



**Responsible Competitiveness:
Innovative CSR Approaches in China**

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TIM 10 Alumni Treffen

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Development Center for Chinese CSR(1)

(founded in May 2005, under China WTO Tribune)

Our Main Functions:

- CSR research and publication
- CSR consulting
- CSR workshop, forum, and exhibition
- CSR training
- Disseminating and reporting CSR news and information



Development Center for Chinese CSR(2)

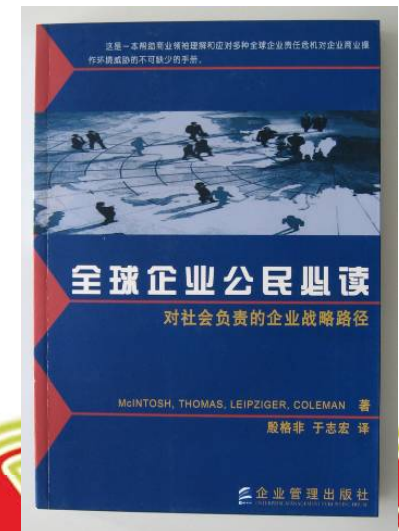
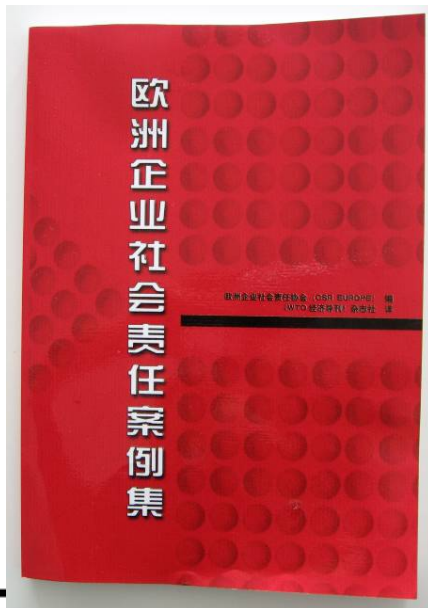
➤ CSR research and publications

Book 1: European CSR Cases

Book 2: Responsible Competitiveness – Global Best CSR Practices

Book 3: Guide to CSR

Book 4: Living Corporate Citizenship: Strategic Routes to Socially Responsible Business >(Chinese translation)

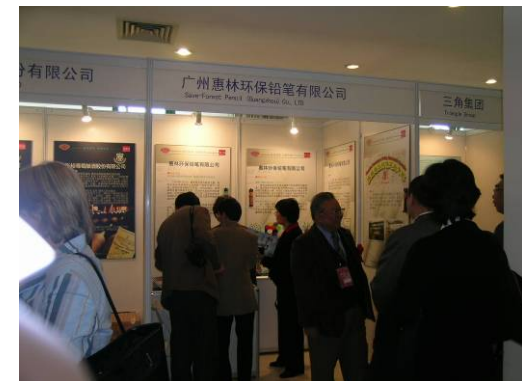
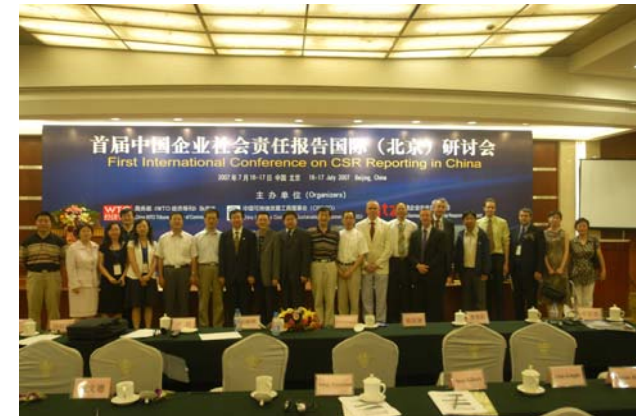


CHINA

Development Center for Chinese CSR(2)

➤ CSR workshop, forum, exhibition and training

**Since 2004 :3 international CSR forums; 4CSR workshops;
2 CSR cases exhibitions; 4 trainings**



Development Center for Chinese CSR(3)

➤ CSR consulting

Our clients:

- State Grid Corporation of China
- China Huaneng Group
- PEPSI China
- FIAS (World Bank)



Development Center for Chinese CSR(4)

- Disseminating and reporting CSR news and information
- International cooperation with : CSR Europe, BSR(USA), CBCC (Japan), BSCI (Europe) etc.



