LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

1. Business Ethics

**Guiding Principles:** Companies are expected to uphold the highest standards of integrity and to operate honestly and equitably throughout the supply chain in accordance with local laws.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Relevant local legislation</th>
<th>Brief analysis</th>
</tr>
</thead>
</table>
| 1. Responsible Sourcing of Materials | The *Guide for Corporate Green Procurement (For Trial Implementation)*, which came into force on January 1, 2015.  
  o Scope of the Guide:  
    - The Guide is applicable for all procurement of raw materials, goods, and services of enterprises up and down the supply chain.  
    - The Guide defines green procurement, and illustrates the responsible sourcing activities that the State promotes.  
  o Key points for suppliers:  
    - The State supports and promotes that enterprises conduct responsible sourcing and establish managerial system for green supply chain.                                                                                                                                                                                                                                           | The Guide for Corporate Green Procurement (For Trial Implementation) is a non-compulsory principle which sets basic requirements similar to the Guiding Principles and the Practical Guidance. The Guide only focuses on the ecological and environmental impacts of procurement, whereas the Practical Guidance emphasizes human rights and business ethics issues as much as ecological and environmental issues. Moreover, the Practical Guidance sets higher requirements than the Guide in some perspective, e.g. the Practical Guidance requires enterprises to conduct due diligence on raw material sourcing. In addition, China has issued *Green Manufacturing Project Implementation Guidance (2016-2020)* and *Green Supply Chain Management Evaluation Index System for Enterprises in Automobile Industry*, and brought up guide and evaluation index requirements for green supply chain management of automobile industry from the macro perspective. |

*Link to the Chinese text*

Section 3 (4) of the *Green Manufacturing Project Implementation Guidance (2016-2020)* issued by the Ministry of Industry and Information Technology (MIIT) in September, 2016  
  o Scope of the section:  
    - With enterprises as subjects, standards as guidance, green products, green factories, green industrial parks, and green supply chain
Expectations towards suppliers as defined in the Guiding Principles and local legislation

- As stress points, green manufacturing service platform as supporter, the section encourages the promotion of green management and certification to reinforce model guidance, and push the development of green manufacturing system in all rounds.

  - Key points for suppliers:
    - Depending on industry-leading enterprises like automobile companies, electric and electronic companies, communication companies, large complete equipment manufacturing companies, etc., with the support of green supplier selection criteria and the system of extended producer responsibility, the section encourages to accelerate the establishment of resource-conserving and environmental friendly procurement, production, marketing, recycle and logistics systems.
    - Proactively apply information technologies like the Internet of Things (IoT), big data and cloud computing, etc. to establish the management system of green supply chain, improve green supply chain regulations of procurement, suppliers, and logistics, etc., and carry out pilots for green supply chain management.
    - By 2020, achieve substantial progress in establishing green supply chain management system and the system of extended producer responsibility in key industries.

Link to the Chinese text:

*National Mineral Resources Planning (2016-2020)*

- Issued on November 2016

  - Scope of the Planning:
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Provides the basis and guidance of standardizing the behaviour of resources exploration and exploitation and utilization

  o Key points for suppliers:

    - As the key objects of macro-control and supervision and management, 24 minerals are listed in the strategic mineral catalogue, which includes gold, tungsten and tin, which are internationally recognized as "conflict minerals"

    - The government will accelerate the introduction of domestic regulations on "conflict minerals" and promote the certification of "non-conflict minerals" in China. While actively preventing "conflict minerals", the government will promote the trade of "non-conflict minerals" and maintain a fair development environment for enterprises

    - Enterprises should abide by relevant laws and regulations, assist the government in promoting the "Going Global" of China's mining enterprises, and create a better environment for China's mining enterprises to invest in and cooperate with foreign countries

Link to the Chinese text

Related contents of green procurement and supplier management in the Green Supply Chain Management Evaluation Index System for Enterprises in Automobile Industry issued by MIIT on January 17, 2019

- Scope of the system:

  - The system applies to automobile parts assembly enterprises that mainly produce engines, transmissions, energy-storage
**LEGISLATION SUMMARY: CHINA**

*Expectations towards suppliers as defined in the Guiding Principles and local legislation*

<table>
<thead>
<tr>
<th>batteries, etc. and the car M1 manufactures certified by the <em>Announcement of Road Motor Vehicle Manufacturing Enterprises and Products</em> in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The index system specifies the technological requirements for auto industry on green supply chain management, and separates the evaluation indexes for automobile enterprises into five aspects: the index of green supply chain management strategies, the index of green procurement and supplier management, the index of green production, the index of green consumption and recycle, and the index of green information platform construction and information disclosure.</td>
</tr>
<tr>
<td>• The index system applies to green supply chain management evaluation, the implementation and perfection of green supply chains, performance evaluation of green supply chain management of the manufacturing enterprises that mainly produce automobile products or parts assembly.</td>
</tr>
<tr>
<td>o Key points for suppliers:</td>
</tr>
<tr>
<td>• Current supplier selection criteria and management should specify requirements of providing material data, and issue and effectively implement green procurement guide. E.g. upstream suppliers should establish green supply chain management system, and specify in their supplier selection criteria requirements on suppliers uploading material data via the industry information platform.</td>
</tr>
<tr>
<td>• Pass ISO 14001 Certification or GB/T 24001 Certification</td>
</tr>
</tbody>
</table>
### Legislative Summary: China

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td></td>
<td>o Scope of the chapter:</td>
</tr>
<tr>
<td></td>
<td>o The definition of and punishment for corruption, embezzlement, extortion, and bribery offenses of individuals or units.</td>
</tr>
<tr>
<td></td>
<td>o Key points for suppliers:</td>
</tr>
<tr>
<td></td>
<td>o Enterprises should be aware of the offenses outlined in the chapter.</td>
</tr>
<tr>
<td></td>
<td>o It is a criminal offense that individuals or enterprises offer directly or indirectly through a third party something of value in exchange of unfair business advantages.</td>
</tr>
</tbody>
</table>

### Anti-Corruption

Relevant regulations on corruption and bribery crimes in Chapter VIII of *Criminal Law of the People’s Republic of China* (2015 Revision)

- **Scope of the chapter:**
  - The definition of and punishment for corruption, embezzlement, extortion, and bribery offenses of individuals or units.

- **Key points for suppliers:**
  - Enterprises should be aware of the offenses outlined in the chapter.
  - It is a criminal offense that individuals or enterprises offer directly or indirectly through a third party something of value in exchange of unfair business advantages.

Criminal Law of the People’s Republic of China is a mandatory national law against all corruption offenses which sets basic requirements similar as the Guiding Principle and the Practical Guidance. Meanwhile, the Guiding Principles and the Practical Guidance sets further requirements that enterprises shall actively work against corruption beyond complying with the law.

### Privacy

Relevant provision of Chapter IV of Part II on crimes of violating the personal and democratic rights of citizens of *Criminal Law of the People’s Republic of China* (2015 Revision)

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- **Scope of the chapter:**
  - The definition of the crime of violating the freedom of communication and personal information of citizens, the crime of disassembling, concealing, discarding mail and telegrams, and other crimes, as well as the basis of punishment and sentencing

- **Key points for suppliers:**
  - It is against the law to infringe upon the freedom of communication, personal freedom of others, and to damage their personal information and personal safety
  - Selling or offering personal data information is a criminal offense, which can be punished up to 7 years in prison with penalty.

The Guiding Principles and the Practical Guidance supplement the requirements specifically for enterprises. Beyond the compliance of the enterprise itself, the enterprise is expected to cascade these principles and contractual obligations to its sub-suppliers and itself, and conduct compliance management on them. Besides complying with the law, the enterprise shall refrain from using personal data for any purposes beyond the scope of the business arrangement and putting in place appropriate measures to respect privacy and to protect personal data.

**Relevant provisions concerning the fundamental rights of citizens in article 35-40 of Constitution of the People’s Republic of China (2018 revision) of the fundamental rights of citizen**

- **Scope of the articles:**
  - Citizens of the People’s Republic of China are entitled to preserve their own privacy without violation.

- **Key points for suppliers:**
  - Any government administration, nongovernmental organization, and individual shall not violate the privacy and freedom of citizen’s communication.
4. Financial Responsibility/Accurate Records


- Scope of the chapters:
  - Regulation of financial and accounting information policies of a company.

- Key points for suppliers:
  - A company shall establish its financial and accounting policies in accordance with the requirements of laws and regulations;
  - A company shall provide the employed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and may not refuse, hide or misrepresent (the provision of) such information.

Legal provisions on financial responsibility/precise recording, similar to provisions on Guiding Principles and Practical Guidance, suggest that a company has the responsibility and obligation to ensure the accuracy, truthfulness and completeness of accounting information. The Chinese law has a more diverse understanding and regulation of financial responsibility/precise recording performers, such as behavioral norms for third-party accounting institutions and accounting personnel.

Link to the Chinese text


- Scope of the chapter:
  - Requirements for uniform quality standard of accounting information reflecting the operational status of an enterprise.

- Key points for suppliers:
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- The accounting information provided by an enterprise shall comply with the requirements of timeliness, truthfulness, reliability, completeness, comparability and clarity.

- An enterprise shall maintain due diligence in accounting confirmation, measurement and reporting of transactions or events, and shall not overestimate assets or gains, or underestimate liabilities or expenses.

