a total amount of 3.46 billion US dollars, accounting for 36% of the industry's overall investment worldwide made directly. While the investment in Taiwan (PRC), Hong Kong (PRC) and Macao (PRC) were excluded from the total global investment, the industry's investment in RCEP region in 2015-2021 accounted for 61.2% of the total global investment.



Textile and apparel industry made direct investments in RCEP countries

**3.46** billion US dollars



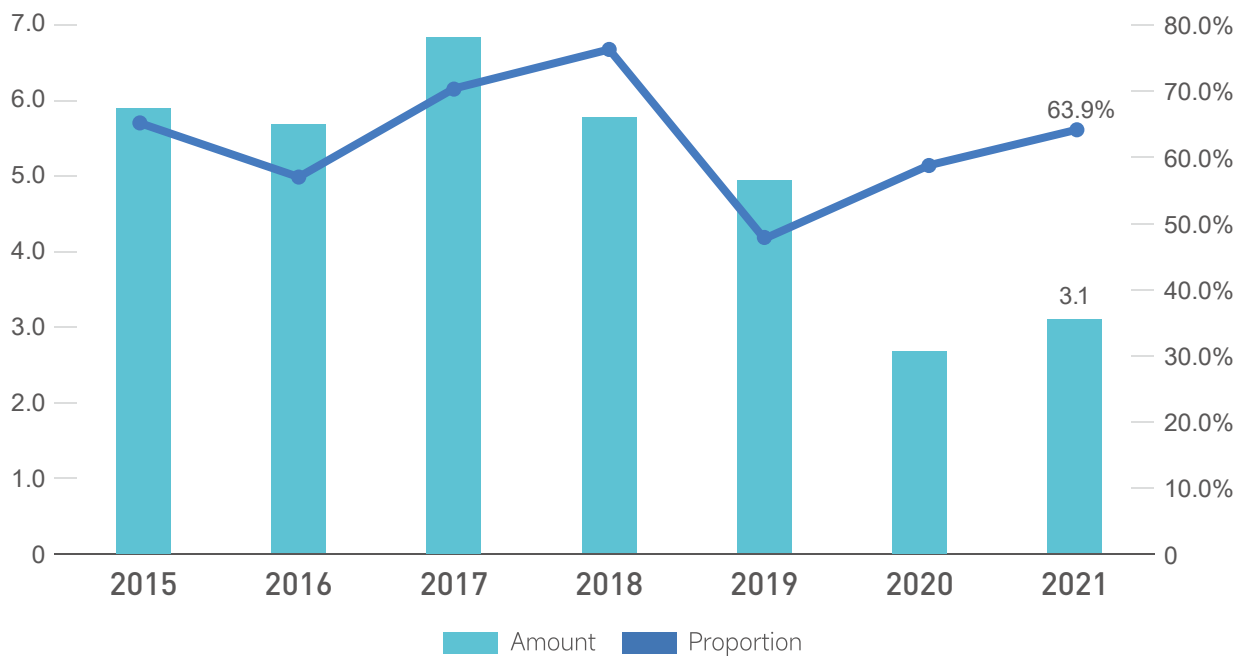
Accounting for the industry's overall investment worldwide made directly

**36%**



The industry's investment in RCEP region in 2015-2021 accounted for the total global investment.

**61.2%**



Proportion of the investment by the textile and apparel industry in RCEP region in its global investment (excluding that in Taiwan (PRC), Hong Kong (PRC) and Macao (PRC))<sup>10</sup>

[ 10 Data from: Ministry of Commerce. ]

While "capital pools" such as Singapore, Cayman Islands, Hong Kong(PRC) and other countries and regions were excluded, by 2021, Vietnam has been the top destination of overseas greenfield investment made by the textile and apparel industry for 7 consecutive years (178 million US dollars). Ranking from the 2<sup>nd</sup> and 5<sup>th</sup> top destinations were Saudi Arabia (53 million US dollars), Ethiopia (46 million US dollars), the US (31 million US dollars) and Cambodia (22 million US dollars). Among them, the industry invested about 53 million US dollars in Saudi Arabia in 2021. As the first large-scale investment in this country made by the industry since it participated in the "Belt and Road" Initiative, it further opened the window of investment-based cooperation for the textile and apparel industry in the Middle East.

**Top 5 destinations for outward investment made by the textile and apparel industry in 2021 <sup>11</sup>**

| By the country | Investment scale (100 million US dollars) | YoY (%) |
|----------------|---|---------|
| Vietnam        | 1.78                                      | 3.0     |
| Saudi Arabia   | 0.53                                      | —       |
| Ethiopia       | 0.46                                      | 23.4    |
| The US         | 0.31                                      | -58.0   |
| Cambodia       | 0.22                                      | -27.1   |

Remarks: Singapore, Cayman Islands, Hong Kong (PRC) and other capital pools were excluded from the above ranking.

In 2021, Hong Kong (PRC), Singapore and the Cayman Islands remained their status as "capital pools". Among them, Hong Kong (PRC) received a total sum of 861 million US dollars of investment from the textile industry in the whole year, 234.6% more than that in 2020, while Singapore and the Cayman Islands received 66.64 million and 9.9 million US dollars each from the textile and apparel industry.



Hong Kong (PRC) received a total sum investment from the textile industry in the whole year

**861** million US dollars



Singapore received investment

**66.64** million US dollars



Cayman Islands received investment

**9.9** million US dollars

[ 11 Data from: Ministry of Commerce. ]



By the source of investment, the outward investment from "Five provinces and one city" (Zhejiang Province, Shandong Province, Jiangsu Province, Guangdong Province, Fujian Province and Shanghai) went down in general in 2021. In 2021, the outward investment from the textile and apparel industry of "Five provinces and one city" was 631 million US dollars, a year-on-year decrease of 8.5% and 48% less than the same period in 2019. Hainan Province for the first time ranked among the top source of outward investment made by the industry.



Outward investment from "Five provinces and one city"

**631** million US dollars



Year-on-year decrease

**8.5%**



Less than the same period in 2019

**48%**

#### Outward investment performance of the textile and apparel industry in "Five provinces and one city" in 2021 <sup>12</sup>

| Province/Municipality/City | Investment in 2021 (10 thousand US dollars) | Compared with 2020 (%) | Compared with 2019 (%) |
|----------------------------|---|------------------------|------------------------|
| Zhejiang Province          | 16658                                       | -28.4                  | -24.6                  |
| Shandong Province          | 16399                                       | 4.5                    | -72.3                  |
| Jiangsu Province           | 10993                                       | -15.7                  | -31.3                  |
| Shanghai                   | 9757  | 222.1                  | 126.8                  |
| Guangdong Province         | 9130  | 20.0                   | 326.7                  |
| Fujian Province            | 144   | -97.7                  | -99.2                  |

[ 12 Data from: Ministry of Commerce. ]



# Trends of China's Textile and Apparel Industry in 2021 and Their Impact on CSR



## An innovation-driven high-tech industry



During the "13<sup>th</sup> Five-Year Plan" period, China's textile and apparel industry aggressively implemented the innovation-driven development strategy, made remarkable scientific and technological progress, and steadily improved the innovation capacity. This has been evidenced by the continuously emerging innovation achievements, the substantial shift of the textile science and technology strength based on the accumulation, and the change from scattered breakthroughs to systematic improvement.

“

A pillar for national economic and social development, a basis for solving people's livelihood and improving life quality, and an advantageous industry for international cooperation and integrated development. A long-term goal for the industry has been proposed for the year 2035, the year in which China will make itself a substantially modern socialist country, that China's textile and apparel industry shall become a major driver of the world's textile science and technology, a key leader of global fashion, and a strong engine for sustainable development.

— Development Direction for the Textile and Apparel Industry in the "14<sup>th</sup> Five-Year Plan" Period

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## Three textile projects included as National Industrial Internet Pilot Project 2021

**Weihai Textile Group Import and Export Co., Ltd.**

Solution for collaboration and optimization of the textile and apparel industry supply chain based on the Shangzhi Industrial Internet Platform



Powered by the Internet platform, the solution could well meet mass demands at the terminal or private custom demands- with Style 3D, fabric and auxiliary material platform and industrial software such as ERP, MES and WMS. It is compatible with Internet system and industry equipment to collect data from both the upstream and downstream sides on the procurement, production and sales, smooth the data chain, fully integrate the resources across the industrial chain of the apparel industry and digitalize the key parts of the chain in order to transform more designs to practice. It also helps adapt to multi-batch productions in small sizes and custom-based production, solve the chronic defects of lacking coordination, disorder and inefficiency in the upstream and downstream parts of the traditional clothing industry supply chain, and improve the overall synergy-based competitiveness.

**Fuzhou Digital Industry Internet Technology Co., Ltd.**

Changle District Internet Platform for Textile Industry



With the goal of building the Industrial Internet, Changle District of Fuzhou, Fujian Province, has initiated the intelligence-oriented upgrade of 65 enterprises with a total investment of 18.5 billion Yuan by the end of 2021, including 8 exemplar digital workshops (for example, HSC) and 5 intelligent factories (for example, Jingfeng Technology), with more than 9000 (sets of) robots put into mass application in the enterprises. The platform has promoted the shift of enterprises from product-supply-dependent to user-demand-oriented, and enhanced the initiative of enterprises in the competition.

Digitalization has also changed the production-supply-marketing system of the textile industry. The Industrial Internet has powered over 200 enterprises with more than 700 sets of equipment, and the advantages of L2 nodes for in-region Industrial Internet identification resolution have been fully taken for the registration of over 20 million identifiers.

The Industrial-Internet-based digital twin has been used in the management and optimization of the whole supply chain and product sales, which reduced first-line operators by over 60% and energy consumption by 20%.

**Shandong Yiting Culture Industry Co. Ltd.**

Yiyun Copyright Solutions to Cultural and Creative Apparel



The company runs a platform engaging in the public service of cultural and creative apparel, which uses identifier reading and blockchain to build the innovation system that functions as the digital copyright ID card assigning "a code to each article and its copyright". This acts as evidence for the authenticity and reliability of copyright and the approved use.

## Culture-based fashion industry



China's textile industry is now repositioned as a culture-driven fashion industry-textile and apparel tells the culture and displays the fashion. China's textile is becoming an industry based on creative design, powered by technological innovation, led by gorgeous culture, underlain by brand construction, directed by sustainable development, and with Bountiful ideas highly integrated resources and highly value-added products. It strives to build an integrated innovation ecology of fashion resources in order to lead the fashion and consumption, meet the new demands of people for welfare, ultimately up China's influence in fashion and make it a power of textile and fashion in the world.

“

"What belongs to the nation belongs to the world. Miao embroidery, with its characteristics, is traditional and fashionable, a culture and an industry, conducive to both the traditional culture and rural revitalization. It, as well as other traditional national culture, shall be passed down and further developed."

——By President Xi Jinping on the local Miao embroidery industry during his visit to Guizhou

”



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"The fashion industry, as the core essence of both physical creation and cultural power, shall be highly touching, influential and attractive, and it shall become a key component of the modern industrial system, a key engine for the quality development and great life."

