

# **Responsible Supply Chains in Asia – China**

Global supply chains have rapidly expanded in recent decades. They are an integral feature of international production, trade and investment, and contribute to economic growth, job creation and poverty reduction. As one of the biggest economies in the world and as a key trading partner to many other countries, China plays a crucial role in many global supply chains.

This growth, however, has brought its own challenges. To ensure the long term sustainability of supply chains, it is important to use international standards to support their management and that social and environmental impacts are well understood and adequately addressed.

The Responsible Supply Chains in Asia Programme aims to address decent work and environmental challenges through promoting responsible business practices in the operations of enterprises, including multinational enterprises, and their supply chains.

In China, the programme will support its industries' ambition to improve its position in global value chains through raising awareness of the benefits of responsible business practices and providing practical guidance on their implementation.

# **Responsible Business Practices in China**

As Chinese companies expand their business operations into overseas markets they are being exposed to different sustainability models relating to internationally recognised fundamental principles and standards on environment protection, rights at work and human rights. This has coincided with a growing interest domestically to promote sustainability, however, room for improvement remains in its implementation and impact.

## About the Programme

A partnership between the European Union (EU), the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD), with 9 million EUR funding by the European Union, the programme works with partners in Asia to promote responsible business standards in global supply chains and respect for principles important for sustainable growth, including for environment and labour rights.

The three year programme (2018-2020) has two broad objectives in China, to:

promote smart, sustainable and inclusive growth by ensuring that investors and businesses have a better understanding of internationally accepted responsible business practices.

support an enabling policy environment conducive to promoting responsible business conduct and increased opportunities for dialogue.

## The Programme in action

The programme in China is making an impact in a number of areas, including through:

- Establishing a framework for the promotion of decent work in global supply chains between the ILO and the Ministry of Human Resources and Social Security (MOHRSS).
- Hosting technical conferences, including with the MOHRSS, on the role of implementing socially responsible labour practices in furthering China's development as a central play in global supply chains.
- Working with the Chinese Academy of Labour and Social Security to map business practices on social responsibility in targeted industries, and assess the awareness levels in Ministries, worker and employer organisations.
  - **Promoting inclusion of responsible business practices in industrial policies** and working with the Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters, China National Textile and Apparel Council, China Electronics Standards Association to implement RBC due diligence.
  - Working with the Ministry of Commerce as well as the Ministry of Industry and Information Technology to promote the exchange of good practices on enabling responsible business conduct.

# Who benefits?

The programme aims to directly improve the well being of people working in Chinese textile and electronics supply chains. Consumers of their products, made in a responsible manner, also stand to gain as will citizens living in communities that value environmental protection and respect for human rights. Chinese companies will benefit from improved due diligence, increased productivity, new competitive advantages, and sustainable growth.

#### **Target sectors**

In China, the programme focuses on the **electronic and textile industries**; both of which are large employers and important sectors for the Chinese economy, and are characterised by extensive supply chain links with Europe and Asia.





lectronics

## A unique collaboration

The programme represents the first time that the ILO, OECD and the EU have joined forces to promote responsible supply chains on a large scale. Each organisation contributes their expertise and tools to the programme.

#### International Labour Organization (ILO)

The UN's oldest agency, the ILO, brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work and social justice for all women and men.

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

The OECD is an intergovernmental organisation with a mission to promote better policies for better lives of people around the world. Its member countries span the globe and include many of the world's advanced and emerging economies. The goal of the OECD is to build a stronger, cleaner and fairer world.

#### European Union (EU)

This initiative is a part of the EU's long-standing commitment to promote human rights, decent work and sustainable development, a pledge underpinned by EU Treaties and reinforced in the European Commission's trade policy strategy of 2015 "Trade for All", under the Commission's commitment to identify opportunities for responsible supply chain partnerships.



