

CSC9000T

**Corporate Sustainability Compact for
Textile and Apparel Industry
(2018)**



China National Textile and Apparel Council

Foreword

To put into effect the development ideas of innovation, coordination, green, openness and sharing, transform the industry development mode, carry out the sustainable development strategy, so as to satisfy the people's growing needs for a beautiful life and contribute to the realization of the United Nations sustainable development goals (SDGs), the China National Textile and Apparel Council (CNTAC) has made enhancing the industry's self-discipline and promoting corporate social responsibility a strategic development task of the industry for over a decade.

The hardcore of this strategic task is to guide textile and apparel enterprises to comprehensively and systematically consider all sorts of their impacts and respond to stakeholders' interests and expectations in business strategies, systems, operations and relationships, and fulfill their responsibility for society, environment and market order in a scientific, continuous and systemic way, with the aim to respect human rights, improve working conditions, protect environment, maintain market order, construct fair and effective international supply and value chains, enhance the competitiveness of enterprises and the industry, as well as realize their common sustainable development with the society.

CSC9000T (Corporate Sustainability Compact for Textile and Apparel Industry) provides the code of conduct and an operational approach for accomplishing the above-mentioned task. It requires enterprises to take the requirements in the code of conduct as the benchmark to fully identify social responsibility risks and opportunities in their products, services and business relationships, and integrate the responses to such risks and opportunities into management systems and business processes through due diligence, in order to realize the organic integration of management systems and social responsibility issues, hence improving management capability and social responsibility performance continuously and mutually.

This is the third revised version of CSC9000T since its initiation in 2005. For over a decade, the implementation of CSC9000T has vigorously improved the relationship between its Implementing Enterprises and their stakeholders, particularly those regarding employees and supply chain partners. It has also helped strengthen Implementing Enterprises' management capability and endogenous competitiveness, and effectively enhanced the industry's

international image. This version, based on the development trends such as the new positioning of China's textile and apparel industry of "technology, fashion and green", and the industry's overseas outreach in answer to the "Belt and Road Initiative", has incorporated the practical experiences of implementing CSC9000T over the last decade as well as the recent development and good practices in social responsibility and sustainable development in China and the rest of the world. In addition to ensuring its pertinence and applicability for the industry, this new version expands the requirements of the code of conduct and scope of application, and puts even more stress on proactive due diligence.

This version of CSC9000T has also incorporated the core concepts and principle requirements of social responsibility standards and initiatives, including those of *ISO 26000: Guidance on Social Responsibility* and the *United Nations Guiding Principles on Business and Human Rights*, drawn on the basic methods and latest developments of management systems including ISO9001: 2015, ISO14001: 2015 and the forthcoming ISO 45001, and provided feasibility for its compatibility and mutual recognition with other standard systems in material requirements in terms of substantive requirements.

The development and revision of this version of CSC9000T is led by CNTAC, and has gained vigorous support from the Ministry of Industry and Information Technology, and Ministry of Commerce of the People's Republic of China, as well as the All-China Federation of Trade Unions and other stakeholders.

Contents

I	Scope and Application Provisions.....	4
II	Terms and Definitions.....	6
III	Management Approaches.....	9
IV	Social Responsibility Management System.....	12
1	Context of the Enterprise.....	12
2	Leadership and Social Responsibility Policy..	14
3	Planning and Social Responsibility Objectives.....	16
4	Support.....	19
5	Operation.....	22
6	Performance Evaluation.....	23
7	Improvement.....	26
V	Social Responsibility Code of Conduct.....	28
1	Responsibility for People.....	28
2	Responsibility for the Planet.....	32
3	Responsibility for Prosperity.....	33
	Annex: Referenced International Conventions, Instruments, Standards and Initiatives.....	36

I Scope and Application Provisions

- 1 This CSC9000T Management System specifies the approaches that an enterprise can use to establish the social responsibility management system, and the social responsibility code of conduct that the enterprise shall follow, so that the enterprise can establish, implement, maintain and improve the social responsibility management system in accordance with applicable laws and regulations, international conventions, international standards and other requirements, thus continually improving the enterprise's social responsibility performance.
- 2 This CSC9000T Management System is applicable mainly to textile and apparel enterprises, regardless of ownership, size, place of registration and legal organization form, and enterprises in other industries may also use the System as a reference point.
- 3 An enterprise may apply this CSC9000T Management System through voluntary commitment or as required by laws, regulations and policies of a State; whatever its motive or purpose, the enterprise using this CSC9000T Management System shall make efforts to fully comply with the System.
- 4 Compliance with applicable laws and regulations is an enterprise's basic obligation. The compliance with this CSC9000T Management System cannot exempt an enterprise from or change the application of national laws and regulations. Where the requirements of national laws and regulations, applicable international conventions or other applicable requirements are not consistent with those of this CSC9000T Management System, the enterprise shall seek to follow the stricter requirements beyond the compliance with laws and regulations.
- 5 This CSC9000T Management System can be applied alone, or together with other standardized management systems (e.g. quality, environment, and occupational health and safety management systems), other social responsibility standards, norms or initiatives. Where they are applied together, the enterprise shall seek to strengthen the coordination and synergy between this CSC9000T Management System and other management systems, standards, norms or initiatives while ensuring its integrity and appropriate applicability.

- 6 This CSC9000T Management System applies to the enterprise for the purposes of:
- a) identifying social responsibility impacts, to mitigate or eliminate social responsibility risks and fully utilize social responsibility opportunities;
 - b) establishing, implementing, maintaining and improving the enterprise's social responsibility management system;
 - c) assuring the enterprise that it complies with declared corporate social responsibility code of conduct; and
 - d) demonstrating to stakeholders its compliance with this CSC9000T Management System.