—By Sun Ruizhe, President of CNTAC

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### The 13<sup>th</sup> Five-Year Plan

#### Accomplishments of the textile industry in fashion during the "13<sup>th</sup> Five-Year" period



The guiding mechanism of fashion R&D has been established preliminarily.



The original fashion design ability has been improved significantly.



The ability to put technologies of fashion development into practice has been improved continuously.



The operation of fashion brands has been improved systematically.



Innovative modes of fashion consumption has emerged continuously.

### The 14<sup>th</sup> Five-Year Plan

#### Trend during the "14<sup>th</sup> Five-Year Plan" Period

During the "14<sup>th</sup> Five-Year Plan" period, the fashion development of China's textile industry will be characterized by three aspects:



The "life fashion" driven by demands.



The "local fashion" characterized by the revival of fashion culture.



The "green fashion" based on sustainable development.

## Continuous improvement of design ability



In 2021, the following 10 organizations in China's textile and apparel industry were listed as the "5<sup>th</sup> batch of National Industrial Design Center": Industrial Design Center of Huafang Co., Ltd., Industrial Design Center of Taian Road Engineering Materials Co., LTD, Industrial Design Center of Hunan Mendale Hometextile Co., Ltd., Etles Industrial Design Center of Xinjiang Loulan Garment Co., Ltd., Insutrial Design Center for Apparel of Dayang Group Co., Ltd, Insutrial Design Center of Qingdao Hai Liya Group Co., Ltd., Insutrial Design Center of Ningbo Peacebird Fashion Co., Ltd., Industrial Design Center of Yuyue Hometextile Co., Ltd., Industrial Design Center of Aimer Co., Ltd., Industrial Design Center for Weaving and Dyeing of Zibo Daranfang Silk Group Co., Ltd.

3 companies were included in the shortlist of "The 3<sup>rd</sup> batch of National Industrial Design Center". They were: Research and Innovation Service Center of 361 Sport (China) Co., Ltd., Industrial Design Center of Dishang Group Co., Ltd., Industrial Design Center of Lu Thai Textile Co., Limited.

### Inspired by the meeting of tradition and modernity: Young designers pay tribute to traditional Chinese clothing



"2021 China Graduate Fashion Week" held in Beijing in May attracted over 2,000 participants from 77 higher education institutions at home and abroad with more than 5,000 pieces of works displayed. During the event, the "Sound of the World" exhibition displayed the works of 24 post-90s designers made for their graduation. Inspired by cultural elements of traditional Chinese clothing, and based on classic technologies such as dyeing, weaving and embroidery, these works restructured and rearranged the said elements, introduced modern fashion and popular colors, and used new materials and innovative design in order to create a style where the modernity and tradition, the nation and fashion echoed with each other, and showed the attachment of young designers to Chinese traditional culture and their ideas on modern fashion.



"Sound of the World" Exhibition

Attract people at home and abroad

**77** institutions

Engage students

**2000** Remainder

Exhibited works exceed

**5000** groups

### "The Model set by Huayi" for the industrialization of textile-type Intangible Cultural Heritage



The innovation of development modes, inclusion by fashion brands, expansion of communication paths and industry boundaries for textile-type intangible cultural heritage continuously bring style and cultural elements from the East to the industry. Jiangsu Huayi Group, for example, developed the "art dyeing and printing" industry, and fully combined the intangible cultural heritage technology such as "tie dyeing" with the modern production mode.

**Realize mass production and standardization for intangible cultural heritage fashion clothing through digital upgrade.** ERP system and 3D design software, remote digital color matching and numerical color measure system, numerical control dip dyeing machine and other equipment were introduced to Huayi, together with the domestically leading 3D folding, paper model-based sizing, heat transfer padding, high temperature and pressure steamer and other equipment for reshaping the fabric artistically. It built China's first modern digital tie-dye production line with real-time control, which innovatively integrated intangible cultural heritage such as tie-dyeing, crocheting, knitting and embroidery in the field of textile with modern technologies such as digital printing and embroidery, digital fashion design and 3D folding.

**Enrich Chinese originality and advocate oriental aesthetics.** Huayi integrated resources for intangible cultural heritage such as crocheting, knitting, hand embroidery, beading and blue printing in Nantong region, Jiangsu to build an integrated innovation platform for "art dyeing" for renowned apparel brands including EXCEPTION de MIXMIND, ZUCZUG and ICICLE to carry out R&D and design in bringing intangible culture heritage into fashion. Huayi also created a joint brand "Neoen" with the Apparel Design Center of Donghua University to continuously increase the industrial value of intangible resources.

### Gaoyang, the "Home of Textile" highlights its advantages of "industrial tour" and "business tour" in tourism development

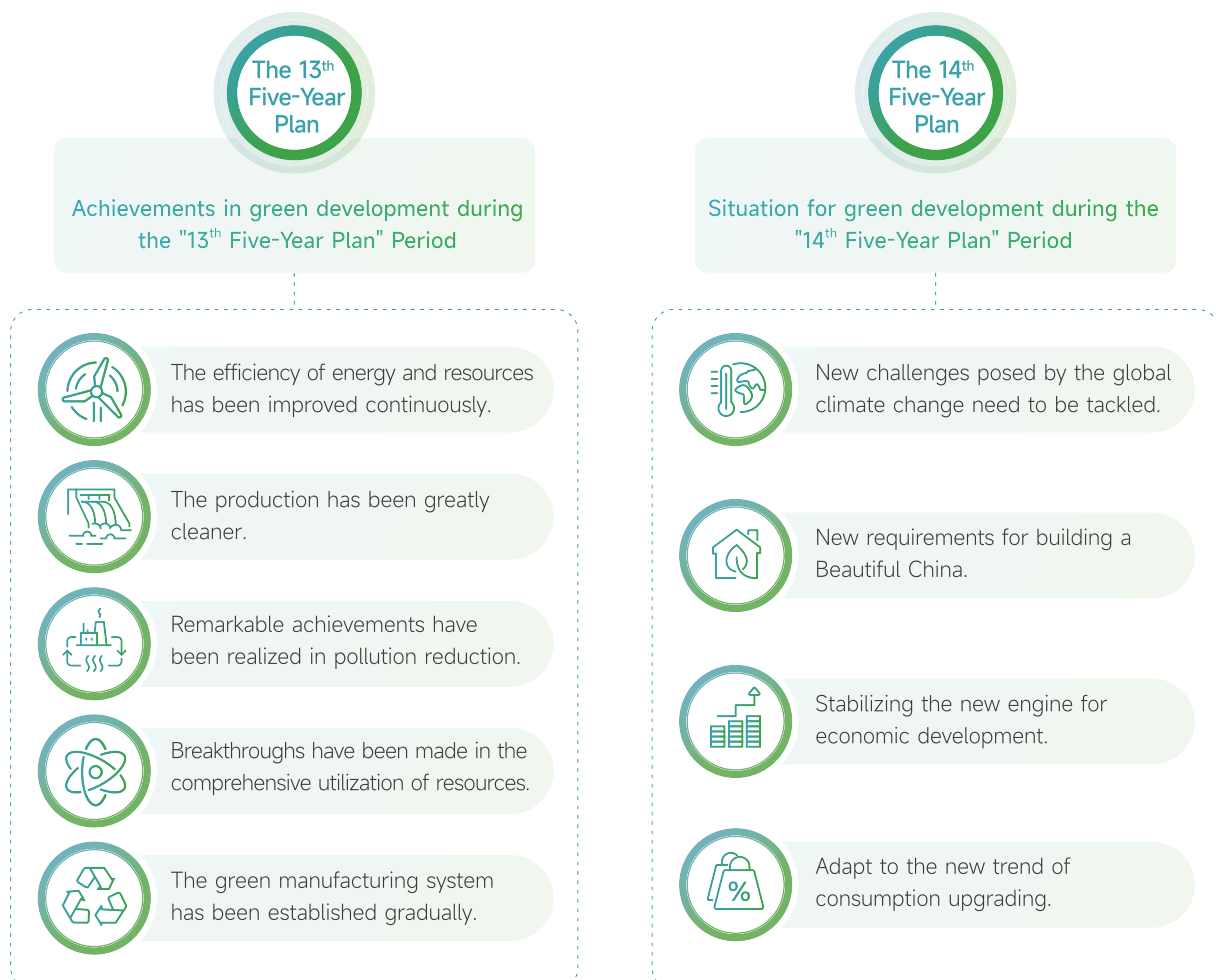


Textile is an industry engaging in modern consumer goods that could be closely integrated with cultural creativity. Therefore, it is the trend to develop the industry in the new era by integrating textile industry park and cultural creativity, which, by enriching the creation and design, can stimulate the development of China's textile industry, enhance its comprehensive competitiveness in the world and help the shift of our country from a "big textile producer" to a "powerful textile producer". For example, Gaoyang Town (Baoding City, Hebei Province), as "The Home of Chinese Textile", has developed a number of characteristic projects that integrate cultural, industrial, trading, ecological and tourism functions, such as the Jinjinledao Towel Industry Incubating Center, the International Textile Garden, Longhu Park, Fenghu Park and Shiliyimai based on local conditions and focusing on the textile industry. These projects fully display the culture and history, strategies and planning, ideas and experience, international vision and brands, scene and consumption of the development of key industries in Gaoyang. The scene center combines multiple business modes, such as immersive textile experience, immersive interactive art experience, online celebrity livestreaming and training, brand IP communication and livestreaming-based marketing. Meanwhile, it allows tourists to try the craft work, DIY, dyeing with vegetal pigment for them to gain first-hand experience in the production, understand the skills and enjoy the fun of textile.

## Responsibility-oriented green industry



The textile industry is a responsibility-driven green industry, and the establishment of a complete industrial system that is green, low-carbon and recyclable is an important sign and the foundation for the high-quality development of the whole industry. Since the "13<sup>th</sup> Five-Year Plan" period, the whole industry has made impressive achievements in energy conservation and emission reduction, pollution prevention and control, comprehensive utilization of resources, green manufacturing system and the like and made great contribution to turning our country to a substantially "powerful textile producer". During the "14<sup>th</sup> Five-Year Plan" period, the context the world is facing unprecedentedly profound revolutions in the century and China is building its new development landscape based on both the domestic and international economic circulation, and following our nation's goals in carbon peak and carbon neutrality. The textile industry will continue to promote a development that is green, low-carbon and recyclable and accelerate its complete shift towards greenness.



## The chemical fiber industry continues to push forward the green fiber certification



The key priority for realizing sustainable development of China's chemical fiber industry is to be green, low carbon and recyclable. In 2021, 3 chemical fiber enterprises passed the green fiber certification, namely Haiyang Technology Co., Ltd., Hubei Botao Synthetic Fiber Co., Ltd., and Pingdingshan Shenma Cord Fabric Development Company. 37 enterprises have been certificated as green fiber enterprises by far.

