

Social Responsibility Report  
of  
China's Textile and Apparel Industry  
2019-2020



## Foreword

In 2019, faced with unprecedented challenges and uncertainties brought about by trade frictions and geopolitical tensions, the world economy was dragged into a slowdown. Several economic indicators have even hit new lows since the international financial crisis in 2008, slowing down the already weak recovery of global economy, and resulting in a downturn in global trade as a whole. In the context of sluggish domestic and overseas market demands and great uncertainties in trade prospects, China's textile industry is operating under certain pressure, with declines in exports, investment and profits and low-speed growth in industrial added value.

Compiled under the auspices of the China National Textile and Apparel Council (CNTAC) and written by the Office for Social Responsibility with strong support from CNTAC leadership and various departments, this report comes as the 15th industry social responsibility report issued by CNTAC. Many stakeholders of CNTAC at home and abroad provided valuable suggestions for its revision. This report is comprised of four parts: Part I describes the development of China's textile and apparel industry in 2019, and analyzes the impact of industry development trends on CSR fulfillment; Part II introduces the main efforts and achievements of CNTAC and textile and apparel enterprises in CSR construction; Part III shows the promotion of the "Sustainable Textile Initiative Family" (STIF) at international exhibitions; Part IV shares the CSR work plan of China's textile and apparel industry for 2020-2021.



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# 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

### 1.1.1. Support Steady Development of China's Economy

In 2019, China's economy remained stable as a whole. GDP reached RMB 99.1 trillion, growing by 6.1%.<sup>1</sup> China's textile and apparel industry faced numerous challenges at home and abroad: the world economy was recovering slowly, the trade was growing at a slower pace; domestic consumption and investment were declining, and economic development pressure was mounting, to name a few.

The prosperity index of China's textile industry stayed in the development range throughout the year; all sub-sectors, except chemical fiber and filament weaving industries achieved rapid growth, were growing slowly in terms of industry added value; the industry added value of textile enterprises above designated size increased by 2.4% YoY, 0.5 percentage points slower compared with the previous year.<sup>2</sup>

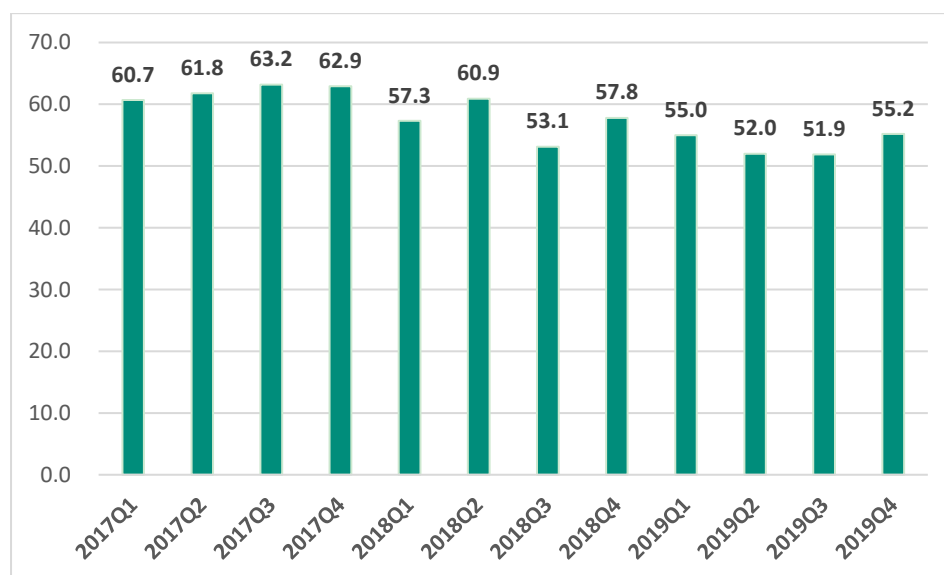
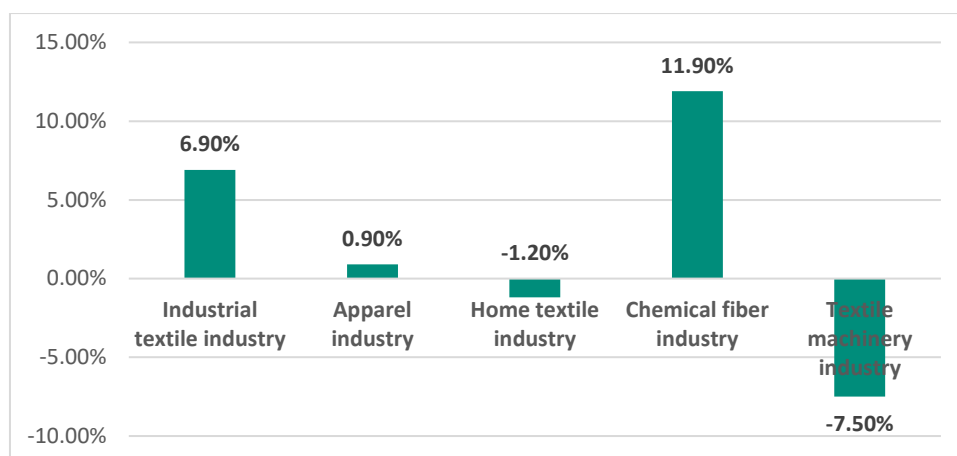


Figure 1: Prosperity index of the textile industry in China<sup>3</sup>

<sup>1</sup> Source: *Report on the Work of the Government 2020*.

<sup>2</sup> Source: National Bureau of Statistics.

<sup>3</sup> Source: Industrial Economic Research Institute of China National Textile and Apparel Council. When the prosperity index of China's textile industry is higher than 50, it indicates that the industry is prosperous; the larger the value, the more optimistic the situation.



**Figure 2: Industrial Added Value in 2019 (by industry)<sup>4</sup>**

In 2019, the growth of consumption in China's textile and apparel industry slowed down significantly compared with 2018.

**Table 1: Consumption Growth in China's Textile and Apparel Industry**

Item	Amount (RMB 100 million)	Growth rate	Change in growth rate
Retail sales of clothing, shoes, hats, knitwear and textiles above the national quota	13,517	2.9%	-5.1
National consumption expenditure on clothing products	18,733	4.16%	-0.38
National online retail sales of apparel products		15.4%	-6.6

<sup>4</sup> Source: Industrial Economic Research Institute of China National Textile and Apparel Council.