Responsible Competitiveness & Innovative CSR Approaches

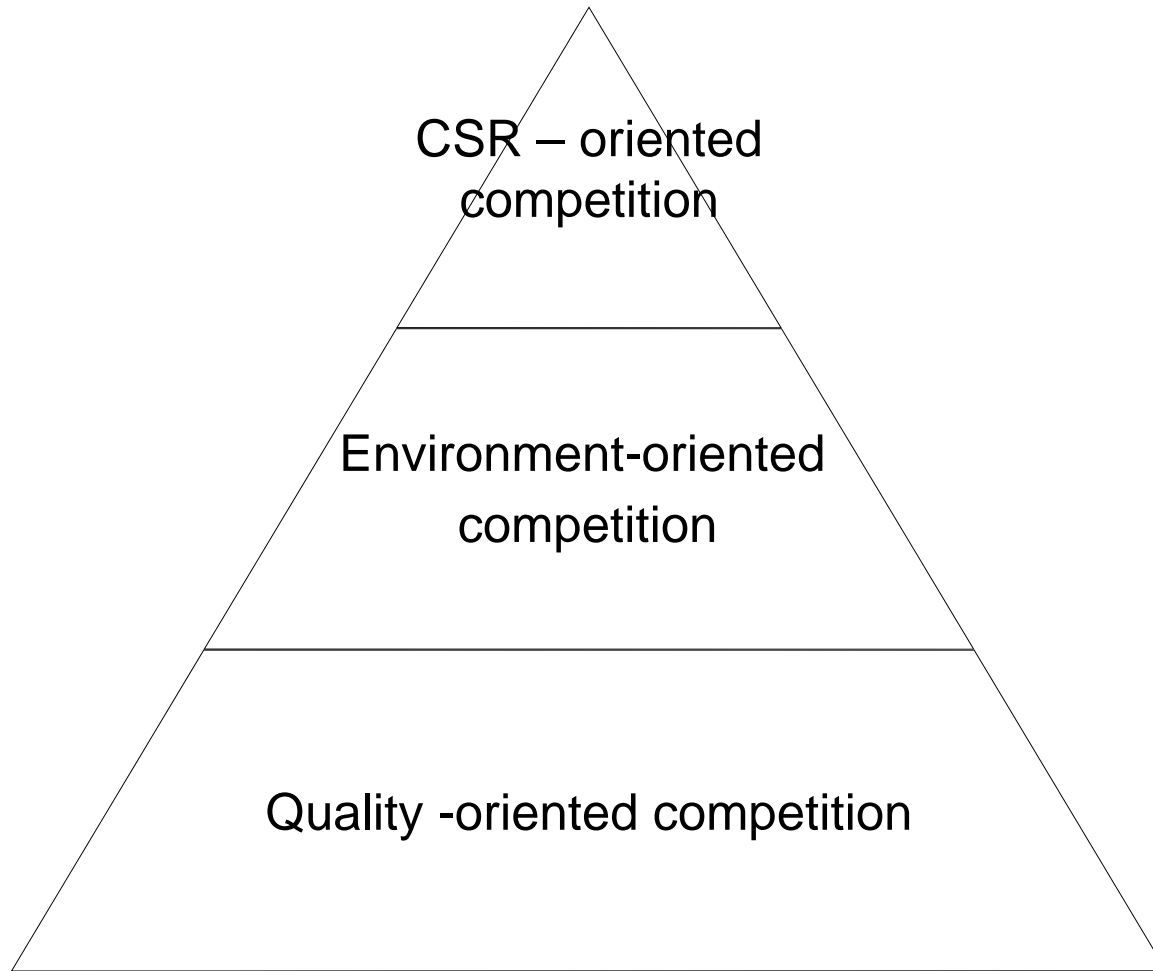
- What is the challenge that CSR brings?
 - Responsible Competitiveness
- How to realize responsible competitiveness?
 - Innovative CSR Approaches in China
- Case Study: Integrate responsibilities into the core business process