**Haiyang Technology Co., Ltd.:** Primary liquid-colored nylon 6 industrial filament has been certified as green fiber. This product specification covers the range of 210D~1890D, including red, yellow, green, blue and other colors, and has been applied in fishing nets, rope, ribbon, sewing and other fields. The company found a new method for coloring with primary liquid, and developed and produced colored in situ polymerized Nylon-6 slices with global-leading quality.

**Hubei Botao:** Recyclable primary liquid-colored polypropylene staple fiber and primary liquid-colored polypropylene staple fiber were certified as green fiber, and the products are used mainly in automobile interior decoration, carpet, and geotextile.

**Shenma Cord Fabric Co., LTD.:** Primary liquid colored Nylon-66 industrial silk has been certified as green fiber. The specification covers 70D~2520D and is mainly used in automobile harness, thread for sewing, military textile, pressing cloth and other fields.

## 2021 China Eco-Fabric Design Competition



**Changzhou Yuyuanlingtai Fabric Technology Co., Ltd.** was awarded the "Prize for the Application of Ecological and Environmental Protection Materials" as it combined the environmental protection material 30D recycled polyester with Modal to weave a ripple-pattern sports fabric. Its innovative double-sided design creates an experience that is neat and stylish, soft and comfortable.

**Shenghong Group** was honored as "The Best in the Application of Ecological Environmental Protection Technologies" as it follows the concept of ecological and environmental protection throughout all its processes from material selection to dyeing and finishing. It dyes its 20D bio-based polyamide 56 with multiple vegetal pigments extracted from the nature to give the products a natural white and produce sportswear that is thin, pollution-free and sunlight-filtering.

**Yantai North Home Textiles** was honored as "The Best in the Application of Eco-friendly Product" as it uses special yarn effects and jacquard weave structures, as well as patterns made with traditional handcraft, to create a layered and hazy appearance of the product, while the addition of antibiotic materials further echoes with the current healthcare spree in the market.



# 02 Part

## CSR Construction of China's Textile and Apparel Industry in 2021

24 Responsibility for People

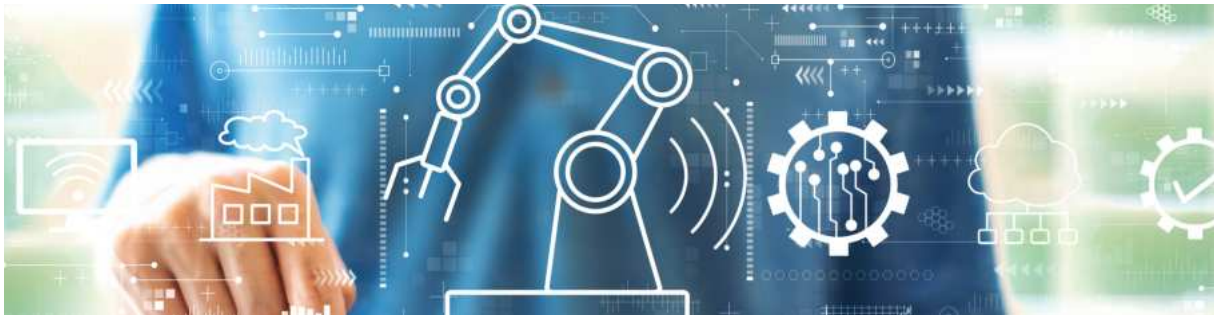
27 Responsibility for the Planet

35 Responsibility for Prosperity

## Responsibility for People



### Highlight the role of digitalization and promote decent work



According to ILO, "decent work" refers to the type of productive work where the rights of workers are well protected, the workers could get decent payments and full social protection, and enough jobs are available. China's textile and apparel industry has been committed to giving new answers to the questions of how to share the fruits of labor, truly protect the rights and interests of workers, and respect the human dignity in labor relations in the new era and under new market conditions.

In 2021, CNTAC actively promoted the whole industry to take digitalization and intelligence as the new engine of development. It supported textile and apparel enterprises to accelerate their transformation and upgrading and to improve the production efficiency, while provoking also new ideas for them to solve hiring problems and improve the employment environment.

**Digitalization supports quality development of the textile and apparel industry.** Office for Social Responsibility of CNTAC worked with Baidu in initiating a "ESG performance improvement for textile and apparel enterprises and quality industrial development driven by digitalization technologies" project. The project aims to use such technologies to overcome challenges the enterprises encounter during their sustainable development, optimize the management of the responsible supply chain for the industry, support the industry to achieve "peak carbon emission and carbon neutrality" goals, systematically improve the sustainable development capacity of the textile manufacturing system, improve the collaborative innovation based on the integration of informatization and industrialization, and create new chances for the quality development of the industry. (Read the 3<sup>rd</sup> part of this report for the detail findings.)



## Protect employee health against COVID-19



In October 2021, the research report of the project "Survey Report on the Impacts of COVID-19 Pandemic on Overseas Chinese-invested Textile and Apparel Enterprises' Operation and Social Responsibility" was released as the first study in China that analyzed the impact of the pandemic on outward investment from the perspective of industry.

The survey was made by Office for Social Responsibility of CNTAC during January to July 2021, with 51 overseas Chinese-invested textile and apparel enterprises and 312 employees answering the questionnaire and over 30 enterprises participating in the semi-structured interview made by the project team. The survey focused mainly on how these textile and apparel enterprises performed their social responsibilities, especially the responsibility for people against COVID-19. It suggested textile and apparel enterprises to focus on quality and efficiency improvement, technological innovation and being "people-oriented" in their strategic planning; they shall especially take "people" as the core resource, be more active in performing social responsibilities, and enhance the unity between the employees and the enterprise in the face of challenges.



Overseas Chinese-invested textile and apparel enterprises

**51** enterprises



Employees answering the questionnaire

**312** employees



Enterprises participating in the semi-structured interview made by the project team

**30** enterprises

## Advocate gender equality and protect employees' rights and interests



As a partner of UN Women and UN [WeEmpower Asia Project](#), CNTAC promotes WEPs in the industry, which has received active responses from enterprises in the industry. Based on the execution of the Statement for Supporting WEPs by CEOs from 91 enterprises in 2020, in 2021, CNTAC collected the actions of 10 enterprises as examples for promoting WEPs, summarizing their practices for improving gender equity within the enterprises, and communicated with and instructed the enterprises about this topic on a continuous basis.

|   |  |
|---|--|
| EP Yaying Fashion Group                       | Promoting equity, empowerment and humanistic care for female employees in the enterprise |
| Zhuji Furunhongtai Medical Supplies Co., Ltd. | Promoting gender equality through community activities and publicity                     |
| Esquel Group                                  | Digitalization empowers female employees in the enterprise                               |
| Luthai Textile Co., Ltd.                      | Build a people-oriented enterprise culture and develop female examples                   |
| Zhejiang Mina Textile Co., Ltd.               | Make female employees more fulfilling  |
| Hangzhou Wensli Silk Culture Co., Ltd.        | People-oriented and love-based   |
| EMF   | Develop the root of gender equity in children's minds                                    |
| Aimer Co., Ltd.                               | Show the competence, contribution and confidence of the female                           |
| China Textile Information Center              | Excellent experience in the implementation of WEPs in the industry                       |
| Xinjiang Yutai Camel Textile Co., Ltd.        | Improve skills of female employees and promote the economic empowerment for the female   |

To help the enterprises manage and control the risks in a reasonable and efficient manner and develop correct values and good enterprise culture, in August, 2021, the Office for Social Responsibility of CNTAC held the "[Philanthropic livestreaming training on the prevention of and countermeasures against sexual harassment in the workplace](#)" as a co-sponsor. The activity was held based on 3 major topics related to the prevention of and countermeasures against sexual harassment in the workplace—"The root cause of sexual harassment in the workplace is gender discrimination" "The costs of preventing sexual harassment are much less than that of crisis PR" "The prevention of and countermeasures against sexual harassment in the workplace rely on enterprise policies and system", and it attracted an audience of 26,000 in total.

## Responsibility for the Planet



### Innovation-boosted sustainable development



Today, the development of modern information technologies such as big data, AI, Internet platform, intelligent textile and apparel management system is shaping a new economic landscape. Accelerating the full integration of digital technology with the real economy and enabling the transformation and upgrading of traditional industries is an effective method to shift the industry towards greenness and low-carbon. It has become the trend for the textile and apparel industry to rely on digital and technological development and innovation to drive its quality development and to explore a green and sustainable way for the industry to embark on.

#### "Greenness" powers new engine for industrial development



Based in the High-tech Zone of Liupanshui, Guizhou Yasheng Green Printing and Dyeing Technology Co., Ltd., turns net yarns into a piece of fabric with vivid colors after a sewage-free workflow-weaving, washing, drying, dyeing and sizing. With a series of preferential policies, it managed to keep a steady growth, and determined to "develop in a green way to win the future", make "green+" the "key characteristics" of its development, and replace the "primitive and intensive" mode of production with "greenness".

The AirFresh high-end emission treatment equipment developed by Shaoxing Keqiao Hengyuan Machinery Manufacturing Co., Ltd. powers the sustainable development of the printing and dyeing industry. After more than 8 years of development and with the continuously increasing investment in technological R&D to adapt to the market, now, Hengyuan Machinery has realized a large business scale with nearly 100 medium and large textile finishing equipment produced and sold. It has been honored as "National Hi-tech Enterprise " "Provincial-level Small and Medium-sized Enterprise in Science and Technology" and so on, with over 10 inventions and utility patents in possession and products sold to India, Vietnam, Malaysia and domestic market including Jiangsu, Guangdong, Shandong and Fujian.

**"Green Manufacture" benefits both the environment and the market**

Be green, low carbon and sustainable, realize "green manufacture" of the textile workshop. Since its establishment more than 30 years ago, Sunvim has been committed to providing excellent, healthy and eco-friendly home textile products to the global market. The promotion and application of its green and water-saving Eco-melange, is one of the most convincing embodiments of its ideas. This new process of dyeing yarn could produce both traditional colors that are delicate and hazy colors that could be seen in the nature. This technology is a new breakthrough in yarn dyeing and has been recognized by customers in the market.