In 2019, the total fixed-asset investments in China's textile industry fell by 5.8% YoY, indicating the sluggish investment willingness of investors. The industry investment of Henan Province, Anhui Province, Jiangxi Province, Hubei Province and Hunan Province was growing positively, while that of other provinces declined by varying degrees.

**Table 2: Growth of Total Fixed-asset Investment by Industry**

Total fixed-asset investment by industry	Growth rate
Textile industry	-8.9%
Apparel industry	1.8 %
Chemical fiber manufacturing industry	-14.1%

Due to fluctuations in the operating efficiency, enterprises also faced increasing management pressure. In 2019, the profit margin of the operating revenue of textile enterprises above designated size nationwide fell to the bottom of 4.6% in the last decade, 0.5 percentage points lower than the previous year.



**Figure 3: Profit Margin of the Main Business of Enterprises above Designated Size<sup>5</sup>**

<sup>5</sup> Source: Industrial Economic Research Institute of China National Textile and Apparel Council.

### 1.1.2. Adjust the Structural Layout in Overseas Markets

The weakening international economic recovery, mounting uncertainty in the trade environment and other factors resulted in an increase in export pressure on the textile industry from the previous year. The adjustment of product and market structures as well as the pace of industrial transfer were also accelerating. In 2019, the foreign trade, exports and imports were all on decline once again after experiencing certain growth in 2017-2018.

In recent years, the intra-industry trade between China and its partner countries globally experienced rapid development, with a gradual increase in the proportion of imports and exports of intermediate products. In 2019, the proportion of textile exports rose to 44.2%, 1.2 percentage points higher than 2018, and the export amount grew by 1%; the proportion of clothing exports fell to 55.8%, and the export amount dropped by 4.1%.<sup>6</sup>

In 2019, China's textile machinery showed new characteristics in import and export. The growth rate of exports was significantly greater than that of imports, maintaining a trade surplus. The imports and exports of China's textile machinery added up to \$7.116 billion, a YoY decrease of 3.81%. Among them: textile machinery imports reached \$3.333 billion, a YoY decrease of 10.49%; the exports reached \$3.783 billion, a YoY increase of 2.96%.

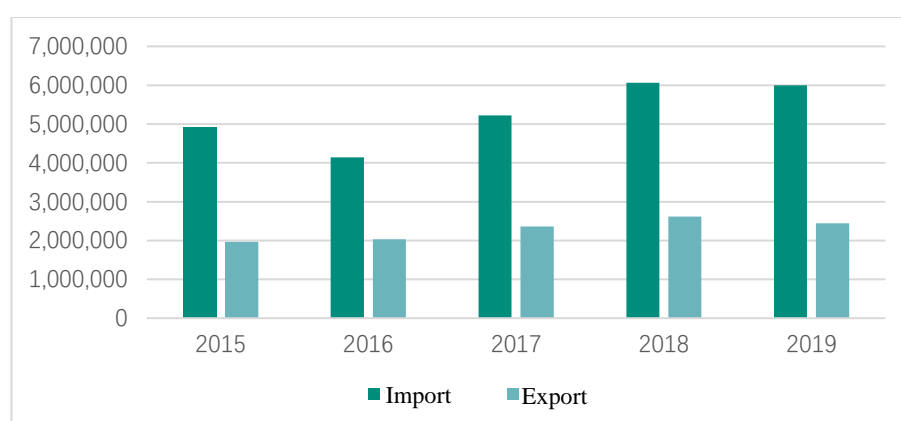
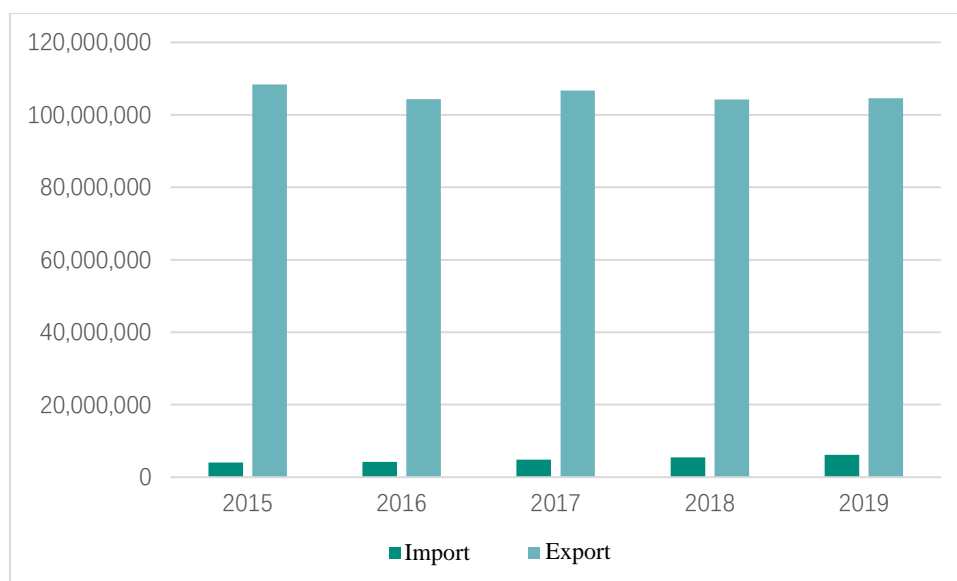