Development Phases	Market-oriented Competition	Environment-oriented Competition	CSR-oriented Competition
Business Purpose	Responsible to shareholders	Responsible to environment & shareholders	Responsible to stakeholder, including shareholders
Competition rules	Low-price & high quality	Low-price & high Quality based on the environment	Low-price & high quality based on the responsibility to stakeholder
Objective of management	Product	Product +environment	Product +environment +people
Management target	Improve quality + reduce cost	Improve quality + reduce cost + protect environment	Improve quality +reduce cost + protect environment + care people
Management system	ISO9000 (1987)	ISO9000+ ISO14000 (1997)	ISO9000+ISO14000 +ISO26000 (2009)
Business vision	Shareholder's company	Shareholder's company concerning environment	Stakeholder's company



Competition Phase of Chinese Enterprises



Innovative CSR Approaches

➤ An innovative notion:

A company makes use of its professional advantages to solve the social, environment and employees' problems which the CSR concerns. When fulfilling the requirements of CSR, the company achieves economic benefits in the mean time. That is, the company's responsible competitiveness is strengthened.



Innovative CSR – Responsible Competitiveness

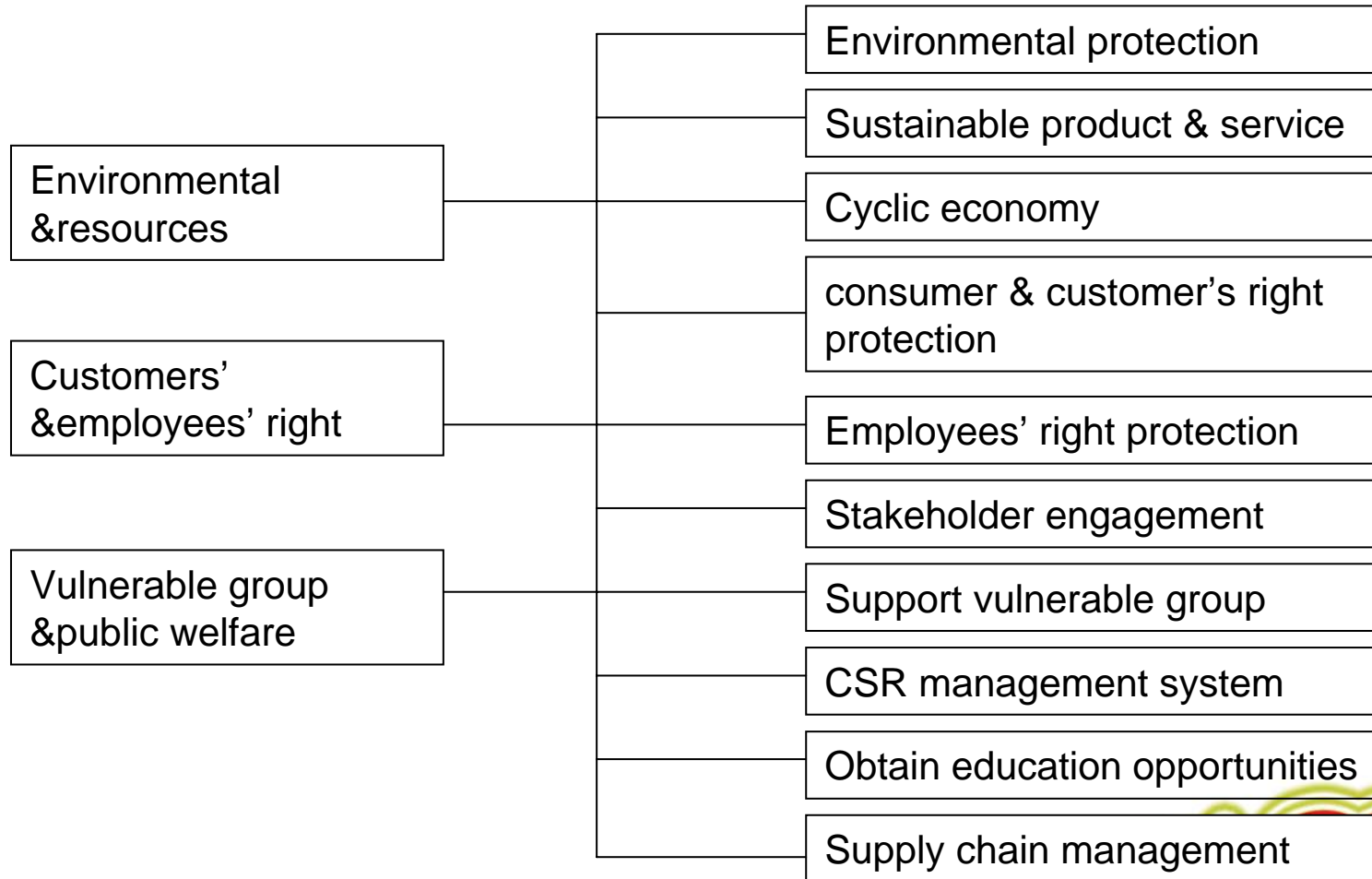
- **Innovative practice**

How to realize responsible competitiveness?

Integrate responsibility into the core business process



Innovative CSR approaches in China



Case 1: Potato out of Dessert(1)

PEPSI China has been planting potato in inner Mongolia



Case 1: Potato out of Desert (2)



Before - Dessert

Present - Oasis



Case 1: Potato out of Dessert (3)

Professional advantages:
Capital, Technology and
Technician

Business problem:
get high quality
potato in China

Solve the problems in
environment, economy
and society