**"Green product", a new concept of healthy and quality lifestyle**

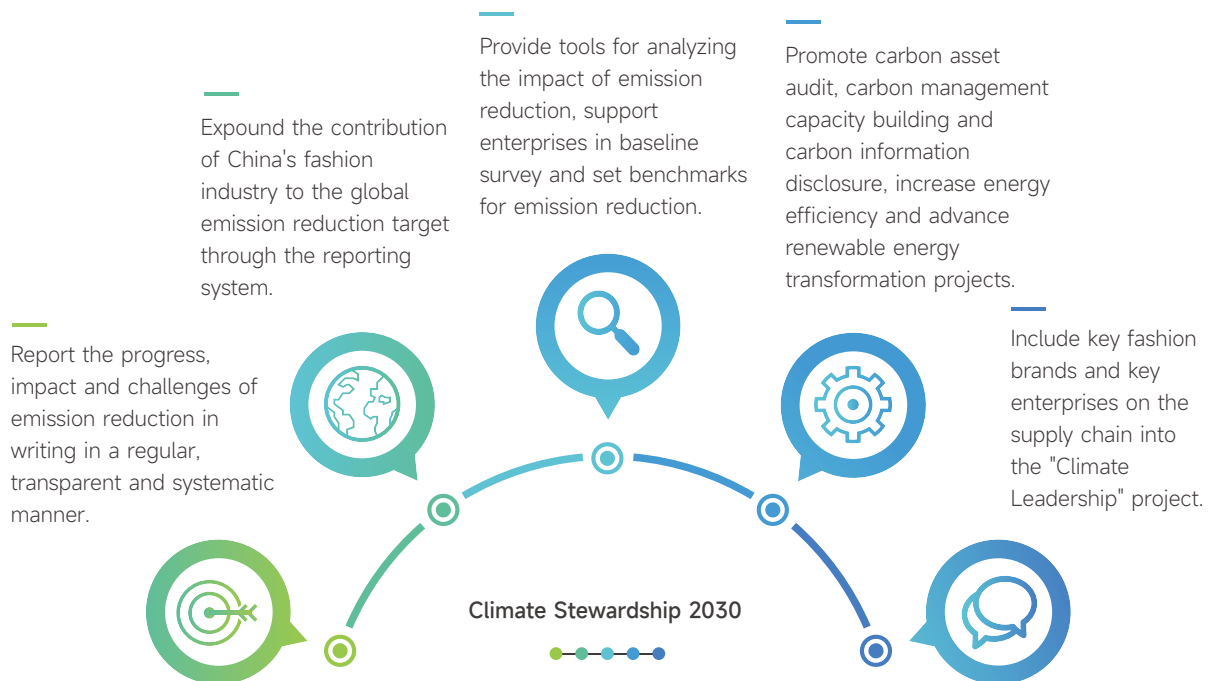
Meet the high-end demands for new fiber-based yarn R&D and production of the customers by pursuing greenness-driven fashion and following the innovative development principle that seeks healthy and quality lifestyle. In the context of sustainable development and consumption upgrading, Dezhou Hengfeng Group has taken full advantages of itself in R&D as the Shandong New Yarn and Fabric Innovation Center, National High-tech Enterprises and provincial-level academician workstation. It has launched a series of yarn with antibacterial and healthcare functions, which attracted great attention due to the pandemic. The yarn is made from natural Taiji stone- by first processing the Taiji stone into nanomaterials, solidifying it to fiber and then weaving into textile- and could make the finished products conducive to human blood microcirculation and able to relieve joint pains. Fabric made from wormwood-based anti-virus fiber developed by Hengfeng Group is comfortable, smooth and well-shaped. It could be widely used in home textile products, underwear, children's wear, etc.



## Climate stewardship



Office for Social Responsibility of CNTAC continued to promote the "Climate Stewardship 2030", and made efforts following China's "Peak carbon emission" and "Carbon neutralization" goals and China's blueprint under UN Fashion Industry Charter for Climate Action. By the end of 2021, many leading enterprises in the textile and apparel industry and 2 industrial clusters at a 100-billion-Yuan scale have announced their participation in the Climate Stewardship 2030, with an aggregate of 50,000 people from the industry involved.





**Research on the climate stewardship plan of China's textile and apparel industry.** In 2021, the Office for Social Responsibility of CNTAC carried out the "Research on the Plan for Climate Stewardship Plan of China's Textile and Apparel Industry", trying to predict the future development of the textile industry by learning its historical carbon emission and key engine and set medium and long-term emission reduction goals of China's textile industry that are more consistent with those expressed in the Paris Agreement.

**"30 • 60 Carbon Neutrality Acceleration Plan".** On June 1<sup>st</sup>, 2021, CNTAC initiated the "Climate Innovation- Carbon Neutrality Acceleration Plan of China Fashion Brands", also called the "30 • 60 Carbon Neutrality Acceleration Plan": The plan supports 30 brand holders and 60 manufacturers to carry out climate innovation actions, guides key industrial clusters to pioneer the carbon neutrality work by making collaborative researches, exploration of modes, technical and product innovations, research, development and implementation of commercial applications and talent development for realizing the "peak carbon emission" and "carbon neutrality" goals. By the end of 2021, 17 brand holders, including Ningbo Peacebird Fashion Co., Ltd., 40 manufacturers, including Chenfeng Group Co., Ltd., and Shengze Textile Industry Cluster have signed as participants in the project.



Opening ceremony of "30 • 60 Carbon Neutrality Acceleration Plan"

**Summit on corporate strategic actions for "Peak Carbon Emission" and "Carbon Neutrality".** On October 10<sup>th</sup>, 2021, the Summit on Strategies for "Peak carbon emission" and "Carbon neutrality" was held by CNTAC at NECC (Shanghai). Guests from enterprises were invited to the Summit to share the LC (life cycle) test and assessment of product carbon footprint and the implementation of innovation applications from the perspective of raw materials, production and processing, and brand consumption.

**Low-carbon training camps for climate action.** The Office for Social Responsibility of CNTAC developed (online) climate action courses for enterprises that include "three-levels and seven modules" to empower their shift towards greenness. The climate training camps covered over 10 enterprises, including Zhejiang Xin'ao Textile and Sunrise Group in the year.



Training site of Zhejiang Xin'ao "Climate training camp"

## Advance the construction of sustainable supply chain



**Explore materials for a sustainable future.** On March 18<sup>th</sup>, 2021, the "Summit on Materials for A Sustainable Future" was held by the Office for Social Responsibility of CNTAC at NECC(Shanghai). Institutions and enterprises on the "industry-university-research" chain that present at the event jointly initiated the project "Laboratory of Materials for A Sustainable Future", the 1<sup>st</sup> phase of which would last for 20 months. The open-source project would invite experts and scholars to share their views and opinions by livestreaming or video in order to promote the quality development and green transformation of Chinese industries.



Opening ceremony for the open partnership of the Laboratory of Materials for A Sustainable Future

**Promote the assessment of textile during its entire life cycle.** In 2021, CNTAC-LCA has made some achievements on LCA measurement of textile and apparel products in terms of both the quantity and quality, and its investigation and assessment on the product carbon footprint for the entire life cycle has been carried out on 21 textile and apparel products, covering Shuixing Home Textile, Luolai Home textile, K-Boxing and other branded products.

The Office for Social Responsibility of CNTAC also undertook and completed a SASAC non-operational infrastructure investment project within the budget of the central government-the "Construction of the System for Assessing the Entire-life-cycle Greenness of Textiles of CTIC" project, and complete the preliminary acceptance on March 10<sup>th</sup>, 2022.



## Public participation in sustainable fashion



The publicity of sustainable fashion shall be made through easy and acceptable ways, and it requires the participation and consciousness of sustainable consumption of the public.

**The 2<sup>nd</sup> edition of List of Pursuer of Excellence in Sustainability was released.** The Office for Social Responsibility of CNTAC, China National Garment Association and WWD China worked together to initiate the activity "Pursuer of Excellence in Sustainability", with the List of Pursuer of Excellence in Sustainability released on an annual basis. In December 2021, the 2<sup>nd</sup> List of Pursuer of Excellence in Sustainability was released, with 17 companies shortlisted for their outstanding achievements in aspects such as green manufacture, environmental friendliness, technological innovation, employee welfare, public education, responsible investment, circular economy and climate action.



**2021 China Sustainable Fashion Week was held.** 2 Sustainable Fashion Weeks were held by the Office for Social Responsibility of CNTAC in March 2021 and October 2021, focusing on mainly climate action, sustainable materials and innovative design, LCA and LC cases, green technologies. They conveyed the ideas of sustainable development and practices of excellent enterprises to practitioners in the industry through a series of static display, model exhibition, conference and other activities with various interactive modes and communication channels.



Zone for Sustainable Development at 2021 China Sustainable Fashion Week (Spring/Summer)



Zone for Sustainable Development at 2021 China Sustainable Fashion Week (Autumn/Winter)

Theme exhibition and forum "Wakeup call: Sustainable Design against Climate Change "were held. The Office for Social Responsibility of CNTAC and China Fashion Association jointly hosted a series of static exhibitions and forums at the 2022 Spring/Summer China Fashion Week from September 4<sup>th</sup> to September 12<sup>th</sup>, 2021. These activities are designed as a wakeup call for designers in the face of climate change and draw their attention to the carbon reduction topic in the fashion industry, encouraging them to do something to support the sustainable development of the industry. In addition, it also aims to appeal to more people to follow the issue of climate change and take active actions on climate change.



Top 30 works of the "Reclothing Program" (Some of the works are shown)



## Responsibility for Prosperity



Promote enterprises in the industry to improve their ESG performance



**The ESG indicator system and capability improvement platform for Chinese textile and apparel enterprises were released.** The ESG indicator system for Chinese textile and apparel enterprises integrates the requirements of "CSC9000T Corporate Sustainability Compact for Textile and Apparel Industry" and the characteristics of major ESG evaluation and disclosure indicator systems in Chinese and overseas capital markets. It serves an enterprise and a wider range of stakeholders for their self-evaluation, management and disclosure of ESG performance, evaluating their ESG performance from the perspective of a third party and performing a horizontal comparison for the enterprises. The capability improvement platform for Chinese textile and apparel enterprises is an ESG public service and support system for the industry, and an online information platform integrating ESG indicator analysis, information filling, data sharing, risk tips, training exchanges, hotspot consulting and other functions. The platform provides full-process and customized ESG services for enterprises in the industry based on the ESG indicator system for Chinese textile and apparel enterprises.

## Functions of the Capability Improvement Platform for Chinese Textile and Apparel Enterprises



### Self-evaluation

Carry out regular and irregular internal ESG evaluation for enterprises in accordance with the indicator system, determine what needs to be improved, and provide customized self-assessment services according to the indicator requirements of major ESG evaluation systems at home and abroad;



### Information disclosure

Develop strategies before preparation of and report diagnostic result after preparation of the annual ESG report of an enterprise, assist the enterprise in carrying out the disclosure required by the capital market, and check the daily ESG information disclosure of the enterprise;



### Performance analysis

Interpret and analyze the ESG evaluation report and performance rating of an enterprise in an all-round way, to help the enterprise understand its pain points and highlights, and transform them into internal improvement plans;



### Peer comparison

Interpret and analyze the rating reports and ESG reports of leading textile and apparel enterprises in various rating systems to help the enterprise understand its difference from such leading enterprises;



### Continuous improvement

Provide targeted ESG improvement strategies and specific improvement items at all stage for an enterprise according to the global situation, national policies, industry trends, competitive advantages, as well as the enterprise's own conditions;



### Communication

Build communication bridges for an enterprise, output daily communication strategies, response strategies on controversial events, complaint strategies for rating results, provide diversified cooperation opportunities, and output communication strategies.

## Empower industry upgrade with digital technologies



As digital and information technologies develop, textile and apparel enterprises make use of the information technology to update industrial foundation, and improve production stability and product quality, for which we can see emerging digital factories and intelligent factories. Digitalization makes resilient the industrial chain and the supply chain, and creates new values for the industry.

