



Kingdom of the Netherlands

# Corporate Social Responsibility Guide

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*Facilitating Responsible and Sustainable Business in China*



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# Corporate Social Responsibility Guide

Facilitating Responsible and Sustainable  
Business in China



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# Introduction



In 2010, the Embassy of the Kingdom of the Netherlands launched its first Corporate Social Responsibility (CSR) guide, the 'CSR Starter Kit'. Since then, the CSR landscape has been changing rapidly. To highlight these changes, we have updated the Starter Kit and feel it is appropriate to upgrade it to the fully-fledged 'CSR Guide' you have in front of you.

The Netherlands is one of China's most important European trading and investment partners. It ranks as China's second largest trade partner within the EU. As Sino-Dutch economic ties are strengthened, it matters how we do our business, and increasingly so.

CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders. Moreover,

CSR is a business case that can drive business competitiveness. Ensuring that you operate in a socially and environmentally responsible way will enable you to better manage your risk and to build your reputation both in your home markets and globally. Businesses that practice CSR are more aware of social challenges, operate innovatively, and with a view to the future and are supported by their stakeholders (loyal customers and motivated employees, as well as investors, civil society organisations and the general public). They therefore have a stronger competitive position in the long term. That is good for the quality and growth prospects of their business. I believe that these opportunities provide a fruitful starting point for a CSR dialogue in China.

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Both the Chinese and the Dutch governments attach great importance to CSR. It is therefore an integral part of the further development of our bilateral economic relations. One of the main priorities of the Chinese government, highlighted in the current Five Year plan (2011-2015), is sustainable growth. Furthermore, China has developed a number of CSR standards and accreditation criteria. Chinese laws pertaining to areas relevant to CSR, such as labor, environmental protection and social welfare are already firmly in place. For the Dutch government, the OECD Guidelines for Multinational Enterprises are the main framework for responsible business conduct in a global context. In both our countries we perceive the need to strike the right balance between concern for people, planet and profit and we can learn from each other on how to achieve results.

This guide does not only give you an overview of the most relevant policy developments. Perhaps more importantly, it aims to be a practical guide. It provides you with advice on how to make your business practices more responsible, successful and sustainable, whether you are a small business or a large multinational, a supplier or buyer.

I hope this guide can contribute to these discussions.

A. Jacobi  
Ambassador of the Kingdom of the Netherlands

# 1 Why this guide?





## 1.1 About this guide

This guide for responsible and sustainable business practices in China is intended as a practical tool for Dutch companies and their Chinese counterparts. It is intended for small and medium enterprises (SMEs) as well as for large corporations in all industries, and provides information on CSR topics that are increasingly important for Dutch business. It will also help Dutch companies working and investing in China to understand the specific CSR environment in China.

### *What is in the guide?*

This guide provides an overview of the main issues companies need to consider in China and the business drivers for addressing them. It provides basic ideas to start thinking about responsible practices in the workplace, community, and the environment. It covers issues such as health and safety, bribery, and corruption.

This guide was first developed in 2010, entitled 'CSR Starter Kit'. The Chinese context of responsible business practices has been developing quickly since then. Significant changes from the past few years are therefore included in this updated version.

### *Why is it important?*

Both in the Netherlands and China there are domestic and international societal expectations on business to take more responsibility in their operations, with respect to both social and environmental issues. Stakeholders do not only focus on companies' own practices, but also the performance of their value chains, especially their suppliers. It is important that Dutch companies work closely with their Chinese partners and suppliers to address business, social and environmental issues, protect their reputations and ensure positive impacts in the communities in which they operate.

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### *How to use this guide?*

Some issues will be more relevant to your company than others depending on the context of your operations, but reading through the guide will help you to identify key risks and areas on which to focus. Whether you are a large corporation or small business and no matter which industry you operate in, there are steps your company can take to improve its environmental and social impact. The guide has been published for Dutch companies, which are encouraged to share it with their partners. Suppliers can use it as a source of information on CSR-related matters that their clients are increasingly likely to consider as essential aspects of doing business.

Read through this guide and think about ways you can improve your operations. You can use the Q&A's and concrete tips at the end of each section to help you.

## 1.2 Why should I read this guide?

CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders. In other words, CSR is not about how companies spend their money (on donations or contributions

to charities), but about how they make their money (i.e. in a responsible and sustainable way).

The guide is based on the belief that managing responsible business practices presents an opportunity for all parties involved in China. Engaging Chinese partners and suppliers around socially and environmentally responsible business practices enables you to better manage risk and to build your reputation both in your home markets and globally. Equally, Chinese companies that link their business to social and environmental responsibility are themselves better able to manage risk in China and in turn build their own reputation based on playing a positive role in society, and gain access to the global market. In fact, Chinese companies that are active abroad are increasingly aware that CSR is a must in order to make their activities profitable.

Chinese companies will come across CSR in their contracts with Dutch companies. But Dutch companies (and the Netherlands Embassy in China, which has commissioned the publication of this guide) believe that the best way to ensure responsible management in China is to work with responsible Chinese partners. This guide reflects the conviction that sustainable business partnerships will only form when all sides believe there is a benefit.

| 8 | CSR is about more than ‘doing good’; it is also about enhancing business competitiveness. This guide outlines six major areas where CSR can improve the profitability of companies:

- Financial performance
- Risk management
- Reputation and brand value
- Staff recruitment and retention
- Access to capital
- Relationships with stakeholders

This guide provides information for companies to assess current practices, but also to identify and communicate good practices to customers.

#### Engaging your partners and suppliers: FAQs about being a responsible business

Engaging your partners and suppliers on CSR issues could start with introducing them to the basic concept of being a responsible business. The following answers to some frequently asked questions (FAQs) by suppliers will guide you towards more responsible business relationships.

It is worth noting that, due to the traditional audit pressure, a large number of Chinese counterparts have an assumption that CSR-related projects are a costly drain on resources. However, according to the experiences of many leading Dutch companies, if you are able to demonstrate the importance and strategic value of CSR, suppliers will be willing to work in partnership to address CSR issues.

- **How will this help my business?**  
International companies are now required to ensure that their suppliers are following good business practices. By following these basic guidelines for responsible business and by demonstrating good practice, it will allow you to approach more customers and open up new market opportunities. Companies that embrace CSR also have better employee relations, greater customer loyalty and are more attractive to investors, lenders and new customers.
- **Why do some of my other customers not require these standards?**  
They might not require them now, but more and more international companies are expecting suppliers to meet standards or minimum codes of conduct. By demonstrating voluntarily that you are already meeting, or in some cases even exceeding, their requirements, you will make your business relationship stronger.
- **Will my customers carry out an audit of my practices?**  
This will depend on the policies of individual customers. However, do not think of an audit as a punishment. Many customers are using audits to assess how they can best support suppliers. Dutch companies have shown that they are willing to provide ideas and training to suppliers if they ask for assistance. Audits can improve that process.
- **My business already gives money to charities every year. Is that not enough?**  
It is great that you support charitable organisations through philanthropy. However, that alone does not make you a responsible business as it does not address issues of your workplace, the environment or marketplace. CSR is not about how you spend your money; it is about how you make it (i.e. your fundamental business practices).
- **Is this going to cost me money?**  
Yes, it will. But improving business practices in the long run saves your company money. Savings come in different ways such as improved energy savings, higher productivity, reduced employee turnover, decreased wastage and less down time. If there are higher costs because you have switched to materials that are more sustainable, explain this to your customer by suggesting you are offering a more sustainable product.
- **I am working within the law; why do I have to do more?**  
Your customers are under pressure to go beyond their legal obligations, and they can also see the long term positive impact of their business of doing so. A business can obey the law but still cause negative impacts, such as pollution, creating waste or engaging in labour practices that are unreasonable.

## 2 Overview of the expectations of CSR: the Dutch and Chinese perspective



The expectation - from both Dutch and Chinese society – is that companies should act in a responsible and sustainable manner. Understanding these expectations enables Dutch companies and their Chinese counterparts to have better insights in CSR issues and provides guidance in setting practical goals for the CSR journey.

### 2.1 Expectations from the Dutch perspective

For the Dutch government, CSR means ensuring a company's performance impacts positively on society by consciously aiming for value creation in the three dimensions of people, planet and profit. Thus the company contributes to society's long-term prosperity, maintains a relationship with various stakeholders based on transparency and dialogue, and responds to legitimate demands from society.

The Dutch government expects companies to adhere to the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. 'The OECD Guidelines' were adopted in 1976 and have been revised a number of times since.<sup>1</sup> They are an annex to the OECD Declaration on International Investment and Multinational Enterprises. The topics in the OECD Guidelines include disclosure, human rights, employment and industry relations, environment, combating bribery, bribe solicitation and extortion, consumer interests, science and technology, compensation, and taxation. They provide voluntary principles and standards for responsible business conduct for multinational corporations operating in or from countries adhering to the Declaration. While compliance for business is voluntary, governments adhering to the Guidelines have made a binding commitment to implement them.