Case 1: Potato out of Dessert (4)

Since 1998, three farms have been constructed. The total area is 1000 ha. The yield is 39 tons/ha.

Environmental benefits

1000 ha desert becomes fertile land

Economical benefits

The price for raw material is decreased from 1100 RMB/ton to 950 RMB/ton. Almost half amount of the raw material can be provided by the farms.

Social benefits

The farms form a green wall to protect the local fields. The local farmers get the employment opportunities. The safety of raw material is securitized. The farms development is a good demonstration for attracting investment



Case 2: Huilin Pencil out of Old Newspaper (1)

Old newspaper replaces wood in pencil-making



Pencil from old newspaper



Pencil from wood



Case 2: Huilin Pencil out of Old Newspaper (2)

Professional advantages:

Patent in replacement woods with old newspaper in pencil-making

Environment problem:
Woods depletion

Solve the problems in environment, economics and society



Case 2: Huilin Pencil out of Old Newspaper (2)

Results

Environmental benefits

1 ton old newspaper = 180 000 pens = 6M3 woods

Clean and toxic-free material

Economical benefits

win more customers and pencils market with high quality and safe product

Social benefits

Good working conditions for employees, Advocate green consumption, Increase the public's environmental awareness



Conclusion

- **Help in understanding CSR in a comprehensive way**
- **Innovative CSR Approaches help clarify the misunderstanding of CSR in China**

CSR=Company is acting as a society

CSR=Donation

CSR=SA8000

CSR=Trade Barrier

CSR=A burden to a company



● Innovative CSR Matrix: Business Process vs. Responsibility

Responsibility \ Business process	Environment	Economics	People
Purchase	X	X	X
Production	X	X	X
Sales	X	X	X
After-sales service	X	X	X

Thank You !

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