### Informatization Results of the Textile and Apparel Industry



#### **Digital technology promotes the upper and lower reaches of the chemical fiber industry to achieve coordinated development**

Tongkun Group's Industrial Internet platform for the chemical fiber industry supports enterprises and empowers the industry with a "6+3" mode (i.e., 6 core functional layers and 3 core capabilities).

The 6 core functional layers: equipment layer, edge layer, environment support layer, platform layer, application layer, and Industrial Internet security;

The 3 core capabilities: industrial equipment management capability, environment support and application development capability, and user service capability.

As of the end of 2021, the platform has connected with more than 25,000 industrial devices and over 1.5 million data acquisition points, and has been adapted to more than 19 types of mainstream protocols. The platform provides more than 78 micro services and mechanism model components of 8 categories, and develops 72 integrated industrial APPs. The platform has built more than 3,500 security protection tool libraries, virus databases, and vulnerability databases of 122 categories. The platform is planned to open applications to the chemical fiber industry and its upstream and downstream industries to achieve data collaboration and win-win cooperation.

#### **Information technology helps realize intelligent control of the whole printing and dyeing process**

The intelligent manufacturing and innovative application project of Huafang Co., Ltd. for the whole printing and dyeing process makes intelligent the whole processes of product pretreatment, dyeing, finishing and delivery. The project has mainly developed and applied the precise execution and self-optimization technologies for the printing and dyeing process, and realized the automatic collection, analysis, feedback and adjustment of the process parameters execution data. The technology of accurate distribution of dyeing and chemical auxiliaries, the equipment and control system for automatic distribution of dyeing and chemical auxiliaries. and the technology of optimizing printing and dyeing schedule have been

developed. It has studied order splitting strategy and scheduling constraints, established a feedback algorithm model for automatic scheduling and dispatching of production plans, thus greatly improving the intelligent level of printing and dyeing production.

The project has solved the problems in the printing and dyeing industry, such as unstable production quality (low first-pass yield of printing and dyeing production), low efficiency (low capacity utilization, lengthy production cycle, etc.), and poor process reproducibility (the laboratory process and the mass production process should be matched, and the order return process should be adjusted). It has made achievements in terms of accurate process implementation and self-optimization, intelligent scheduling model and optimized scheduling, whole-process quality monitoring, production efficiency and quality improvement, and production cost control.

#### **Intelligence helps with the whole-process integration of spinning fiber flow system and data flow system**

Thanks to its key technology of intelligent spinning factory and industrial project on data flow, Weiqiao Textile Co., Ltd. has realized "full-course intelligent production" "intelligent control system" "informatization of online monitoring" and "green manufacturing process".

In view of the system weaknesses displayed by the spinning industry in the wave of "going intelligent", the project rebuilds a seamless fiber flow system, an online monitoring and response system, and a data flow system based on high-speed network for data collection, analysis and tracking in consideration of Weiqiao's existing equipment system, so as to ensure safe, stable, high-quality and efficient production. It demonstrates the intelligent results of "Integration of Informatization and Industrialization" by the cotton spinning industry, optimizes the industrial structure, promotes the upgrading of product grade and quality for cotton textile enterprises, and sets a benchmark for the transformation of conventional industries to new technology-based industries.

### **Shenzhen's apparel industry constitutes a "Chinese sample" of digital transformation**



**Digital transformation speeds up.** In 2020, the Shenzhen Municipal Government issued the Shenzhen Action Plan for High-Quality Development of the Fashion Industry (2020-2024). The action plan pointed out that in the next 5 years, Shenzhen's fashion industry should grasp a new round of scientific and technological revolution and consumption reform, and speed up industrial transformation and upgrading, so as to drive it to achieve high-quality development. In this context, Shenzhen's apparel industry has actively carried out industrial digital transformation, given play to new business formats and business models, and further enhanced brands' innovation capability and awareness.

**Online shows are commonly seen.** In 2020, impacted by the pandemic, Shenzhen's apparel industry was caught by great difficulties and pressures. In 2021, with the help of network and e-commerce, independent designers from Shenzhen, who had no financial advantage, relocated the catwalk show to livestream rooms on Taobao, so that they and their haute couture could be seen by consumers face to face. Thanks to the livestream rooms on Taobao, nearly 1,000 original design brands were incubated in a year in Nanyou, Shenzhen. According to statistics, since last year, the original design brands in Shenzhen Nanyou Garment Wholesale Market have held more than 10,000 livestreams, providing consumers across the country with more than 10 billion Yuan of haute couture.

**Chinese elements frequently appear on the world stage.** In February 2021, a special "cloud show" closely linked Shenzhen design with Milan Fashion Week. Zhao Huizhou, a famous apparel designer from Shenzhen, brought her works to Milan Fashion Week for the seventh time, and released a series of new products themed on Chinese shadow puppetry, an intangible cultural heritage element of China, to global audiences. The unique design concept allowed Chinese voice to be made in the global fashion trend once again, demonstrating the strength of Shenzhen's original design.

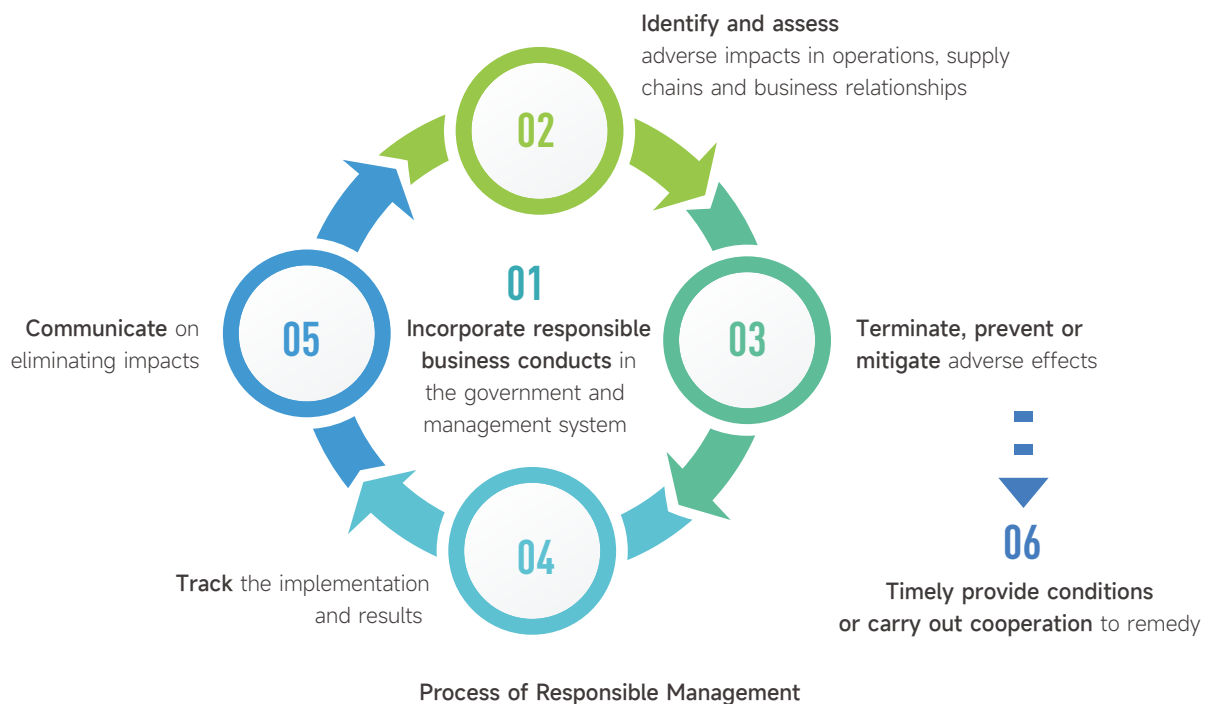


## Drive enterprises to perform Responsible Business Conducts



Responsible Business Conduct/Corporate Social Responsibility (RBC/CSR) is of great significance to ensure the sustainable development of the global economy and create a sound business environment. As the world becomes more closely connected and China plays an increasingly important role in the global economy, China firmly advocates the sustainable development goals and is of great significance to promote the Responsible Business Conduct/Corporate Social Responsibility of governments, enterprises and other stakeholders. The textile and apparel industry serves a global market. Facing the challenges of a complex and severe external environment, increasingly fragile global supply chain and other commercial and social risks, it is urgent for the industry to cope with structural and long-term risks. Responsible management is an effective tool based on risk management.

The Office for Social Responsibility of CNTAC continues to follow the research and development of responsible management. In August 2021, the Office for Social Responsibility of CNTAC launched the formulation of the Guidelines for Social and Environmental Due Diligence of Chinese Textile and Apparel Enterprises, aiming to provide a complete and comprehensive tool for Chinese textile and apparel enterprises to carry out responsible management and maintain a responsible supply chain. The formulation was strongly supported by the Swedish Embassy in China and the Organization for Economic Cooperation and Development (OECD).



## Strengthen dialogue and cooperation and better international procurement practices



On January 12<sup>th</sup>, 2021, CNTAC and other members of Sustainable Textile of the Asian Region (STAR) Network jointly launched a new initiative - Sustainable Terms of Trade Initiative (STTI), calling on the textile and apparel industry to adopt better international procurement practices. From the perspective of manufacturers and associations representing the manufacturers, the initiative challenges procurement practices (such as terms of payment and delivery). As a true bottom-up initiative, it is supported by all 9 members of STAR network, including CNTAC.

In September 2021, STTI issued a white paper, aiming to better the common goal of business compliance. In October, STTI accepted two new members, and covers 11 manufacturing countries worldwide now. It also initiated negotiations with the organizations on behalf of brands and retailers.

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"We wish to reach a common position on payment and delivery terms on behalf of all Asian producer associations and manufacturers in the textile and apparel industry, so as to increase our voice in individual and collective negotiations with brands and buyers and better the procurement practices."

— Miran Ali, Director of BGMEA

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# 03 Part

## Improvement of Corporate ESG Performance and Support of Digital Technology

42 Opportunities and Challenges Coexist in the Digital Transformation of Textile Enterprises

43 Digital Technology Contributes to the Improvement of ESG Performance of Textile Enterprises

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# Opportunities and Challenges Coexist in the Digital Transformation of Textile Enterprises



2020 is a key year for China's capital market to comprehensively deepen reform, and for many textile and apparel enterprises to get listed. Environmental, social, and corporate governance (ESG) performance became an important dimension to evaluate the performance of listed enterprises. Promoting the improvement of ESG performance was seen as a systematic practice for enterprises to implement sustainable development, as well as an inevitable requirement for them to seek long-term development. Digital technology played a role of amplification, superposition and multiplication in improving the basic ESG capabilities of textile enterprises. In addition, the integration of digital technology and conventional manufacturing also put forward new requirements and challenges for the sustainable development and transformation of textile enterprises.