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In practice, adhering to the OECD Guidelines means that companies undertake risk analyses about the effects of their business conduct on people and the planet, including in the supply chain. This is called due diligence: a process by which companies identify, prevent and mitigate actual and potential adverse impacts. In this process, it can be helpful for businesses to cooperate with NGOs, civil society, knowledge centres and governments.<sup>2</sup> All 46 countries that adhere to the OECD Guidelines have a remediation mechanism, the National Contact Point. Although compliance with the guidelines is voluntary, there is the option of submitting a substantiated notification to the National Contact Point if a company is not acting in accordance with the OECD Guidelines. If admissible, the National Contact Point tries to mediate between the reporting parties and the company in question. In 2011, the UN Guiding Principles on Business and Human Rights were incorporated in the OECD Guidelines (see section 4)

The Dutch government sees ISO 26000<sup>3</sup> as a useful standard to bring CSR into practice. ISO 26000 was launched in 2010 by the International Organization for Standardization, to offer

<sup>1</sup> More available here: [www.oecd.org/daf/inv/mne/oecdguidelinesformultinationalenterprises](http://www.oecd.org/daf/inv/mne/oecdguidelinesformultinationalenterprises)

<sup>2</sup> An example is the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas: <http://mneguidelines.oecd.org/proactiveagenda.htm>.

<sup>3</sup> More available here: [www.iso.org/iso/home/standards/iso26000](http://www.iso.org/iso/home/standards/iso26000)

guidance on socially responsible behaviour and possible actions. More detail is shared in section 2.3.

The Netherlands has several initiatives to promote CSR. Firstly, the Dutch government has established the institute MVO Nederland (CSR Netherlands)<sup>4</sup>. MVO Nederland is the national knowledge centre and network organisation for corporate social responsibility: the place to start for all entrepreneurs wishing to make their commercial operations sustainable. The institute disseminates knowledge and promotes awareness about CSR to Dutch businesses.

Secondly, every year the Dutch government publishes the Transparency Benchmark. This tool shows how transparent the 500 biggest companies in the Netherlands are in relation to their CSR policies and activities.

Thirdly, MVO Nederland recently launched the CSR Risk Check<sup>5</sup>. This online tool offers companies insight into CSR-related risks they may encounter when doing business abroad. The tool is aimed at small and medium-sized enterprises (SMEs) that are active or have ambitions in developing countries and emerging markets relating to purchasing from, exporting to or producing in these countries.

| 12 | Fourthly, the Dutch government has started a Sustainable Trade Initiative<sup>6</sup>, of which nearly 50% is funded by the private sector. The Sustainable Trade Initiative accelerates and up-scales sustainable trade by building impact-oriented coalitions of front-running multinationals, civil society organisations, governments and other stakeholders.

## 2.2 Expectations from the Chinese perspective

Responsible business conduct is attracting much attention from business, political leaders, the media, and others in China. Expectations of businesses to be responsible are rising and it is unlikely these will diminish; in fact, from the time that this guide was first published up until now, these expectations have been rising continuously. Governments, the community (particularly a growing number of NGOs), and the expanding (social) media in China are all expecting business to play a positive role in China's development.

One other very important group that expects business to play a positive role is other businesses. Nowadays it is not unusual for companies to request evidence of responsible behaviour from their suppliers and potential business partners. This usually takes the form of a CSR report detailing environmental and social performance. For many companies, these requests are motivated by a desire to enhance their own brand value (doing business with responsible companies may enhance their own image) or mitigate risk (doing business with irresponsible companies may lead to reputational damage or legal action).

<sup>4</sup> More available here: [www.mvonederland.nl/english/what-is-mvo-nederland](http://www.mvonederland.nl/english/what-is-mvo-nederland)

<sup>5</sup> More available here: [www.csrcheck.com](http://www.csrcheck.com)

<sup>6</sup> More available here: <http://www.idhsustainabletrade.com>

In the former case, for example, a large retailer that builds an image around responsible environmental performance may seek suppliers that also demonstrate responsible practices to show consumers and other stakeholders that it takes CSR seriously. Most large brands in apparel, sports shoes, toys and electronics products now expect their suppliers to meet certain social and environmental standards. Dealing with responsible suppliers' factories in China helps a European brand to maintain a strong brand image at home.

When it comes to managing risk, a failure by a supplier to demonstrate its CSR credentials can weaken its customers' reputation and ultimately harm the reputations of both businesses. For example, an apparel brand may find itself facing criticism from the media, NGOs and other stakeholders if it is discovered that their clothing is made in conditions that do not meet minimum labour standards. The brand will seek to minimise risk by choosing suppliers that will not be the focus of these criticisms. It is in the best interest of suppliers in China to assist their customers to manage risk by acting according to the minimum standards laid out in this booklet.

It is now common for Dutch and other companies to adopt codes of conduct that stipulate minimum levels of performance for governance, environmental and social responsibility. Suppliers should, for example, not use child or forced labour, must pay at least minimum wages on time, should comply with environmental regulations and provide safe working environments. A code of conduct is commonly a statement that defines ethical standards. It is voluntary and usually takes the form of a directive or set of requirements that provides guidance and prohibits certain kinds of activities. Codes of conduct are used to clearly and publicly state the way in which the company intends to do business and what it expects of its business partners.

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### 2.2.1 CSR-related legislation in China

Chinese laws pertaining to areas relevant to CSR (such as labour, environmental protection and social welfare) are already firmly in place. However, there is often insufficient knowledge and enforcement of the law.

The most relevant laws are the Labour Law of People's Republic of China (promulgated on 5 July 1994) and the Labour Contract Law of the People's Republic of China (effective from 1 January 2008). Contrary to what is often believed outside China, Chinese labour laws cover most of the issues found in international conventions (particularly those found in most codes of conduct). Building on this, related laws and regulations are being strengthened to protect the interests of employees. For example, the "Decision on Revising the Labour Contract Law of the People's Republic of China (Order No.73 of the PRC President)" was adopted by the China's National People's Congress in December 2012. It tightens the loopholes on hiring workers and offers better protection to them.

Relatively sophisticated regional regulations on CSR can be found in the Pearl River Delta and Yangzi River Delta. For instance, since 2006 the Shenzhen municipality has been promoting CSR with a focus on labour rights. In 2012, the Shenzhen Innovation Corporate

Social Responsibility Development Centre<sup>7</sup> was established, which is supervised by the Shenzhen United Front Work Department to promote cross-sector cooperation on CSR issues. In the Yangzi River Delta, local governments in the Shanghai Pudong New Area and Yiwu, Zhejiang Province, are also actively promoting CSR through local policies. In Pudong, the government's CSR slogan is "Responsible Enterprises, Harmonious Pudong"<sup>8</sup>. The "Yiwu Standards" include numerous indicators on topics such as labour relations and social relations. Such developments relating to Chinese CSR create both opportunities and challenges for all companies. At a minimum, relevant standards and legislation lay out the expectations for CSR practices in China, but various organisations in China (including the government) are clearly moving towards even more standards and legislation in some areas.

#### \* Engaging your partners and suppliers

Having an ongoing dialogue with your suppliers on expectations from both the Dutch and Chinese perspective will benefit both parties.

- What you (as a Dutch company) could contribute to the dialogue
  - Expectations from the Dutch perspective  
Explaining the CSR expectations from the Dutch government and society to your suppliers would help them to better understand why you have related requirements and expectations for them, such as those expressed in a code of conduct.
  - An explanation of the importance of compliance with local laws and regulations  
In most cases, your business partner or suppliers may understand the local laws and regulations better than you do, as they have been operating in the region for a long time. However, they might have blind spots on some specific issues or not be aware of the change or updates in the relevant laws and regulations. In these cases, you could help your partners ensure their understanding and application of legislation is up to date.
  - Understand what CSR really means  
As CSR was not widely discussed and conducted in China until recently, you could help your suppliers build their awareness around it. Without a proper understanding of CSR, it will be difficult to get management's and employees' buy-in and support for actual improvements.
- What your partners in China could contribute to the dialogue
  - Understanding of the local context
  - Your suppliers understand the local context, especially from the business culture perspective. They could provide you with insights on how to adjust your CSR strategies and policies to align with the local landscape. Talking to your suppliers, you may also find inspiration on how to better communicate with other stakeholders such as other local suppliers, customers, and regulators.

<sup>7</sup> More available at: [www.csrcn.org](http://www.csrcn.org)

<sup>8</sup> The Pudong government has a dedicated portal for its new CSR vision. More available here: <http://csr.pudong.gov.cn/portal/index/index.htm>



- Challenges and solutions

If you ask your suppliers to shortlist the CSR challenges they are facing, you may find yourself faced with an overwhelming list with hundreds of problems. Providing your suppliers with guidance on how to prioritise these issues will be helpful; and letting them explain the problems within the local context will enable you to have a more effective discussion on possible solutions.

## 2.3 Various CSR-related standards

Increased interest in China about CSR has resulted in more awareness of international CSR-related standards. Additionally, China has developed a number of local CSR standards.

### *International standards*

- The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment, and anti-corruption. In December 2012 there were 296 Chinese members of Global Compact, including State Grid Corporation, China Petroleum and Chemical Corporation (Sinopec) and China National Offshore Oil Corp. (CNOOC).
- The Global Reporting Initiative's Sustainability Reporting Guidelines offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organisations, regardless of their size, sector, or location. It also offers an international reference for all those interested in the disclosure of governance approach and of the environmental, social and economic performance and impacts of organisations. According to GRI's data, 148 companies in China have prepared their CSR/sustainability report using or referencing the GRI Guidelines up to May, 2011 and the GRI reporters in China are constantly increasing. G4, GRI's fourth generation of Sustainability Reporting Guidelines, was released in May 2013. Big companies such as China Ocean Shipping Group (COSCO), and China Minmetals Corporation and China Mobile are amongst the members of GRI.
- The Organisation for Economic Cooperation and Development (OECD) adopted the Guidelines for Multinational Enterprises, covering all aspects of responsible business conduct (see 2.1). Since the Netherlands is an OECD member country, Dutch companies operating abroad can be held accountable for (not) living up to the principles and standards provided in the Guidelines.
- ISO 26000 was launched in 2010 and provides guidance on how businesses and other organisations can operate in a socially responsible manner. This means acting in an ethical and transparent way that contributes to the health and welfare of society. It provides guidance rather than requirements. Therefore, unlike some other well-known ISO standards, its application cannot be certified. Instead, it helps clarify what social responsibility is, helps businesses and other organisations translate principles into effective actions and shares best practices relating to social responsibility, globally. It is aimed at all types of organisations regardless of their activity, size, or location.

