



**MEMORANDUM OF UNDERSTANDING
FOR CO-OPERATIVE ACTIVITIES**

between the

**China National Textile and
Apparel Council (CNTAC)**

and the

**Organisation for Economic
Co-operation and Development (OECD)**

1. Purpose of the MOU

This Memorandum of Understanding (MOU) between the China National Textile and Apparel Council (CNTAC) and the Organisation for Economic Co-operation and Development (OECD) (individually referred to as a “Party” and together referred to as the “Parties”) sets out the conditions for co-operation to promote the implementation of responsible business conduct in global textile and apparel supply chains. This MOU is carried out within the broader framework of cooperation between the People’s Republic of China and the OECD on responsible business conduct, and is a direct outcome of the China-OECD Joint Programme of Work from 2015-16. This work will seek to contribute to the aims of China’s Center for Responsible Business and Sustainable Development, in which CNTAC is a founding member.

Any activities conducted under this MOU are subject to their inclusion in the Parties’ respective programmes of work and budgets and to the availability of funds. They shall be carried out in accordance with their respective rules and practices.

2. Areas of Co-operation

The collaboration of the Parties will focus on a number of substantive areas, which will include, but not be limited to:

- responsible business conduct; and
- due diligence for responsible textile and apparel supply chains.

3. Forms of Co-operation

The Parties may co-operate by various means, which will include, but not be limited to:

- joint events, such as workshops with major stakeholders in the textile and apparel sector and training events for industry stakeholders;
- exchange of information on OECD and Chinese standards on and approaches to responsible textile and apparel supply chains in the industry;
- partnerships with major stakeholders from civil society organisations and industry involved in the implementation of responsible textile and apparel supply chains; and
- cooperation in establishing in China a cross-sectorial platform for responsible business conduct.

4. Contributions of the Parties

The CNTAC will contribute to the co-operative activities in one or more of the following ways:

- providing the OECD with introductions to, and promoting engagement with, members of the CNTAC active in the textile and apparel supply chain;
- developing Chinese-owned industry guides and tools on responsible textile and apparel supply chains, and other work of CNTAC in the field of responsible business conduct;
- raising awareness of the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and Chinese-owned industry guides and tools on responsible apparel and textile supply chains, including referencing the OECD Due Diligence Guidance in CNTAC’s social responsibility management system and code of conduct (CSC9000T) as amended in 2017; and
- organising and hosting workshops/training events in China.

The OECD will contribute to the co-operative activities in one or more of the following ways:

- introducing and facilitating engagement of the CNTAC and its members to the OECD work and implementation programme on responsible textile and apparel supply chains;
- providing advice and input on Chinese-owned industry guides and tools on responsible textile and apparel supply chains including providing assistance in promoting CSC9000T among international stakeholders;
- promoting awareness of guides, tools and activities pertaining to CNTAC's work on responsible business conduct among international stakeholders; and
- participating in joint events such as workshops, training events, seminars on responsible business conduct and/or responsible textile and apparel supply chains targeted at Chinese companies, including through the China Center for Responsible Business and Sustainable Development.

Specific joint activities may be reflected in separate written agreements that may be entered into by the Parties under this MOU. The general provisions agreed in the present MOU will apply, except as otherwise agreed by the Parties in such separate agreements.

5. Funding

The OECD and CNTAC will determine financing of joint- activities prior to their implementation.

Both Parties will seek funds from third parties to finance the joint activities under this MOU.

6. Intellectual Property

The Parties recognise the importance of protecting and respecting intellectual property rights. This MOU does not grant the right to use any work created outside the framework of this MOU, of which one Party is the author or holds the intellectual property rights.

Intellectual property rights over any joint work created by the Parties' collaborative activities under the MOU of which both Parties are the authors will be jointly held by the Parties. Each of the Parties may use and reproduce this work separately, subject to an appropriate acknowledgement of the other Party's contribution to the work. However, before publication, each Party will confirm in writing with the other Party whether or not the latter wishes to be acknowledged in the relevant publication. Each Party will seek the written consent of the other before granting any license to a third party. Without prejudice to the above, any joint publication or translation will be subject to a separate written agreement by the Parties.

7. Disclosure

The Parties may disclose to the public this MOU and information with respect to activities carried out under this MOU in accordance with the Parties' relevant policies.

Any sharing of confidential information between the Parties will be subject to their respective policies and procedures relating to the disclosure of confidential information. Each Party will take any action to protect confidential and/or classified information of the other Party.

8. Responsibility

Each Party will be responsible for its activities and for its staff members, including for their acts and omissions. In particular, a Party will not be liable for any damage or injury to any of the other Party's staff.

Each Party (the "First Party") will hold the other Party and its staff harmless from any claim or damages, however caused, arising in connection with the activities carried out by the First Party or its staff.

9. Duration

This MOU will come into effect upon signature by both Parties and will remain in effect for a period of two (2) years. It may be renewed for further periods subject to a review of the results of the collaborative activities.

10. Termination

The MOU may be terminated by either Party by providing three months' prior written notice to the other Party.

In such a case, the Parties will agree, as appropriate, on the steps to ensure that the activities initiated under the MOU are brought to a prompt and orderly conclusion.

11. Divergence of Views

Any divergence of views between the Parties arising out of or relating to this MOU, including interpretation or application of any provision therein, will be settled amicably by the Parties.

12. Key Points of Contact

Each Party designates below its representative with overall responsibility for implementing this MOU, including responsibility for formulating work plans for activities to be undertaken pursuant to it:

For CNTAC:

Mr. Xiaohui LIANG, Chief Researcher, Office for Social Responsibility

For the OECD:

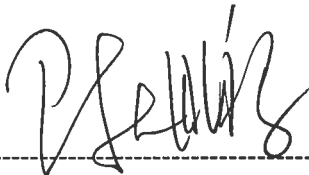
Ms. Mathilde MESNARD, Deputy Director, Directorate for Financial and Enterprise Affairs

Signed in Paris, France, in four original copies, two in the English language and two in the Chinese language. In case of any inconsistency, the English text shall prevail.

Signed on behalf of CNTAC

Mr. Chen Dapeng

Vice President

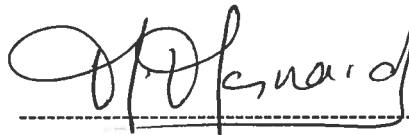


Date

30-01-2018

Signed on behalf of OECD

Ms. Mathilde MESNARD
Deputy Director, Directorate for
Financial and Enterprise Affairs



Date

30-01-2018