Link to the Chinese text

The Accounting Law of the People's Republic of China regulates the accounting policies of a company in Chapter I (General Provisions), Chapter III (Special Provisions for Accounting of Companies and Enterprises), Chapter V (Accounting Institutions and Accounting Personnel) and Chapter VI (Legal Liability), respectively.

- Scope of the chapter:
  - Regulation of the behaviors of accounting institutions and accounting practitioners and the accounting policies of a company.

- Key points for suppliers:
  - All accounting behaviors should be carried out in accordance with the law to ensure the truthfulness and completeness of accounting materials;
  - No accounting institution or accounting personnel may, on its own or under instruction, instigation or injunction of any entity or individual, falsify or alter accounting materials or provide false financial accounting reports.
### Disclosure of Information


- **Scope of the chapter:**
  - Provisions on the management and supervision of information disclosure behaviors of listed companies that issue shares;
  - Clarification of violations and punishment provisions.

- **Key points for suppliers:**
  - The sponsor and the securities regulatory authority under the State Council shall have the responsibility for reviewing, supervising and directing the controlling shareholders and the information disclosure obligors of a listed company;
  - It is illegal for a listed company or other information disclosure obligors to disclose information in violation of relevant provisions, or if the information disclosed has false records, misleading statements or major omissions.

The laws and regulations of China are limited to the relevant provisions on information disclosure of listed companies, and the basic principles are consistent with the requirements of the Guiding Principles and Practical Guidance. Chinese laws have clear provisions on the main bodies responsible for information disclosure of listed companies, national regulatory institutions and publishing platforms while the Practical Guidance have more extensive requirements for the content of information disclosure than Chinese laws. For example, the practical guidelines supplement information disclosure requirements for labor, health and safety behaviors, environmental behaviors, etc.

*Link to the Chinese text*
Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>The <strong>Administrative Measures for the Disclosure of Information of Listed Companies</strong>, which came into force on January 30, 2007, regulates information disclosure of listed companies in detail.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of the chapter:</strong></td>
</tr>
<tr>
<td>• Regulation of the content and management of information disclosure of listed companies, and the disclosure conditions for regular reports and interim reports;</td>
</tr>
<tr>
<td>• Regulation of the behaviors of information disclosure management personnel in listed companies, and clarification of the punishment methods for violations.</td>
</tr>
<tr>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td>• A listed company should disclose the operation of the company on time according to relevant provisions, issue quarterly, interim and annual reports, and ensure that the information is true, accurate, complete, timely and fair;</td>
</tr>
<tr>
<td>• In case of any event in major policies or finance of a company, the company shall issue an interim report in a timely manner;</td>
</tr>
<tr>
<td>• A company is obliged to ensure that the disclosed information is published first in the media designated by the CSRC.</td>
</tr>
</tbody>
</table>

[Link to the Chinese text]
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<table>
<thead>
<tr>
<th>Relevant provisions of Chapter IV (Establishment and Organizing Institutions of a Company Limited by Shares), Chapter V (Issuance and Transfer of Shares of a Company Limited by Shares) and Chapter VI (Qualifications and Obligations of Directors, Supervisors and Senior Management of a Company) in the <em>Company Law of the People's Republic of China</em>, which came into force on March 1, 2014.</th>
</tr>
</thead>
</table>
| o **Scope of the chapter:**  
  - Regulation of the information disclosure behaviors of listed companies and the behaviors of management personnel in general. |
| o **Key points for suppliers:**  
  - A listed company has a Secretary to the Board of Directors responsible for the preparation of shareholders' general meetings and meetings of the Board of Directors of the company, the keeping of documents and the management of information on the company's shareholders, the handling of information disclosure matters, etc.;  
  - Directors and senior management of a company may not disclose the information of the company without authorization. |

[Link to the Chinese text](#)
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<table>
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<tbody>
<tr>
<td></td>
<td><strong>Scope of the chapter:</strong></td>
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<td></td>
<td>- This law applies to monopolistic acts in economic activities within the territory of the People’s Republic of China, and also applies to foreign monopolistic acts that have an excluding or restricting influence on market competition within the territory of the People’s Republic of China;</td>
</tr>
<tr>
<td></td>
<td>- Operators, i.e. natural persons, legal persons and other organizations engaged in commodity production, operation or service provision, shall abide by this law. The State Council has an anti-monopoly committee responsible for organizing, coordinating and guiding anti-monopoly work;</td>
</tr>
<tr>
<td></td>
<td>- This law stipulates the definitions of monopolistic acts and monopoly agreements, the duties of administrative organs, the process of monopoly investigations and the corresponding legal responsibilities.</td>
</tr>
<tr>
<td></td>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td></td>
<td>- Operators shall pay attention not to reach monopoly agreements, not to abuse the dominant position of the market, and not to have or conduct operator concentration acts with excluding or restricting competition effects. If an operator violates the above provisions, it will be investigated and punished by the anti-monopoly law enforcement institution of the State Council, and if losses are caused to</td>
</tr>
</tbody>
</table>

The provisions of Chinese laws and regulations on fair competition/anti-monopoly are basically the same as the requirements of the Practical Guidance. It is also clearly stipulated in Chinese laws that a state administrative organ or an organization that has the function of managing public affairs may not affect normal competition and operation acts in the market economy.

The business practices that shall be avoided as clarified in the Guiding Principles are illegal business practices, including restrict competition, improper competition information exchange, price monopoly, collusive bidding, improper market allocation, etc.
## LEGISLATION SUMMARY: CHINA

### Expectations towards suppliers as defined in the Guiding Principles and local legislation

If the Concentration of Undertakings meets the reporting standards set by the State Council, it shall be reported to the anti-monopoly law enforcement institution of the State Council;

- If the Concentration of Undertakings meets the reporting standards set by the State Council, it shall be reported to the anti-monopoly law enforcement institution of the State Council;

- M&A of domestic enterprises by foreign investors or other Concentration of Undertakings involving state security shall be subject to security inspections by state organs in accordance with relevant provisions;

- A state administrative organ or an organization that has the function of managing public affairs shall not abuse its rights, or limit, limit in disguise or impede the normal market competition or behaviors of operators.


<table>
<thead>
<tr>
<th>Scope of the chapter:</th>
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<tbody>
<tr>
<td>- Explanation of what is unfair competition behavior, and regulation of investigations into unfair competition behaviors and legal liability of unfair competition bodies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key points for suppliers:</th>
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<tbody>
<tr>
<td>- If an operator in any form intends to confuse and counterfeit commodities of others, contacts commodities of others, obtains competitive advantage through bribery, displays false advertisements to consumers, deceives or</td>
</tr>
</tbody>
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**Link to the Chinese text**

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### Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th><strong>Suppliers’ Responsibilities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- misleads consumers, or infringes on trade secrets, it conducts an unfair competition act;</td>
</tr>
<tr>
<td>- The supervision and inspection authority may inspect and investigate unfair competition acts according to law.</td>
</tr>
</tbody>
</table>

The Company Law of the People’s Republic of China and the Guiding Principles are consistent in terms of the basic principles for conflict of interest. The Company Law of the People’s Republic of China states that when making decisions, a company must not influence the impartiality due to its related party relationship; the Guiding Principles clarify that a company may not make decisions based on personal preferences.

In addition, China has issued the *Measures for the Administration of Corporate Overseas Investment* to regulate overseas investment by enterprises. Any overseas investment that may endanger Chinese sovereignty, security and public interest; violate any Chinese laws and regulations is prohibited.

### 7. Conflicts of Interest

Relevant provisions of Chapter I (General Provisions) in the *Company Law of the People’s Republic of China*, which came into force on March 1, 2014.

- **Scope of the chapter:**
  - Stipulation of fairness and impartiality of decision-making behaviors of a company.

- **Key points for suppliers:**
  - Shareholders of a company shall obey laws, administrative regulations as well as articles of association of the company, and exercise shareholders’ rights according to law. The rights of shareholders shall not be abused to harm the interests of the company or other shareholders, and the independent status of the company’s legal person and shareholders’ limited liability shall not be abused to damage the interests of creditors of the company;
  - The controlling shareholder, de facto controller, directors, supervisors and senior management of a company shall not use their related party relationship to damage the interests of the company.

*Measures for the Administration of Corporate Overseas Investment* came into force on March 1, 2018.
### LEGISLATION SUMMARY: CHINA

#### Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>Scope of the measure:</th>
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<tbody>
<tr>
<td>- Measures for improving the supervision throughout the whole course of overseas investment, in order to promote the continuous and healthy development of overseas investment, and protect national interest and security</td>
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</table>

<table>
<thead>
<tr>
<th>Key points for suppliers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Overseas investment by enterprises should not endanger Chinese sovereignty, security and public interest, or violate any Chinese laws and regulations</td>
</tr>
<tr>
<td>- Overseas investment by enterprises should not breach any international treaty to which China is a party; or violate any policies concerning national development plans, macro-control policy, industrial policies and the reform and opening up policy.</td>
</tr>
</tbody>
</table>

**Link to the Chinese text**

#### 8. Counterfeit Parts

Relevant provisions of Section I of Chapter III, Part II (Division of Duties) on crime of disrupting the order of the socialist market economy in the *Criminal Law of the People's Republic of China*, which came into force on November 1, 2015.