- CSR codes of conduct now routinely reference the International Labour Organisation's (ILO) Core Conventions<sup>9</sup> and many multinational corporations accept that these should form the basis for their business partners' non-financial performance when it comes to workplace and labour issues.
- When it comes to social and environmental performance, organisations and initiatives such as the Fair Labour Association<sup>10</sup>, the Ethical Trading Initiative<sup>11</sup>, SA 8000<sup>12</sup> and the Equator Principles<sup>13</sup> now play a role in determining how numerous multinational and Chinese companies act.

#### *Local Chinese CSR standards*

In addition to international standards, organisations in China have been working to develop local and sectorial standards and accreditation criteria. The current Chinese administration advocates an environmentally sustainable approach to economic development, making CSR a central plank of government policy. As a result, the number of standards and guidelines is growing. Examples are the Recommended CSR Standards for Chinese Corporations and the Ministry of Commerce's guidelines for the preparation of CSR reports. Other relevant standards include:

- SASAC Guidelines: in January 2008, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), working directly under the State Council, issued CSR guidelines for central State Owned Enterprises (SOEs)<sup>14</sup>. Since 2012, SOEs are also expected to provide reports about their CSR practices and make these available for stakeholders and the general public.
- CSC9000T (Corporate Social Compliance for the Textile industry). Despite the textile designation, the standard is applicable for all sectors. CSC9000T is similar to the US-based SA8000.

<sup>9</sup> Eight ILO Conventions have been identified by the ILO's Governing Body as being fundamental to the rights of human beings at work, irrespective of levels of development of individual member States. They are: i) Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87); ii) Right to Organize and Collective Bargaining Convention, 1949 (No. 98); iii) Forced Labour Convention, 1930 (No. 29); iv) Abolition of Forced Labour Convention, 1957 (No. 105); v) Discrimination (Employment and Occupation) Convention, 1958 (No. 111); vi) Equal Remuneration Convention, 1951 (No. 100); vii) Minimum Age Convention, 1973 (No. 138); viii) Worst Forms of Child Labour Convention, 1999 (No. 182).

<sup>10</sup> The FLA is a collaborative effort of socially responsible companies, colleges and universities, and civil society organisations to improve working conditions in factories around the world. More available here: [www.fairlabor.org](http://www.fairlabor.org)

<sup>11</sup> The ETI is an alliance of companies, trade unions and voluntary organisations. It works in partnership to improve the working lives of people across the globe who make or grow consumer goods. More available here: [www.ethicaltrade.org](http://www.ethicaltrade.org)

<sup>12</sup> SA8000 is a comprehensive and flexible system for managing ethical workplace conditions throughout global supply chains, and is administered by Social Accountability International (SAI). More available here: [www.sa-intl.org](http://www.sa-intl.org)

<sup>13</sup> The Equator Principles are a financial industry benchmark for determining, assessing and managing social & environmental risk in project financing. More available here: [www.equator-principles.com](http://www.equator-principles.com)

<sup>14</sup> <http://www.sasac.gov.cn/n2963340/n2964712/4891623.html>

- Going beyond the national CSC9000 standard, several municipalities have released their own local CSR standards. Two such examples are HM3000<sup>15</sup> from Hangzhou and CSA8000<sup>16</sup> from Changzhou.
- The Chinese stock exchanges in Shanghai and Shenzhen promote CSR to publicly listed companies. The Shenzhen Stock Exchange released its Social Responsibility Guidelines for Listed Companies<sup>17</sup> in 2006, which was the third stock exchange initiative of its kind globally (putting Shenzhen firmly amongst the leaders when it comes to CSR disclosure). The guidelines require listed companies to perform in a socially responsible manner, conduct regular evaluations and issue voluntary disclosure reports on their performance. In addition, the Shanghai Stock Exchange (SSE) released its “Social Responsibility Index” on 5 August 2009. Constituents of the Social Responsibility Index are composed of 100 SSE-listed stocks with good performance in fulfilment of social responsibility.
- The Chinese Academy of International Trade & Economic Cooperation (CAITEC) drafted Guidelines on Corporate Social Responsibility Compliance for Foreign Invested Enterprises in August 2008. The Guidelines lay out the government’s expectations of a CSR-compliant company and make recommendations about responsibilities and obligations. There is a possibility that this will be transformed into a legal requirement but no timeline has been announced.

<sup>15</sup> The “HM3000 China CSR Standard System” was released in 2007, and consists of three parts: CSR regulations, evaluation system and management system.

<sup>16</sup> CSA8000 is the “Changzhou Corporate Social Responsibility Standards Certificate”, a standard for local companies operating within the city’s jurisdiction.

<sup>17</sup> More available here: [www.szse.cn/main/en/rulseandregulations/sserules/2007060410636.shtml](http://www.szse.cn/main/en/rulseandregulations/sserules/2007060410636.shtml)

## 3 Business benefits



There is growing evidence that managing social and environmental issues in the supply chain is good for business. This is the so-called 'business case for CSR'. Addressing CSR issues can help manage risk, identify new business opportunities and build trust amongst stakeholders. For your own business, consider how improved social and environmental performance could positively affect:

- Financial performance
- Risk management
- Reputation and brand value
- Staff recruitment and retention
- Access to capital
- Relationships with stakeholders

## 3.1 Financial performance

When it comes to the workplace, there are clear benefits for suppliers to (Dutch) brands who address social issues. With rising labour costs, any cost savings or human resource benefits in a low profit margin sector can have significant positive effects.

Factory training programs focusing on social compliance and associated issues also have the potential to deliver financial benefits. At a basic level, workers who are treated well by their employees tend to be more productive and have lower error rates. Complying with labour law, creating a safe and respectful work environment and involving employees in the supply chain can improve productivity and therefore generate financial returns. Programmes that help employees maintain a healthy life, including reasonable working hours and flexible scheduling, may also result in increased efficiency, fewer sick days and a lower turnover rate – all of which will have a positive impact on your business.

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## 3.2 Risk Management

CSR is important for reducing non-financial risks, building more robust internal processes and helping to manage liabilities. The public at large and particularly NGOs in China have become increasingly outspoken. Consumers and regulators have growing expectations and demands on private sector behaviour. Companies need to be aware of the potential for future regulation on corporate practices.

## 3.3 Reputation and brand value

Brand value is hard to measure but it has an impact on a business's ability to attract people, finance, customers and business partners. Action that helps to improve a company's social and environmental performance can have a strong impact on brand and reputation, helping to increase customer loyalty. The reputation of a company is an important asset in strengthening its balance sheet.

### 3.4 Staff recruitment and retention

Business cannot function without people. A good quality workforce affects productivity, product quality and innovation. Ensuring a good reputation on labour and environmental issues can also help the company to attract good people. Even if there is a large pool of available workers, it is expensive for companies to continuously hire and train new employees. Where labour is in short supply it is even more of a competitive advantage. Failing to address the well-being issues of employees can lead to increased time away from work and possibly the loss of trained employees - and therefore to higher recruitment and training costs.

### 3.5 Access to capital

According to the *GRI Readers and Reporters Survey 2010*, 16% of the CSR/sustainability reports readers are investors or those who supply information to investors (such as rating agencies). This number is very likely to increase in the future. If your business can show that governance and management systems demonstrate a commitment to social and environmental issues, it can help to increase access to capital. In addition to high standards of corporate governance, the requirements of financial institutions for evidence of sound management of social and environmental issues will likely grow. Perceived risk has an effect on the cost of financial capital and therefore companies managing social and environmental risks may be able to access capital at better rates. There are also special forms of capital available for businesses which explicitly aim to contribute to sustainable development.

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### 3.6 Relationships with stakeholders

Demonstrating responsible operating practices enhances a business's prospects to be supported by the local community, regulators, and investors. Often this is referred to as securing your 'social license to operate', i.e. getting the support and buy-in from stakeholders to conduct business over the long term. Building trust from your stakeholders can help to provide companies with a higher degree of flexibility if a genuine mistake is made, compared to a company that is not well regarded. Stakeholder engagement can help companies to minimise risks by acting as an early warning system for issues that might not be identified by managers. Community groups and other stakeholders with closer links to workers, factories, and local issues can provide valuable information of which companies may not be aware.



## 4 Human Rights





In 2011, the “UN Guiding Principles on Business and Human Rights” (also known as the “Ruggie Principles” or the “Ruggie Framework”) were incorporated in the OECD Guidelines. The OECD Guidelines state that respect for human rights is the global standard of expected conduct for enterprises, independent of States’ abilities and/or willingness to fulfil their human rights obligations, and that all businesses, regardless of their size, sector, operational context, ownership and structure, should respect human rights wherever they operate. “Human rights” is a very broad concept, but as a minimum the OECD Guidelines specifically mention the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.<sup>18</sup>

It is important to remember that it is the primary responsibility of States to adhere to international human rights obligations, to protect the human rights of its citizens, and to offer appropriate remedies of redress for citizens who feel that their human rights have been violated. But it is also the duty of responsible businesses to assess potential adverse human rights impacts of their operations (independent of the State in which they operate), to carry out due diligence in order to mitigate these impacts, and to offer remediation for affected individuals. In order to assist businesses to implement the Guiding Principles, the UN and the European Commission<sup>19</sup> have developed tools and offer examples<sup>20</sup>.