Figure 4: Textile Fibers and Wastes (RMB 10,000)<sup>7</sup>

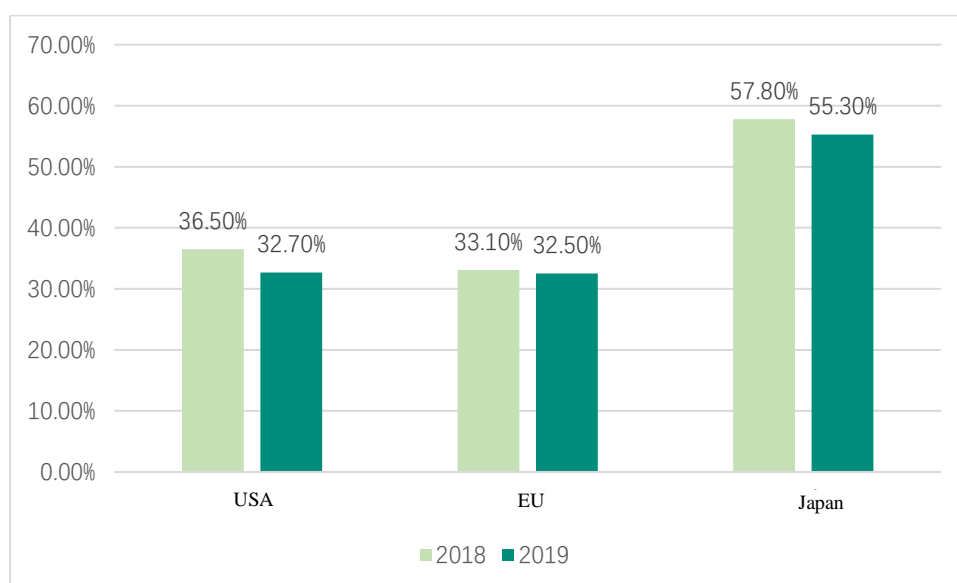
<sup>6</sup> Source: [http://news.ctei.cn/trade/jckxx/202004/t20200409\\_3981957.htm](http://news.ctei.cn/trade/jckxx/202004/t20200409_3981957.htm).

<sup>7</sup> Source: General Administration of Customs, People's Republic of China



**Figure 5: Garments and Accessories (RMB 10,000)<sup>8</sup>**

The share of Chinese textiles and apparels in the markets of major developed countries slightly narrowed.



**Figure 6: Market Share of Chinese Textiles and Apparels in Major Developed Countries**

<sup>8</sup> Source: General Administration of Customs, People's Republic of China



The exports to BRI countries continued to grow.

#### BRI countries



In 2019, the exports of China's textiles and apparels to BRI countries reached \$98.46 billion, an increase of 3.4%, better than the overall level; the market share rose to 36.2%, 1.8 percentage points higher than 2018.

#### ASEAN



In 2019, the bilateral textile and apparel trade between China and ASEAN countries reached \$46.38 billion, an increase of 2.9%, reflecting a closer bilateral trade relationship between the two sides. Among them, the exports and imports of China's textiles and apparels increased by 2.3% and 6%, respectively.

To accelerate the acceptance of overcapacity from China and Vietnam, ASEAN countries such as Philippines and Indonesia further expanded their local textile industries.

#### Japan



In 2019, the exports of China's textiles and apparels to Japan reported \$19.9 billion, a decrease of 4.67%. The unit price of major apparel products exported from China to Japan rebounded for two consecutive years.

#### USA



As China-US trade frictions continue, the exports to the United States dropped substantially. In 2019, the exports of textiles and apparels to the United States reported \$45.21 billion, a decrease of 7.7%, the largest decline in the last decade.

#### EU



The EU market performed sluggishly. In 2019, the cumulative exports of China's textiles and apparels to the EU reported \$47.25 billion, a decrease of 4.7%.

In the process of outbound investment, China's textile and apparel industry presented a layout of "Mainland China + Southeast Asia + Africa". Sector-wise, it was noted that:

- Cotton spinning and knitting enterprises became the trailblazers in China's textile and apparel industry for overseas investment. The overseas investment projects of weaving, printing and dyeing, weaving, chemical fiber, etc. also began to increase gradually.
- Knitted garment processing in China's textile and apparel industry became a leading field of outbound investment. Many large knitting companies made large-scale greenfield investments and placed international orders in countries with low labor costs and good trade environments such as Vietnam, Cambodia and Myanmar.
- An increasing number of domestic fabrics weaving and printing & dyeing capabilities were expeditiously transferring overseas. Besides, domestic leading companies in the chemical fiber industry also began to expand to the international market, and promoted their overseas business chains towards upper reaches.

Table 3: Rankings of Targets of Outbound Investment by China's Textile Industry between 2015 and 2018

Ranking	Country/region	Total investment between 2015 and 2018 (Unit: \$100 million)
1	Hong Kong (China)	25.99
2	Vietnam	10.71
3	Singapore	7.71
4	BVI	2.58
5	USA	2.14
6	Ethiopia	1.85
7	Myanmar	1.52
8	Egypt	1.47
9	Cayman Islands	1.32
10	Cambodia	1.25
11	Malaysia	1.02
12	France	0.92
13	Pakistan	0.85
14	Tajikistan	0.77
15	Indonesia	0.76

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

### 1.2.1. An Innovation and Technology-driven Industry

In 2019, the development of China's textile and apparel industry was related more closely to that of information technology and digital economy. Going forward, more input for R&D would be provided into China's textile and apparel industry, so as to offer consumers even more diversified products of high quality and a richer consumption experience.

- Increased input for R&D in key areas such as textile green manufacturing, intelligent manufacturing, and new textile materials, strive to address technical weaknesses in the industry and break the bottlenecks constraining industry development.
- Increased support for differentiated and functional general fibers, high-quality traditional textile products, advanced manufacturing technology, high-quality and environment-friendly dyeing and finishing technology and other fields, and accelerate the transformation and upgrading of a wide range of industrial chains.
- Upgraded industrial and regional public service platforms, and promoted development of information service systems for key industrial clusters.

Supply side	Demand side
Promoting the transformation of traditional textile and apparel supply chain to a digital, flat, shared, flexible, and ecological production mode.	Transforming from single physical stores to the integration with PC e-commerce terminals, mobile e-commerce terminals, and information media covering all customer groups, channels, categories, periods, experience, data and links.

In 2019, 2 second prizes of the *National Science and Technology Progress Award* were granted to the projects of “High-performance Industrial Yarn Energy-saving Twisting Preparation Technology and Equipment and Its Industrialization” and “Digital Key Technologies and Industrialization in the Field of Textile Fabric Colors”.