II Terms and Definitions

1 Corporate Social Responsibility

The responsibility of an enterprise for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviors that contribute to sustainable development, including health and the welfare of society, take into account the expectations of stakeholders, comply with laws, regulations and international norms of behavior, and that are integrated throughout the organization and practised in management activities.

2 Management System

The set of interrelated or interacting elements of an enterprise to establish policies and objectives and processes to achieve those objectives; a management system can address a single discipline or several disciplines, whose scope can include the whole of the enterprise, specific and identified functions of the enterprise, specific and identified sections of the enterprise, or one or more functions across a group of enterprises.

3 Social Responsibility Management System

Management system or part of a management system used to achieve the social responsibility policy.

4 Stakeholders

Individuals or groups that have an interest in any decision or activity of an enterprise.

5 Supply Chain

The sequence of activities or parties that provides products or services to an enterprise.

6 Compliance Requirements

The obligations that arise from applicable laws, regulations, and other binding norms, and the requirements that the enterprise must or choose to comply with.

7 Process

A set of interrelated or interacting activities which transforms inputs into outputs.

8 Risks and Opportunities

Potential adverse effects and potential beneficial effects on social responsibility objectives.

9 Social Responsibility Policy

Intentions and direction of an enterprise related to social responsibility performance, as formally expressed by its top management.

10 Social Responsibility Aspects

Elements of an enterprise's activities, products, services and business relationships that are relevant to the social responsibility code of conduct requirements and that can interact with stakeholders or the environment and generate social responsibility impacts.

11 Social Responsibility Objectives

Results to be achieved and set by the enterprise consistent with its social responsibility policy.

12 Social Responsibility Impacts

Any possible change to stakeholders or the environment, whether adverse or beneficial, wholly or partially resulting from an enterprise's social responsibility aspects.

13 Social Responsibility Performance

Measurable (quantitative) or accreditable (qualitative) results acquired from managing social responsibility impacts.

14 Due Diligence

The process through which an enterprise identifies, prevents, mitigates and accounts for how it addresses its actual and potential adverse impacts as an integral part of business decision-making and risk management systems.

15 Documented Information

The information that is required to be controlled and maintained by an enterprise and the medium on which it is contained, in any format, media or from any source.

16 Workplace

All the locations where employees need to be present or go due to work, and that is under the direct or indirect control of the enterprise, including the locations during the process of travel or transportation (e.g. driving, by plane or train), the work at customers' or clients' premises, or the work at home.

17 Transparency

Openness about decisions and activities that affect society, the economy and the environment, and willingness to communicate these in a clear, accurate, timely, honest and complete manner.

18 Sustainable Consumption

The provision of services and related products to meet mankind's basic needs, and improve living quality, while reducing the use of natural resources and toxic materials, so as to minimize the wastes and pollutants generated in the life cycle of the services or products, thus not endangering future generations' needs.

III Management Approaches

1 Process Management Approach

This System advocates the adoption of the process approach in developing, implementing a social responsibility management system and improving its effectiveness. This approach enables the enterprise to effectively control the interlinked and interdependent processes of the management system, so that the overall performance of the enterprise can be enhanced for better integration, effectiveness and efficiency of the enterprise management.

The process approach involves the systematic definition and management of processes and their interactions by using the PDCA cycle and risk-based due diligence in accordance with the policy and strategic direction of the enterprise, so as to achieve the intended results, effectively take advantage of opportunities and prevent undesirable results. The PDCA cycle can be applied to all processes and to the social responsibility management system as a whole. It can be briefly defined as follows:

Plan: establish the objectives of the system and its processes, and provide resources needed, to deliver expected results of the enterprise's social responsibility code of conduct;

Do: implement what is planned;

Check: monitor and measure plan implementation against social responsibility policy, code of conduct, objectives, indicators and other requirements, and report the results;

Act/Adjust: take actions to continually improve social responsibility performance.

2 Risk-Based Due Diligence

To conform to the requirements of this System, an enterprise needs to plan and implement actions to address risks, so as to increase the effectiveness of the social responsibility management system, achieve improved results and prevent adverse impacts.

The core approach of the risk-based due diligence is to assess the actual and potential social responsibility impacts, incorporate these impacts into internal functions and processes, take appropriate actions, then track the effects of such actions, and communicate the relevant information to stakeholders when necessary. The risk-based due diligence requires to combine

the management system with the code of conduct, assess risks against code of conduct requirements, and prevent and eliminate risks for adverse impacts via the operation of the management system.

The risk-based due diligence should cover the negative social responsibility impacts that the enterprise may cause or contribute to through its own activities, or that may be directly linked to its products, services or business relationships. It differs in complexity as the size, nature of operations, and background of the enterprise vary. But it should be continuous, since the risks may change anytime with the business and operational background of the enterprise.

Specifically, the risk-based due diligence includes the following steps:

- a) assess and confirm any actual or potential adverse social responsibility impact possibly caused by the activities, products, services and business relationships of the enterprise;
- b) consider the relevant internal functions and processes, absorb the results of impact assessment, and take appropriate actions to prevent and mitigate adverse impacts;
- c) track the effectiveness of the actions based on appropriate quantitative and qualitative indicators, internal and external feedbacks; and
- d) communicate externally and report on how the enterprise eliminates adverse impacts, as necessary.

3 Innovation Management Based on Sustainable Development

In addition to risk management, the enterprise needs to view risks and challenges from the perspective of development, and prevent and eliminate risks through innovations oriented towards sustainable development, particularly by taking advantage of opportunities, including the opportunities for innovation in technologies, products, services, operations and business models.