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Generally speaking, the following measures are suggested for businesses to implement the recommendations in the “Ruggie Framework”<sup>21</sup>:

- Commit to respect human rights and embed the commitment in your business  
Commitment can be expressed through a statement of policy that: a) is approved at the most senior level of the enterprise; b) is informed by relevant internal and/or external expertise (e.g. including NGOs); c) stipulates the enterprise’s human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services; d) is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties; e) is reflected in operational policies and procedures necessary to embed it throughout the enterprise.
- Identify your human rights risks  
Assess the potential adverse human rights impacts of your business operations, both through direct activities or indirectly, through business relationships with other entities. “Activities” can include both actions and omissions.

<sup>18</sup> The full text of the OECD Guidelines’ Chapter IV on Human Rights: <http://www.oecdguidelines.nl/guidelines/human-rights/>

<sup>19</sup> More available here: [ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/human-rights/](http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/human-rights/)

<sup>20</sup> More available here: [www.business-humanrights.org/UNGuidingPrinciplesPortal/ToolsHub](http://www.business-humanrights.org/UNGuidingPrinciplesPortal/ToolsHub)

<sup>21</sup> For more detailed information on the six steps below, see: [http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr-sme/human-rights-sme-guide-final\\_en.pdf](http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr-sme/human-rights-sme-guide-final_en.pdf) [Chinese version: [http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr-sme/human-rights-sme-guide-final\\_zh.pdf](http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr-sme/human-rights-sme-guide-final_zh.pdf)].

- Take action to avoid and address the risks you identify  
Businesses should take the necessary steps to cease or prevent adverse human rights impacts. Where a business (indirectly) contributes to such an impact, it should take the necessary steps to cease or prevent its contribution and use its leverage to mitigate any remaining impact to the greatest extent possible.
- Enable remedy for those affected, if you are directly involved in a negative impact  
Remediation can be offered in the form of operational-level grievance mechanisms, or in cooperation with judicial or State-based non-judicial mechanisms.
- Track your progress  
It is important to keep track of how your business is dealing with actual and potential negative human rights impacts, not only to ensure good management of your responses to these impacts, but also to enable other stakeholders to evaluate your performance.
- Communicate about what you are doing  
When it comes to CSR, transparency is key. In your CSR report, you can specifically mention what your business does to respect human rights. You do not necessarily have to reveal all identified risks or impacts and how you have dealt with them, but you should be prepared to disclose information if requested, especially to affected individuals.

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Due diligence on human rights is closely linked to many other aspects of CSR and enterprise risk management in general. It is an on-going exercise, which is not only introspective but also has consequences for due diligence in relation to supply chains. Human rights can and should not be seen as an isolated CSR topic. Topics such as human rights, workplace conditions, product safety and environmental sustainability are interrelated.

Some of the relevant human rights are already built into related laws and regulations in China, mainly in the *Labour Law of People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, including freedom of association, right to equal pay for equal work, abolition of slavery and forced labour, abolition of child labour and right to social security. Ensuring that your company and your Chinese business partners are compliant with these laws and regulations will go a long way to addressing workers' rights. However, there are some "grey areas" where laws and regulations may not have full coverage or provide sufficiently strict requirements. This might include the right to non-discrimination or the right to privacy. Freedom of association and the right of peaceful assembly are protected by law, but not easily achievable in practice. You need to exercise vigilance and work more closely with your suppliers to identify, prevent and address existing and/or potential human rights impacts in these areas. Of course, some of the issues are more relevant to some companies than others. For example, factories with a large number of migrant workers may need to pay more attention to the "right to family life" than ones who mainly hire from local communities.

Issues such as discrimination and vulnerable groups are closely related to supply chain practices. Companies should examine both their own activities and those of their business

partners to ensure that no (in)direct discrimination exists, which includes but is not limited to race, gender, age, nationality, place of residence, language, property, economic grounds, disability, pregnancy, or any other status. Special attention should also be paid to vulnerable groups, such as women, people with disabilities, children, indigenous peoples, migrants and migrant workers.

It is important to recognise that what is expected from businesses from the Dutch perspective can be different from what is expected in the Chinese context. For example, in the Netherlands, employers are prohibited by law to discriminate based on sexual orientation, but the Chinese legal stipulations on non-discrimination of employees do not include this specific clause. Nevertheless, it would be bad publicity for a Dutch multinational if it was found to discriminate against homosexual employees in China, which could be an incentive to go beyond legal obligations. But there are also instances where, for example, from the Dutch perspective a company might be under the impression that it fully respects women's rights, but actually be non-compliant with Chinese regulations on the protection of women that exempt female employees who are having their period from certain types of labour.

- **What's in it for me?**

- Staff morale and retention
- Increased productivity
- Establish competitive advantage
- Risk management

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- **What can I do?**

- *Comply with the law:* Chinese labour law and related regulations set stringent standards for human rights conditions. Make sure you are 100% familiar with these laws and regulations and that they are enforced by you and your suppliers.
- *Have the proper policies in place:* Operating within a legitimate framework may ensure that your own activities do not violate human rights, but it does not necessarily ensure that your suppliers do so. Thus, having the proper policies in place is essential for minimising the risks of contravening human rights. Proper policies cover not only the companies' own activities, but also expectations of and guidelines for business partners, including suppliers.
- *Communicate your policies and integrate them into daily operations:* Policies work only when they are properly communicated and put into practice. The importance of internal communication is obvious while the communication with business partners on policies is often neglected. Explain to your suppliers why human rights matter for business and what the terms in your policies mean. Importantly, focus on how you can work together to ensure human rights are respected in daily operations.
- *Track performance:* Keeping a record of your performance in respect of human rights enables you to build up a body of evidence on your impact. This also provides you with a solid basis for communicating and reporting your human rights record.
- *Assess your activities and adjust any negative impacts:* Assess the activities of your own and your suppliers' to identify the existing and potential risks on human rights violations, adjust and remove them before they create negative impacts to society and/or the business.

- **FAQs**

- Is it not the responsibility of the United Nations and governments to secure human rights? Yes, but businesses also have a responsibility to respect human rights and to put policies and processes in place to avoid contravening them.
- What are the requirements relating to child labour in China? Under Chinese law, it is illegal to employ children under the age of 16 (and between 16 -18 under certain conditions). Even in a family business, younger workers can put the reputation of your business and that of your customers at risk, so never allow children within your areas of operation.
- According to the Labour Law of the People's Republic of China, no juvenile workers shall be arranged to engage in work down mines, work that is poisonous or harmful, work with Grade IV physical labour intensity as stipulated by the State, or other work that should be avoided. For more information on juvenile workers, please refer to the Regulations for the Special Protection of Juvenile Employees issued by Ministry of Labour and Social Security.
- My suppliers' employees want to join or form a union – how could I respond? By law, an employer has no right to penalise staff for associating with a union and staff should be able to join without fear of reprisal. In practice however, this is often not a course of action readily available to staff. In reality, the function of a trade union in China may not be the same as in the Netherlands.

| 26 | The key function of a trade union in the Chinese supply chain is to organise recreational activities for the workers and support the human resources department on issues relating to employee well-being. It is therefore important for a Dutch company to ensure that suppliers have a workable grievance procedure where workers complaints are acted on in a timely manner and their rights at work are well protected. Undertaking worker surveys from time to time can also help you to identify and mitigate actual and potential problems.

- \* **Engaging your suppliers**

Some people may feel that human rights are a sensitive topic, or even a taboo subject in China, and that it is therefore best to avoid the issue. Being a responsible business does not involve having in-depth discussions about the universality and indivisibility of human rights with your Chinese business partners. It does, however, imply that you should engage with your suppliers and other counterparts on all aspects of responsible business practices. Embedding commitment to respect for human rights in your business, as described in the OECD Guidelines, will facilitate conveying to your Chinese business partners what you expect from them on an operational level and get their support.

It is critically important to engage your suppliers on an equal platform, rather than taking a 'check and monitor' approach. You can take the opportunity to explain that you respect the challenges they may face in the local context. Your suppliers may not have sufficient knowledge and resources to assess the performance and make improvement plans on human rights issues. Communicate with them and see where you can provide guidance and support. Ensure that this is not a one-off engagement but part of an on-going conversation, with regular monitoring of the situation.

##### \* Case Study Human Rights

#### **Air France and KLM--Respecting Human Rights throughout the Entire Value Chain**

The ambition of Air France – KLM is to set the standard in CSR and to remain frontrunner in the airline industry. As a signatory of the United Nations Global Compact, Air France – KLM undertakes to respect human rights and to oppose all forms of child and forced labour. This commitment is affirmed by the company's Social Rights and Ethics Charter for its employees and its' CSR Statement.