### 1.2.2. A Culture-led Fashion Industry

The fashion industry, with textiles and clothing as the mainstay, was integrating and sharing value with industries such as film and television, music, finance, technology, accessories, tourism, and urban construction. The emerging technologies, models, formats and mechanisms drove rapid development from “individual fashion” in the past to “pan-fashion ecology”, that was, the brands, designers, events, talent training systems, and industrial public service platforms, industrial clusters, cities and other factors showed a trend of integration.

<b>Fashion industry helped to improve cultural confidence.</b>	By relying on contemporary fashion brands, gradually demonstrate the uniqueness of Chinese fashion culture, embodied the essence of Chinese aesthetics, disseminated the spirit of Chinese philosophy, and fostered a brand temperament underpinned by excellent Chinese cultural heritage.
<b>Fashion products helped to meet diverse needs.</b>	The cultural ecology was becoming more diverse, evidenced by the emergence of many sub-cultural groups such as Han Chinese clothing, cosplay, street dance, graffiti, animation and e-sports. This did not only put forward endless demands on the textile and apparel industry, but also brought development opportunities.



Figure 7: Spring / Summer 2020 China International Fashion Week

### 1.2.3. A Responsibility-oriented Green Industry

China's textile and apparel industry was committed to continuously reducing its environmental footprint. The industry reinforced the traceability of chemical, water, and energy footprints as well as supply chain management, phased out outdated facilities and reduced pollutant emissions. It gradually evolved environmental management in a direction to go both scientific and compliant, and further enhanced sustainable development capacities.

“By 2020, the energy consumption per unit of industrial added value of enterprises above designated size in the textile industry will be reduced by 18% on a cumulative basis, carbon dioxide emissions by 22%, and water consumption by 23%, and the total recycled textile fibers will reach 12 million tons.”

——*Outline of the 13th Five-Year Plan for the National Economic and Social Development of the People's Republic of China*

China's textile and apparel industry was actively tackling environmental challenges.

<b>Continuing to raise the standards for pollutants discharge</b>	The new Environmental Protection Law stipulated that the direct emission of chemical oxygen demand (COD) of textile enterprises should be controlled at 80mg/liter. By setting a higher threshold for pollutant discharge, this new law encouraged enterprises to increase investment in environmental protection.
<b>Implementing stringent access standards for the printing and dyeing industry</b>	Implementing classified management for technical transformation projects of printing and dyeing enterprises, and helping enterprises with automated and intelligent transformation without increasing production capacity.
<b>Advocating sustainable consumption</b>	Avoiding excessive accumulation of old clothes and reducing landfill or incineration from disposal of old clothes; increasing investment in R&D, using more renewable or sustainable raw materials, applying the environmental protection concept into products and conveying it to consumers.

## Part II. CSR Construction of China's Textile and Apparel Industry in 2019

### 2.1 Responsibility for the People

**Promoting the “Family Friendly Factory” initiative.** In August 2019, the Social Responsibility Office of the China National Textile and Apparel Council (hereinafter, the “Social Responsibility Office”) put forth the concept of “Family Friendly Factory”, calling on textile enterprises to take into full account the actual needs of the majority of female employees in the context of the shortage of labor resources, solicit opinions from female employees when developing corporate management systems, and integrate family-friendly policies into corporate management, so as to form a more people-oriented management system and corporate culture. According to the “Family Friendly Factory (FFF) Initiative”, domestic and foreign companies, institutions, and brands should jointly promote the high-quality and sustainable development of the industry by building family-friendly workplaces.



Figure 8: “Family Friendly Factory”



UNICEF highly recognizes and provides strong support for the FFF initiative. In July 2019, the Social Responsibility Office participated in the 2019 UNICEF Summit. At the roundtable on the theme of “From maternity to nursing leave: how the government and business community can provide parents with paid leave”, the Social Responsibility Office shared its experience in carrying out gender-friendly projects in the past few years and the upcoming Family Friendly Factory (FFF) project and discussed with the participants the challenges facing the promotion of FFF-related work and corresponding solutions. After the roundtable, the Social Responsibility Office had in-depth discussions with personnel from UNICEF for Chinese projects on the possibilities of launching cooperation projects in China. The Social Responsibility Office also participated in the United Nations High-level Political Forum on Sustainable Development.



**Figure 9: 2019 UNICEF Summit**

**Supporting enterprises' anti-domestic violence campaign.** The CNTAC, based on the consensus on a family-friendly corporate culture, worked with the Asia Foundation to organize a series of training sessions for more than 100 trainees from more than 60 enterprises in Xiqiao, Guangdong Province and Jinan and Tai'an, Shandong Province. These training sessions start from “promoting anti-domestic violence with corporate responsibility”, and cover the development of gender equality management mechanisms in enterprises and family-friendly workplaces, the promotion of anti-domestic violence with corporate responsibility, and other aspects.



**Figure 10: Training in Tai'an**

**Enhancing the protection for the rights and interests of female employees in overseas enterprises.** To address the challenges facing female employees in some Southeast Asian countries in terms of employment, equal pay for equal work, and workplace safety, the Social Responsibility Office and the Asia Foundation jointly carried out the project of “building a gender-sensitive corporate system in overseas investment companies” in 2019. The project aims to close the gender gap between local companies in Chinese investment companies and introduce CSR practices that promote gender equability by developing gender-sensitive management tools suitable for the laws and social culture of the host country, and carrying out capacity building activities. In July, the capacity building project for senior managers of Chinese-funded enterprises in



Cambodia and Vietnam was implemented; in December, training sessions for employees in Cambodia and Vietnam were organized, which comprehensively improved the capabilities of business owners and managers to predict, manage and respond to gender-related issues.



Figure 11: Training for Employees in Vietnam

**Improving female leadership.** The Social Responsibility Office, by relying on the platform provided by the 24<sup>th</sup> China (Humen) International Clothing Fair, launched an innovative social responsibility publicity campaign on the theme of “Female Leadership and Humen Brand Responsibility”, calling on the public to pay attention to topics such as empowerment of female grassroots employees, female managers, and female leadership. A total of 45 brand companies participated in this publicity event.