Specifically, the innovation management based on sustainable development includes the following steps:

- a) based on identified risks, analyze and identify corresponding sustainable development aspects, and engage in innovations in technologies, products and services, and management models, with an aim to achieve sustainable development;

b) based on expectations from stakeholders and the society, identify the business opportunities that the enterprise can utilize as well as the opportunities to meet the needs of stakeholders and the society while achieving the enterprise' own development; and

c) based on local social development problems and the critical sustainable development challenges faced by the industry in which the enterprise operates, by relying on the enterprise's mission and strengths, promote sustainable development of the society and the industry through innovatively solving these problems while creating new competitive edges and business opportunities for the enterprise.

IV Social Responsibility Management System

1 Context of the Enterprise

1.1 Understanding the enterprise and its context

The enterprise shall identify and determine internal and external aspects that are relevant to its objectives and strategic direction and that affect the achievement of the intended outcomes of its social responsibility management system. Such aspects shall include the contextual conditions capable of affecting or being affected by the enterprise, and both positive and negative elements and conditions.

The enterprise may identify its context from global, national, industrial, regional, internal and external dimensions, and this process identifies all kinds of elements that bring impacts on the enterprise's purposes, objectives and sustainability.

1.2 Understanding stakeholders' needs and expectations

The enterprise shall determine the stakeholders that are involved in the social responsibility management system, their relevant needs and expectations, and in particular, identify the compliance requirements in these needs and expectations.

The enterprise may mainly consider the following stakeholders:

- a) customers, consumers, and users of products and services;
- b) employees and other laborers in the supply chain;
- c) suppliers, distributors and other business entities in the supply chain;
- d) peers and industry organizations;
- e) governmental departments and legislature bodies;
- f) shareholders and investors;
- g) civil society organizations and media that pay attention to social responsibility issues;
and
- h) communities and their residents.

The enterprise shall identify important stakeholders, analyze their needs and expectations, and identify such needs related to its products, services and supply chain activities, as well as

their inherent interrelation, including actual and potential interest relationships.

1.3 Determining the scope of the social responsibility management system

The enterprise shall determine the boundaries and scope of application of the social responsibility management system.

When determining this scope, the enterprise shall consider:

- a) the external and internal issues referred to in 1.1;
- b) the compliance requirements referred to in 1.2;
- c) its organizational structure, function(s), and physical boundaries;
- d) its activities, products, services and business relationships; and
- e) its authority and ability to exercise control and influence.

The activities, products, services and business relationships within the above-mentioned scope shall all be included in the social responsibility management system.

The scope shall be maintained as documented information and be available to stakeholders.

1.4 Social responsibility management system

The enterprise shall establish, implement, maintain and continually improve a social responsibility management system, including the processes needed and their interactions, in accordance with the requirements of this System, considering fully and systematically the requirements in 1.1 through 1.3, to enhance the social responsibility performance of the enterprise.

For the sake of the process approach, the enterprise shall determine the processes needed for the social responsibility management system and their application throughout the enterprise, and shall:

- a) determine the inputs required and the outputs expected from these processes;
- b) determine the sequence and interaction of these processes;
- c) determine and apply the criteria and methods (including monitoring, measurements and related performance indicators) needed to ensure the effective operation and control of the processes;

- d) determine the resources needed for these processes and ensure their availability;
- e) assign the responsibilities and authorities for these processes;
- f) address the determined risks and opportunities;
- g) evaluate these processes and implement any changes needed to ensure that these processes achieve their intended results; and
- h) improve the processes and the social responsibility management system.

When necessary, the enterprise shall maintain documented information to support the operation of its processes, and retain documented information to have confidence that the processes are being carried out as planned.

2 Leadership and Social Responsibility Policy

2.1 Leadership and commitment

Top management shall fully fulfill the following functions to demonstrate its leadership and commitment for social responsibility management:

- a) take accountability for the effectiveness of the social responsibility management system;
- b) ensure the social responsibility policy and objectives are in concert with the enterprise's internal and external environment and strategy;
- c) ensure the integration of the social responsibility management system requirements into the enterprise's strategy, decision-making and business processes, and supply chain;
- d) promote the use of the process management approach and risk-based due diligence;
- e) ensure the resources needed for the social responsibility management system;
- f) communicate the importance of the social responsibility management system requirements and ensure the general consensus, full understanding and complete implementation of the social responsibility management system;
- g) ensure that the social responsibility management system achieves its intended results;
- h) urge, direct and support employees to contribute to the effectiveness of the social responsibility management system;
- i) promote improvement of the social responsibility management system; and

- j) support other management roles to fulfill their duties in the relevant areas.

2.2 Social responsibility policy

Top management shall establish, implement and maintain a social responsibility policy that, within the defined scope of its social responsibility management system, shall:

- a) be appropriate to the purpose and context of the enterprise, including the social responsibility impacts of its activities, products, services and business relationships;
- b) provide a framework for setting social responsibility objectives;
- c) include a commitment to the proactive fulfillment of social responsibility, including prevention, mitigation and elimination of the adverse impacts on stakeholders;
- d) include a commitment to meet applicable requirements; and
- e) include a commitment to continual improvement of the social responsibility management system.

The social responsibility policy shall be maintained as documented information fully communicated, understood and used within the enterprise, and be available to stakeholders.

2.3 Responsibilities and authorities

Top management shall ensure that the responsibilities and authorities for relevant roles are assigned, communicated and understood throughout the enterprise for:

- a) ensuring that the social responsibility management system conforms to the requirements of this System;
- b) ensuring that the processes are delivering their intended outputs;
- c) strengthening attention to important stakeholders throughout the enterprise;
- d) ensuring that the integrity of the social responsibility management system is maintained when changes to the social responsibility management system are planned and implemented;
- e) ensuring that business departments are accountable for social responsibility performance within its mandates;
- f) reporting to the top management on the performance of the social responsibility management system and on opportunities for improvement, and on relevant changes and innovation.