<table>
<thead>
<tr>
<th>Scope of the chapter:</th>
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</thead>
<tbody>
<tr>
<td>- Clarification of behaviors of the crime of producing and selling fake and inferior commodities and the corresponding punishments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key points for suppliers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant provisions of the Criminal Law of the People's Republic of China and the requirements of the Guiding Principles and Practical Guidance are consistent in terms of the basic principles for counterfeit parts. The Practical Guidance has more requirements for the behaviors of a company. For example, a company shall establish an effective mechanism to avoid the use of counterfeit parts and establish an inspection mechanism for counterfeit parts; if any counterfeit part is found, the OEM and relevant legal departments shall be notified in a timely manner.</td>
</tr>
</tbody>
</table>
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

- Producers and sellers may not dope or adulterate their products, or pose fake products as genuine, shoddy products as good or unqualified products as qualified products.

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<td>o Scope of the chapter:</td>
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<tr>
<td></td>
<td>- Definition of behaviors of individuals and entities that infringe on trademark rights, copyrights, patents and trade secrets and clarification of provisions on the corresponding punishments.</td>
</tr>
<tr>
<td></td>
<td>o Key points for suppliers:</td>
</tr>
<tr>
<td></td>
<td>- Understand behaviors that infringe on trademark rights, patents, copyrights and trade secrets among infringement on intellectual property rights;</td>
</tr>
<tr>
<td></td>
<td>- Infringement on intellectual property rights is illegal and will be subject to criminal punishment.</td>
</tr>
</tbody>
</table>

In terms of intellectual property right protection, provisions of relevant Chinese laws and the Guiding Principles are similar. Both require an enterprise to respect and protect intellectual property rights. The definition of intellectual property rights in Chinese laws is broader and punishments for infringement on intellectual property rights are supplemented. Except for protection of intellectual property of Chinese enterprises, China has also issued *Foreign Investment Law of the People's Republic of China* to explicitly regulate on protection of intellectual property of foreign investors and corporations.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation


- Scope of the chapter:
  - Clarification of methods and measures for dealing with intellectual property right issues involved in foreign trade of the State.

- Key points for suppliers:
  - The competent foreign trade department under the State Council protects intellectual property rights related to foreign trade;
  - The People’s Republic of China provides protection for overseas intellectual property rights of legal persons, other organizations or individual nationals based on international treaties or agreements concluded or participated.

**Link to the Chinese text**

Article 22 of the Foreign Investment Law of the People’s Republic of China, which will come into force on January 1, 2020, regulates on protection the intellectual property of foreign invested enterprises.

- Scope of the article:
  - The article explicitly regulates China’s protection of intellectual properties of foreign investors and foreign-invested enterprises

- Key points for suppliers:
  - China protects the intellectual property of foreign investors and foreign-invested enterprises, and the intellectual property rights
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<table>
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<tbody>
<tr>
<td>o Scope of the chapter:</td>
<td>- Stipulation of regulations to be obeyed and procedures to be followed in different situations for technologies prohibited and restricted from import and export.</td>
</tr>
</tbody>
</table>
| o Key points for suppliers: | - For technologies prohibited from import and export, the State strictly prohibits their import and export;  
- For technologies restricted from import and export, the State implements permit management, and import and export are allowed in the case of fulfilling certain approval procedures;  
- The competent department in charge of foreign economy and trade under the State Council, in conjunction with the relevant departments under the State Council, formulates, adjusts and publishes catalogues of technologies prohibited or restricted from export. |

The Practical Guidance stipulates that provisions of export restrictions and economic sanctions of all relevant countries shall be observed. On this basis, the Practical Guidance suggest that a company shall establish relevant policies, including compliance management commitments, regular training of relevant personnel, review mechanisms for business partner, corresponding contractual terms, internal audit systems, and mechanisms for possible violation reporting and remediation.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

Relevant provisions of the China Catalog of Technologies Prohibited or Restricted from Export

- Scope of the chapter:
  - Clear stipulation of technologies prohibited and restricted from import and export through the Chinese customs.

- Key points for suppliers:
  - The catalogue identifies technologies prohibited and restricted from export in China.

Link to the Chinese text


- Scope of the chapter:
  - Definition of the requirements and norms of engagement in foreign trade activities (including goods, technologies and services) for foreign trade operators (foreign trade operators are the legal persons or other organizations engaged in foreign trade operations in accordance with the law).

- Key points for suppliers:
  - Application conditions for goods, technologies and services prohibited and restricted from import and export;
  - Implement quota or permit management for goods restricted from import and export, and
# LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

- Implement permit management for technologies restricted from import and export;
  - The competent department in charge of foreign economy and trade under the State Council and other relevant departments under the State Council are the management bodies that restrict the quota allocation of or the permits distribution of the import and export.

## Relevant content of the Catalog of Goods Prohibited from Import and the Catalog of Goods Prohibited from Export of China

<table>
<thead>
<tr>
<th>Scope of the chapter:</th>
<th>Key points for suppliers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear stipulation of goods prohibited from import and export through the Chinese customs.</td>
<td>The two catalogues respectively identify raw materials, appliances and other articles that are prohibited from import and export in China.</td>
</tr>
</tbody>
</table>

## 11. Protection of Identity and Non-Retaliation

- Relevant provisions of the Several Provisions on Protecting and Rewarding the People Who Reports Duty Crimes, which was jointly issued by the Supreme People's Procuratorate, the Ministry of Public Security and the Ministry of Finance
  - The provisions clarify the protection and reward system for the people who reports duty crimes.

- Relevant Chinese regulations for personal information protection and non-retaliation are limited to the behaviour of reporting duty crimes. The Guiding Principles and Practical Guidance clarify the requirements for an enterprise in personal information protection and non-retaliation. For example, an enterprise shall establish an appeal mechanism to protect employees or business partners from threats, harassment and other retaliations, and formulate relevant...
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Key points for suppliers:
  - The State encourages and protects the duty crime reporting;
  - The People's Procuratorate shall keep confidential the reporting materials and personal information of the people who reports the duty crimes.

Link to the Chinese text

2. Working Conditions and Human Rights

Guiding Principles: Companies should respect the human rights of workers, and treat all people with dignity as recognized by the international community.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Relevant local legislation</th>
<th>Brief analysis</th>
</tr>
</thead>
</table>
| 1. Child Labour and Young Workers | Article 38 and Article 68 of Law of the People’s Republic of China on the Protection of Minors, which came into force on June 1, 2007, regulate that the employment of minors is prohibited and the consequences of illegal employment of minors.  
  o Scope of the articles:  
    - The work content that shall be prohibited for minors and the consequences of hiring minors illegally.  
  o Key points for suppliers:  
    - No organization or individual may hire any minor under the age of 16, except as otherwise prescribed by the State. Any organization or individual that, according to the relevant regulations of the State, hires minors who have reached the age of 16 but not the age of 18 shall | Provisions on child and young workers of the Labor Law of China are basically consistent with the content of the Practical Guidance and Guiding Principles. Relevant regulations on apprenticeship education and student workers are also mentioned in the Practical Guidance, but no relevant content is mentioned in the Labor Law. |
### China

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

| observe State regulations regarding the types of jobs, working hours, intensity of labour and protective measures, and shall not assign them to any overstrenuous jobs, jobs exposed to toxic or hazardous substances, or other jobs that imperil their physical or mental health, or any dangerous operations. |
| - An organization or individual that illegally hires minors who have not reached the age of 16 or minors who have reached the age of 16 to do overstrenuous jobs, jobs exposed to toxic or hazardous substances or other jobs that imperil their physical or mental health, or to engage in dangerous operations, shall be instructed by the department in charge of labour and social security to rectify and shall be fined; and if the circumstances are serious, the business license shall be revoked by the administrative department for industry and commerce. |

**Link to the Chinese text**

Relevant provisions on child labors and young workers in articles 58, 64 and 65 of Chapter VII of the Labor Law of the People's Republic of China, which came into force on December 29, 2018

- **Scope of the chapter:**
  - Definition of underage workers, prohibited work content for underage workers and protection of legitimate rights and interests of underage workers.

- **Key points for suppliers:**
  - Special Labour protection shall be applied to underage workers. Underage workers refer to
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- those who have reached the age of sixteen and under eighteen</td>
<td>Relevant provisions on wages and benefits in chapters V and IX of the <em>Labor Law of the People's Republic of China</em>, which came into force on December 29, 2018</td>
</tr>
<tr>
<td>- Provisions on the protection of underage workers may not be violated and their legitimate rights and interests may not be infringed upon.</td>
<td></td>
</tr>
<tr>
<td>- Underage workers may not be allowed to engage in dangerous, toxic and harmful labor.</td>
<td></td>
</tr>
<tr>
<td>- Regular health checks shall be carried out on underage workers.</td>
<td></td>
</tr>
</tbody>
</table>

**Link to the Chinese text**

2. **Wages and Benefits**

- **Scope of the chapter:**
  - Principles of wage distribution and forms of wage payment, provisions on and requirements for social insurance, and provisions on vacation time and rest days prescribed by China.

- **Key points for suppliers:**
  - Distribution of wages shall follow the principle of distribution according to work and equal pay for equal work.
  - The employer shall, according to the characteristics of its production and businesses and economic efficiency, fix its form of wage distribution and wage level on its own and in accordance with this Law.
  - The employer shall pay labourers wages no lower than local standards on minimum wages.