Figure 12: “Female Leadership and Humen Brand Responsibility” Exhibition Area

**Continuing to focus on the social responsibility capacity building of the textile supply chain.**

In 2019, the Social Responsibility Office and the Business Social Compliance Initiative (BSCI) jointly organized six training sessions on “Decent Working Hours and Fair Pay”, attended by about 200 business representatives from textile, clothing, footwear, light industry and other industries. The training introduced the ILO international conventions, relevant Chinese laws and regulations and BSCI audit requirements, aiming to help Chinese companies improve their ability to deliver on their social responsibility. Since 2007, the two sides have jointly organized more than 100 special training sessions for more than 7,000 trainees.



**Figure 13: Training on “Decent Working Hours and Fair Pay”**

## 2.2 Responsibility for the Environment

**Demonstrating the “green model” of China’s fashion industry.** In December 2019, the climate action delegation for China’s fashion industry headed by Chairman Sun Ruizhe participated in many conferences during the 25<sup>th</sup> United Nations Climate Change Conference, where they showcased the climate action achievements of China’s fashion industry and its efforts in addressing global climate challenges and pursuing green development, and established a responsible industrial image. Chenfeng Group and K-Boxing took the lead among their Chinese peers in signing the Fashion Industry Charter for Climate Action of the United Nations Framework Convention on Climate Change (UNFCCC).

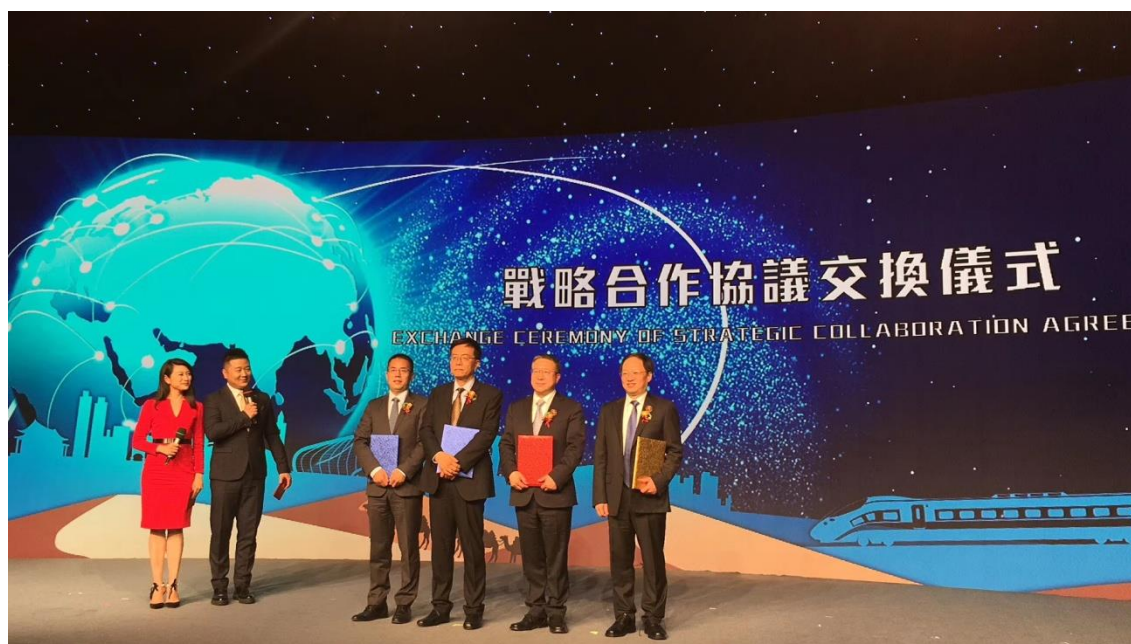


Figure 14: Sun Ruizhe spoke at COP25

### **Supporting sustainable development under the “Belt and Road” Initiative (BRI).**

On April 24, 2019, the “Belt and Road” Partner Conference of Phoenix TV was held in Beijing to jointly witness the establishment of the “Research Institute of Sustainable Enterprises for the Earth and Development”. The CNTAC, China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCC MC) and China International Contractors Association (CHINCA) unveiled the Institute on behalf of the industry support units, and signed a memorandum of strategic cooperation on the sustainable development of Chinese enterprises under the BRI with phoenix TV.





**Figure 15: Exchange Ceremony of Strategic Collaboration Agreement**

In 2019, the Social Responsibility Office and the Foreign Economic Cooperation Office of the Ministry of Ecology and Environment (Lancang-Mekong Environmental Cooperation Center) jointly carried out research on sustainable investment in the textile industry in the Lancang-Mekong region, and implemented the project of “Study on Standards and Guidelines for the Water Environment Management in Lancang-Mekong Textile Industrial Park” to provide management recommendations and reference standards for key stakeholders in the park’s water environment management.



**Figure 16: Guide to Water Environment Standards for Lancang River-Mekong River Textile Industrial Park**

**Continuing to promote the chemicals traceability in the international industrial chain.** The “Chemical Control Data System (CiE)” platform constructed and operated by the Social Responsibility Office continues to deliver green benefits: In 2019, the Chinese Academy of Inspection and Quarantine (CAIQ) under State Administration for Market Regulation relied on the CiE platform to carry out the preparation of textile chemicals management guidelines; in cooperation with German procurers, it organized the trainings on supply chain chemical management in China, Bangladesh, and Pakistan, and supported overseas companies to use the CiE system for data collection and reporting.



**Figure 17: Management and Control on Chemicals in textiles**

**Following up on the promotion results of “Textile Vision” and paying attention to green technological innovation.** With the support of the Textile Vision Science & Education Foundation, the World Wildlife Fund and HSBC, the Social Responsibility Office carried out an investigation in 2019 on the development, update and application of 526 promotion projects of "Textile Vision" annual textile industry new technologies (achievements) to expand the sustainable development performance and green attributes of related technologies. It also investigated the promotion and implementation effects of related technologies, and, based on this, established an online green innovation technology cluster that can enhance the green development capability of enterprises and industries.



Figure 18: Online green innovation technology community

**Promoting the new model of sustainable industrial development with charity finance.** To jointly promote the green transformation and low-carbon development of the fashion industry, a special fund for fashion climate innovation was established under the China Green Carbon Foundation (CGCF) in 2019. The fund was proposed by the Social Responsibility Office, and initiated by the National Textile Product Development Center. Chenfeng Group, Lenzing Group, Tytex, K-Boxing, and Sateri jointly applied to become the founding donation enterprises. The fund is committed to supporting the "Fashion Industry Climate Innovation 2030 Action" through green public welfare, green finance, green empowerment, etc.