Air France and KLM strive to respect human rights throughout the entire value chain. Part of the Group's procurement strategy is the signing of a Sustainable Development Charter by suppliers and the use of an audit process to get better insight in CSR performance and best practices for a large scope of suppliers. In 2008, KLM started participating in the Business & Human Rights Initiative, an initiative of UN Global Compact Netherlands in cooperation with ten Dutch multinationals, drawing on the Ruggie Guiding Principles. Interviews were held in different parts of the KLM organization and a human rights impact assessment was conducted in multiple divisions including procurement, human resources, and security services. This provided deeper insight on how the company's activities may affect human rights. The result of this initiative was a book publication "How to do business with respect for human rights", a guidance tool for companies.

## 5 Workplace well-being



Putting effort into workplace well-being pays off in more than just reputation, because for every accident in the workplace, time and money is lost. Meanwhile, workplace well-being brings actual value for the company in many respects, such as increasing productivity, reducing turnover, attracting and keeping talent and minimising risk.

Occupational health and safety (OHS) is an issue that needs to be addressed in all work settings regardless of size, sector or location. In the supply chain context, it is mainly about taking reasonable precautions to ensure workers are prevented from injury or health hazards when carrying out their work. This may involve raising OHS awareness, delivering training on proper operations, providing and maintaining protective equipment, and having regular OHS risk assessments. In contrast, it is easy to neglect OHS in the office setting, which is equally important as on the factory floor. OHS for office work could usefully address stress and repetitive strain syndrome.

OHSAS 18001<sup>22</sup> is the International Occupational Health and Safety Standard. It was developed in response to widespread demand for a recognised standard against which organisations could be assessed and certified. Companies who subscribe to OHSAS 18001 must implement, maintain and continually improve their OHS practices. You may also find the official website of State Administration of Work Safety<sup>23</sup> helpful if you and/or your partners are looking for more local support on understanding the relevant laws and regulations or the most updated data and information on OHS.

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### → Tips on identifying health and safety hazards

- **Health hazards**

- Physical: Excessive noise, heat, radiation, vibration, pressure, machinery or electricity
- Chemical: Leakage of gases, vapours, acids, alkali, poisons, aerosols or irritants
- Biological: Presence of pathogens, fungi or other micro organisms
- Psychosocial: Stress, social problems, fear of failure or retrenchment
- Ergonomic: Workplace design, layout of workstations, excessive manual handling or design of tools

- **Safety hazards**

- Mechanical: Machines that can cut, entangle or crush
- Heights: Falling objects or no safety rails along walk ways
- Electrical: Loose wirings that cause electrocution and burns
- Fire/Explosion: Machinery, chemicals, gasses that can cause burns, injuries or death
- Confined space: Areas that can result in poisoning, drowning, danger of being crushed or trapped

<sup>22</sup> More available at: [www.ohsas.org](http://www.ohsas.org).

<sup>23</sup> More available at: [www.chinasafety.gov.cn](http://www.chinasafety.gov.cn)



The International Labour Organisation describes decent work as work that is productive, delivers a fair income, security in the workplace and social protection for families. It should provide prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. Providing staff (office management) and workers (those on the factory line) with access to education and training that help them with personal and career development is becoming more and more important for business in China. Staff and workers are more aware of the importance of life-skills for personal development and technical skills for career development and they expect resources and support from employers.

Regarding workplace well-being, there are two particular groups that you may want to pay special attention to: the younger generation of factory workers and migrant workers.

The concerns and interest of the younger generation in China, especially the post-80s generation (people who are born during 1980-1989), are very different from what they used to be for the older generations. For example, salary is no longer the only criteria for job screening; young people are more focused on individual interests rather than collective values; they spend a lot of their spare time on their smart phones and they are active on social media. These differences require the company and management to communicate with them more often, to understand their expectations and to explore how best to meet their needs.

With the Strategy on Western China Development in place for more than 10 years, the economy has advanced greatly in central and western China, which used to be the areas where the majority of migrant workers came from. With more opportunities available at home, many workers are no longer so keen on the idea of working in the coastal areas (where most of the factories are located) far away from their families. Many places now experience labour shortages. But without these migrant workers, a large number of companies will face ongoing labour shortage problems. For that reason, understanding the migrant workers' needs and providing them with essential support to address their problems will help your suppliers to retain their workforce and hence ensure productivity.

#### → Some notes on migrant labour

There are tens of millions of migrant workers employed in Chinese workplaces. Migrant workers should enjoy the same rights as other workers but they continue to be more prone to abuse such as breach of job contract, poor living conditions, non-payment of wages, unhealthy working conditions, long working hours and exposure to unnecessary risks.

#### **What can my company and my suppliers do?**

As a responsible employer, you and your suppliers should ensure that migrant workers are treated in the same manner as local employees. In addition to the basic workplace policies outlined previously you can:



- Ensure migrant workers have legally compliant contracts.
- Check that your suppliers/agents have communicated conditions clearly and fairly. Many problems with migrant workers arise because suppliers/agents misrepresent working conditions. The result is disappointed and disgruntled workers. Ensure that they are receiving fair wages or wages stipulated in their employment contract signed before they arrived, overtime compensation and leave.
- Ensure migrant workers are represented in decision making by management. This will help communicate policies and issues effectively, which will improve working relationships and productivity. Designate a company representative who speaks the local language(s) of migrant workers and you may be able to reduce conflict and staff turnover.
- Due to differences in work standards and practices, appropriate training should be provided to ensure productivity and safety.
- Ensure that dormitories or other housing facilities where workers are accommodated are clean, safe and appropriate for use.
- **What can I do?**
  - *Comply with the law:* The two main laws overseeing health and safety in the workplace are the Work Safety Law (2002) and the Law on the Prevention and Cure of Occupational Diseases (2002). Additional standards can be found on the website of the State Administration of Work Safety.
  - *Aim for international standards:* Review and take action to abide by these standards.
  - *Be proactive:* Best practices encourage employers to prevent risk. Work with staff to assess health and safety risk in the work place and the potential for accidents.
  - *Keep accurate records:* A good baseline to understand where improvements need to be made is by having good records. Record what types of accidents happen, how many times, and who is involved.
  - *Implement changes:* Put in a time line for changes to take place. This might include changing how things are done, training, buying new equipment or issuing personal protective equipment.
  - *Measure impact of changes:* You can then measure how much money you save by having fewer accidents in the workplace from paying less insurance, time off from work and medical bills.
  - *Address health issues:* A healthy workforce is a productive workforce. Most companies focus on safety but forget health issues. Encourage staff to look after their health. Go beyond physical well-being: Pay attention to workplace well-being from a psychological and mental perspective. Identify the needs and provide the necessary help to staff and workers to address these needs.
  - *Assess and provide training:* Conduct an assessment to identify knowledge gaps and provide relevant training to staff and workers. Track the changes and provide your staff and workers with access to the most updated information.
  - *Skills development:* Having a dialogue with staff and workers in your supply chain to understand where their needs lie and provide education and training to support their skills development both at work and in wider life.

• **FAQ**

- How do I conduct a basic health and safety risk assessment with my suppliers?

Here are some key steps for conducting a basic workplace health and safety risk assessment:

- Make a list of all locations of work (e.g. factory floor, store room, office)
- List all work activities in each location
- Identify any potential health and safety hazards
- Identify who or what is at risk
- Determine the potential risk
- State what you will do to reduce the potential risk

- What health hazards do I have to be aware of in my supply chain?

It depends on the type of business you operate. Some hazards cut across all sectors, such as stress. Here are broad examples of possible health hazards:

- Office and warehouse: Insufficient office lighting or ventilation, poor ergonomics, incorrect and excessive manual handling
- Light industries: Excessive noise levels, inhaling of chemicals and vapours, excessive manual handling, and repetitive strain
- Heavy industries and construction: Excessive vibration or pressure, confined work space, excessive manual handling
- Agricultural: Excessive and improper chemical use, incorrect manual handling, contact with pathogens and fungi

- What safety hazards must I be aware of in my supply chain?

It depends on the type of business you operate. Here are broad examples of common safety hazards:

- Office and warehouse based: Improper stacking of objects, poor marking to highlight steps to avoid tripping, electrocution from poor maintenance of equipment
- Light industries: Operating machinery with no safety guards, risk of fires and explosion from poor maintenance
- Heavy industries and construction: Working in high places with no safety harness, not trained to operate machinery safely, suffering burns and injury from not wearing personal protection equipment, trapped or crushed in confined spaces
- Agriculture: Operating farm machinery improperly and chemical burns from improper use

- Workers in my supply chain do not want to wear the personal protective equipment (PPE) I have issued to them because they say it is uncomfortable. What can I do?

It has to be communicated to staff that safety is not a matter of choice. Provide onsite education on the dangers of not wearing PPE, assess if they are using the appropriate PPE for the job, and if they are wearing it correctly.

- What does the law in China say about health and safety?  
The Work Safety Law stipulates 14 basic systems and/or measures. The important ones are:
  - A production unit must meet all the relevant laws, regulations, and industry-specific laws, otherwise it may not undertake production activities.
  - An enterprise must appoint an individual who is responsible for all aspects of safety.
  - An enterprise must also implement a safety management organisation or individual.
  - An enterprise must implement a system of education, training, and assessment of safety knowledge of OHS directors (that is, personnel with overall responsibility), OHS managers and workers.
  - Enterprises must implement a system of three simultaneous [OHS] measures at all stages of all projects; that is, OHS measures should be evident at the planning stage, during construction of plant, and when production is under way.
  - Production units must register exceptionally dangerous hazards with the local safety inspectorate.
  - Enterprises must implement a safety management system specifically addressing workplaces where explosives, working at height and other dangers are involved.
- Why do I need to form a safety and health committee at my supply chain?  
A Health and Safety and Committee can be formed at the workplace with the following functions:
  - To review the safety and health procedures at the workplace;
  - To investigate any complaints or other related matters that are raised; and
  - To hold regular discussions with the employer on issues relating to safety and health at the workplace.