Provisions on wages and benefits of the Labor Law and the Labor Contract Law of China are basically consistent with the content of the Practical Guidance and Guiding Principles. It is also mentioned in the Practical Guidance that the use of temporary workers and outsourced workers shall comply with local laws and regulations, but no relevant content is mentioned in the Labor Law of China. The Labor Law specifies the length of overtime on holidays and the corresponding remuneration. The Labor Contract Law states that clauses on wages and benefits shall be set out in labor contracts signed with workers.
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>Wages shall be paid to labourers themselves in the form of currency on a monthly basis. The wages payable to labourers shall not be deducted or delayed without reason.</td>
</tr>
<tr>
<td>Employer obligations</td>
<td>The employer shall pay wages to labourers in accordance with law when they have legal holidays, take leaves during periods of marriage or mourning, and participate in social activities in accordance with law.</td>
</tr>
<tr>
<td>Social insurance</td>
<td>The sources of social insurance funds shall be determined according to the categories of insurance, and the practice of unified accumulation of insurance funds shall be introduced. The employer and individual labourers shall participate in social insurance in accordance with law and pay social insurance costs.</td>
</tr>
<tr>
<td>Death of labourer</td>
<td>After the death of labourer, its dependent shall enjoy, in accordance with law, dependent allowance.</td>
</tr>
<tr>
<td>Eligibility criteria</td>
<td>The conditions and standards on the eligibility of labourers for social insurance treatment shall be stipulated by laws and regulations.</td>
</tr>
<tr>
<td>Social insurance funds</td>
<td>The social insurance funds for labourers shall be paid in due time and in full.</td>
</tr>
<tr>
<td>Supplementary insurance</td>
<td>The State encourages the employer to set up supplementary insurance for labourers according to its practical conditions.</td>
</tr>
<tr>
<td>Collective welfare</td>
<td>The employer shall create conditions to improve collective welfare and provide labourers with better welfare treatment.</td>
</tr>
</tbody>
</table>

[Link to the Chinese text](#)
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>Relevant provisions on wages and benefits in article 17, Chapter II of the Labor Contract Law of the People's Republic of China, which came into force on July 1, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of the chapter:</strong></td>
</tr>
<tr>
<td>• Stipulate the standards for remuneration and working conditions</td>
</tr>
<tr>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td>• Labor remuneration, rest and vacation, and social insurance clauses shall be set out in labor contracts in accordance with the Labor Contract Law.</td>
</tr>
<tr>
<td>• Respect and safeguard the lawful rights and interests of employees in accordance with laws and regulations.</td>
</tr>
</tbody>
</table>

[Link to the Chinese text](#)

<table>
<thead>
<tr>
<th>3. Working Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant provisions on working hours in Chapter IV of the Labor Law of the People's Republic of China, which came into force on December 29, 2018</td>
</tr>
<tr>
<td><strong>Scope of the chapter:</strong></td>
</tr>
<tr>
<td>• Working hour system implemented by China, and provisions of China on working hour and rest time extension.</td>
</tr>
<tr>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td>• In case of labourers working on the basis of piecework, the employer shall rationally fix quotas of work and standards of piecework remuneration in accordance with the working hour system stipulated in Article 36 of this Law.</td>
</tr>
<tr>
<td>• The employer shall guarantee that its labourers have at least one day off a week.</td>
</tr>
</tbody>
</table>

The scope and content of the Labor Law of the People's Republic of China are consistent with those of the Guiding Principles and Practical Guidance.
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

| | Employers shall strictly abide by the publicity system implemented by China and provisions of China on working hour extension in special circumstances according to Article 41 and Article 42.  
Workers are entitled to leave according to law  
Implement a system of paid annual leave in accordance with the law | The Criminal Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and the Guiding Principles and Practical Guidance define forced labor behaviors. The Practical Guidance also refer to forced labor behaviors in human trafficking and slave trade, but relevant content are not mentioned in the laws of China. However, it is mentioned in the Labor Contract Law of the People’s Republic of China that a worker has the right to terminate a labor contract in the face of an employer's forced labor. |
|---|---|---|
| **4. Forced Labour** | Relevant provisions on forced labor in article 38, Chapter IV of the Labor Contract Law of the People's Republic of China, which came into force on July 1, 2013  
**Scope of the chapter:**  
The means of forced labor and the response of laborers to forced labor.  
**Key points for suppliers:**  
Workers shall not be forced to work by means of violence, threat or illegal restriction of personal freedom.  
Shall not command or force dangerous operations in violation of regulations to endanger the personal safety of workers. | |

[Link to the Chinese text](#)
## LEGISLATION SUMMARY: CHINA

### Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>Relevant provisions on forced labor in Article 244, Chapter IV of the Criminal Law of the People's Republic of China, which came into force on August 29, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of the chapter:</strong></td>
</tr>
<tr>
<td>• Performance of forced labor behaviors and the corresponding legal punishment.</td>
</tr>
<tr>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td>• Forcing others to work by means of violence, threats or restrictions on personal freedom is prohibited.</td>
</tr>
<tr>
<td>• Minors under the age of 16 may not be employed to perform excessive physical work or work in hazardous environments.</td>
</tr>
</tbody>
</table>

### 5. Freedom of Association

<table>
<thead>
<tr>
<th>Relevant provisions on the labour union in Chapter II and Chapter III of the Trade Union Law of the People's Republic of China (2009 revision)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of the chapter:</strong></td>
</tr>
<tr>
<td>• The organization of labour union and the rights and obligation of labour union.</td>
</tr>
<tr>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td>• Workers can volunteer to join labour unions</td>
</tr>
<tr>
<td>• Trade unions take part in the mediation of labor disputes in enterprises and safeguard workers’ rights and interests</td>
</tr>
</tbody>
</table>

### Link to the Chinese text

Both the Constitution of the People's Republic of China and the Guiding Principles mentioned the workers' freedom of association. Workers have the freedom to join workers' committees and trade unions and find worker representatives to rectify enterprises' unreasonable management methods. Practical Guidance does not mention the freedom of association.
## LEGISLATION SUMMARY: CHINA

### Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>Relevant provisions on the freedom of association in Article 35, Chapter II of the Amendment to the Constitution of the People's Republic of China passed on March 11, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of the chapter:</strong></td>
</tr>
<tr>
<td>• Provisions of the Constitution of China on citizens’ freedom of association</td>
</tr>
<tr>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td>• According to the Constitution, citizens have the right to freedom of association</td>
</tr>
<tr>
<td>• Employers shall respect the workers’ freedom of association pursuant to the Constitution.</td>
</tr>
</tbody>
</table>

[Link to the Chinese text](#)

### Health & Safety

<table>
<thead>
<tr>
<th>Relevant provisions on health and safety in Article 88, Chapter VII of the Labor Contract Law of the People’s Republic of China, which came into force on July 1, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of the chapter:</strong></td>
</tr>
<tr>
<td>• The influence of working environment on workers’ physical and mental health.</td>
</tr>
<tr>
<td><strong>Key points for suppliers:</strong></td>
</tr>
<tr>
<td>• It is necessary to create a good working environment for workers to avoid serious damage to their physical and mental health.</td>
</tr>
</tbody>
</table>

[Link to the Chinese text](#)

The Labor Law of the People’s Republic of China, the Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases, the Guiding Principles and the Practical Guidance contain provisions on workers' safety and health. However, the laws of China provide more detailed provisions.

The Labor Law of the People's Republic of China mentions that the measures for ensuring occupational safety and health shall meet the national standards, and that workers have the right to refuse to carry out hazardous work arranged by their employers.
Expectations towards suppliers as defined in the Guiding Principles and local legislation

Relevant provisions on health and safety in Chapter VI of the Labor Law of the People's Republic of China, which came into force on December 29, 2018

- Scope of the chapter:
  - The occupational health regimes prescribed by China and the regulations and standards relating to safety and health.

- Key points for suppliers:
  - Employers shall protect the safety of workers and conduct health examinations on them at regular intervals.
  - Establish and improve a labor safety system and strictly implement labor safety regulations and standards.
  - Labor safety facilities must meet the standards set by the State.
  - According to law, statistics, reports and treatment shall be made on the casualties, accidents and occupational diseases of workers in the course of labor.

Link to the Chinese text

Relevant provisions on protection and management in labor process in Chapter III and occupational disease diagnosis and occupational disease patient protection in Chapter IV of the Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases as amended on December 29, 2018

- Scope of the chapter:

The Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases specially mentions protection for underage workers and pregnant and lactating female workers so that they will not contract occupational diseases.

The Labor Contract Law of the People's Republic of China mentions that an employer shall be liable for compensation if it causes any serious harm to the physical or mental health of an employee.
**LEGISLATION SUMMARY: CHINA**

*Expectations towards suppliers as defined in the Guiding Principles and local legislation*

- Measures on prevention, treatment and management of occupational diseases or work-related injuries, and patient protection measures.

