

Industry/business use of 'complementary measures' for decarbonisation: Looking beyond pricing and regulation to voluntary and other approaches

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Corporate Social Responsibility as a global norm

- Companies integrate social and environmental concerns into their business operations and in their interaction with the stakeholders on a voluntary basis (Commission of European Communities, 2001)
- Global Forum for RBC at OECD: CSR vs. CSI vs. RBC, social license to operate
- Green-washing vs. business case, risk and opportunities

CSR in China- Drivers

- 2007 State council calls for the “protect the legitimate rights and interests of local employees, to pay attention to environmental resource protection, care and support of the local community and preserve our good image and reputation”.
- Ministry of Environmental Protection (MEP) and the China Banking Regulatory Commission (CRBC) established a ‘green credit system’ which aims to restrict the availability of credit to companies in violation of environmental laws.
- 2008 CSR guidelines announced by the Chinese State-owned Assets Supervision and Administration Commission (SASAC)
- April 2011: New SASAC website disclosure and contact details for 119 SOEs

Leading Chinese companies implementing CSR

- ISO14001, ISO26000, UN Global Compact, Natural resources initiatives such as EITI, Equator Principles, Kimberley Process, Forest Stewardship Programme, ICMM etc.
- 2012: 1, 722 Chinese companies published CSR reports; 22.6% SOEs; 9.4% private enterprises
- SOES: COSCO (Chinese shipping company), awarded Model Practice Company by Global Compact in 2010.

Leading Chinese companies implementing CSR

- Sinohydro in accordance to the ISO14001 and OSHAS requirements, actively promote recycling waste, preventing pollution and ensuring safety for its staff. Most important, there is an integration of the environmental aspects into their tender submission to ensure their business consider the environmental aspect of the project.
- Green washing? Baosteel: 2013, reported emitting heavy metals-polluting air, land and water. CNPC- Jilin Province, polluting underground water

Recent changes and challenges

- CSR in China: 30 years behind- philanthropy, aid, infrastructure, sun bear
- Increasing positive change- China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters (CCCMC) recently developed guidelines for resource mining with OECD and Global Witness
- Chinese investment model overseas- more problematic

Angola- oil extraction

- China- Financial and technical assistance
- CCB and Exim Bank major lenders- Equator principles
- CIF and GRN- transparency issues
- Sinopec- CSR: supply, security and environmental responsibilities

SOE CSR- Sinopec

“Sinopec is clearly aware of the importance to hold a scientific development view and to realize the sustainable development. Sinopec has its social responsibilities to fulfil, such as reasonable exploitation and use of resources, full promotion of clean production, assurance of production safety and employee health, delivery of environment-friendly products, maintaining a positive coordinated development of society and environment.”

President, Mr Wang Jiming, 2007

Sinopec

- Pollution from oil exploration: Marine and biological resources
- Lack of EIA detailing environmental implications published
- Angola with environmental legislation: enforcement and coordination problem
- Enclavic development

Why?

- Community engagement: Language and understanding of local culture
- Skills and abilities- What is CSR? Schools? Hospitals?
- Lack of coordination- Beijing headquarters and in field operators
- Business cooperation model- influence and power

China: Global Responsibilities

- Socialising China into global norms of governance and environmental protection.
- Need to adapt international standards for Chinese context.
- Balancing act of energy and environmental security, Profit versus responsibilities
- Local social-political structure and environmental conditions
- Implementation and enforcement issues- follow up.
- Knowledge, skills and know-hows

THANK YOU.
Any questions?