\* **Engaging your suppliers**

You may find that some of your suppliers think paying a reasonable wage is all they need to do for staff and workers' well-being, but the truth is far more than that. Use data and examples to explain the importance of addressing these issues. Work with them to understand their daily needs in the workplace. External help from professional associations and organisations is available when you and your suppliers find that you are in need of external advice.

\* **Case study-workplace well-being**

**Philips - IDH Electronics Programme**

Philips commits to be a global leader in health and well-being, by creating value with meaningful innovations that improve people's life.

Philips is one of the initiators of the IDH (Dutch sustainable trade initiative) Electronics Programme, a multi-stakeholder initiative that improves the overall performance of supplier's factories. Steering away from traditional compliance auditing, Philips works with over 100 electronics suppliers in China on building and up-scaling the capacities of both employees and supplier's management to make a transformative impact.

Through a structure that encourages on-going dialogue between employees and management, employees' needs are addressed in a sustainable way. Some of the programme contents include developing employees' skills and careers, enhancing employee-management dialogue and increasing employee satisfaction. This will lower the employee turnover and increase productivity, in turn making it a mutually beneficial programme.



## 6 Avoiding bribery and corruption



Bribery is detrimental to fair business as it removes transparency and distorts market prices. Bribery can also hurt good businesses by compromising the quality and safety of products, increasing the cost of production and giving a bad reputation and image to the profession or industry.

Bribery can take many forms, which includes offering, promising or providing excess benefit to a person with the intention of obtaining or retaining an improper advantage by encouraging the person to act, or refrain from acting, in connection with an official duty. Bribery can also take other forms such as making fake or false claims, or misusing a title.

Many international companies address this head on by having a policy of not entertaining bribes, either directly or indirectly. To ensure that they are transparent, some multinational companies today refuse even to accept gifts.

In a survey by Transparency International, companies from the Netherlands ranked third among countries least likely to engage in bribery when doing business abroad.

- **What's in it for me?**

- Risk management
- Brand and reputation

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- **What can I do?**

- *Review your policies and practices:* Among senior management and sales staff, assess the prevalence of bribery and corruption in the company and the industry. Assess how this has affected or has the potential to affect business practices.
- *Act internally:* Introduce anti-corruption policies and programmes within your organisation. Identify departments that are more prone to be enticed. Establish guidelines on the value of gifts that are acceptable to give and receive and communicate this clearly to all staff. Make it clear that no one who reports an act of corruption will experience negative repercussions, that the report will be treated in the strictest confidence and the alleged incident fully investigated.
- *Collective action:* Talk to other business partners, competitors or business associations you belong to and ask them how, as a group, corruption can be addressed. Highlight the negative impact this practice has on the industry and how as a group this can be overcome.

- **FAQ**

- Is this not the way business is done in China? How can it be stopped?  
The Chinese government has put anti-corruption high on the agenda. Bribery stops when the giving stops. Work with your association or competitors to collectively agree that the industry will not tolerate such practices.
- Bribing is the only way to get business. How will I survive if I do not engage?  
The culture has changed, especially when working with multinational companies. Today, MNCs have strong policies against accepting even corporate gifts.

- It is our cultural practice to give gifts during festive seasons. Surely this is not bribery? This is true. However, to avoid excessive gifts, you should set a value for how much the company spends on gifts to clients.

→ **Examples of a simple company statement on Bribery and Corruption**

- Bribes: We do not give or accept bribes.
- Facilitation payments: We do not pay to expedite public services.
- Gifts: We only give or receive gifts of up to RM500.
- Political and charitable contributions: We do not give money to political parties but sometimes we contribute to charities.

\* **Engaging your partners and suppliers**

Have written policies on avoiding bribery and corruption and communicate them to your suppliers. Provide the necessary support to your suppliers on having their own policies and translating them into daily practices. If your suppliers do not work with you on this, the risks still threaten your business and your reputation.

\* **Case Study-Avoid bribery**

**Unilever's Code of business principles**

Unilever is a consumer goods company that produces foods, beverages, cleaning agents and personal care products. Unilever publishes its Code of Business Principles, which describes the operational standards that everyone at Unilever follows, wherever they are in the world. It also supports their broader approach to good governance and corporate responsibility. In the Code of Business Principles, Unilever clearly states its principle on avoiding bribery:

*Business integrity*

*'Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.'*

*Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.'*





## 7 Delivering safe and responsible products to your customers



In the past, a company's responsibility for a product ended when it left the company's premises. As companies become more responsible, they are looking at the long-term impacts of their products. Today it is much more common to adhere to a philosophy of "cradle to cradle", i.e. to create new products by recycling old products that have been returned or thrown away.

Responsible companies are also asking questions that affect how they do their business: What materials am I using to manufacture this product? Who is making this product? How will it be packaged? How will it be used? Who will use it? How will consumers dispose of it? These are just some of the questions that companies are faced with. Responsible businesses will anticipate the risk their products have because they understand the long-term impact of their products or the potential dangers poor production standards will have.

Understanding product responsibility allows you to use fewer resources through remanufacturing more efficiently and/or recycling materials. It may also result in better customer engagement, reduced waste, improved quality and durability of products. It can offer new business opportunities through innovation and new products.

• **What's in it for me?**

- Risk management
- Brand and reputation
- Competitive advantage
- Customer loyalty

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• **What can I do?**

- *Understand your impacts:* Look at the top three items that you sell or manufacture based on volume and assess what the impacts are after it has left your premises. Who uses them? Do they need training or additional information to allow them to use the product safely? What happens after they use it? How and where is it disposed and what becomes of it after it is disposed?
- *Investigate alternatives:* When you understand the impacts of your product, look at alternatives that will minimise its impacts. Explore alternative materials or redesign, develop a new business opportunity around recycling or reuse.
- *Promote responsible use:* Consider how customers or end users use and dispose of your product. Ensure proper and safe use, as well as responsible disposal. Take back schemes are an opportunity to demonstrate responsibility across the whole life-cycle of the product.
- *Responsible marketing:* Avoid providing misinformation or misleading claims about your product. The negative publicity of not telling the truth is much worse than being honest and responsible. State the facts and how you are responding as a responsible business to minimise these impacts.

- **FAQ**

- I am just an office product supplier. What is my product responsibility?  
You can begin by using, and educating customers of the benefits of recycled or FSC<sup>24</sup> paper which is more environmentally friendly. You can also have customers collect and recycle paper and printer cartridges. This can develop into another business opportunity.
- I am in the plastics and packaging business, should I just close my business?  
On the contrary, you can develop new business opportunities around biodegradable plastics or packaging which are more environmentally friendly than traditional plastic bags. Responsible customers will want such products but find them difficult to source.
- I supply chemicals to companies as well as pesticides and insecticides to farmers. What can I do?  
When used wrongly, chemicals can cause health problems. Work with companies to ensure their workers or end users are trained to handle the product properly through good quality information. Investigate alternatives to the current product that may be less harmful or address your concerns with your supplier.
- I just make parts for a larger machine. What is my product responsibility?  
Ensure that you have thought through responsibility issues around your product. Avoid using toxic chemicals in production which might be harmful at the end of the product life. Try to make adjustments to your manufacturing process to safely reduce the need for new resources.

- \* **Case study-Responsible products**

### **Royal DSM**

All around the world, established brands in outdoor clothing are looking for ways to make garments that offer the right performance and bring comfort to the wearer. At the same time, they strive to use materials and processes that have the lowest possible impact on the environment. Currently, manufacturers are focused on avoiding the use of perfluorinated compounds (PFCs) that make materials resistant to stains, oil and water. Once disposed of, PFC's stay in the environment as persistent organic pollutants.

Royal DSM is a science-based company active in health, nutrition and materials. Through strategic collaboration with a local partner in China, DSM has developed a new green and recyclable membrane for outdoor clothing: Easy Tex™. Easy Tex™ is a waterproof, windproof, breathable and recyclable membrane for high-tech functional materials in clothing, footwear, accessories and technical applications. The company has managed to provide customers with products that maintain all the important features for outdoor clothing of the highest quality, and has done so with a material that contains no PFCs and is a 100% recyclable.

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<sup>24</sup> FSC, Forest Stewardship Council, is an international not for-profit, multi-stakeholder organization established in 1993 to promote responsible management of the world's forests. Its main tools for achieving this are standard setting, certification and labeling of forest products. More available at: [www.ic.fsc.org](http://www.ic.fsc.org)



## 8 Looking after the environment





All businesses have an impact on the environment. As a responsible business, it is important that you review what and how big your impact is and that you reduce this impact as far as possible. Looking after the environment will often lead to significant savings in energy and resources, and it will help you manage the risk of fines. While the Chinese government is putting significant effort into environmental protection, law and regulations are also becoming stricter and expectations on business performance are rising. For example, the white paper on China's Energy policies,<sup>25</sup> updated in 2012, emphasises that the Chinese government will strive to address the energy problem following the sustainable road of energy development.

Manufacturers and producers generate large amounts of waste. In addition, manufacturers have to be aware of the pollutants created in their processes. Manufacturers can assess the chemicals used, waste water that is discharged, fuel used to run its machinery, energy efficiency and waste.