Figure 19: Climate Innovation Fashion Summit



**Launching the “Clothes Reengineering Seed Program”.** The youth of today represent the future of fashion. In 2019, the Social Responsibility Office, the CGCF Special Fund for Fashion Climate Innovation, and K-Boxing kicked off the “Clothes Reengineering Seed Program”, and solicited 30 sets of recycled clothing from eight college designers, which would be displayed at the China Corner of the 25<sup>th</sup> United Nations Climate Change Conference (COP25). Starting from the extension of the life cycle of clothing, this program aims to showcase the exploration and actions of young Chinese designers in response to climate change, and advance the sustainable fashion progress.



**Figure 20: COP25 Chinese corner garment reconstruction works display**

## 2.3 Responsibility for the Market

**Issuing the *Guidelines for Responsible Overseas Investment of Chinese Textile and Apparel Enterprises*.** In 2019, the Social Responsibility Office issued the Guidelines for Responsible Overseas Investment of Chinese Textile and Apparel Enterprises at TASCC in Vietnam, which guides enterprises to integrate measures for identifying and responding to social responsibility and sustainable development risks in all aspects of investment projects according to the life cycle framework of these projects and the characteristics of overseas investment in the textile and apparel industry, so as to realize responsible investment. These Guidelines received widespread attention and high praise.



Figure 21: TASCC in Vietnam

**Supporting related work of national ministries and commissions.** In 2019, the experts from the Social Responsibility Office participated in the drafting of the Opinions of the Ministry of Industry and Information Technology on Promoting the Construction of Corporate Social Responsibility as the main drafting experts. The drafting work has been completed now; they also communicated with the Department International Economic and Trade Relations of Ministry of Commerce and other institutions regarding establishment of the CSR Alliance for Chinese Enterprises in Africa, and provided relevant programs and documents. On October 14, the fifth meeting of the “Open-ended Intergovernmental Working Group on the Human Rights Relationship between Multinational Corporations and Other Business Enterprises” established by the United



Nations Human Rights Council in 2014 was opened at the Palais des Nations in Geneva. Experts from the Social Responsibility Office were invited by the Ministry of Foreign Affairs to participate in this meeting as counselors to the Chinese government delegation. They would negotiate on the new versions of legal documents submitted by Chairman of the Working Group and support the Chinese delegation in accomplishing their tasks during the meeting.

**Enhancing the discourse power and influence of China.** In February 2019, at the invitation of the OECD, experts from the Social Responsibility Office participated in the “OECD Forum on Due Diligence in the Garment and Footwear Sector” in Paris. At two sub-forums, experts from the Social Responsibility Office introduced the trends of overseas investment by Chinese textile and garment enterprises, the due diligence practices in overseas investment, and the collective actions of China’s textile and apparel industry to mitigate climate change, including cooperation with various stakeholders to sign and promote the “Fashion Industry Charter for Climate Action”.

From June 10 to 11, the experts from the Social Responsibility Office participated in the Forum on “2019 AICHR Inter-Regional Dialogue: Sharing Good Practices of Business and Human Rights” in Bangkok, which was jointly organized by the ASEAN Intergovernmental Commission on Human Rights (AICHR) and the Organization for Economic Cooperation and Development (OECD). As the only Chinese representative, they introduced China's policy changes and industry practices in this field as well as its significance to the BRI.

From June 12 to 13, the “Responsible Business and Human Rights Forum” organized by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the United Nations Development Programme (UNDP) and the Organization for Economic Cooperation and Development (OECD) was held at the United Nations Conference Center in Bangkok. At the “Decent Work in the Global Supply Chain” section, experts from the Social Responsibility Office introduced the challenges of promoting decent work in the supply chain and the solutions being explored.



Figure 22: Responsible Business and Human Rights Forum

**Disclosing social responsibility information.** In September 2019, the 2019 Annual Meeting for the Social Responsibility of China Textile and Apparel Industry was held by CNTAC to discuss the sustainable development path of the textile and apparel industry. At the meeting, the 2018-2019 Annual Report on Social Responsibility of China's Textile and Apparel Industry was released for the 14<sup>th</sup> consecutive year since 2006. In addition, the Social Responsibility Office encouraged various industrial clusters and sub-sectors to release social responsibility reports.



Figure 238: Dachong released the first social responsibility report of the denim industry cluster in China

**Issuing the CV Sustainability Report.** On March 13, 2019, the “Commitment to Nature, From Woodland to Fashion-CV Alliance Sustainability Report Release Show” was held in Shanghai. On the show, the Chinese Collaboration for Sustainable Development of Viscose (hereinafter referred to as the “CV”) released the CV Sustainability Report, which disclosed key environmental performance information such as energy consumption, water consumption, total sulfur recovery rate, and wastewater discharge of the viscose industry, discussed the hot topics concerned by global stakeholders, and looked forward to the future work of CV. As CV’s cooperative unit, the Social Responsibility Office provides strong support for the CV to carry out various work.

## **Part III. Special Subject: CSR-driven Sustainable Trade**

### **3.1 New Consumption Value: Sustainable Fashion Week**

#### **Advocates New Concepts of Sustainable Fashion**

China is playing an increasingly prominent role in addressing the most challenging topic in the textile and apparel industry, i.e. sustainable development. Since 2017, the Social Responsibility Office has held the “Sustainable Fashion Week” annually at the China International Fashion (Autumn) to demonstrate the unremitting efforts and best practices of China’s textile and apparel industry in sustainable development, and to lead consumers’ sustainable consumption concept and fashion value.



**Figure 24: 2017 Sustainable Fashion Week**





Figure 25: Zhao Wenzhuo served as the fashion communication officer of CNTAC



Figure 26: 2019 Sustainable Fashion Week

### 3.2 More Credible Trade: “Sustainable Textile Initiative Family” (STIF) Fuels the Development of Overseas Trade

Since 2018, the Social Responsibility Office and the Sub-Council of Textile Industry, China Council for the Promotion of International Trade (CCPIT TEX) have, by relying on two international exhibition platforms, i.e. China Textile and Apparel Trade Fair (Paris)/Apparel Sourcing Paris (CTAF/APP Paris) and China Textile and Apparel Trade Show (New York), integrated social responsibility and sustainable development concepts into international trade through the promotion of the Sustainable Textile Initiative Family (STIF), on-site knowledge sharing, online consulting services and other forms, so as to support the sustainable transformation of Chinese enterprises and share the social responsibility experience and practices of Chinese manufacturing and brands with foreign countries.

