

China's Policy Shift on B&HR and CSR in Overseas Investments

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- Human rights: an integral part of CSR in Chinese policy?
- ✓ China's favorable vote on ISO 26000 (2010) and draft national Social Responsibility Standard (forthcoming 2014-15)
- ✓ Statement by the Chinese rep. at UN HRC (2011)
- ✓ Continuously reiterated by recent industrial CSR guidance/guidelines
 1. CHINCA Guidance (2010)
 2. CESA Guide (2012)
 3. SMEC Guidance for SMEs (2013)
 4. CCCMC Guidelines (2014)

- Policy shift in CSR for overseas investment: from protecting Chinese investment and personnel to guaranteeing social license based on due diligence and localization
- ✓ *Interim Measures for the Supervision and Administration of Overseas Investment by Central Enterprises* (SASAC, May 2012)
- ✓ *Guidance on Environmental Protection in Foreign Investment and Cooperation* (MOFCOM&MEP, 2013)
- ✓ *Regulation on Overseas Investment* (MOFCOM, as revised in 2014)

As opposed to:

- X *Regulation on Safety Management of Overseas Chinese-invested Enterprises, Institutions and their Personnel* (by 7 ministries including MOFCOM, MFA, SASAC & MPS, Aug. 2010)
- X *Guidelines on Employee Management of Overseas Chinese-invested Enterprises/Institutions* (MOFCOM, MFA, SASAC & All-China Federation of Industry and Commerce, 2011)
- X *Guidelines on Safety Management of Overseas Chinese-invested Enterprises, Institutions and their Personnel* (MOFCOM, Feb. 2012)



Thank you!



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Business and Human Rights in Chinese Policy and Practice – Learnings from Projects in China

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External and domestic drivers

- More overseas operations – increasing pressure on companies to meet standards
- Social unrest and protest, discrimination, environmental degradation, corruption
- Changing state-society dynamics - calls for transparency, public participation and accountability
- Stability and development at all cost → sustainable and human-centered development
- "Rule of Law Plenum"



Our work on B&HR in China



- 2013 event series: *Sustainable Business and Investment in the Global Context: Rights, Risks and Responsibilities*
- 2013-2014 case study project: *The Corporate Responsibility to Respect: Connecting the UN Guiding Principles and Chinese Corporate Practices*



Our work on B&HR in China



- 2014 *Sino-Swedish Training Programme on CSR for Central SOEs*
– first time Chinese SOEs trained on UNGPs



Learnings and conclusions

- Now is an important and dynamic period - clear interest from Chinese companies
- Moving from traditional CSR to addressing impacts, looking at issues through a HR lens
- Need for Chinese government policy and guidelines on UNGPs
- Double standards? Chinese companies overseas as well as MNCs in China



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