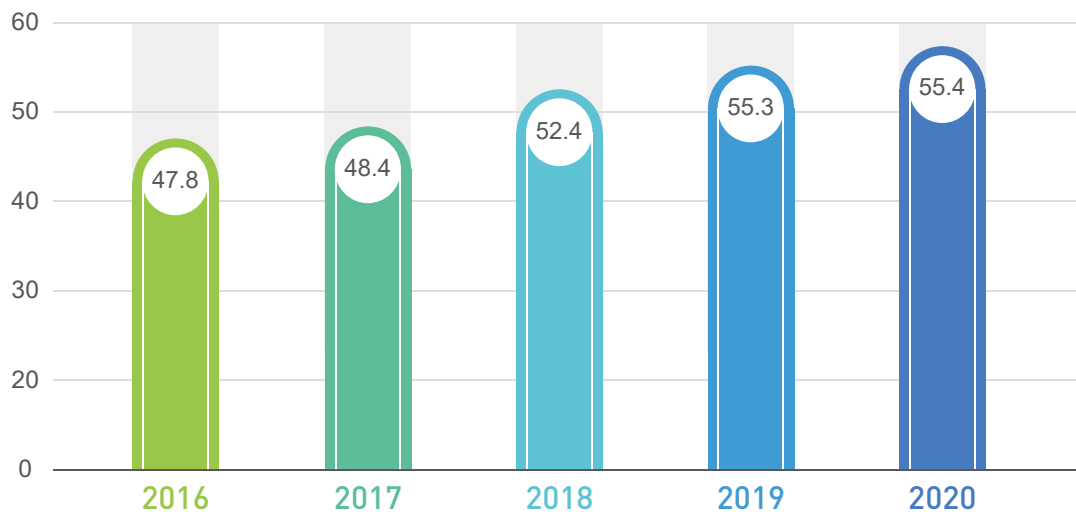
In this context, in December, 2021, the office for Social Responsibility of CNTAC worked with Baidu in initiating an "ESG performance improvement for textile and apparel enterprises and quality industrial development driven by digitalization technologies" project in order to use such technologies to overcome challenges the enterprises encounter during their sustainable development, optimize the management of the green supply chain for the industry, support the industry to achieve "peak carbon emission and carbon neutrality" goals, systematically improve the green development capacity of the textile manufacturing system, improve the collaborative innovation based on the integration of informatization and industrialization, and create new chances for the quality development of the industry.

# Digital Technology Contributes to the Improvement of ESG Performance of Textile Enterprises



Digital technology contributes to the improvement of ESG performance of textile enterprises in the following aspects:

**Enterprise's increasing informatization investment** During the "13<sup>th</sup> Five-Year Plan" period, the level of "integration of informatization and industrialization" of textile enterprises increased by 15.9%, and the indicators demonstrating consolidated foundation for integration development, integrated application of single business, data integration and interconnection, and collaborative innovation of business achieved a 10% - 30% jump.

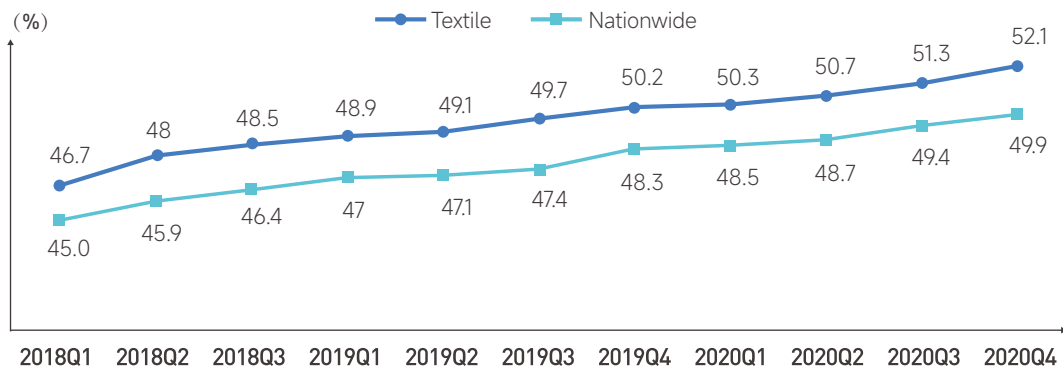


The Level of "Integration of Informatization and Industrialization"<sup>[13]</sup>

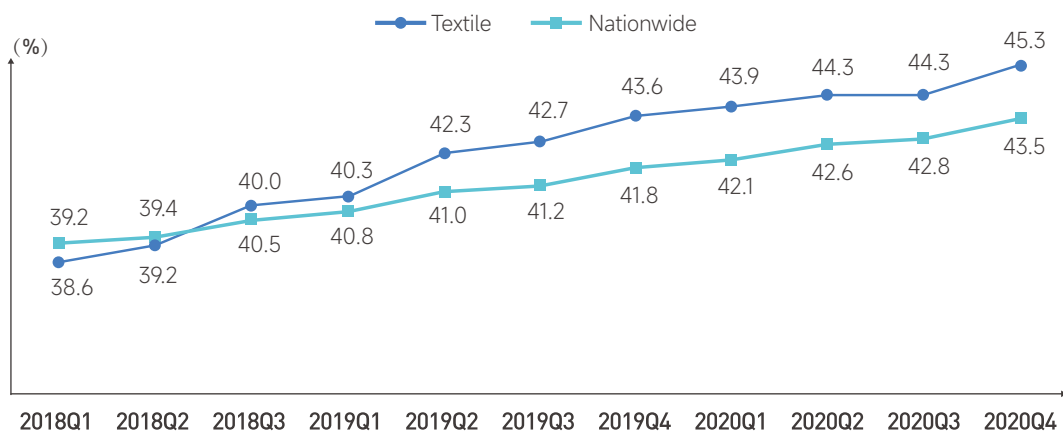
[ 13 Remarks: Measured according to the Assessment Specification on Integration of Informatization and Industrialization for Industrial Enterprises (GB/T23020-2013). Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

**Green technological innovation improves environmental benefits.** Enterprises in the textile industry accelerated the construction of a green system containing green design products, green factories, green industrial parks and green supply chains. Since 2016, 251 types of green design products, 91 green factories and 10 green supply chain enterprises in the textile industry have been included in the life cycle of the green manufacturing system construction list by the Ministry of Industry and Information Technology.

**Intelligent equipment and intelligent factory steadily improve production efficiency.** In recent years, the textile industry has witnessed a wave of "replacing manpower with machine". Textile equipment is generally equipped digital control technology and network interface to implement online monitoring, and boasts great digitalization, automation, and certain intelligent functions, which has driven the development of intelligent workshops and factories.



Proportion of Digital Production Equipment in the Textile Industry from 2018 to 2020<sup>14</sup>



Proportion of Digital and Networked Production Equipment in the Textile Industry from 2018 to 2020<sup>15</sup>

[ 14 Remarks: The proportion of digital production equipment refers to the average proportion of the number of digital production equipment in the total number of production equipment of industrial enterprises. Currently, the digital production equipment counted for the process industries includes single equipment with automatic information collection function; for discrete industries, it includes CNC machine tool, CNC machining center, industrial robot, electromechanical equipment with data interfaces, etc. Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

[ 15 Remarks: The proportion of digital and networked production equipment refers to the proportion of the number of networked digital production equipment in the total number of digital production equipment. Currently, the counted digital and networked production equipment includes the digital production equipment that is capable of data exchange with the control system. Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

**Large-scale customization platforms improve customer service capability.** Customized services have flourished in many fields such as apparel, home textile and printing. A number of advanced large-scale intelligent systems and platforms for customized apparels have emerged. The popularity of MES, PLM, ERP and other systems keeps increasing.



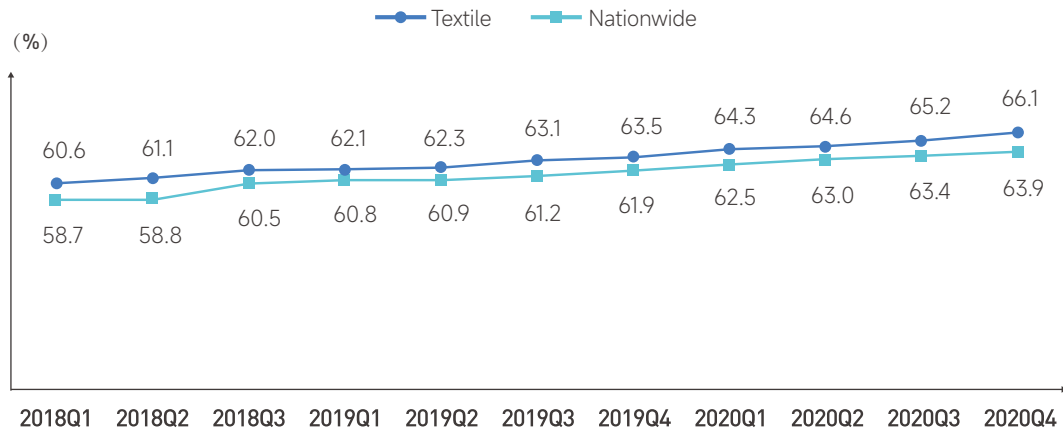
[ 16 Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

[ 17 Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

[ 18 Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

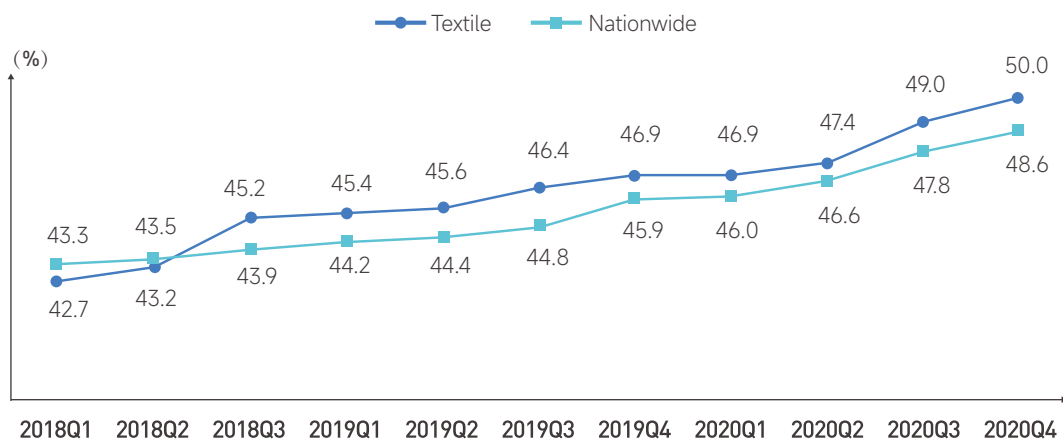


**Industrial e-commerce helps make supply chain management more transparent.** A great number of trade platforms (B2B) between textile and apparel enterprises have emerged, and many emerging platforms are seen. E-commerce allows for a more convenient transaction process, and helps the resource allocation of industrial chain breach its original geographical constraints, realizing information sharing for order, inventory, transportation and delivery.