Top management may appoint a lead department for the comprehensive implementation of the social responsibility management system, with special mandates including:

- a) promoting social responsibility awareness and capacity of the whole staff;
- b) assisting the integration of social responsibility objectives with business operations of different functions and departments;
- c) conducting internal and external communication and information disclosure.

3 Planning and Social Responsibility Objectives

3.1 Actions to address risks and opportunities

3.1.1 General

The enterprise shall establish, implement and maintain the processes needed to meet the requirements in 3.1.

When planning for the social responsibility management system, the enterprise shall:

- a) consider its own conditions and context (1.1), stakeholders' needs and expectations (1.2), and the scope of the social responsibility management system (1.3);
- b) determine the risks and opportunities related to its social responsibility impacts (3.1.2), compliance requirements and other issues and requirements; and
- c) seek to prevent and mitigate adverse impacts, including potential adverse impacts, to give assurance that the social responsibility management system can achieve its intended outcomes and continual improvement.

Within the scope of the social responsibility management system, the enterprise shall determine potential emergency situations that can have a social responsibility impact.

The enterprise shall maintain necessary documented information of determined risks and opportunities, and of the processes needed in 3.1 to the extent necessary to have confidence that they are carried out as planned.

3.1.2 Social responsibility aspects and impacts

Within the defined scope of the social responsibility management system, the enterprise shall identify and determine the social responsibility aspects of its activities, products, services

and business relationships that it can control and influence, and their associated impacts, considering a life cycle perspective.

When determining social responsibility aspects, the enterprise shall take into account possible changes, including planned or newly developed, and new or modified activities, products, services and business relationships, and identify abnormal conditions and potential emergency situations.

The enterprise shall determine those aspects that have or can have significant social responsibility impacts, e.g. significant environmental aspects, health and safety aspects, by using the criteria in Part V of this Management System.

The enterprise shall communicate its significant social responsibility aspects internally among its various levels and functions.

The enterprise shall maintain documented information of its determined social responsibility aspects and associated social responsibility impacts, particularly that of significant social responsibility aspects and their impacts.

3.1.3 Compliance requirements

The enterprise shall identify and have access to the compliance requirements related to its social responsibility aspects, determine how these compliance requirements apply to the enterprise, and take these compliance requirements into account when establishing, implementing, maintaining, and continually improving its social responsibility management system.

The enterprise shall maintain documented information of the compliance requirements.

3.1.4 Planning actions

The enterprise shall plan to take actions to address its significant social responsibility impacts (3.1.2), compliance requirements (3.1.3), and identified risks and opportunities.

The enterprise shall integrate and implement the actions into its social responsibility management system processes and other business processes, and evaluate the effectiveness of these actions.

When planning these actions, the enterprise shall consider its technological options and its financial, operational and business requirements.

3.2 Social responsibility objectives and planning

3.2.1 Social responsibility objectives

The enterprise shall establish social responsibility objectives at relevant functions and levels, combining processes as needed by the social responsibility management system.

The social responsibility objectives shall be:

- a) consistent with the social responsibility policy, the enterprise's strategy and operational (e.g., products, services and supply chain activities) targets, and related to enhancing the satisfaction of stakeholders;
- b) taking into account the enterprise's significant social responsibility aspects, compliance requirements, and identified risks and opportunities;
- c) giving particular consideration to such requirements as the needs of stakeholders, risk control, efficiency advancement and business innovations.

The social responsibility objectives shall also be measurable (if practicable), monitored, communicated and updated as appropriate.

3.2.2 Planning actions to achieve social responsibility objectives

When planning how to achieve its social responsibility objectives, the enterprise shall determine what will be done, what resources will be required, who will be responsible, when it will be completed, how the results will be evaluated, including the indicators for monitoring progress toward achievement of its measurable social responsibility objectives.

The enterprise shall consider how actions to achieve its social responsibility objectives can be integrated into the enterprise's operational processes.

The enterprise shall identify and analyze the root causes for social responsibility risks and opportunities, and formulate corrective and preventive measures accordingly.

When planning these measures, the enterprise shall consider comprehensively technical feasibility, costs and benefits, operation and business requirements, and take the best plan under

the premise of economic feasibility and cost effectiveness, including learning from other enterprises' mature practices.

The enterprise shall maintain documented information on the social responsibility objectives.

4 Support

4.1 Resources

The enterprise shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the social responsibility management system, including human resource, financial resource, as well as mechanism support for capacity building, awareness raising, stakeholder communication and engagement.

4.2 Competence

To ensure the effectiveness of the social responsibility management system, the enterprise shall:

- a) determine the necessary competence of persons doing work under its control that affect its social responsibility performance and its ability to fulfill responsibilities;
- b) ensure that these persons have the necessary competence on the basis of appropriate education, training or experience;
- c) determine training needs associated with its social responsibility aspects and its social responsibility management system; and
- d) where applicable, take actions to acquire the necessary competence, including reallocating or employing competent persons, hiring external experts, utilizing new technologies and equipments, and evaluate the effectiveness of the actions taken.

The enterprise shall maintain appropriate documented information as evidence of competence.

4.3 Awareness

The enterprise shall ensure that the persons doing work under its control are fully aware of:

- a) the social responsibility policy;
- b) relevant social responsibility objectives;
- c) the significant social responsibility aspects and related actual or potential impacts associated with their work;
- d) their contribution to the effectiveness of the social responsibility management system, including the benefits of enhanced social responsibility performance; and
- e) the implications of not conforming with the social responsibility management system requirements, including the negative impacts brought about by the compliance requirements.

