COVID crisis shows critical role of responsible business conduct

A forum in China discusses good practices; lessons learned, and policy options to promote RBC in global supply chains

20/10/2021 - The COVID pandemic has shown a “positive link between (business) sustainability and resilience,” a forum in China has heard.

Speaking ahead of a high-level panel on responsible business conduct, Ambassador Nicolas Chapuis, Head of Delegation of the European Union to China, said: “Those companies that have made responsible business conduct a core part of their operations are also the ones that have better-managed supply chains disruptions. But the crisis has also underlined that more work is needed.”

The event, “Responsible Business Conduct (RBC) for a sustainable and resilient recovery”, took place as part of the Boao Forum for Asia - Global Economic Development & Security Forum Conference. It saw speakers from international organisations, industry, and the government consider the utility of responsible business practices in ensuring a sustainable and resilient recovery from the health, economic and social crises.

The Ambassadors’ sentiments were echoed by Mathilde Mesnard, Acting Director, Directorate for Financial and Enterprise Affairs, OECD:

“Businesses need to EMBED responsible business conduct (RBC) into policies and management systems – RBC should not be an add on of business activities,” she said.

The panel came as supply chain disruptions continue to roil countries around the globe. The crisis has exerted a substantial toll on economies and societies in Asia, given their deep integration into the global supply chains and labour intense production models. Even large economies like China have seen significant impacts despite having relatively comprehensive production and supply networks.

China will play an essential role in the recovery and should take a leading role in promoting responsible business conduct globally, said International Labour Organization country office director for China and Mongolia, Chang-Hee Lee. “Chinese enterprises abroad can be a vehicle for human-centred development with full respect to fundamental principles and rights at work of ILO.”

The Chinese government, for its part, has expressed a willingness to participate in the promotion of sustainable and responsible practices.
“The Ministry of Industry and Information Technology stands ready for closer cooperation with the international community on CSR standards and responsible business practices related issues, building consensus and promoting mutual understanding and trust,” said WANG Peng, Deputy Director-General with the Ministry of Industry and Information Technology, China.

This position was endorsed by Alex Wang, Director for Supplier Management & Innovation and CEO, Orange Sourcing Consulting, Orange Group.

“Cooperation beyond competition is key for developing a responsible and resilient supply chain,” he said.

RBC considerations are also high on trade, investment and industrial policy agendas in Asia and elsewhere, but the meeting acknowledged there was work to be done domestically

“China will further raise the level of opening up and deepen domestic reforms to create an enabling environment for promoting the responsible business conduct of enterprises,” said WANG Jiangning, from the Department of International Trade and Economic Affairs, Ministry of Commerce.

The panel also considered examples of good practice, the enabling conditions needed to support international cooperation on sustainable practices, and what actions are necessary to embed RBC into the Asian economic context.

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