Farmers have an equally big impact through the use of fertilizers and pesticides as well as the conversion of natural habitats. Good agricultural practice assists companies in assessing and reducing these impacts. Several international sustainability standards have been developed to assist agricultural business in establishing long-term responsible practices.

Some businesses may feel they have a small impact on the environment and choose not to do anything. But by acting together, small businesses can have a big impact on the environment. All businesses can do simple things like reduce electricity usage, set air conditioning temperature at reasonable levels, save water and increase recycling efforts. Making less of an impact on the environment also helps the company save money. Businesses also have an indirect impact on the environment in relation to the materials they choose to use. Use less packaging, switch to biodegradable materials where appropriate, buy recycled materials and use chemicals that are not harmful when discharged. In this way, your business can be part of the solution.

- **What's in it for me?**

- Staff morale and retention
- Increased productivity
- Competitive advantage
- Risk management

- **What can I do?**

- *Comply with the law:* The Environmental Protection Law of the People's Republic of China is the main law overseeing environment quality. It sets out the legal limits of pollution allowed. Additional laws, regulations, guidelines and code of conduct for specific industries can be found through the links under 'resources'.

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<sup>25</sup> More available at: [www.china.org.cn/government/whitepaper/node\\_7170375](http://www.china.org.cn/government/whitepaper/node_7170375)

- *Aim for international standards:* ISO 14001 is the international standard for environmental management systems that can be implemented in any business, regardless of size, location or income.
- *Review your impacts:* Take simple steps to start reducing your business impacts on the environment by looking at how you can prevent or minimize waste and ensure the waste you discharge, such as water and air from processes, are not polluting the environment.
- *Observe routine maintenance:* Industries that emit high levels of pollutants or discharge waste water, such as factories, need to ensure that routine maintenance is carried out. In addition, raw materials are often lost through leaks and spills if machinery is not serviced.
- *Use sustainable raw materials:* Your activities may not affect the environment directly. However, there might be an environmental impact in the area where you source your raw material. Consider these aspects when sourcing raw materials. Discuss with customers how together you can work to reduce your environmental footprint.

→ **How responsible businesses can help the environment**

- Dispose of company waste properly and responsibly  
Take back used products and parts so that they can be re-integrated in the production process
- Encourage employees to reuse items where possible, for example, printing on both sides of the paper
- Practice recycling in the office (paper, cardboard, glass, aluminium cans and scrap metal)
- Review production processes to ensure raw materials do not damage the environment
- Implement an environmental management system, which might include your environment protection policies, measures you take to improve energy efficiency and reduce emissions

→ **Reducing Carbon Emissions**

Many companies are actively working to reduce carbon emissions in their processes and supply chain.

**Reducing carbon emissions can help you:**

- Improve energy efficiency
- Reduce cost
- Enhance reputation and leadership
- Increase your competitive advantage
- Reduce risks of legal action

**Four comprehensive ways to reduce your carbon emissions**

- **Comprehensive maintenance programme:** Ensure that your machines and vehicles are operating efficiently
- **Upgrade lighting:** Use new energy efficient bulbs



- Turn off lighting after working hours or during lunch breaks
- Set air conditioning at a comfortable temperature of 25 Celsius

### • FAQ

- I am an office based business. Do I have any environmental impacts to reduce?
- All businesses, no matter how big or small, have an impact on the environment. Wasting electricity, not recycling paper and toners and not using sustainable paper in the office all contribute to the impact on the environment.
- What simple things can I do in the office?  
Turn off electricity during lunch hours.  
Turn off your air conditioning.  
Ensure your default settings are to print double sided, preferably with more than one sheet per page. Modern printers have options to print double sided or booklet size.
- As a manufacturer, can I just discharge my water into the drains?  
You will need to check with the Ministry of Environmental Protection. They will be able to tell you the levels of discharge specific to your industry which will require you to treat waste water before discharge. However, all businesses should minimise water discharge whether in processing or run off. For example, construction and oil and gas sites should minimise water run offs with high sediments such as sand, soil, mud, oil substances and chemicals.
- At my suppliers' factory, I am discharging at the legal requirement, so am I ok?  
You may be acting according to the law but you are still polluting the environment. See how you can reduce your discharge by investing in technology or equipment that would further treat or capture pollutants. Reduction in pollution can also be achieved through better maintenance of machineries.
- Doesn't offering environmental friendly material mean higher cost?  
This may be true. However, discuss with your customers why you are offering materials that are better for both your businesses and the environment. They might have to pay a little more but if they can see that they are also part of the solution to building sustainable businesses, they might do it.
- Environmentally friendly material is expensive. How do I reduce the cost?  
To reduce prices of materials enquire about bulk purchasing. If you belong to an association, see if you can work with others to bulk buy and tender out to reduce the price of materials.




### \* Engaging your suppliers

Improving environmental performance does not necessarily require a huge investment in renewing machines and other costly overheads. It enables you and your suppliers to excel in environmental performance if you do have an overall plan for the environment. If your supplier lacks the resources to conduct an overall assessment or improvement scheme, it is acceptable for them to make progress step-by-step. Provide guidance and make sure that your suppliers have both short-term and long-term goals and actions for improvement.

\* Case Study-Looking after the Environment

**FrieslandCampina: Managing Environmental Performance**

FrieslandCampina is committed to create efficient and sustainable production chains, improving its environmental performance. This process starts with sustainable dairy farming and the purchase of sustainable raw materials and continues with the reduced consumption of energy, water and waste water at its production plants. FrieslandCampina has also formulated a roadmap for 2020 in relation to its CSR performance. These goals were used to devise action plans and evaluate performance for each year.

Goals for 2020	Results in 2012	Ambitions for 2013
<p>Reduce energy, water usage and waste water by 20% per kilo by 2020 compared to 2010, through an efficiency gain of 2% per year.</p> 	<p>3.9% improvement in energy efficiency compared with 2011.</p> <p>3.5% improvement in the efficiency of water consumption compared with 2011.</p>	<p>Increase the number of impact assessments at production plants.</p>
<p>100% consumption of green electricity by 2020.</p> 	<p>In the Netherlands, 40% of all electricity consumed at production plants was sustainably produced by member dairy farmers.</p> <p>In Belgium, purchase of 100% renewable electricity.</p> <p>In Germany, 25% of electricity produced renewably.</p>	<p>Increase the number of green electricity certificates issued to member dairy farmers to 60%.</p> <p>Begin purchasing natural gas certificates.</p>
<p>Sustainable production, in accordance with international criteria, of all agricultural raw materials purchased.</p> 	<p>Palm oil - nearly 100% sustainable oil.</p> <p>Cocoa - 10% of purchases are now sustainable.</p> <p>Beverage cartons - 72% of European purchases are now sustainable.</p> <p>Board - 56% of purchases are now sustainable.</p>	<p>In 2013, the Purchasing department to begin focusing on the following categories:</p> <ul style="list-style-type: none"><li>- tropical fruit</li><li>- packaging (paper/board and tin plate)</li><li>- soy (see chapter on sustainable dairy farming)</li><li>- cocoa</li></ul>



## 9 Contributing to your community



We belong to the community where we do business and no matter how small your business is, what you do has an impact on local people. If you are known in the community as a good business, you and your partners will often be a preferred workplace for talented staff. A good reputation is important when dealing with international buyers. Responsible businesses understand this and carry out activities to contribute to community.

What is often ignored, however, are the direct impacts on the local community on a day-to-day basis. An office or a supplier based in a residential area, a small factory bordering housing estates, and mining and plantation companies in rural communities all have an impact on their community. Responsible businesses should add value to the communities where they operate and try to mitigate any negative impacts that could create community conflicts.

- **What's in it for me?**

- Risk management
- Brand and reputation
- Local labour pool

- **What can I do?**

- *Engage with communities:* Try to get to know the local community and find out what they have to say about your business operations. This may be small in urban communities, but might require more engagement for mining and agricultural operations that affect larger rural communities.
- *Minimise impact:* Identify and minimise any negative impact your business has on the surrounding community. This will help you identify any source of conflict before it starts. Factories can ensure that noise, air and water pollution is kept to a minimum and waste is properly disposed of. In mining and agricultural operations ensure land rights are recognised and community natural resources not polluted.
- *Buy and employ locally:* Both you and your suppliers can support the local community by buying and employing locally. This creates a private-to-private partnership which benefits all. It also reduces time and cost for materials transportation and migration of workers from outside the community, especially into rural communities, which may cause social tension.

- **FAQ**

- I care for the community by donating to the local charities once a year. What more is there to do?
- It is good that you give to charity but responsible businesses must go beyond philanthropy and reflect on how their business affects their community and what other contributions it can make.
- I have been given a concession to an area. It is my legal right to use the land. Why should I do anything else?
- Legally that is true. However, by not engaging with your local community, you risk conflicts over issues that are important to them. By engaging you prevent possible delays and disruptions to your operations.

- I am an office supplier in a residential area, what impact do I have in the community?
- All impacts are different. For you, it may be a simple thing such as the way that your employees park their cars which creates a jam and inconvenience to others. You may consider this a small issue but it creates tension with the community and a bad reputation for your business.
- My suppliers work from site to site, so who are the community?
- The site you and your suppliers are working on is your community. When you are at a new site, have a look around and assess the potential negative impacts your presence has and try to mitigate them, for example ensuring smooth traffic flow and minimising noise.