4.4 Communication and engagement

4.4.1 General requirements

The enterprise shall establish, implement and maintain the processes needed for internal and external communication and engagement relevant to the social responsibility management system, including those on what to communicate, when to communicate, with whom to communicate and/or engage, and how to communicate and/or engage.

When establishing its communication and engagement processes, the enterprise shall take into account its compliance requirements, and ensure that the social responsibility information communicated is consistent with the information generated within the social responsibility management system, and that the engagement actions taken are consistent with the relevant social responsibility objectives, and such information and actions are credible.

The enterprise shall respond to relevant communication on its social responsibility management system and to requests for engagement.

The enterprise shall retain documented information as evidence of its communications and engagement, when necessary.

4.4.2 Internal communication

The enterprise shall internally communicate information relevant to the social responsibility management system among its various levels and functions, including the information on the implementation and execution of its social responsibility policy and

objectives in functional departments and the requirements for work division and cooperation among functional departments, and changes to the social responsibility management system when necessary, and ensure that its communication processes enable the persons working under the enterprise's control contribute to continual improvement.

4.4.3 External communication and engagement

The enterprise shall disclose and externally communicate information relevant to the social responsibility management system, as established by the enterprise's communication and engagement processes and as per its compliance requirements, including publishing social responsibility reports or special reports when necessary.

The enterprise shall establish processes to ensure the effective engagement of the stakeholders severely affected in major decision-making and significant operational activities, and fully consider their interests and expectations.

4.5 Documented information

4.5.1 General requirements

The enterprise's social responsibility management system shall include documented information required by this System, and documented information determined by the enterprise as being necessary for demonstrating the effectiveness of the social responsibility management system.

4.5.2 Creating and updating

When creating and updating documented information on the social responsibility management system, the enterprise shall ensure appropriate:

- a) identification and description (e.g. a title, date, author, or reference number);
- b) format (e.g. language, software version, graphics) and media (e.g. paper, electronic media); and
- c) review and approval for suitability and adequacy.

4.5.3 Control of documented information

Documented information required by the social responsibility management system and by

this System shall be controlled to ensure:

- a) it is available and suitable for use, when it is needed;
- b) it is adequately protected (e.g. from loss of confidentiality, improper use, or loss of integrity).

For the control of documented information, the enterprise shall address as applicable distribution, access, retrieval and use; storage and preservation (including preservation of legibility); control of changes (e.g. version control); recycling and disposition.

Documented information of external origin determined by the enterprise to be necessary for the planning and implementation of the social responsibility management system shall be identified and controlled.

5 Operation

5.1 Operational planning and control

The enterprise shall plan, implement and control the processes needed to meet social responsibility management system requirements, and to implement actions identified in 3.1 and 3.2 by establishing operating criteria based on the code of conduct as contained in section V of this System for the process(es) and implementing control of the process(es), in accordance with the operating criteria.

The enterprise shall control planned changes and review the consequences of unintended changes, taking action to mitigate any adverse effects, as necessary.

The enterprise shall ensure that (an) outsourced process(es) is (are) controlled or influenced, and that the type and extent of control or influence to be applied to the process(es) is defined within the social responsibility management system.

Consistent with a life cycle perspective, the enterprise shall:

- a) Establish controls, as appropriate, to ensure that its social responsibility requirement(s) is (are) addressed in the design and development processes for the products or services, considering each stage of their life cycle;
- b) determine its social responsibility requirement(s) for the procurement of products and

services, as appropriate;

- c) communicate its relevant social responsibility requirement(s) to external providers, including contractors; and
- d) consider the need to provide information about potential significant social responsibility impacts associated with the transportation or delivery, use, end-of-life treatment and final disposal of its products or services.

The enterprise shall maintain documented information to the extent necessary to have confidence that the processes have been carried out as planned.

5.2 Emergency preparedness and response

The enterprise shall establish, implement and maintain the processes needed to prepare for and respond to potential emergency situations, and shall:

- a) prepare to respond by planning actions to prevent or mitigate adverse social responsibility impacts from emergency situations;
- b) respond to actual emergency situations;
- c) take actions to prevent or mitigate the consequences of emergency situations, appropriate to the magnitude of the emergency situations and the potential social responsibility impacts;
- d) periodically test the planned response actions, where practicable;
- e) periodically review, revise and update the processes and planned response actions, in particular after the occurrence of emergency situations or tests; and
- f) provide sufficient information and training related to emergency preparedness and response, when necessary, to the relevant parties or persons working under its control.

The enterprise shall maintain documented information to the extent necessary to have confidence that the processes are carried out as planned.

6 Performance Evaluation

6.1 Monitoring, measurement, analysis and evaluation

6.1.1 General requirements

The enterprise shall monitor, measure, analyze and evaluate its social responsibility performance.

To this end, the enterprise shall determine:

- a) what needs to be monitored and measured;
- b) the methods for monitoring, measurement, analysis and evaluation needed to ensure valid results;
- c) the criteria against which the enterprise will evaluate its social responsibility performance, and appropriate indicators;
- d) when the monitoring and measuring shall be performed; and
- e) when the results from monitoring and measurement shall be analyzed and evaluated.

The enterprise shall ensure that calibrated or verified monitoring and measurement equipment is used, and maintained as appropriate.

The enterprise shall evaluate its social responsibility performance and the effectiveness of its social responsibility management system.

The enterprise shall communicate its social responsibility performance information both internally and externally, as identified in its communication process(es) and as per its compliance requirements.