Today, social responsibility topics such as fair trade, green trade, climate change, and gender have become important considerations in international trade cooperation. Many textile and apparel enterprises in China are gradually improving their capability to tackle these challenges. To help textile and apparel enterprises effectively integrate into the international supply chain, in 2018, the Social Responsibility Office and CCPIT TEX took CTAF/APP Paris as support to guide and encourage participating enterprises to apply for the “Sustainable Textile Initiative Family (STIF)” logo and assist enterprises with excellent social responsibility performance in gaining more international recognition. Among exhibitors that submitted the application materials, 51 eventually obtained the STIF logo in the first batch.



**Sustainable Textile Initiative Family (STIF)**

Requirements for obtaining the STIF logo:

- The raw materials used, the production methods adopted, or the products produced passed one or several sustainable (including social, environmental, management systems, etc.) certifications, or
- The enterprise is in compliance with the Code of Conduct for Social Responsibility recognized in international trade, and aligned with the direction of

strategic advocacy by CNTAC for CSR and sustainable development.

Enterprises that have obtained the STIF logo are entitled to:

- Use the STIF logo for international booths, and in corporate presentations and product manuals;
- Be included in the STIF logo corporate manual, and acquire the rights and interests of accurate commercial promotion before, during and after the exhibition;
- Present themselves in the Social Responsibility Zone, and have their representatives chosen as guest speakers;
- Apply to become an executive enterprise of China Textile and Apparel Corporate Social Responsibility Management System (CSC9000T) on favorable terms.



**Figure 27: Companies on the trade fair with the STIF logo**



### 3.3 No Barriers to Business: Social Responsibility Consulting Services Launched on Overseas Exhibition Platforms

Sustainability standards have become one of the pillars for sustainable development of global trade. The markets of various countries, especially European and American markets, are playing an important role in promoting sustainable development.

#### What are sustainability standards?

Sustainability standards are standards for the social, environmental, or economic practices of a particular entity, or all of them.<sup>9</sup>

The Rules of Business: A Handbook to Sustainability Standards in Textile and Apparel Industry is a major achievement of the “Independent Brand Export Growth Action Plan” launched by the Ministry of Commerce and CCPIT TEX, as well as an important output of the STIF action plan co-initiated by the Social Responsibility Office.

It features 23 sustainability standards with great influence in the textile and apparel industry to provide references for independent brand enterprises in China’s textile and apparel industry and the shortlisted enterprises that have applied for the STIF logo, enhance their understanding of sustainable development trends and sustainability standards in global trade and supply chains, and improve their sustainable business competitiveness.



**Figure 28: Cover of Rules of Business: A Handbook to Sustainability Standards in Textile and Apparel Industry and country map of headquarters whose standards are included**

<sup>9</sup> Source: ISEAL, ISEAL Code of Good Practice for Setting Social and Environmental Standards (6.0 version, December 2014).



In 2019, at the two major international exhibitions, i.e. CTAF/APP Paris and China Textile and Apparel Trade Fair (New York), the China National Textile and Apparel Council and the Textile Council for the Promotion of International Trade jointly launched social responsibility consulting services for exhibitors and social responsibility for purchasers. Responsibility docking service quickly responds to the social responsibility consulting demands of exhibitors and helps companies improve their ability to meet the social responsibility requirements of international customers.

On-site consulting services for exhibitors	On-site match-making service for buyers
<ol style="list-style-type: none"> <li>1. International sustainability standard requirements;</li> <li>2. Code of Conduct for Social Responsibility for International Customers;</li> <li>3. Social responsibility audit or factory inspection;</li> <li>4. Social responsibility capacity improvement program.</li> </ol>	<ol style="list-style-type: none"> <li>1. Quickly connect with exhibitors who meet the social responsibility standards.</li> <li>2. Efficiently connect with exhibitors who comply with the enterprise's code of conduct for specialized suppliers.</li> </ol>



**Figure 29: Forum on “Sustainable Development in the Future of Fashion Industry” of China Textile and Apparel Trade Show (New York)**

## **Part IV. CSR Construction Plan of China's Textile and Apparel Industry for 2020-2021**

In 2020-2021, China's textile and apparel industry will uphold the fundamental goal of serving and promoting high-quality development of the industry in its CSR construction, and promote the implementation of various works in the following areas.

### **4.1 Carrying Out CSC9000T Membership Pilot and Develop the Supporting System**

Develop the *Guideline for the Implementation of CSC9000T Textile and Apparel Corporate Social Responsibility Management System* and management index system based on process management and risk due diligence; rely on the CNTAC Social Responsibility Construction Promotion Committee and key textile and apparel enterprises to promote the CSC9000T membership pilot; and build an online information platform that serves and supports CSC9000T membership.

### **4.2 Upgrading the Sustainable Product Design and Develop the Big Data System Platform**

Carry out systematic, quantitative and standardized green evaluation and management of the textile supply chain based on "sustainable transparency", and take it as an important means help enterprises effectively realize product safety and environmental footprint information disclosure, as well as the transfer and transformation of market value, while improving enterprises' green design capabilities.

### **4.3 Promoting ESG Transparency Governance of Listed Companies in the Textile and Apparel Industry**

Work with the China Association for Public Companies and the Alliance of Board Secretaries of Listed Companies in the Textile and Apparel Industry to improve industry information disclosure tools, the quality and effectiveness of ESG information disclosure by listed companies in the textile and apparel industry, and the transparency and credibility of the textile and apparel industry in the capital market, and give full play to the role of capital in optimizing allocation of factors and promoting sustainable development.

