

Recent CSR Development in China

Comments on the China-Japan-Korea Joint Research

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CSR Movement in China

- Since 2005, CSR has become a hot topic in Chinese social masses and elites
 - More social conflicts rose then
 - Harmonious Society
- Before the 2008 Beijing Olympics, and especially after the Sichuan Earthquake, many Chinese enterprises successively released their CSR reports
 - declaring to be corporate citizens dedicated mainly to philanthropic and public welfare activities.
- However, among the CSR movements, there exist some problems such as the talk-walk gaps of the CSR practice in China.

Chinese Companies and UNGC

- Since 2004, more and more Chinese companies have participated in UNGC.
- Only 99 companies are active till now.
- The candidates we choose are outstanding among these Chinese companies.
 - COSCO, in 2007,2008 and 2009 GRI Sustainability Report evaluation, recognized as the highest level of A +;
 - Minmetals, "2009 China Most Responsible Enterprise" Award
 - Lenovo, ranking the second in Hoogewerf China Enterprises Best CSR 2010
 - Baidu, “200 Most Respected Companies” awarded by Wall Street Journal

Different Characteristics of the Four

- Ownership
 - State-owned: COSCO, Minmetals
 - Non State-owned: Lenovo, Baidu
- Generation
 - Traditional: COSCO, Minmetals
 - Innovative: Lenovo, Baidu

COSCO

▪ Supply Chain Management

- COSCO pays lots of attention to human rights during the process of the supply chain management.
- Sustainable Development Report play important role in supply chain social responsibility management: report release conferences share the experience of improvement in social responsibility to the supplier; provide advice and recommendations to supply chain partners to improve social responsibility and social responsibility report.
- IT platform system realized the regularization of continuous acts of monitor and evaluation, improved the reliability of the supplier information.
- The localization of procurement and hiring local staff contribute to local economics development.

COSCO

▪ Stakeholder Dialogue

- Objective self evaluation
- Sustainable development report is treated as important as financial report. Provide accurate, rich information about sustainable development capacity of COSCO to stakeholder, in order to make sure stakeholder making an accurate judgments.

▪ Gender Issues

- Special team in the COSCO take care the rights and interests of female employee in all levels. COSCO do a lot of effect to improve gender equality.
- Female employees are given special care, especially in the health and fertility.

Minmetals

- The subsidiaries conduct the supply chain management process, which is supervised by the headquarter.
- Different levels and different ways of communication with suppliers

Lenovo

▪ Supply Chain Management

- Completed two-stage suppliers management system
- Pushing suppliers to pay more attentions to CSR through Lenovo's business power; bringing CSR indicators into the contracts; establishing a twofold supervision by document and qualification; including CSR into supplier evaluation system which has direct effect on the cooperative relationship.
- Strict requirements which are higher than the international environment and energy conservation standards in the supply chain management. Although it brings higher costs, Lenovo still build up a high-end brand image from the implementation.
- Multi-channel daily, monthly, quarterly and yearly effective communications

Lenovo

▪ Stakeholder Dialogue

- Centralized establishing and decentralized management. CSR division builds up the whole communication mechanism, and specific communication works are the responsibilities of the relevant divisions.
- For employees, there are congress of workers and staff, and round-table conferences, complaints specialist, audit ministry, company website and magazines. Lenovo was named the global top 50 best employers.
- For agents, agents are called Lenovo partners. Lenovo consultative committee can participate in Lenovo's policy making. Lenovo devotes itself in helping its agents improve operation capacity through helping them to do operation analysis. Other communication forms include Lenovo partner world conference, website, magazines etc.
- Implementing EAP from 2007; hiring an international psychological consulting firm to provide consulting services to employees and their relatives

Lenovo

▪ Gender Issues

- Relatively high female staff number and female executive ratio
- Bringing division and level male/female ratio into cadre evaluation, to encourage managers to pay more attention to this issue
- Extra help to female staff in training courses, office facilities, physical examination and working hours
- Explicitly prohibiting to sexual discrimination in the company's code of conduct, a large number of sections in websites and magazines focusing on gender equality and female employees.

Baidu

▪ Supply Chain Management

- Focus on energy efficiency; achieve economic benefit and social responsibility simultaneously.
- Develop with top suppliers on the word instead of downward management.
- Require most advance servers, which push the innovation of the suppliers.
- High turnover rate of the servers makes the effects of the green polices take place fast
- Donate the expired servers to universities and science institutions; make full use of the resources.

Baidu

- Stakeholder Dialogue
 - Take advantage of Internet company; establish user feedback system, communication platform for clients and stockholders.
- Gender Issues
 - There are adequate women facilities. Baidu does not emphasis on gender difference, and there is no gender discrimination.
- Concerns of the Disadvantaged Groups
 - Develop Baidu Senior for the old to overcome their lack of computer knowledge. Publish Baidu Mangdao for the blind, invite media and the celebrities of the blind to raise social concern of the disadvantaged groups.

Baidu

- Volunteer System
 - The volunteer record is shared with the Central Committee of Youth League. Baidu has individual volunteer record and complete platform to sponsor and organize voluntary activities. It also provides volunteer vacation, votes for 10 excellent volunteers every year.
- Flexible Office Hours
 - Performance appraisal, do not require fixed office hours. Any way to finish the work before deadline is acceptable.

Thank You Very Much!