The enterprise shall retain documented information as evidence of the monitoring, measurement, analysis and evaluation results.

6.1.2 Evaluation of compliance

The enterprise shall establish, implement and maintain the processes needed to evaluate fulfillment of its compliance requirements.

To this end, the enterprise shall determine the frequency of compliance evaluation, assess conformity and take actions if needed, and maintain information of its compliance status.

The enterprise shall retain documented information as evidence of the compliance evaluation results.

6.2 Internal audit

The enterprise shall conduct internal audits at planned intervals or irregularly as required to provide information on whether the social responsibility management system conforms to the enterprise's requirements for its social responsibility management system and the requirements of this System, and whether the social responsibility management system is effectively implemented and maintained.

The enterprise shall establish, implement and maintain an internal audit programme, including the frequency, methods, responsibilities, planning requirements and reporting of its internal audits.

When establishing the internal audit programme, the enterprise shall take into consideration the social responsibility importance of the processes concerned, the changes affecting the enterprise and the results of previous audits.

The enterprise shall:

- a) define the audit criteria and scope for each audit;
- b) select audit teams and conduct audits to ensure objectivity and impartiality of the audit process; and
- c) ensure that the results of the audits are reported to relevant management.

The enterprise shall retain documented information as evidence of the implementation of the audit programme and the audit results.

6.3 Management review

Top management shall review the enterprise's social responsibility management system, at planned intervals or irregularly as required, to ensure its continuing suitability, adequacy and effectiveness.

The management review inputs shall include consideration of:

- a) the status of actions from previous management reviews;
- b) changes in:
 - 1) external and internal issues that are relevant to the social responsibility management system;
 - 2) stakeholders' needs and expectations, including compliance requirements;

- 3) its significant social responsibility aspects;
- 4) risks and opportunities;
- c) the extent to which social responsibility objectives have been achieved;
- d) information on the enterprise's social responsibility performance, including trends in:
 - 1) nonconformities and corrective actions;
 - 2) monitoring and measurement results;
 - 3) fulfillment of its compliance requirements;
 - 4) audit results;
- e) adequacy of resources;
- f) contents of stakeholder communication and engagement, including grievance; and
- g) opportunities for continual improvement.

The outputs of the management review shall include:

- a) conclusions on the continuing suitability, adequacy and effectiveness of the social responsibility management system;
- b) decisions related to continual improvement opportunities;
- c) any need for changes to the social responsibility management system, including the need for resources;
- d) actions, if needed, when social responsibility objectives have not been achieved;
- e) opportunities to improve integration of the social responsibility management system with other business processes, if needed; and
- f) any implications for the strategic direction of the enterprise.

The enterprise shall retain documented information as evidence of the results of management reviews.

7 Improvement

7.1 General requirements

The enterprise shall identify and determine opportunities for improvement and implement necessary actions to achieve the intended outcomes of its social responsibility management system.

7.2 Nonconformity and corrective action

When a nonconformity occurs, the enterprise shall:

- a) react to the nonconformity and, as applicable take action to control and correct it, deal with the consequences, including mitigating adverse social responsibility impacts;
- b) evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by reviewing the nonconformity, determining the causes of the nonconformity, and determining if similar nonconformities exist, or could potentially occur;
- c) implement any action needed, including providing remediation to the stakeholders impacted adversely;
- d) review the effectiveness of any corrective action taken; and
- e) make changes to the social responsibility management system, if necessary.

Corrective actions shall be appropriate to the significance of the effects of the nonconformities encountered, including the social responsibility impacts.

The enterprise shall retain documented information as evidence of the nature of the nonconformities and any subsequent actions taken, as well as the results of any corrective action.

7.3 Continual improvement

The enterprise shall continually improve the suitability, adequacy and effectiveness of the social responsibility management system to continually enhance social responsibility performance.

V Social Responsibility Code of Conduct

1 Responsibility for People

The responsibility for people requires the enterprise to follow the principle of putting people first, respect the rights of employees, consumers and other people in the community, to promote the coordinated development between the enterprise and people.

1.1 Employee

1.1.1 Employees' rights

The enterprise shall:

- a) Not discriminate against, exclude or unfairly treat employees with respect to recruitment, access to training, promotion, remuneration and benefits, working conditions, organization of and participation in trade unions, retirement and dismissal merely based on gender, age, religion, race, birth, social background, disability, ethnic and national origin, marital status and diseases; employees or applicants shall not be required to receive medical testing or examinations potentially with discriminatory purposes.
- b) Respect employees' right to organize and join trade unions legally and democratically, the right to elect employee representatives, the right to carry out collective bargaining, and the right not to participate in such activities; meanwhile, the enterprise shall not interfere in any way with the establishment, functioning or administration of trade unions or collective bargaining.
- c) Ensure not to engage in or support the employment of young persons below the local minimum age for employment, take active and prudent actions to relieve the employed young persons, and not expose young workers to the environment that is harmful for their health, safety and morality.
- d) Ensure not to force or compel employees to work or follow the management system by means of violence, threat, bonded, indentured or trafficked labor, illegal confinement of personal freedom, deducting due wages or legal benefits, not to withhold property or require the payment of deposits when recruiting employees, not to retain or conceal,

confiscate or deny employees' access to their own identification papers, and prevent or stop in the workplace corporal punishment, physical, mental or verbal harassment, coercion or abuse, including sexual harassment.