  - Key points for suppliers:
    - The capital investment needed for occupational disease prevention should be guaranteed.
    - Effective occupational-disease-prevention settings must be adopted, and provide workers with personal occupational-disease-prevention supplies.
    - Priority should be given to the adoption of new technologies, new technics, new equipment and new materials conducive to the prevention and treatment of occupational diseases and the protection of workers' health.
    - Rules and regulations of occupational disease prevention and control, operating rules and emergency measures should be announced. Investigation results of the hazardous factors that may result in occupational diseases in the workplace should also be released.
    - The State shall establish a system for the statistical report and treatment of accidents of injuries or deaths and cases of occupational diseases. The place that may produce occupational injury should set alarm device, equip with first-aid supplies.
    - Assign a person to be responsible for routine monitoring of occupational hazards, and ensure the monitoring system is in proper functioning.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- It is prohibited to produce, operate, import and use equipment or materials that may cause occupational disease.
- No unit or individual may transfer the operation that produces occupational disease hazards to another unit or individual that lacks the conditions for prevention of occupational diseases. No unit or individual that lacks the conditions for prevention of occupational diseases may accept any operation that produces occupational disease hazards.
- The employer shall know the occupational disease hazards produced by the technologies, techniques and materials it employs; if it conceals the fact that the technologies, techniques and materials produce occupational disease hazards and employs them, it shall bear responsibility for the consequences of the hazards.
- When signing with the worker labor contracts (including contracts of employment), the employer shall truthfully inform the workers of the potential occupational disease hazards the consequences in the course of work, the measures for prevention of such diseases and the material benefits, and it shall have the same clearly put down in the contracts; it may not conceal the facts or deceive the workers.
- Employers shall provide pre-job occupational safety and health trainings for the workers.
- The employer shall keep files on occupational health monitoring and protection for the workers.
Expectations towards suppliers as defined in the Guiding Principles and local legislation

- The Labour Union should supervise and assist employers in education and training on occupational health.
- Employers may not arrange for underage workers or pregnant and lactating female workers to engage in work with occupational hazards.
- The expenses which the employer, in compliance with the requirements for prevention and control of occupational disease, pays for prevention and control of occupational disease hazards, public health monitoring at the workplace, health monitoring and protection and training in occupational health shall truthfully be incorporated into the production cost in accordance with relevant State regulations.
- When for making diagnosis and verifying occupational diseases, the employer is required to provide information related to occupational health and health monitoring and protection, it shall provide truthful information. The worker and the related institutions shall also provide information related to diagnosis and verification of occupational diseases.
- Where the employer or the medical and health institution discovers any patient of occupational disease or any patient suspected of such disease, it shall report to the local public health administration department without delay.
- The employer shall, in accordance with relevant State regulations, make arrangements for
### 7. Harassment

Relevant provisions on rights of the person in Chapter VI of the *Law of the People's Republic of China on Protection of Women's Rights and Interests*, which came into force on December 1, 2005

**Scope of the chapter:**
- China protects women's legitimate rights and interests in accordance with the law.

**Key points for suppliers:**
- Sexual harassment of women is prohibited.
- To ensure that women's right to life and health is inviolable.
- To ensure that women's right of reputation, honor, privacy, portrait and other rights of personality are protected by law.
- It is forbidden to damage the dignity of women's personality by insulting or defaming them.

The Law of the People's Republic of China on Protection of Women's Rights and Interests, the Guiding Principles and the Practical Guidance stipulate the behaviors which constitute harassment and legal liability for harassment. The Law of the People's Republic of China on Protection of Women's Rights and Interests clearly defines the various forms of harassment, and emphasizes the protection of women's rights and interests.

### 8. Non-Discrimination

Relevant provisions on non-discrimination in Article 12 and Article 13, Chapter II of the *Labor Law of the People's Republic of China*, which came into force on December 29, 2018

The Labor Law of the People's Republic of China, the Guiding Principles and the Practical Guidance stipulate the principle of non-discrimination.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Scope of the chapter:
  - In employment, the workers shall not be discriminated based on ethnic group, race, gender or religious belief.

- Key points for suppliers:
  - When recruiting employees, except for the jobs or positions stipulated by China which are unsuitable for women, employers shall not refuse to recruit women on the ground of gender or raise the recruitment standards applicable to women.
  - The employment of disabled persons, members of ethnic minorities and ex-servicemen shall comply with the relevant regulations.

Practical Guidance mentions that medical testing or physical examination of any worker or potential worker for the purpose of discrimination should be permitted in any situation, and companies should make reasonable accommodations for the religious practices of workers. But relevant contents are not mentioned in the laws of China.

Link to the Chinese text

3. Environment

Guiding Principles: Companies are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Relevant local legislation</th>
<th>Brief analysis</th>
</tr>
</thead>
</table>
**LEGISLATION SUMMARY: CHINA**

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<table>
<thead>
<tr>
<th>Enterprise shall appropriately develop and use renewable energy.</th>
<th>supply chain development, and stresses on the notion of cleaner production and low-carbon and circular development, in order to improve the efficiency of energy resource utilization from links of technology, production, and manufacturing, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprises shall decrease the production cost of the products of renewable energy and enhance the product quality.</td>
<td>The Planning for the Development of the Energy-Saving and New Energy Automobile Industry (2012-2020) issued by the MIIT in June, 2012 stresses the importance of research and development on technologies of energy-saving vehicles, and encourages the development of energy-saving and new energy vehicles.</td>
</tr>
</tbody>
</table>


- **Scope of the plan:**
  - Decisions on developing strategic emerging industries and reinforcing work on energy saving and emission reduction, and requirements on accelerating the development of energy-saving and new energy vehicles

- **Key points for suppliers:**
  - Reinforcing research on core technologies of new energy vehicles, including promoting technological innovation on power battery, strengthening research and development (R&D) on core parts of new energy vehicles, and develop research on core technologies of fuel cell stacks, engines and related key materials.
  - Enhancing R&D of energy-saving cars, proactively promoting integrated innovation on vehicle energy saving and technology introduction, absorption and re-innovation.
  - Accelerating the establishment of R&D system on energy-saving and new energy vehicles, increasing investment on R&D of energy-saving and new energy vehicles, establishing cross-industry alliance of technology development of energy-saving and renewable energy.
Expectations towards suppliers as defined in the Guiding Principles and local legislation

| New energy vehicles, and improving the pace of developing generic technology platform. |
| Developing alternative fuel vehicles suited to local conditions. |
| Strengthening management on step utilization and recycling management of power batteries |

Link to the Chinese text

Article 1, Article 3, and Article 4 of Section 3 of Guidance for the Implementation of Green Manufacturing Projects (2016-2020) issued by MIIT in September, 2016

- **Scope of the articles:**
  - Promotion of the utilization efficiency of energy resources and cleaner production in manufacturing industry, promotion of green transformation & upgrading and technological innovation of manufacturing industry, acceleration of the establishment of green manufacturing system, promotion of all-round development of green products, green factories, green industrial parks and green supply chain to realize more efficient, cleaner, low-carbon and circular manufacturing and sustainable development.

- **Key points for the suppliers:**
  - Further understanding the philosophy of efficient, clean, low-carbon and circular development, realizing the social responsibility of energy conservation and environmental protection, improving green transformation and phasing out backward production capacities, strengthening promotion of innovation on green technologies, and keeping updating the management of green manufacturing.
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing effective low-carbon transformation, accelerating the application of advanced energy-saving and low-carbon technological equipment, improving utilization efficiency of energy, and expanding utilization ratio of new energy. Putting emphasis on implementation of energy-saving renovation of high energy-consuming equipment and systems, and further promoting energy-saving renovation of industrial process system and low-carbon energy consumption in industry</td>
<td></td>
</tr>
<tr>
<td>Taking more efforts on R&amp;D of key technologies and equipment of energy saving</td>
<td></td>
</tr>
<tr>
<td>Developing technologies and equipment with comprehensive utilization of resources.</td>
<td></td>
</tr>
<tr>
<td>Applying advanced energy-saving technologies and equipment, promoting digital and smart management and control system for resources, energy and environment, and realizing dynamic monitoring and management of energy resources and waste.</td>
<td></td>
</tr>
</tbody>
</table>

**Link to the Chinese text**

For more information, please refer to [Industrial Green Development Plan (2016-2020)](#)

**Regulation on the Administration of Ozone Depleting Substances (2018 Revision)** on ozone depleting substances management

- **Scope of the regulation:**
  - Regulations and legal liability on production, sale and utilization of ozone depleting substances
- **Key point of suppliers:**
Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Enterprises producing or consuming ozone depleting substance shall apply and obtain a production or consumption quota permit.
- Enterprises producing or consuming ozone depleting substance shall prevent or reduce the discharge and leakage of ozone depleting substance.

Link to the Chinese text

Chapter II, Chapter III, Chapter IV of Energy Conservation Law of the People’s Republic of China (2018 Revision) on use of energy

- Scope of the law:
  - Administration of energy conservation, rational use of energy and energy conservation, and technological Progress in Energy Conservation

- Key point of suppliers:
  - Industrial enterprises shall make use of devices of high efficiency and energy conservation.
  - The high energy-consuming production units shall implement standards for unit energy consumption quota
  - The production, import, utilization, and sales of energy-consuming products, equipment and manufacturing techniques that the state requires to phase out, or do not match the compulsory energy-consuming efficiency standards, are prohibited
  - Producers and importers should mark labels on energy-consuming products in the catalogue of national energy efficiency label management products
## LEGISLATION SUMMARY: CHINA

### Expectations towards suppliers as defined in the Guiding Principles and local legislation

| Enterprises shall develop and produce energy saving and environmentally friendly cars. |
| Enterprises shall apply and study energy conservation technologies, set energy conservation and promote innovation and achievement transformation of energy conservation technologies. |
| The state applies favouring policies towards energy-saving technologies and products included in the promotion catalogue of Article 58. |
| The state encourages importing advanced energy-saving technologies and products, and controls exporting high energy-consuming products and products with high pollution via taxation. |

**Link to the Chinese text**

### 2. Water Quality & Consumption

**Water Law of the People’s Republic of China (2016 Revision)** on water quality and consumption

- **Scope of the law:**
  - Planning of water resources, development and utilization of water resources, water resources allocation, and economical use of water resources

- **Key points of suppliers:**
  - Enterprises shall appropriately develop and use of water resources.
  - Enterprises have the obligation of protecting water projects. They cannot destroy relative water projects.
  - Enterprises shall adopt advanced technologies and equipment, reduce water consumption and raise the frequency of the reuse of water.

