Sustainability Practice of the Chinese Textile and Apparel Industry

Zheng Jian,
Office for Social Responsibility, China National Textile and Apparel Council

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About CNTAC

- China National Textile and Apparel Council (CNTAC)
  - A guidance institution and the interests representative of all textile-related industries in China
  - Service organization for Guidance, Policy study, Standardization and Information Exchange in the textile and apparel industry

- Office for Social Responsibility of CNTAC
  - The first industry-wide and professional organization for the promotion of CSR in China since 2005, A pioneer on CSR in China

- Scope and mode
  - Social, environment, supply chain
  - Information disclosure, capacity building, researching, cross-border collaboration
Development of China’s Textile Industry

- China’s textile industry is one of the key players in the world
- China’s textile industry is an important pillar industry and livelihood industry in China
- Thanks to opening-up, textile industry can take full advantage of domestic and international markets and resources
- Textile industry has achieved remarkable results in technological innovation and transformation of sci-tech achievements

<table>
<thead>
<tr>
<th>% of Global fiber processing</th>
<th>Prime Output Value above the designated scale (¥ 100 million)</th>
<th>% of all industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>73302.26</td>
<td>6.37%</td>
</tr>
<tr>
<td>Export (US$ 100 million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2701.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of T&amp;A export in China’s goods export</td>
<td>12.88%</td>
<td>% of global textile trade</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36%</td>
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</tbody>
</table>
New Position

New Position and New Concepts of China’s Textile Industry

- **An innovation-driven sci-tech industry**
- **A culture-led fashion industry**
- **A responsibility-oriented green industry**

**Open development**  Pay equal attention to “bringing in” and “going global”, shift the foreign trade pattern to “quality imports and quality outputs”, so as to form a new pattern of opening up to the outside world.

**Multi-dimensional development**  Extend the boundary of textile industry, promote industry-finance integration, industrialization-information technology integration, civil-military integration and technology-art integration.

**Balanced development**  Rebalance the structure of supply and demand, regional development and industry revenue.

**Sufficient development**  Increase the degree and efficiency of development, promote innovative applications and strengthen environment construction to the full.

**Safe development**  Focus on the ability of developing core innovative technologies, ensure the safety of resources, quality and trade of textile industry.
Responding to the global sustainable development goals (SDGs), CNTAC is taking the lead in RDGs (2025) in the Chinese textile industry.
Value of the Green Development

- Structural changes and value changes in the market: green development becomes a source of value and a lifeline
  - Green development has become a consensus. The form of green development in the industry is changing from passive responsibility to responsibility-based value creation.
  - The environmental protection tax law has been formally implemented, and the market rules for "pollution control, emission reduction and pollution damage" have been established.
  - The national carbon emissions trading system was officially launched and the emission permit system started nationwide.
  - The central bank has formulated the green credit performance evaluation scheme for banking financial institutions (for Trial Implementation).
  - The development and Reform Commission announced the opinions on innovation and improvement in promoting green development price mechanism.
Collaboration for sustainability development of viscose (CV) to promote sustainability from the raw material side in the upstream supply chain
In the middle stage of industrial value chain, China Dyeing & Printing Association facilitates green development in dyeing sector

**Green Technology Promotion**
Collection and promotion of recommended catalogue of advanced technologies for energy conservation and emission reduction.
- Since 2007
- involves many fields such as technology, equipment, auxiliaries, source control and terminal management.
- 330+

**Research**
- Study on emission reduction policy in printing and dyeing industry
- "Research on the Development Strategy of Cleaner Production Technology in Textile Printing and Dyeing Industry in the New Period"
- "Feasibility and Scheme Study of Environmental Protection"
- "Leader System in Printing and Dyeing Industry"
- "Feasibility Study of Green Supply Chain in Printing and Dyeing Industry"
- "Emission Performance Analysis and Transaction Feasibility Study Based on Emission Permit"
- "Sustainable Development of Printing and Dyeing Industry" Support technology research"

**Governance**
2018, special treatment of water pollution in key industries with Ministry of Ecology and Environment
- convening an expert seminar on low water consumption and low drainage technology in the printing and dyeing industry
- setting up an expert team for the clean transformation project
- collecting and collating the compilation of environmental protection policies and standards of the printing and dyeing industry
- formulating the printing and dyeing line. A list of grey technologies and clean water treatment schemes for printing and dyeing industry.
Promote Sustainable Fashion Week to enhance the interactive engagement of consumers and connectivity of SDG 12 responsible production and consumption.
Sustainable Manufacturing

- Sustainable Manufacturing is:
  - one of five major projects in “Made in China” 2025
  - one section in the “13th five-year plan” of the Textile Industry