- e) Sign labor contracts or similar agreements pursuant to applicable laws and industry practices on the basis of equality, free will, negotiation for agreement and good faith, to establish labor relations while providing employees with explicit information on their rights, responsibilities and employment conditions, and to respect employees' right to terminate labor relations according to contracts or laws.
- f) Comply with applicable laws, collective bargaining agreements and industry standards on working hours, rest, overtime and public holidays; in particular, all overtime shall be voluntary and meet the occupational health and safety requirements, and ensure that employees have at least one rest day in 7 consecutive working days.
- g) Pay employees in a timely manner, regularly, and fully in legal tender, based on the higher of either the legal wage plus statutory benefits, or the industry standards, including paying the overtime wage at a defined premium rate, and meanwhile, provide employees with details about the composition of the wage and benefits in each wage payment period, and any deduction can only be made under the conditions of and within the scope of laws or collective agreements.
- h) Not use labor-only contracting arrangements, consecutive short-term contracts or seasonal contracts, apprenticeship schemes where there is no intent to impart skills or provide regular employment, or other schemes to avoid meeting the obligations under laws and regulations pertaining to labor and social security.
- i) Comply with occupational health and safety regulations, respect employees' rights to health, safe work and life, take effective measures to prevent potential health and safety accidents, injuries and diseases, to provide employees with a safe, healthy work and living environment. To this end, the enterprise shall, in particular:
 - 1) Ensure the sanitation and safety of the equipment and buildings within the scope under its control, including the accommodation, living and entertainment facilities provided to employees.

- 2) Control the exposure and impacts of hazard sources by means of engineering technology or management, and provide effective personal protective equipment to employees free of charge when necessary.
- 3) Provide employees with abundant workplace health and safety training, and clearly post health and safety warning and protection information in the workplace.
- 4) Ensure the safety and sanitation of employees' resting areas, drinking water, and catering (including cooking and food storage facilities).
- 5) Ensure to provide adequate and effective occupational medical assistance and related facilities.
- 6) Strengthen the smooth communication and active cooperation between management and employees on health and safety issues.

1.1.2 Employee development

The enterprise should:

- a) Respect employees' development needs, and invest required resources in vocational education and skill training for employees, to continually improve employees' professional qualities and skills.
- b) Provide employees with career development training, and offer scientific and reasonable career development or promotion paths, to enhance employees' sense of career fulfillment.
- c) Focus on employees' mental health, take actions of psychological aid and mental health education to eliminate employees' unhealthy psychological conditions, and be committed to creating a diverse and inclusive work atmosphere.
- d) Enrich employees' cultural activities and social life, show care to employees and their families, encourage and help employees to achieve the work-life balance.

1.2 Consumers

1.2.1 Products or services

The enterprise shall:

- a) Ensure that the products or services provided meet all the agreed or legally required health

and safety standards, including the standards related to health warning and product safety information.

- b) Design and provide the products or services suitable for the vulnerable and disadvantaged groups where appropriate, to meet different types of consumers' needs to the maximum extent.

1.2.2 Consumers' rights and interests

The enterprise shall:

- a) Provide accurate and clear information about the price, ingredients, safe use, environmental attributes, maintenance and disposal of products or services, which is sufficient to enable consumers to make informed decisions.
- b) Carry out commercial publicity and marketing activities equitably and fairly, ensure that the information provided is accurate, sufficient and that there is no false, misleading or deceptive information, and avoid discrimination against any consumer group.
- c) Provide consumers with after-sale services according to law or industry practices, and where feasible, combine products with services to provide consumers with other services related to products use.
- d) Respect and protect consumers' privacy, and reasonably collect, store and use personal information and data.

1.3 Community

1.3.1 Respect human rights

The enterprise shall:

- a) Respect the basic rights of community residents, particularly those of the indigenous people, including personal safety rights, land rights, ecological and environmental rights, cultural and heritage rights.
- b) Utilize its own strengths and technical expertise, consider the enterprise's economic strength and operation characteristics, to carry out, participate in or support programs and

activities that are helpful for the development of the community and residents, in particular the rights of vulnerable groups, including women, children and the disabled.

1.3.2 Localized operation

The enterprise should:

- a) Prioritize employing local community residents under the same conditions, and provide skill training when necessary.
- b) Prioritize local procurement and investment under the same conditions, and prioritize providing outsourcing opportunities to local organizations and individuals.
- c) Fully disclose the information of relevant activities to increase transparency before significant activities or investment projects that impact local communities are implemented, and when necessary, take the initiative to consult with local residents and their authorized representatives to win understanding and support from the local residents.

2 Responsibility for the Planet

The responsibility for the planet takes as its objective to minimize the adverse impacts of the enterprise on the environment, requiring pollution reduction, resource conservation, greenhouse gas emission reduction and adaptation to climate change, to ensure the sustainable development of the enterprise, environment and ecology.

2.1 Pollution

The enterprise shall:

- 2.1.1 Comply with laws and regulations related to pollution emissions, including acquiring, maintaining and updating necessary environmental permits and licenses according to law, and meet the relevant operation and information disclosure requirements.
- 2.1.2 Identify pollution sources, prevent and reduce the use of hazardous substances and pollution generation from the source or by improving production processes and facilities, and replacing materials.
- 2.1.3 Ensure that pollutant discharge is within standard thresholds, gradually reduce types and

total discharge of pollutants, and increase the discharge standard.

2.1.4 Ensure that the procedures and standards for the transportation, storage, use, recovery, discharge, treatment and destruction of chemicals, in particular hazardous substances, meet the highest applicable legal standards.

2.2 Resources

The enterprise should:

2.2.1 Take resource efficiency actions in operations, products or services, to reduce the use of energy, water and other resources, and waste generation.

2.2.2 Design and manage products based on the whole life cycle, to Increase resource utilization rate, in particular the reuse and recycling of fiber materials.