The laws are the similar to the Guiding Principles and the Practical guiding. The law also mentions enterprises takes steps to reduce water pollution.

**Link to the Chinese text**
### LEGISLATION SUMMARY: CHINA

*Expectations towards suppliers as defined in the Guiding Principles and local legislation*

<table>
<thead>
<tr>
<th>Law of the People's Republic of China on Prevention and Control of Water Pollution (2017 Revision) on water quality and consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of the law:</strong></td>
</tr>
<tr>
<td>• Standards and planning for the Prevention and Control of Water Pollution, supervision and administration of the prevention and control of water pollution, measures for the prevention and control of water pollution, protection of drinkable water sources and other special waters</td>
</tr>
<tr>
<td><strong>Key points of suppliers:</strong></td>
</tr>
<tr>
<td>• Enterprises shall take measures including anti-leakage, monitor the water quality of ground water and prevent ground water pollution.</td>
</tr>
<tr>
<td>• Enterprises shall adopt clean technique and reduce the generation of water pollutants.</td>
</tr>
<tr>
<td>• Enterprises cannot set up in drinking water source reserves.</td>
</tr>
<tr>
<td>• Enterprises shall take steps to prevent the firefighting waste water or waste liquid from being directly discharged to waters.</td>
</tr>
</tbody>
</table>

**Link to the Chinese text**

### 3. Air Quality

The *Action Plan on Prevention and Control of Air Pollution (2013)*

<table>
<thead>
<tr>
<th><strong>Scope of the plan:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Activities and facilities that cause or may cause air pollution.</td>
</tr>
<tr>
<td>• The action plan distinguishes particles with a diameter between 2.5 and 10 micrometers (PM 10)</td>
</tr>
</tbody>
</table>

The laws set higher requirements than Guiding Principles and Practical Guidance as the laws require enterprises to obtain permits for the discharge of certain air pollutants. Besides, there are also provincial and municipal regulations and standards for air pollutants discharge that enterprises shall comply with.

As defined in the Practical Guidance, enterprises are expected to install automatic pollutants monitoring system...
### Expectations towards suppliers as defined in the Guiding Principles and local legislation

- and fine particles (PM 2.5, particles with diameter of 2.5 micrometers or less).

#### Key points for suppliers:
- The combustion exhausts of furnace shall go through desulfurization, denitrification, and dedusting process before discharged.
- The enterprise shall control and monitor activities involving the use of volatile organic compound (VOC).

#### Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution (2018 Revision)

- **Scope of the law:**
  - Regulations on activities, facilities, and products that cause or may cause specific air pollutants.

- **Key points for suppliers:**
  - General operating requirements of air polluting sources.
  - The discharge of particle matters (PM), sulfuric dioxide, nitrogen oxides, volatile organic compounds (VOC), ammonia, inflammable gas, obnoxious gas, and dust shall be regulated by the law.
  - Governments at provincial level and above are responsible for setting regional standards on air pollutants discharge.
  - Enterprises shall acquire pollutant discharge permits issued by the State to legally discharge specific toxic and harmful air pollutants under strict State control.

and regularly inspect the ambient environment and disclose the outcomes. The laws list volatile organic compounds (VOCs), particle matters (PM 10, PM 2.5), combustion exhausts, motor vehicle exhausts, ozone-depleting substances, obnoxious gas, and toxic and harmful gas to give special attention to.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>• Enterprises shall install automatic monitoring system of pollutants and conduct regular inspection on the ambient environment and disclose the results of the inspection.</th>
</tr>
</thead>
</table>

**Link to the Chinese text**

**Environmental Protection Tax Law of the People’s Republic of China (2018 Revision)**

- **Scope of the law:**
  - Introducing the basis of taxation for air pollutants, water pollutants, and solid pollutants, and noise.
  - The law defines taxable and tax-free pollutants.

- **Key points for suppliers:**
  - The government levy environmental tax to restrain the discharge of air pollutants.
  - Regional governments are responsible for the determination of applicable detailed tax rates.

**Link to the Chinese text**

**Measures for Pollutant Discharge Permitting Administration (For Trial Implementation), which came into force on January 10, 2018.**

- **Scope of the directive:**
  - Scope of enterprises that require pollutant discharge permit.
  - The application for and its acceptance, review, issuance, modification, renewal, deregistration, revocation, and re-issuance as a result of loss of a pollutant discharge permit.

- **Key points for suppliers:**
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- All process shall be conducted on the National Pollution Discharge Permits Administration Information Platform.
- The enterprises on the list shall hold a pollutant discharge permit as legally required and discharge the pollutant as provided in the pollutant discharge permit.

[Link to the Chinese text]

Regulation on the Administration of Ozone Depleting Substances (2018 Revision).

- Scope of the regulation:
  - This Regulation shall apply to the production, sales, consumption and import/export of ozone depleting substances.
- Key points for suppliers:
  - The State exercises total quantity control and quota management to the production, consumption and import/export of ozone depleting substances.

[Link to the Chinese text]

Other provincial and municipal air pollution control regulations:

   [Link to the Chinese text]
2. Beijing Municipality Regulation on Air Pollution Prevention and Control promulgated for implementation as of March 1, 2014.
   [Link to the Chinese text]
Expectations towards suppliers as defined in the Guiding Principles and local legislation

3. Shanghai Municipality Regulation on Air Pollution Prevention and Control Promulgated for implementation as of October 1, 2014. [link to the Chinese text]

4. Anhui Provincial Regulation on Air Pollution Prevention and Control Promulgated for implementation as of March 1, 2015. [link to the Chinese text]

5. Tianjin Municipality Regulation on Air Pollution Prevention and Control Promulgated for implementation as of March 1, 2015. [link to the Chinese text]

6. Jiangsu Provincial Regulation on Air Pollution Prevention and Control Promulgated for implementation as of March 1, 2015. [link to the Chinese text]

- Scope of the regulation:
  - The regulation shall be applied to all air polluting activities in the region.

- Key points for suppliers:
  - Enterprises shall comply with regional air pollution prevention and control regulations.

**Article 3 of Section 3, Guidance for the Implementation of Green Manufacturing Projects (2016-2020)**

- Scope of the article:
  - Green manufacturing technological innovation and industrial demonstration application.

- Key points for the suppliers:
  - Increasing R&D on coordinated processing of multiple pollution, special materials and medicament for the prevention and control of
### LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

| Environmental pollution, special instruments and tools for monitoring environmental pollution, advanced environmental protection technologies like environmental emergency equipment, in the fields of pollution prevention and control of atmosphere, water and land |

**Link to the Chinese text**

For more information please refer to Article 2 and Article 4 of Section 3, *Industrial Green Development Plan (2016-2020)*

### 4. Natural Resources Management and Waste Reduction


- **Scope of the law:**
  - Supervision of the prevention and control of radioactive pollution
  - Stipulates specific measures of prevention and control of radioactive pollution from different sources
  - Radioactive waste management

- **Key points for suppliers:**
  - Store and dispose the radioactive solid waste in accordance with laws and regulations.
  - Recover and utilize the waste radioactive sources in accordance with regulations.
  - Implement the safety responsibility system and formulate necessary emergency measures.
  - The discharge of radioactive waste gas and waste liquid must conform to the national standards for the prevention and control of radioactive pollution.

The Guiding Principle stipulates that companies should set targets for waste reduction and increasing reuse and recycling.

The Practical Guidance encourages enterprises to establish a waste management hierarchy that considers prevention, reduction, reuse, recovery, recycling, removal and finally disposal of wastes; efficiently use natural resources; and handle and dispose all wastes through safe and responsible methods.

The laws listed here correspond to the above targets, and they also set higher requirements than Guiding Principle and Practical Guidance. These laws stipulate specific measures of prevention and control of different types of wastes, and make requirements to production and sewage equipment, production technology, sewage disposal measures, emission and discharge data monitoring, etc. while promoting waste reduction and natural resources management in a sustainable way.