Proportion of Industrial E-Commerce Applied in the Textile Industry from 2018 to 2020 <sup>19</sup>

**Industrial Internet platforms accelerate business mode innovation.** The Industrial Internet platforms driven by the local government are of obvious regional characteristics. The large-scale Industrial Internet platforms boast profound technical strength, and accelerate their deployment and expansion in the textile industry with the typical mode of "basic platform plus textile industry empowering sub-platforms".



Proportion of Industrial Cloud Platforms Applied in the Textile Industry from 2018 to 2020 <sup>20</sup>

[ 19 Remarks: The proportion of industrial e-commerce applied refers to the proportion of industrial enterprises applying e-commerce in all industrial enterprises. Currently, the counted industrial e-commerce indicates that the purchase or sales order of a product service is completed online, and the payment and product service delivery can be completed "online" or "offline". Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

[ 20 Quoted from the Data Map of Integration of Informatization and Industrialization of China's Textile Industry (2020). ]

## Industrial Internet Platforms in the Textile Industry

| Platform  | Introduction   |
|---|--|
| Haizhiyun, the industrial Internet sub-platform for large-scale textiles and apparels customization under Haier's CosmoPlat | Haier's sub-platform Haizhiyun is a large-scale customization platform for the textile and apparel industry. It adopts a differentiated mode to realize the ecological shunt-wound "factory, shop and home" in the apparel industry via Industrial Internet platform.  |
| Jingwei Textile Machinery's cotton spinning workshop intelligent management and control platform                            | In order to solve information island and increase management efficiency and production efficiency for textile factories, a complete IoT intelligent information collection system is built with cotton spinning equipment data collection as the center.   |
| Alibaba's industrial Internet platform - supET  | SupET provides solutions in terms of intelligent cloth finding, digital solutions for large and fine textile weaving, and networking data collection for flat knitting machines.   |
| Fujian Histron Technology's industrial Internet platform for the textile industry - Haichuangyun                            | It constitutes new core competitiveness with remote monitoring, 5G network, Internet of Things, big data analysis and information integration technologies, and integrates upstream and downstream chemical fiber, spinning, warp knitting, apparel processing and other resources of the entire industry to form new business formats.        |
| Hangzhou Tianfu Textile's industrial Internet platform for printing and dyeing  | Network information management is taken to realize the whole-process digital management of textile printing and dyeing factories, help textile printing and dyeing factories improve production efficiency and product quality, reduce their dependence on skilled workers, thereby significantly saving raw material, energy and labor costs. |
| Beijing BinMade's industrial Internet platform for textile  | It includes intelligent production scheduling, intelligent color matching, supply chain collaboration and other functions, with an intelligent optimization and decision-making APP formed after data precipitation and learning, and a closed-loop of collection, analysis, mining, learning and optimization resulting therefrom.            |
| CASICloud's industrial Internet platform for textile  | It realizes the digital modeling of five production elements: manpower, machine, material, method and environment, the automatic collection of key production data, and the digital management and transparent monitoring in the entire production process.  |
| Saint Angelo's intelligent service platform - Yunyi   | It focuses on large-scale customization, and presents one-stop solutions of fashion apparel customization by transforming transparent cloud factories on the supply side, omni-channel customer solutions on the demand side, and integrating the upstream and downstream ecosystem platforms of the industrial chain.                         |

**Digital technology stimulates the economic vitality of local industrial clusters.** Industrial parks and Industrial Internet platforms are taken as the carrier to achieve effective convergence, efficient flow and optimal allocation of production factors and resources of all parties. The comprehensive networked apparel industry ecosystem covering industrial parks is becoming a new business format for the development of the textile industry, and regional coordinated development of the textile industry network is also a successful new business mode.

## It is an Arduous Task to Enable Industry Development with Digital Technology



Textile and apparel enterprises are in urgent need of methods and path guidance as they face unclear orientation, unclear path, weak systems and other problems. Digital technology has raised a range of new challenges for textile and apparel enterprises to improve their ESG performance:

**Inadequate informatization investment of enterprises.** In view of the proportion of informatization investment in sales revenue of Chinese apparel enterprises, 85% of the enterprises have such a proportion less than 1%, 10% of the enterprises between 1% and 2%, and only 5% of the enterprises over 2%, far below the proportion abroad (an ordinary foreign enterprise's informatization investment accounts for 3% or above of its sales revenue; for leading enterprises, the proportion can even reach 5% - 10%).

**Key basic capabilities such as digitalization and networking are still weak.** In 2020, the proportion of digital and networked production equipment in the textile industry was 52.1% and 45.3% respectively. The proportion of numerical control applied in key processes was 49.7%. The overall application coverage and application level of digitalization and networking were still on the low side, and the foundation for going intelligent was still weak. Weak large-scale and in-depth data collection capabilities, protocol conversion of heterogeneous data, and insufficient edge processing capabilities were seen.



The proportion of digital production equipment in the textile industry was

**52.1%**



The proportion of networked production equipment in the textile industry was

**45.3%**



The proportion of numerical control applied in key processes was

**49.7%**

**The level of informational integrated application needs to be further improved.** In 2020, the proportion of industrial cloud platforms applied in the textile industry was 50%, that of MES was 24.6%, and that of PLM reached 20.3%. The application level of online production monitoring system was on the low side, directly restricting the "comprehensive integration" of textile enterprises. On the other hand, most solution providers are selling the concept of "generalization", without in-depth analysis of the differences between different industrial chains or seeking to solve all the difficult problems in the apparel industry in terms of ERP and CRM with one software, one technical architecture and one idea. As a result, the solutions are unsuitable.

**Intelligent development is still in its infancy.** The textile industry and even China's industrial intelligent manufacturing are still weak in terms of foundation. Improving the basic capabilities of textile enterprises in informatization and tamping the foundation of intelligent transformation will remain as a key work for a long period in the future.

**The structural talent gap needs to be filled.** On one hand, enterprises must consider how to solve the problem of talent upgrading, how to promote the transformation of employees into new workers who meet the requirements of digital production, and how to reasonably deploy employees who are no longer suitable for their current posts and avoid labor disputes. On the other hand, compound talents who are proficient in information technology, enterprise business processes and management knowledge are in short supply, which has caused a contradiction hard to solve between the business demands of apparel enterprises and their information systems.

**Enterprise scale leads to a big demand difference.** Large enterprises embark on a clearer path to digital upgrading compared with MSMEs, who lack strong endogenous demands for digital transformation, whose income is not enough to support systematical digital transformation, and who are more dependent on the market.



Proportion of industrial cloud platforms applied in the textile industry was

**50%**



that of MES reached

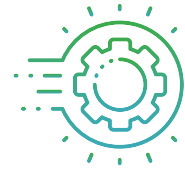
**24.6%**



that of PLM reached

**20.3%**

# Digital Technology Supports the Sustainable Development and Transformation of the Textile Industry to Speed Up



During the 14<sup>th</sup> Five-Year Plan period, strengthening the R&D of key intelligent manufacturing technologies represented by Industrial Internet, artificial intelligence, industrial robot, big data, etc., and solving key technical problems in key equipment of textile intelligent manufacturing, intelligent workshops/factories, and intelligent service systems will be the top priorities to promote the upgrading and transformation of China's textile industry.

**Firmly seek to achieve the goal of "carbon peak and carbon neutrality" and continuously improve green manufacturing capacity.** During the 14<sup>th</sup> Five-Year Plan period, the textile industry should be committed to: speeding up the construction of green textile factories and carrying out green supply chain pilot demonstration; performing carbon-emission-related measuring management, carbon neutralization frontier basic research, etc.; implementing the energy efficiency leader campaign in the sub-industries such as cotton spinning, chemical fiber, printing and dyeing, and promoting the pilot and demonstration of intelligent energy management; accelerating the R&D, demonstration and promotion of low-carbon technologies such as green fiber preparation, efficient energy-saving printing and dyeing equipment, and recycling of waste fibers.

**Speed up the construction of intelligent factories and improve the quality of products and services.** During the 14<sup>th</sup> Five-Year Plan period, constructing intelligent factories is one of the key tasks for China to build a textile power, including: vigorously promoting the construction of chemical fiber intelligent factory, unattended ring spinning factory, short-process spinning intelligent factory, weaving intelligent production line, knitting digital workshop, printing and dyeing digital and networked factory, nonwoven intelligent factory, apparel and home textile intelligent factory; developing textile intelligent manufacturing system integrators, establishing effective innovation consortia, promoting cross-field innovation in special equipment, automation, software, information technology, etc., and forming an intelligent manufacturing development ecology that is advanced by leading enterprises and deeply participated in by a lot of enterprises "specialized in fine production with characteristics"; making breakthroughs in the intelligent manufacturing technology, continuously improving the production efficiency, optimizing the production process, eliminating the constraints of labor and other factors and resources on industrial development, and ensuring the stability and safety of the industrial chain.

**Actively seek digital marketing and improve the customization service capability.** Establish consumer information database and make user portrait; achieve precise market positioning by carrying out in-depth analysis of consumer groups; realize customized and forward-looking commodity marketing; achieve accurate information push to improve marketing effectiveness.



# 04<sup>+</sup>Part

## China's Textile and Apparel Industry during 2022-2023 Plan of Social Responsibility Construction



During 2022-2023, the social responsibilities of China's textile and apparel industry will be constructed focusing on the key target of serving and facilitating the high-quality development of the industry in the following aspects:

#### CSC9000T Membership Trail and Support System Development

Develop the CSC9000T Guidelines for the Implementation of Social Responsibility System for Textile and Apparel Companies and the management indicator system based on the process management and due diligence management of risks; with the support from the CNTAC promotion commission of social responsibility construction and key textile and apparel companies, promote the CSC9000T membership trial; establish an online information platform that serves and supports CSC9000T members.

#### Upgrade the Big Data System Platform for the Design and Development of Sustainable Products

The systematic, quantitative and standardized appraisal and management on the "green" features of the textile supply chain based on "sustainable transparency" could improve the capacities of the companies in making "green design", act as an important method and tool to support the companies to efficiently ensure their product safety and disclose environmental footprint information, and realize the transfer and transformation of market value.

#### Improve the Transparency Management of ESG of Listed Companies in the Textile and Apparel Industry

Working with CAPCO (CHINA ASSOCIATION FOR PUBLIC COMPANIES) and the Board Secretary Association of Listed Textile and Apparel Companies to complete industrial information disclosure tools, improve the ESG information disclosure quality and effect of such companies, increase the transparency and trust of the textile and apparel industry in the capital market, and enhance the role of the capital in element optimization and sustainable development.

#### Support Responsible Investment Overseas of Textile and Apparel Companies

Continuously promote investment guidance and local training, meanwhile support the Internet building and experience exchange. Such efforts include conducting further investigations on the sustainable development situation of textile and apparel companies in the area surrounding Lancang River and Meikong River and in African countries; improve the competitiveness of Chinese textile and apparel companies overseas in the aspect of social responsibilities, especially those running their business in the Southeast Asia and Africa, and actively contribute to the work of "China's Corporate Social Responsibility Alliance in Africa".