The 13th Five Years Plan of Textile Industry —— Green Development Goal
To establish green manufacturing system, by 2020.
• Unit of industrial production for energy consumption -18%
• Unit of industrial added value for water consumption -23%
• Main pollutant discharge total amount control -10%
• Circulation and Recycling

- Eco safety
- Low carbon
- Less water
- Detox safety

- Transparency
- Traceability
- Innovation

- Operation
- Supply chain
- Investment

- Product
- Supply chain
- Factory
- Industry park

- Eco friendly
- Low carbon
- Less water
- Detox safety

- Energy saving, consumption reduction, pollution reduction and efficiency enhancement

- Green products, green labels, consumers education.
Sustainable Manufacturing Coalition

28 Top textiles companies
12 Top chemicals companies
12 Synthetic leather companies
2 Certification body
1 Bio-Technology Enterprise
Chemicals improvement Exchange

- CiE System provides intelligence solution to facilitate complex chemical management

  - Remove duplicate information
  - Create chemical inventory
  - Searching available
  - Data analysis

CiE system

- Complicated chemical information

- Standardized information

- Improving chemical management and performance in the textile companies

- Identifying specific chemical using according to mandatory and voluntary norms in textile supply chain

- Optimizing chemical using research in the factory operation

Chemicals providers and users

Application
With the facilitation with CiE, the MRSL compliance performance of participant companies has been improving.
Management System: CSC9000T 2018

New version of CSC9000T: 9 core subjects, representing new CSR concerns in the sector. The following implementation toolkits and training modules being developed.

<table>
<thead>
<tr>
<th>Labor Rights</th>
<th>Consumer</th>
<th>Community</th>
<th>Pollution</th>
<th>Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>principle of people-oriented, respect the rights of employees, consumers and other members of the community</td>
<td>Respect and protect the privacy of consumers, and collect, store and use personal information and data reasonably</td>
<td>Respect for the basic rights of community residents, especially indigenous people</td>
<td>minimizing the negative impact of enterprises on the environment. reducing pollution, saving resources, adapting to climate change</td>
<td>design and management based on the whole life cycle to improve the utilization of resources</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Climate Change</th>
<th>Innovation</th>
<th>Fair Operation</th>
<th>Supply Chain</th>
</tr>
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<td>adopting clean energy and clean technology, participating in the development and utilization of renewable energy</td>
<td>promote the deep integration of informatization and industrialization organically combine all kinds of innovations, and promote industrial transformation and upgrading</td>
<td>fairness and honesty as the basic principles of production</td>
<td>information sharing, technical guidance, capacity training and supplier evaluation are used to help them meet these requirements.</td>
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</tbody>
</table>
In partnership with industrial organizations from Bangladesh, Cambodia, Myanmar, Pakistan and Vietnam, CNTAC takes efforts to promote regional cooperation and cross-cultural management at company level.

- Shengze Summit for Sustainable Development (Apr. 28, 2018)
  The representatives of Industrial organizations from 5 countries introduced sustainability compliance requirements of each country.

- Survey and report on responsible investment in 5 countries in 2017-2018

- Corporation MOU with Myanmar and Cambodia Associations in Oct 2018
CNTAC and OECD signed the MOU in Jan. 2018 with the mission to promote supply chain due diligence and responsible business conduct in the sector.

Industry cooperation in some Sino-Africa Economic and Trade Cooperation Zones

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<th>Cooperation Zone</th>
<th>Major Investment and Cooperation Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>China-Egypt Suez Economic and Trade Cooperation Zone</td>
<td>Textiles &amp; apparel, universal machinery, automobile, high- and low-voltage electrical appliances</td>
</tr>
<tr>
<td>Oriental Industrial Park in Ethiopia</td>
<td>Light industry, textile, metallurgy, building materials, electromechanical, etc.</td>
</tr>
<tr>
<td>Zambia China Economic and Trade Cooperation Zone</td>
<td>Light industry, textile, building materials, food, etc.</td>
</tr>
<tr>
<td>Mauritius Tianli Economic and Trade Cooperation Zone</td>
<td>Textiles and apparel, electromechanical</td>
</tr>
<tr>
<td>Pearl River Special Economic Zone in Kenya (under construction)</td>
<td>Electronic information, medical &amp; hygiene, building materials and machinery, apparel, textiles, etc.</td>
</tr>
</tbody>
</table>

openness

- The “Belt and Road” Initiative

inclusiveness

- Social Responsibility capacity building

coordination

- Global cooperation on production capacity
Thank you!!
Tel: +86 10 5229389
Email: zhengjian@ctic.org.cn