Except for the responsibility of enterprises stipulated in these laws, the responsibilities of government and relevant competent authorities through the whole process of preventing and controlling waste pollution, waste reduction,
**Legislation Summary: China**

*Expectations towards suppliers as defined in the Guiding Principles and local legislation*

<table>
<thead>
<tr>
<th>Link to the Chinese text</th>
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<tbody>
<tr>
<td><strong>Law of the People's Republic of China on Water and Soil Conservation</strong> (2010 Revision)</td>
<td>and natural resources management are also specified in the laws. Chinese laws and regulations have specified on the standards, supervision, information sharing and disclosure of motor vehicle emission. There are also requirements on the filing, management, traceability, and tracking of whole life cycle information, including production, testing, repairment, change, treatment, and recycle, regarding new energy cars and power storage battery production. Chinese laws also pay attention to disposal, recycling, information management of WEEE and end-of-life vehicles, and encourage and support R&amp;D of WEEE treatment, and the compliance of process of end-of-life vehicle disposal. In addition, China has issued Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise and The Circular Economy Promotion Law, which put forward regulations on prevention and control of environmental noise pollution and reduction of resource consumption and waste production, promoting recycle and reuse of resources like water and fuel. The Circular Economy Promotion Law proposes to provide support for enterprises to reproduce and reuse auto parts and tyres; it also regulates on dismantling and reuse of end-of-life vehicles, tyres and WEEE.</td>
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<tr>
<td>Scope of the law:</td>
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<tr>
<td>• The law provides for specific measures to monitor, prevent and control soil erosion</td>
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<tr>
<td>Key points for suppliers:</td>
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<tr>
<td>• Carry out reclamation and logging according to the laws and regulations of the state and relevant departments</td>
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<tr>
<td>• Take measures for soil and water conservation and take responsibility for the treatment of soil erosion</td>
<td></td>
</tr>
<tr>
<td><strong>Regulations on Waste Electrical and Electronic Equipment Recycling and Treatment</strong> effective since January 1, 2011</td>
<td></td>
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<tr>
<td>Scope of the regulation:</td>
<td></td>
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<tr>
<td>• Regulations related to waste electrical and electronic equipment (WEEE) recycling and treatment</td>
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<tr>
<td>Key points for the suppliers:</td>
<td></td>
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<tr>
<td>• The state encourages and supports scientific research, technological development, research on related technological standards of WEEE, and the demonstration, promotion and application of new technologies, new techniques, and new equipment.</td>
<td></td>
</tr>
<tr>
<td>• WEEE shall be recycled and treated in accordance with the law.</td>
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</tbody>
</table>
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Enterprises should establish daily environmental monitoring system for WEEE treatment and data and information management system of WEEE
- The qualifications and conditions for WEEE treatment

Link to the Chinese text

Chapter III in the *Law of the People's Republic of China on Promotion of Cleaner Production* (2012 Revision) on the implementation of cleaner production to make rational use of resources and reduce pollution

- Scope of the law:
  - Promotion and implementation of cleaner production to enhance utilization rate of resources and reduce waste discharge

- Key points for suppliers:
  - Carry out production technical renovation, adopt cleaner production measure, raise the level of cleaner production
  - Reduce packaging waste
  - Make rational use of resources and improve the utilization rate of resources
  - Implement cleaner production audit

Link to the Chinese text


- Scope of the law:
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

- The law prescribes specific measures to prevent and control solid waste pollution from different sources
  - Key points for suppliers:
    - Collect, store, place and dispose solid waste in accordance with relevant laws and regulations
    - Collect, store, place and dispose hazardous wastes in accordance with relevant laws and regulations
    - Establish and improve the responsibility system for preventing and controlling the environment pollution
    - Reasonable select and utilize raw materials, energy and other resources

**Link to the Chinese text**

Article 1, Article 2, Article 3 and Article 4 of Section 3, *Guidance for the Implementation of Green Manufacturing Projects (2016-2020)*

- Scope of the articles:
  - Promotion and demonstration of the green transformation of traditional manufacturing industry; demonstration and application of green development concerning circular use of resources

- Key points for the suppliers:
  - Upgrading traditional production techniques or equipment, implementing advanced cleaner production technologies, strengthening the promotion and application of alternatives for toxic and hazardous materials (products), and completing reduction targets of high-toxic pesticide containing mercury or lead, etc., to further phase out outdated production capacities.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selecting suitable advanced cleaner production technologies and effective</td>
<td>Separating clean water and sewage, recycling waste water, and turning solid waste into resources.</td>
</tr>
<tr>
<td>end control equipment to separate clean water and sewage, recycle waste</td>
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<tr>
<td>water, and turn solid waste into resources.</td>
<td></td>
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<tr>
<td>Developing green products like degradable plastics, powert&lt;br&gt;</td>
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<td>batteries, etc.</td>
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</tbody>
</table>

Link to the Chinese text

For more information, please refer to Industrial Green Development Plan (2016-2020)

Chapter IV in the Law of the People's Republic of China on Prevention and Control of Water Pollution (2017 Revision)

[Effective] on measures of water pollution of different sources

- Scope of the law:
  - The law prescribes specific measures to prevent and control water pollution from different sources

- Key points for suppliers:
  - Strictly comply with the local and national standards of water pollutants discharge
  - It is forbidden to discharge waste water or sewage into water bodies without a pollutant discharge permit or in violation of the provisions of the pollutant discharge permit.
  - Industrial waste water containing toxic and harmful water pollutants shall be collected and disposed separately and shall not be diluted for discharge.
  - Adopt the clean technology to reduce the generation of water pollutants
  - No sewage outlets are allowed in drinking water source protection areas
<table>
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<tr>
<th><strong>LEGISLATION SUMMARY: CHINA</strong></th>
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<tbody>
<tr>
<td><strong>Expectations towards suppliers as defined in the Guiding Principles and local legislation</strong></td>
</tr>
</tbody>
</table>

- An emergency plan for water pollution accidents shall be formulated to deal with such accidents and regular exercises shall be carried out

**Management Rules for New-Energy Vehicle Manufacturers and Product Market Access** effective since July 1, 2017

- **Scope of the rules:**
  - Enterprises producing new energy vehicles in China and their activities of using new energy vehicle products

- **Key points for the suppliers:**
  - The range of new energy vehicles regulated by the rules
  - The conditions and materials required for new-energy vehicle manufacturers to apply for market access
  - The conditions and materials required for new-energy products to apply for access
  - New energy vehicle manufacturers (NEVM) should establish operating safety monitoring platform for new energy vehicle products. NEVM and their staff should keep fine record of such information, and should not reveal, falsify, damage, sell, or illegally provide others with the information. NEVM and their staff should not monitor unrelated information of product operating safety, either.
  - NEVM should establish files for each new energy vehicle product in the full product life cycle, to track the utilization, maintaining and repairment information, and implement management of product
**LEGISLATION SUMMARY: CHINA**

Expectations towards suppliers as defined in the Guiding Principles and local legislation

<table>
<thead>
<tr>
<th>traceability information of new energy vehicle power battery to track and record the recycling situation of power batteries.</th>
<th>NEVMs that are discovered severe safety, environmental protection, energy-saving problems, etc. on their products, must immediately stop production and sales of the concerned products, and take measures to rectify, and report to MIIT and other related departments in time</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEVMs that have hidden danger in public safety, personal health, life and property safety, will be ordered to stop production and sales, and required to rectify by the MIIT</td>
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<tr>
<td>NEVMs that have already gained access, should rectify according to the rules</td>
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</tbody>
</table>

**Link to the Chinese text**

*Management Rules for Recycling, Reuse, and Traceability of New Energy Vehicle Power Storage Battery*, effective since August 1, 2018

- **Scope of the rules:**
  - Establishment of traceability platform to collect information about the whole process of production, sales, use, abandonment, recycling, and utilization of power storage batteries, and to monitor the responsibility fulfillment of subjects on each link.

- **Key points for the suppliers:**
  - Implementing traceability management of new energy vehicles products that have gained Announcement of Road Motor Vehicles Manufacturing Enterprises and Products, and imported new energy cars that have received compulsory product certification
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Echelon utilization enterprises, reuse-based enterprises, automobile vehicle manufacturers, and the dealers and maintenance service providers, the enterprises of retrieving and dismantling automobiles, etc., should upload information about production, testing, repairment, change, disposal, and recycle of power storage batteries to the traceability management platform in accordance with law.

Link to the Chinese text

Chapter III and Chapter IV in the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (2018 Revision) [Effective] on the supervision of prevention and control of atmospheric pollution and the measures of prevention and control

- Scope of the law:
  - Regulations on activities, facilities, and products that cause or may cause specific atmospheric pollutants to prevent, control, and reduce atmospheric pollutants; stipulates the prevention and control measure of atmospheric pollutants from different sources to reduce air pollution

- Key points for suppliers:
  - Discharge atmospheric pollutants in accordance with laws and regulations
  - If constructing project that will affect the atmosphere, suppliers shall conduct environmental impact assessment (EIA), and publicize EIA documents according to laws.
  - Enterprises that produce, import, sell or use raw materials or products that contain volatile organic
compound (VOC), must use VOC content that matches quality standards or requirements.

- Industrial painting enterprises shall use painting materials with low VOC, and establish standing book.

- Motor vehicles and non-road moving machine shall not discharge air pollutants in excess of the emission standard.

- The state will establish recall system of motor vehicles and non-road moving machines for environmental protection.

- The inspection organizations for emission of motor vehicles shall pass China Metrology Accreditation, and use certified emission inspection equipment to test motor vehicles according to the regulations of the Ministry of Ecological Environment (MEE), and link internet with MEE to share real-time inspection data.

- Enterprises that produce and import motor vehicles, must publicize the emission inspection information, pollution control information and information about repair technologies of the vehicle types they deal with.

- Engine oil, nitrogen oxide reductant, fuel, lubricant additives and other additives shall follow related standards of hazardous materials content and other atmosphere protection indexes.