#### **4.4 Continuing to Promote Multi-party Cooperation on Building a More Resilient Supply Chain**

Optimize the dialogue and cooperation in due diligence of the textile and apparel industry supply chain with relevant organizations of the United Nations, international standard agencies, and international NGOs, promote consensus building and action coordination between the upstream and downstream supply chain, and build a more resilient textile and apparel supply chain that can well respond to non-commercial risks at home and abroad.

## 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 2019															
2.1 Responsibility for the People															
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Part III. Special Subject: CSR-driven Sustainable Trade															
3.1 New Consumption Value: Sustainable Fashion Week Advocates New Concepts of Sustainable Fashion															
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3.3 No Barriers to Business: Social Responsibility Consulting Services Launched on Overseas Exhibition Platforms															
Part IV. CSR Construction Plan of China's Textile and Apparel Industry for 2020-2021															

## Appendix 2: CSR Chronicles of Chinese Textile and Apparel Industry (2017-2019)

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2019

### 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 Chinese 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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## **2018**

### **Dec. 1-9, 2018**

The Pakistani textile and apparel industry delegation visited Shandong, Zhejiang, Shanghai as well as other cities and provinces for study and exchanges with local textile

and apparel enterprises, and drew on China's advanced corporate experience in and industry solutions to promoting responsible operations in the textile and apparel industry.

**Nov. 14, 2018**

The summary meeting for the project of Promoting Social Responsibility and Gender Equality in the Textile Industry was held in Shishi City. Carried out in Hubei and Fujian, this project completed three intensive trainings for the members of female worker committees, provided on-site and remote guidance for five times as well as conducted a final evaluation in a duration of two years. Furthermore, the Implementation Guidelines for Promoting Gender Equality among Textile and Apparel Enterprises was issued.

**Nov. 12, 2018**

CNTAC, 31 global brands and textile companies and 10 industry organizations jointly initiated the signing of the UNFCCC Fashion Industry Charter for Climate Action.

**Oct. 22-24, 2018**

The China Textile Information Center signed a MOU with the Garment Manufacturers Association in Cambodia and the Textile Enterprises Association of Chinese Chamber of Commerce in Cambodia in Phnom Penh, Cambodia; later, a special training session on Promoting the Social Responsibility and Labor Relations of Chinese-funded Enterprises in Cambodia was held.

**Oct. 17-19, 2018**

The China Textile Information Center signed a MOU aimed at improving the corporate social responsibility of Myanmar textile industry suppliers with the Myanmar Garment Manufacturers Association and Chinese Enterprises Chamber respectively in Myanmar in Yangon, Myanmar; later, the Social Responsibility Office of CNTAC held a two-day special training on Promoting Corporate Social Responsibility, Gender Equality, and Labor Relations.

**Sep. 28, 2018**

The 2018 CNTAC Annual Conference on Social Responsibility of Chinese Textile and Apparel Industry was held in Shanghai, during which the 2018 China Sustainable



Fashion Week (Sep. 27th-29th) was held concurrently.

#### **Sep. 20, 2018**

The Sustainability Forum of World Textile Merchandising Conference was held in Keqiao, Zhejiang. The representatives of major stakeholders in the global textile industry and 220 conference representatives attended the forum.

#### **Jun. 17-19, 2018**

The CNTAC delegation visited the headquarters of the International Labour Organization (ILO), the United Nations Conference on Trade and Development (UNCTAD), the headquarters of the International Committee of the Red Cross (ICRC), and the Working Group on Business and Human Rights of the Office of the United Nations High Commissioner for Human Rights, and exchanged ideas with these organizations about jointly promoting responsible corporate behavior and sustainable development.

#### **Jun. 3, 2018**

The launch conference of the research report—Analysis of Production, Market Status and Social Impact of the Handmade Carpet Industry in Western China was jointly organized by the Social Responsibility Office of CNTAC, China Home Textile Association, and The Good Weave and was held in Xining, Qinghai.

#### **Apr. 22, 2018**

The Social Responsibility Office of CNTAC and the Research Group of Institute of World Economics and Politics at the Chinese Academy of Social Sciences conducted a series of investigations on the theme of “Lancang-Mekong Cooperation and Regional Textile Industry Value Chain Development”.

#### **Apr. 11, 2018**

11 textile chemical companies and 14 key textile companies from the Textile Sustainable Manufacturing Coalition issued a Joint Statement on the Action Plan 2020 for Chemical Environmental Management Innovation of China Textile Supply Chain.

**Jan. 30, 2018**

At the Forum on Due Diligence for Responsible Supply Chain in the Garment and Footwear Sector organized by OECD, the Social Responsibility Office of CNTAC and OECD signed a MOU on promoting responsible corporate behavior.

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**2017**

**Dec. 2017**

On December 7, the CSC9000T Corporate Sustainability Compact for Textile and Apparel Industry (2018) was released. On December 14, the overseas press conference was held in Hong Kong.

**Nov. 27, 2017**

CNTAC organized a Chinese special meeting on “Responsible Investment and Sustainable Supply Chain: Human Rights Due Diligence Practices in Chinese Industry” at the 6<sup>th</sup> United Nations Forum on Business and Human Rights.

**Oct. 12, 2017**

The 2017 Annual Conference on Social Responsibility of Chinese Textile and Apparel Industry was held in Shanghai, at which the Survey Report on the Social Responsibility Status and Risks of Overseas Investment by Chinese Textile and Apparel Enterprises and the Guidelines for Implementation of Social Responsibility for Overseas Investment by Chinese Textile and Apparel Enterprises were released. At the same time, the CNTAC Carbon Management Innovation 2020 Action • Carbon Emission Measurement Platform was officially launched.

**May 18, 2017**

The Project of Promoting Social Responsibility and Gender Equality in the Textile Industry jointly initiated by CNTAC and the Asia Foundation was launched in Shishi, Fujian. It was aimed at improving national policies on gender equality, and promoting equal employment for women across the textile industry.

**May 6, 2017**

The International Sustainable Fashion Brand Procurement Salon & International Fast Fashion Brand Procurement Networking Meeting organized by CNTAC was held in Keqiao District, Shaoxing, Zhejiang.

**Mar. 21-24, 2017**

The development research group of CNTAC visited Xiqiao, Junan, Humen, and Shenzhen in Guangdong for the spring survey, where they learned about the status of various industrial clusters and the CSR development.