#### Further Promotion of Cooperation among Multiple Parties to Improve the Resilience of the Supply Chain

Optimize dialogues and cooperation with UN organizations, international standard organizations, and international NGOs in the due diligence management of the supply chain of the textile and apparel industry so as to urge the upstream and downstream sectors to reach a consensus and work with each other, based on which the resilience of the industry against domestic and foreign non-business risks could be built.

# Appendix

## Appendix 1: SDGs Index

### Part I. The Development of China's Textile and Apparel Industry and Its Impact on CSR Fulfillment of the Industry

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



#### 1.2 Major Development Trends of China's Textile and Apparel Industry and Its Influence on CSR



### Part II. CSR Construction of China's Textile and Apparel Industry in 2021

#### 2.1 Responsibility for People



#### 2.2 Responsibility for the Planet



#### 2.3 Responsibility for Prosperity



### Part III. Improvement of Corporate ESG Performance and Support of Digital Technology

#### 3.1 Opportunities and Challenges Coexist in the Digital Transformation of Textile Enterprises



#### 3.2 Digital Technology Contributes to the Improvement of ESG Performance of Textile Enterprises



#### 3.3 It is an Arduous Task to Enable Industry Development with Digital Technology



#### 3.4 Digital Technology Supports the Sustainable Development and Transformation of the Textile Industry to Speed Up



### Part IV. China's Textile and Apparel Industry during 2022-2023 Plan of Social Responsibility Construction

## Appendix 2:

### CSR Chronicles of Chinese Textile and Apparel Industry (2019-2021)

October 2021

The Social Responsibility Office of China National Textile and Apparel Council cooperated with Baidu to launch the project "Digital Intelligent Technology Promotes ESG Performance Improvement of Textile and Apparel Enterprises and High-Quality Development of the Industry", aiming to use digital technology to open up new value space for the high-quality development of the textile and apparel industry.

October 2021

The Survey Report "Impacts of COVID-19 Pandemic on Overseas Chinese-invested Textile and Apparel Enterprises' Operation and Social Responsibility", jointly implemented by the Social Responsibility Office of the China Textile and Apparel Council and the German Agency for International Cooperation (GIZ), was released. This is the first research finding in China to analyse the impact of the COVID-19 Pandemic on overseas investment from the perspective of the industry.

October 2021

On October 10<sup>th</sup>, 2021, the Summit on Strategies for "Peak carbon emission" and "Carbon neutrality" was held by CNTAC at NECC (Shanghai) to share the LC test and assessment of product carbon footprint and the implementation of innovation applications.

September 2021

On September 8<sup>th</sup>, 2021, CNTAC successfully held the theme forum "Sustainable Design: The Force Awakens for Carbon Neutrality" to empower the fashion industry with the power of design and accelerate the green transformation of the industry.

August 2021

The Social Responsibility Office of the China National Textile and Apparel Industry Council launched the "Guide for Due Diligence of Supply Chain of Chinese Textile and Apparel Enterprises", which aims to provide Chinese textile and apparel enterprises with a complete and comprehensive tool to carry out due diligence management and ensure a responsible supply chain. The work is strongly supported by the Swedish Embassy in China and the Organisation for Economic Co-operation and Development (OECD).

June 2021

On June 1<sup>st</sup>, 2021, CNTAC initiated the "Climate Innovation-Carbon Neutrality Acceleration Plan of China Fashion Brands", also called the "30 • 60 Carbon Neutrality Acceleration Plan" to support and guide enterprises and industrial clusters to carry out climate innovation actions.

March 2021

On March 18<sup>th</sup>, 2021, the "Summit on Materials for A Sustainable Future" was held by CNTAC. The summit invited relevant institutions and enterprises of "industry, university and research institute" to jointly launch the "Laboratory of Materials for A Sustainable Future", supporting industrial enterprises to accelerate sustainable transformation by promoting awareness and capacity building.

#### January 2021

Members of the Sustainable Textile of the Asian Region Network (STAR Network) in Asia, including the China National Textile and Apparel Industry Council, launch a new initiative, the Sustainable Terms of Trade Initiative (STTI), calling on the textile and apparel industry to adopt better international sourcing practices. In September, STTI released a white paper aimed at improving business. In October, STTI added two new members to its membership, bringing it to 11 manufacturing countries worldwide; negotiations with brand and retailer representative organisations were also launched at the same time.

#### December 2020

The "Working Group on Whole Life Cycle Assessment in China's Textile and Garment Industry" was established. Members cover various industry chain segments such as fibre materials, textile chemicals, spinning, weaving, printing and dyeing, garment sewing and non-wovens.

#### November 2020

China Textile Information Centre received the "WEPIs Community and Industry Engagement Award".

#### November 2020

The "Humen Brand Responsibility Competitiveness and Industry Sustainability Innovation Showcase", a collaboration between the Social Responsibility Office of China National Textile and Apparel Council and Humen Garment Management Committee, was presented at the 25th China (Humen) International Garment Fair and Humen Fashion Week.

#### October 2020

China Nonwovens and Industrial Textiles Association was awarded the "Advanced Group of the State Council for Combating the Covid-19 Pandemic" for its outstanding contribution in the fight against the Pandemic.

#### October 2020

The government of Keqiao District, Shaoxing City, and enterprises jointly released the "China Shaoxing - Keqiao Climate Action Declaration", the first regional industry cluster climate action commitment in China.

#### October 2020

The project "Sustainable Textile Investment and Operations in Ethiopia" was launched. The project is the first project carried out by China's CSR Alliance in Africa and is jointly supported by the Chinese Ministry of Commerce, the Ethiopian Ministry of Trade and Industry and the German Ministry for Economic Cooperation and Development, with the China National Textile and Apparel Council, the United Nations Industrial Development Organisation (UNIDO) and the German Agency for International Cooperation (GIZ) as project implementation agencies.

#### September 2020

The 2016/2020 China Nonwovens Industry Social Responsibility Report was released. The report was written by the Social Responsibility Office of the China National Textile and Apparel Council in cooperation with the China Nonwovens and Industrial Textiles Association and is the first social responsibility report on China's nonwovens industry.



#### June 2020

The Social Responsibility Office of the China National Textile and Apparel Council and UN Women jointly launched the "Women's Empowerment Principles (WEPs)" industry promotion initiative, aiming to create an inclusive practice environment for women's economic empowerment. By the end of 2020, 91 companies across the industry had signed the statement of support.

#### April 2020

Against the backdrop of the Covid-19 Pandemic, nine textile and apparel industry associations from the six producing and exporting countries of the Sustainable Textile of the Asian Region Network (STAR Network), including the China National Textile and Apparel Council, launch a joint statement calling on global brand companies, retailers and traders to respect and fulfil their commitments to labour rights, social responsibility and sustainable supply chains, and to fulfil their responsibilities. The statement calls on global brand companies, retailers and traders to adhere to and fulfil their commitments to labour rights, social responsibility and sustainable supply chains and to practice responsible sourcing.

#### Dec. 26, 2019

The Social Responsibility Office of CNTAC carried out the research project on sustainable investment into the textile industry in the Lancang-Mekong region under the "Green Lancang-Mekong Initiative", and completed the Background and Cases of Water Environment Management in the Lancang-Mekong Textile Industrial Park and the Manual for Water Management in the Lancang-Mekong Textile Industrial Park.

#### Dec. 3-13, 2019

CNTAC for the first time organized a climate action delegation of China's fashion industry to attend a series of meetings of the 25<sup>th</sup> United Nations Climate Change Conference.

#### Nov. 4, 2019

The Workshop on the Bangladesh Employer Toolkit for Gender Equality was successfully held by the Social Responsibility Office of CNTAC and the Asia Foundation in Dhaka, Bangladesh.

#### Nov. 5-6, 2019

CNTAC representatives attended the Sustainable Apparel Forum and Dialogue on the Asia Sustainability Report organized by Bangladesh Garment Manufacturers and Exporters Association and other organizations.

#### Oct. 14-18, 2019

The experts of the Social Responsibility Office of CNTAC were invited as consultants for the Chinese negotiation delegation on International Legal Instruments on Transnational Corporations and Other Business Enterprises with Respect to Human Rights, and participated in the Fifth Meeting of the Intergovernmental Working Group and Provision Negotiation held in Geneva.

#### Sep. 24, 2019

The 2019 CNTAC Annual Conference on Social Responsibility of Chinese Textile and Apparel Industry was held in Shanghai.

#### Sep. 3, 2019

The Industry Expert Consultation Meeting on the Guidelines on Combating Domestic Violence in the Workplace of Chi-

nese Textile and Apparel Enterprises, jointly initiated by the Social Responsibility Office of CNTAC and the Asia Foundation, was held in Jinan, Shandong.

● **Aug. 26, 2019**

Responsible Supply Chain Management of Chinese Textile and Apparel Enterprises was kicked off jointly by CNTAC and OECD to gain an in-depth understanding of the responsible supply chain management practices of Chinese textile and apparel enterprises.

● **Jul. 17-19, 2019**

CNTAC representatives attended the UNICEF Summit 2019 and the UN High-Level Political Forum on Sustainable Development (HLPF) held in New York.

● **Jul. 2-5, 2019**

The special training session on Promoting the Institutional Construction and Corporate Culture of Chinese-funded Enterprises in Cambodia/Vietnam, organized by the Social Responsibility Office of CNTAC in cooperation with the trade associations of local Chinese-funded textile and apparel enterprises in Cambodia/Vietnam, was held in Phnom Penh and Ho Chi Minh, respectively.

● **Jun. 11-13, 2019**

CNTAC representatives attended the Responsible Business and Human Rights Forum jointly organized by UNESCAP, UNDP and OECD in Bangkok, Thailand. At the sub-forum on Decent Work in Global Supply Chains, the representatives introduced the exploration and experience of Chinese textile and apparel industry in promoting decent work in the supply chains.

● **Jun. 4, 2019**

The Social Responsibility Office of CNTAC, Allen MacArthur Foundation and Lenzing Group jointly carried out a circular fashion project, and launched the research project of Make Fashion Circular: Outlook for a New Textiles Economy in China.

● **Apr. 26, 2019**

The Social Responsibility Office of CNTAC held the Forum on Responsible Brand and Sustainable Development at the 1<sup>st</sup> Humen Trade Fair for Apparel Fabrics and Accessories.

● **Apr. 11, 2019**

The Guidelines for Responsible Overseas Investment of China's Textile and Apparel Industry was officially released at the Global Textile and Apparel Supply Chain Conference 2019 held in Ho Chi Minh City, Vietnam.

● **Mar. 13, 2019**

The Social Responsibility Office of CNTAC provided support for the Collaboration for Sustainable Development of Viscose (CV) to issue the Viscose Industry Sustainability Report.

● **Feb. 27, 2019**

The Consultation Meeting on Gender Equality Toolkit (Cambodia Version) for the project of Construction of Gender-sensitive Corporate Systems in Overseas Investment Enterprises was jointly held by the Social Responsibility Office of CNTAC and the Asia Foundation and was held in Phnom Penh, Cambodia; later on, the Consultation Meeting on Gender Equality Toolkit (Vietnam Version) was held in Hanoi, Vietnam.



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