- Businesses that provide repair and maintenance services for motor vehicles, shall install waste gas and smell treatment equipment and other pollution control facilities, and must keep them in normal operation.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Business entities subject to pollutant discharging licensing administration shall obtain a pollutant discharge license
- Set atmospheric pollutant discharge outlets according to the laws, regulations
- Adopt clean production techniques, or carry out technical transformation to control the discharge of atmospheric pollutants.
- Strictly control the discharge of dust and gaseous pollutants
- Prevention and control of pollutants from coal burning, industrial production, motor vehicle and vessels, and dust.

Link to the Chinese text

*Marine Environment Protection Law of the People’s Republic of China* (2017 Revision) [Effective]

- Scope of the directives:
  - Supervision and Control over the Marine Environment; Marine Ecological Protection
  - The law also provides for the prevention and control of pollution damage to the sea from different sources of pollutants

- Key points for suppliers:
  - Dumping fees must be paid for the dumping of wastes into the sea according to national provisions
  - Enterprises that discharge sewage shall follow the total discharging amount limit indexes specified for themselves, while implementing national and local emission standards.
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Give priority to the introduction of clean energies and clean production technology to prevent pollution to the marine environment.
- The discharge of land-based pollutants into the sea must be in strict accordance with the standards and relevant regulations prescribed by the state or local governments.
- Deep-sea offshore discharge outlets for land-based pollutants shall be set up in accordance with state regulations.
- No enterprise or unit may dump any waste into the sea areas under the jurisdiction of the People’s Republic of China without the approval of the competent department of Marine administration of the state.
- Manage the wastes at different levels according to the category and quantity of wastes.

Link to the Chinese text

Environmental Protection Tax Law of the People’s Republic of China (2018 revision)

- Scope of the law:
  - It is stipulated that enterprises and institutions, and other producers and business operators that directly discharge taxable pollutants are taxpayers of the Environmental Protection Tax Law.
- Key points for the suppliers:
  - Enterprises and other producers and business operators that store or treat solid waste not conforming to national and local environmental protection standards, shall pay environmental protection tax.
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

- The basis, standards and methods of taxable pollutants.

**Link to the Chinese text**

**Circular Economy Promotion Law of the People’s Republic of China (2018 revision)**

**Scope of the law:**
- Regulation on the reduction and recycling activities in production, circulation and consumption.

**Key points for suppliers:**
- The techniques, equipment, products and package design shall follow the requirements of minimizing resources consumption and waste generation, give preference to materials and designs that are recyclable, easy to dismantle, easily degradable, toxic-free and harmless, or less toxicity and less harm, and in line with the compulsory requirements of national standards.

- Enterprises shall apply advanced or suitable water-saving technologies and equipment, design and implement water-saving plans, reinforce water-saving management, and control the whole process of water usage in production.

- Enterprises shall develop series connection mode of water system and water use system.

- Enterprises that produce internal combustion engine and motor vehicles shall adopt oil-saving technologies in accordance with the national economic standards for internal combustion engine and motor fuel.
**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

- Enterprises shall follow national regulations, and conduct comprehensive utilization of industrial waste generated during production.
- Enterprises shall adopt advanced or suitable recycling technologies and equipment to utilize the excess heat and pressure generated in production.
- The state supports producers and business operators in establishing information system to exchange industrial waste.
- The state supports enterprises to reproduce and refurbish auto parts, engineering machines, and machine tools, etc.
- Regarding dismantling or reusing special products like WEEE, scrapped motor vehicles or vessels, scrape tyres, waste lead-acid batteries, etc., the enterprises shall obey the regulations of concerning laws and administrations.

**Link to the Chinese text**

*Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution (2018 revision)*

- **Scope of the law:**
  - Prevention and control of environmental noise pollution in China
- **Key points for the suppliers:**
  - Enterprises that generate environmental noise pollution for using certain equipment, must declare to regional department of ecological environment of county level and above, in accordance with the regulations of the MEE of State Council.
  - Industrial enterprises and factories that generate industrial noise to surrounding residential areas,
### LEGISLATION SUMMARY: CHINA

**Expectations towards suppliers as defined in the Guiding Principles and local legislation**

| 5. Responsible Chemical Management | Regulation on the Safety Management of Radioactive Wastes, which came into force on March 1, 2012. | The Guiding Principle and Practical Guidance expected enterprises to identify, and manage chemicals to ensure their safe handling, movement, storage, use, recycling, or |

<table>
<thead>
<tr>
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<th>shall comply with national environmental noise emission standards.</th>
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<tbody>
<tr>
<td></td>
<td>• Industrial enterprises that generate environmental noise pollution, shall take effective measures to reduce the noise.</td>
</tr>
</tbody>
</table>

**Measures for Administration of Recycling Scrapped Motor Vehicles (revision draft) passed by State Council in 2019**

- **Scope of the measures:**
  - Regulations on recycling and dismantling of scrapped motor vehicles, to prevent scrapped or reassembled vehicles moving on road, prevent and control air pollution, and push forward high-quality development of automobile industry.

- **Key points for the suppliers:**
  - Recycling enterprises shall record the amount, types, and flow of the “Five Main Components”, and upload the recycling information to related administrations.
  - The recycling enterprises shall apply for qualifications after obtaining business licenses.
  - Enterprises shall follow the requirements of environmental protection in aspects like storage locations, equipment and facilities, dismantling operations, etc.

**Link to the Chinese text**
**LEGISLATION SUMMARY: CHINA**

*Expectations towards suppliers as defined in the Guiding Principles and local legislation*

- The regulation stipulates the specific measures of safety management of radioactive wastes
  - Key points for suppliers:
    - Safe issues of the storage and disposal of hazardous chemicals


- Scope of the regulation:
  - The regulation stipulates the specific measures of safety management of hazardous chemicals
- Key points for suppliers:
  - Safe issues of the production, storage, use, operation and transportation of hazardous chemicals
  - Hazardous chemicals registration and emergency rescue

**Regulation on Production Safety License (2014 revision)**

- Scope of the regulation:
  - Strict regulation on work safety conditions, reinforcement of supervision and management of work safety, prevention and reduction of work safety incidents.
- Key points for the suppliers:
  - Enterprises without work safety license shall not conduct production activities.
Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Enterprises shall apply for work safety license according to the Regulation, and provide related documents and materials specified in Article 6.
- Enterprises shall not transfer, or use work safety license illegally or use fake licenses.
- Enterprises shall not lower work safety conditions after obtaining license, and shall strengthen daily work safety management, and accept supervision and inspection of license issuing administrations.
- Enterprises that have already been producing before the Regulation becomes effective, shall apply for work safety license to license issuing administration within one year from the date of enforcement of this regulation.

Link to the Chinese text

Interim Provisions on the Supervision and Management of Major Hazards of Dangerous Chemicals (2015 Revision)

- Scope of the provision:
  - Stipulate the specific measures for strengthening the safety supervision and administration of major hazards of dangerous chemicals
- Key points for suppliers:
  - Identify and assess major hazards
  - Safety management measures

Link to the Chinese text

Measures for the Implementation of the Permits for the Safe Use of Hazardous Chemicals (2017 Revision)

- Scope of the measures:
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- The measures strictly standardizes the production condition of chemical enterprises which use the hazardous chemicals for production, and standardize the issuance and administration of permits for the safe use of hazardous chemicals

  o Key points for suppliers:
    - Conditions for applying for the permits for the safe use of hazardous chemicals
    - Application for the permits for the safe use of hazardous chemicals

  Link to the Chinese text


  o Scope of the measures:
    - The measures strictly standardizes the production condition of hazardous chemical production enterprises, and standardize the issuance and administration of work safety licenses of hazardous chemical production enterprises

  o Key points for suppliers:
    - Conditions for applying for the work safety licenses
    - Application for the work safety licenses

  Link to the Chinese text

Regulation on Emergency Response to Work Safety Incidents effective since April 1, 2019

  o Scope of the regulation:
    - Regulation applicable for emergency response to work safety incidents
LEGISLATION SUMMARY: CHINA

Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Key points for the suppliers:
  - Establishing and perfecting accountability system of emergency response to work safety incidents, and the principal shall take full responsibility to emergency response to work safety incidents in the production unit.
  - Regarding the possible features and harm of work safety incidents in the production unit, risk identification and evaluation shall be conducted, and emergency rescue plan shall be prepared and publicize to employees of the unit.
  - The rescue plan of emergency response to work safety incidents shall comply with related laws, regulations, standards and rules, and shall be scientific, specific and workable, there should be explicit regulations on emergency response system, segregation of duties, and measure and process of emergency rescue.
  - Production, operation, storage and transportation units of flammable and explosive hazardous substances, hazardous chemicals, etc., construction units, and operation units of assembly occupancies, shall report their rescue plan of emergency response to work safety to supervision and management sectors of the government above county level, and release to the public.
  - Enterprises shall establish emergency rescue team, or sign emergency rescue contract with neighbouring emergency rescue team.
  - Enterprises shall conduct training and education on emergency response for employees, to ensure employees having the basic emergency response knowledge, and mastering risk prevention and
Expectations towards suppliers as defined in the Guiding Principles and local legislation

- Enterprises shall report the condition of establishment of emergency rescue team to work safety supervision and management sectors of local government above county level, and publish to the public.

- After the occurrence of work safety incidents, producers and business operators shall activate emergency rescue plan immediately, and take emergency rescue measures, and report the incident situations according to national regulations.

- Units and individuals that conduct emergency rescue at the scene of work safety incident, shall obey the unified command of the rescue headquarters onsite.

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