#### \* Engaging your partners and suppliers

All negative and positive impacts on the community matter. Engage your suppliers in doing a proper impact assessment for your business. As your supplier operates in the community they are very likely to have more first-hand information on the community expectations and needs than you do.

Act quickly with your suppliers to minimise any negative impacts and work closely with them to have strategic community investment programmes that contribute to the local community.

#### \* Case Study - Caring for your community

##### **Royal HaskoningDHV 'Giving back' Programme**

Royal HaskoningDHV is committed to Corporate Social Responsibility, by providing innovative and sustainable solutions in their engineering consultancy, by reducing the footprint of their operations and by contributing to local communities ('giving back'). The aim of its community engagement is to focus on education, while making the best use of its knowledge, expertise and skills.

Royal Haskoning already had a long track record in community engagement, and recently started a structured international programme to support education in local communities relating to technology and sustainable development. The goal is to enable, motivate, support and inspire children and students to develop their talents, to learn more about technology, and to experience the excitement of creating solutions for a better and more sustainable society.

To support this, Royal HaskoningDHV has also developed a sponsorship policy which clarifies the aims, management and budget of their corporate sponsorships. Looking at 2012, its community engagement activities ranged from major initiatives involving a lot of staff and big events, to small local activities prompted by enthusiastic individuals.



## 10 Communicating your performance





You can add value to your responsible efforts as a business by communicating and reporting how you are doing this. Communicating and reporting spells out in detail to your stakeholders, including your customers, the community, and government agencies, how you are trying to be responsible. You should communicate your environmental and social policies, plans, actions and targets. Reporting also demonstrates you are meeting the standards of customers and third-party certifications and that you subscribe to these standards.

Communicating provides you with a record of what you are doing and how you plan to improve and grow your business. It also engages employees by helping them understand the direction of the company and how their work supports this growth.

The reporting process is also an effective way to communicate with your supply chain. By collecting data and information from your suppliers to measure your performance, you emphasise your policies and position on critical issues, while having a better understanding of the key challenges for your suppliers and where you could be of help.

One of the most popular reporting frameworks in China is the international *Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI)*. Many Chinese companies have been reporting with the indicator framework of G3 and G3.1. The latest version of the guidelines, G4, focuses on the process of identifying material issues (i.e. those which are important and relevant for the individual company and its stakeholders) and reporting on those.

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There are also some local reporting guidelines in China, but they are less relevant to Dutch companies as they are either targeted at specific Chinese enterprises, such as State-Owned-Enterprises, or limited to certain industries, such as the banking industry.

- **What's in it for me?**

- Performance measurement
- Brand and reputation
- Competitive advantage

- **What can I do?**

- *Measure your responsibility*: Ensure good records are kept to show the efforts you have made to be responsible. It is important to record things that are measurable, such as health and safety, training provided and accidents.
- *Demonstrate your efforts*: Show customers how you have been responsible by showing them your documentation or taking them on a tour of your operations.
- *Tell others about it*: Produce a simple flyer or put information on your website on how you are performing as a responsible business. Indicate areas where you have done well, improvements you have made and areas of improvements identified.

- **FAQ**

- What do I put in the report?

It is much better to focus on the issues that are relevant and important for your business, rather than to report on everything. To select the content, you could start

with the issues addressed in this guide and discuss with your management which are most relevant to your business. You can also follow the GRI reporting requirements if you want to be as comprehensive as possible. GRI also includes advice on how to select issues for your report. Once you have identified the relevant issues, you should disclose how you have addressed them in your daily operations, and how you plan to address them further in the future. Keeping good records will make it easier to report.

- I am only going to report what I am doing right so I look good. Why would I include any bad things?

Reporting is about being honest and transparent. A good report will include looking at areas where you are weak and how and when you plan to improve those areas.

Transparency is an important indicator for CSR performance.

#### \* Engaging your partners and suppliers

You could start engaging your partners and suppliers in reporting issues by explaining why their performance matters to you. Give clear instructions of what you need from them for your report and provide them with tools that collect reporting data and information efficiently.

You could also encourage your suppliers to prepare and publish their own CSR or sustainability report. The reporting process is good practice for them to review their current CSR performance and identify the gaps where they could improve.

#### \* Case Study- Communicating your performance

##### **AkzoNobel - communicating via various channels**

AkzoNobel is a global paints and coatings company, as well as a major producer of specialty chemicals. Since 2004, AkzoNobel reports on its progress in sustainability policy development, management and performance on an annual basis.

Alongside the publication of the Sustainability Report, more sustainability information, including an index of all *Global Reporting Initiative* (GRI) indicators, the Carbon Disclosure Project (CDP) and updates on the implementation of ten principles of the United Nations Global Compact are available on the company's corporate webpage.

What's more, AkzoNobel developed a sustainability website, which does not only provide stakeholders with a very clear overview of AkzoNobel's initiatives and compliance process, but also with a business case section for individuals who have a general interest in AkzoNobel, as well as a management and performance section for sustainability analysts. AkzoNobel welcomes an active dialogue with stakeholders and gives their opinions the serious consideration they deserve. With this process in mind, AkzoNobel expects that the clarity, consistency, and accuracy of its reporting will further improve over time.

### **Teesing – transparency is key**

Teesing is an international supplier of fittings, valves, tubing, systems and assemblies for Industrial applications, Submicron Technology and Alternative Energy in Pneumatic, hydraulics, instrumentation and transport of media.

The core of its communication strategy in China is to keep our stakeholders well informed. Teesing audits its local suppliers and producers on a regular basis. Through its websites, microblog and LinkedIn profile, Teesing informs its stakeholders by providing the latest information. It gives them immediate access to technical datasheets for each product, project status, Compressed Natural Gas (CNG) industry news and CNG knowledge, newsletters as well as information on our standards and certifications, such as ISO9000.

Furthermore, Teesing has a midterm strategy, the Business Performance Plan, to inform and instruct its employees. In different steps, records of all actions are filed and discussed during management meetings and work meetings. Also, employees are informed about Teesing's transparent and definite salary strategy, where salary adjustments are based on position, HR-value and work performance.

# Resources and organisations

## Links/references to more information:

AccountAbility

[www.accountability.org.uk](http://www.accountability.org.uk)

All China Federation of Trade Unions

<http://www.acftu.org/>

Business Social Compliance Initiative (BSCI)

<http://www.bsci-eu.org/content.php>

China Business Council for Sustainability Development

<http://www.cbcsd.org.cn/>

China National Cleaner Production Centre

<http://www.ccpp.org.cn/>

China WTO Tribune

<http://www.wtoguide.net/>

China CSR Map

<http://www.chinacsrmap.org/>

Clean Clothes Campaign

<http://www.cleanclothes.org>

CSR Asia

[www.csr-asia.com](http://www.csr-asia.com)

CSR Risk Check

<http://www.mvorisicochecker.nl/en>

Electronics Industry Citizenship Coalition (EICC)

<http://www.eicc.info/>

Embassy of the Kingdom of the Netherlands in China

[www.hollandinchina.org](http://www.hollandinchina.org)

Environment-oriented Enterprise Consultancy Zhejiang

[www.eecz.org](http://www.eecz.org)

Environmental Labels

<http://textil.stfi.de/seeetextable/default.asp?Category=2>

Environmental Resource Site for SME Manufactures

<http://www.sme.greenmfr.org/index.html>

Fair Labour Association

<http://www.fairlabor.org/index.html>

Fairtrade Labelling Organisations International

<http://www.fairtrade.net/>

Forest Stewardship Council (FSC) China

<http://www.fscchina.org/>

Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria

<http://www.gbciimpact.org/>

Global Reporting Initiative (GRI)

<http://www.globalreporting.org/Home>

Global Social Compliance Programme (GSCP)

<http://www.ciesnet.com/2-wwedo/2.2-programmes/2.2.gscp.objectprincip.asp>

ISO 26000 – Social Responsibility

<http://www.iso.org/iso/home/standards/iso26000>

Lloyd's Register Quality Assurance

<http://www.lrqa.co.uk/>

Ministry of Environmental Protection, PRC

<http://www.zhb.gov.cn/>

Ministry of Human Resources and Social Security, PRC

<http://www.mohrss.gov.cn/Desktop.aspx?PATH=rsbww/sy>

MVO Nederland

<http://www.mvonederland.nl/english/what-is-mvo-nederland>

OECD Guidelines for Multinational Enterprises

[http://www.oecd.org/document/28/0,2340,en\\_2649\\_34889\\_2397532\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/28/0,2340,en_2649_34889_2397532_1_1_1_1,00.html)

United Nations Office of the High Commissioner on Human Rights (OHCHR)

<http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=11164>

SGS Group

<http://www.sgs.com/>

Social Accountability International

[www.sa-intl.org](http://www.sa-intl.org)

Social Resources Institute (SRI)

<http://www.csrglobal.cn/index.jsp>

The Benelux Chamber of Commerce in China

[www.bencham.org](http://www.bencham.org)

The International Council of Toy Industries

[www.icti-toy.org](http://www.icti-toy.org)

The sustainable Trade Initiative

<http://www.idhsustainabletrade.com>

TUV Rheinland Group China

[http://www.chn.tuv.com/eng/news/news\\_list.jsp?catid=2](http://www.chn.tuv.com/eng/news/news_list.jsp?catid=2)

United Nations Global Compact

<http://www.unglobalcompact.org/>

United Nations Guiding Principles on Human Rights and Business

[http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

Verité

<http://www.verite.org/>

World Federation of the Sporting Goods Industry (WFSGI)

<http://www.wfsgi.org/>

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