2.2.3 Provide sustainability information of products and services, where feasible, to make it easy for consumers to understand the resource utilization property and sustainability quality of products or services, and to support sustainable consumption.

2.3 Climate change

The enterprise should:

2.3.1 Gradually reduce direct and indirect greenhouse gas emission to the extent under the enterprise's control by using clean energy and clean technologies, participating in the development and use of renewable energy, and engaging in voluntary energy conservation agreements.

2.3.2 Identify the possible impacts of climate change on the enterprise and stakeholders, and take necessary actions to be adapted to climate change.

3 Responsibility for Prosperity

Responsibility for prosperity requires the enterprise, based on the sustainable development of the enterprise and the whole society, to be committed to responsible innovation, fair operation, and supply chain management, to achieve the win-win development of the enterprise, other market entities and stakeholders.

3.1 Innovation

The enterprise should:

- 3.1.1 Center around the problems faced in economic and social development and the need to advance sustainable development, and innovate in responsible technologies, products and services, operational models and management, based on the enterprise's business features.
- 3.1.2 Fully utilize information technology, promote the deep integration of information technology and industrial development, and reasonably combine innovations, to promote industry transformation and upgrading.

3.2 Competition

The enterprise shall:

- 3.2.1 Take fairness and integrity as the basic principles of production operation and market competition, and actively participate in integrity mechanism at the industry and regional levels.
- 3.2.2 Respect and protect intellectual property rights, including the intellectual property rights and proprietary technologies of the enterprise and others.
- 3.2.3 Oppose to unfair competition, including market monopoly, and not gain competitive advantage by means of viciously bringing down the price and harming competitors.
- 3.2.4 Prevent and punish commercial bribery and other corruption practices in business operations and the relationships with stakeholders.

3.3 Supply chain

The enterprise should:

- 3.3.1 Take the requirements in this CSC9000T Code of Conduct as the conditions for selecting suppliers and contractors, and meet these requirements by means of information sharing, technological guidance, capacity training and supplier evaluation.
- 3.3.2 Strengthen the coordination between procurement, production and technical support

departments, reduce the competition and conflicts between social responsibility objectives and commercial objectives of supply chain, and meanwhile increase the supply chain transparency.

3.3.3 Establish with supply chain parties a communication mechanism on social responsibility issues, and promote collaborative mechanisms and cooperative actions to share responsibilities and risks, values and developments.

Annex: Referenced International Conventions, International Instruments, Standards and Initiatives

1. Universal Declaration of Human Rights, UN, 1948
2. Universal Copyright Convention, UN, 1952
3. International Convention on the Elimination of All Forms of Racial Discrimination, UN, 1965
4. International Covenant on Civil and Political Rights, UN, 1966
5. International Covenant on Economic, Social and Cultural Rights, UN, 1966
6. Convention on the Elimination of All Forms of Discrimination against Women, UN, 1979
7. The Montreal Protocol on Substances that Deplete the Ozone Layer, UN, 1987
8. Convention on the Rights of the Child, UN, 1989
9. International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, UN, 1990
10. United Nations Framework Convention on Climate Change, UN, 1992
11. UN Global Compact, UN, 1999
12. The Stockholm Convention on Persistent Organic Pollutants, UN, 2001
13. United Nations Convention against Corruption, UN, 2003
14. Convention on the Rights of Persons with Disabilities, UN, 2006
15. United Nations Declaration on the Rights of the Indigenous Peoples, UN, 2007
16. Guiding Principles on Business and Human Rights, UN, 2011
17. Children's Rights and Business Principles, UNICEF & UN Global Compact, 2012
18. The Paris Agreement, UN, 2015
19. The 2030 Agenda for Sustainable Development, UN, 2015

20. The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, ILO, 1977
21. The ILO Declaration on Fundamental Principles and Rights at Work, ILO, 1998
22. ILO Convention No. 14 (Weekly Rest <Industry> Convention), ILO, 1921
23. ILO Convention No. 19 (Equality of Treatment <Accident Compensation> Convention), ILO, 1925
24. ILO Convention No. 26 (Minimum Wage-Fixing Machinery Convention), ILO, 1928
25. ILO Convention No. 59 (Minimum Age <Industry> Convention <Revised>), ILO, 1937
26. ILO Convention No. 100 (Equal Remuneration Convention), ILO, 1951
27. ILO Convention No. 111 (Discrimination <Employment and Occupation> Convention), ILO, 1958
28. ILO Convention No. 122 (Employment Policy Convention), ILO, 1964
29. ILO Convention No. 138 (Minimum Age Convention), ILO, 1973
30. ILO Convention No. 144 (Tripartite Consultation <International Labor Standards> Convention), ILO, 1976
31. ILO Convention No. 150 (Labor Administration Convention), ILO, 1978
32. ILO Convention No. 155 (Occupational Safety and Health Convention), ILO, 1981
33. ILO Convention No. 159 (Vocational Rehabilitation and Employment <Disabled Persons> Convention), ILO, 1983
34. ILO Convention No. 170 (Convention Concerning Safety in the Use of Chemicals at Work), ILO, 1990
35. ILO Convention No. 182 (Worst Forms of Child Labor Convention), ILO, 1999
36. ISO 26000: 2010 Guidance on Social Responsibility, ISO, 2010
37. ISO 14001: 2015 Environmental Management Systems — Requirements with Guidance for Use, ISO, 2015

38. ISO 9001: 2015 Quality Management Systems — Requirements, ISO, 2015
39. Business Social Compliance Initiative (BSCI) Code of Conduct (2014), Foreign Trade Association (FTA), 2014
40. SA8000: 2014, Social Accountability International (SAI), 2014