

IMPLEMENT SOCIAL RESPONSIBILITY AND ACHIEVE HARMONIOUS DEVELOPMENT

Ladies & Gentlemen,

Good morning!

My name is Zhao Rong, coming from China, the Deputy Director of the Association of Promotion for Guangdong Economy & Investment, which is under the jurisdiction of The Economic and Trade Commission of Guangdong Province. I feel highly honored to have a chance here to discuss the topic about “implement social responsibility and achieve harmonious development”.

As we know, social responsibility of enterprise has become an essential world wide theme. At present, globalization is affecting the development of the world widely and deeply. Economy growth, industry promotion and culture integration, cause profound change to the traditional value and responsible concept of enterprise. And achieving social harmonious and long-term development remains the ideal dream of many people. As the Chinese common saying goes that “All citizens have a duty to the country”, everyone needs to be responsible for the rise and fall of a country and the progress and failure of a society. On the way of developing harmoniously, enterprise, as the cell of the society, is duty

bound to shoulder relevant social responsibility. The relationship between society and enterprise is mutually dependent. As long as an enterprise pay great attention on the society's overall benefit and implement actual measures that do well in the progress of the society, it can obtain a wider developing space. Therefore, social responsibility of enterprise has become an important index of economy development and society progress, and an essential criterion of measuring enterprise's comprehensive contribution to the society.

Since the concept of social responsibility of enterprise has been put forward, it has developed for more than 80 years and received more and more attention from the whole world. At present, it is universally acknowledged as: At the same time of enterprise's making profits, it is required to bear the responsibility for staff, society and environment, including observing commercial morality, production safety, career health, protecting the legal rights of employees and saving resources etc.

At each aspect that stated above, the enterprise in Europe has already gained rapid progress at the outstanding development, and has accumulated valuable experience. Putting social responsibility as the element of target and implementing related measures actively have become the inexorable trend of enterprise's development. Enterprise not only further strengthens observing commercial morality, but also systematically promotes the establishment of enterprise citizen system.

As in China, the development of enterprise's social responsibility remains to be improved, this is decided by the national condition. China's reform and opening merely lasted less than 30 years. Many internal systems of Chinese enterprise are not completed enough. However, from the observation of the latest 30 years, we are glad to discover the condition is changing. The sense of social responsibility of Chinese enterprise is stronger and stronger, more and more enterprises start to pay attention to the social responsibility. They implement a series of measures to promote the development internally and launch some activities to benefit social harmony. Therefore, they obtain remarkable success and exert an active influence.

I give some examples following to illustrate some standard enterprises that are good at fulfilling social responsibility.

Zhen Tai Group

Established in 1983, Zhen Tai Toys Factory is located in Baiyun District, Guangzhou City. Until now, it has become a world while famous large-scale toys producing enterprise. Under the spirit of "love others like love oneself" and the brand of "honest, outstanding and sociable," they create two miracles. First, they use business management to create miracle. They only spent 20 years with initial investment of 200 thousand to make the small toys factory become an enterprise group with an annual

export value of 2 billion HKD. Secondly, they use love to create miracle. At the same time of developing rapidly, they devoted more than 65 million RMB to the social welfare industry such as building schools, helping the poor and so on. The realization of these two miracles is depending on their contribution of bearing the social responsibility.

Zhe Tai Group pursues the principle of “to make progress from stability, to win recognition with good quality, to consider with human first, to repay the society”, and several factories of the group have achieved ISO9002 authentication. Zhen Tai not only has established the internationally approved chemical and physical labs, but also set up a perfect system of quality control. The serious requirement of product quality is the important condition for Zhen Tai’s being the most influential enterprise in Chinese toy industry.

Taking care of staff and improving staff’s quality are Zhen Tai’s aspiration and mission. They create comfortable living environment for staff, establish “ease project” and promote teaching in staff’s hometown to strengthen staff’s responsibility for enterprise. In order to communicate with staff effectively, Zhen Tai starts talking hotline and organizes some activities and so on. They take care of the staff from different aspects, which make the staff feel warm about the big family.

In regard of supporting social welfare, Zhen Tai set up the charitable fund association and keep some of it as the charity fund .To promote

teaching, no matter how far and busy, the leaders of Zhen Tai Group chose destinations and decided devotion plans personally. Their contribution for the countryside children has been spread everywhere.

Their mission has won the social recognition, their contribution has received compliment from all circles. At the same time, they develop itself's brand and realize the mutual improvement between enterprise and social value. They build a good image of Chinese toy industry world while and strengthen the confidence of the whole world regarding to Chinese toy industry.

Hong Dou Group

It is the first enterprise to achieve CSC9000T authentication in China, and it is also the first enterprise to completely implement social enterprise responsibility in fabric industry. Hong Dou Group enjoys the history of 50 years and has over 20 thousand employees. It owns 200 related production enterprises nationally and some sub-companies in other countries such as United States. Moreover, it is expanding by 30% to the global market annually.

Over 50 years, Hong Dou remains implementing the principle of “use the industry to contribute to motherland and pursue richness together”. They treat staff warmly and continuously perfect the system of human resource. Towards different types of functions and training, they

succeed in improving the communication between the staff and the management and completely increased the comprehensive quality of employees, in which strengthening employee's happiness.

In terms of bearing external responsibility, Hong Dou Group made great contribution to regional revenue and used technology to help poor area and weak individuals. Moreover, they continuously up grade the composition of products and reduce the waste of energy. Furthermore, they grew 12 thousand mu plants to protect ecology environment and condensed effective medicine to benefit human beings.

Hong Dou Group always tries its best to contribute to the social welfare industry. It has devoted nearly 50 million to the society these several years. The most interesting is that when the concept of ethical culture was gradually growing dim, Hong Dou proposed people to enjoy Hong Dou loving festival —— Chinese valentine. Through 6 year's hard work, this traditional festival has won the recognition of the public gradually. This spirit and action of protecting ethical culture is valuable for other enterprises to learn in the way of bearing social responsibility.

China National Petroleum Corporation.

It is a large—scale nationally owned corporation with 1.589 million staff and 1400 billion assets. It is the main petrol producer and supplier in China. The crude oil and natural gas of CNPC occupy a market share of

57.9% & 76.9% nationally, and the investments of oil & gas and technology service have expanded to 48 countries and regions globally.

Besides ensuring the energy supply nationally, CNPC remains the concept of “safety first” and tries to develop circle economy to make contribution to build a new type harmonious society.

In order to improve the production safety, CNPC implemented HSE management system and carried out the function of “safety base year”. They invested 17.5 billion to control the polluted water and obtained an effective outcome.

“Be consisted to repay society and active to support social welfare” is another expression of CNPC’s implementing social responsibility. It has invested 2.5 billion to the social welfare and established green area and ecology region together with local government to increase the development of local economy.

Furthermore, it pays great attention to employee’s development and improves the system of salary and insurance, and protects employee’s rights and strengthens employee’s training.

This year, CNPC continuously perfect the system of social responsibility index. They started the connection of social responsibility report 2007 and planned to adopt suitable means to attend the global contract organization of UN in a suitable time in order to implement social responsibility completely.

From the examples stated above, we can easily discover that enterprises' shouldering social responsibility can be able to fulfill public benefit, increase commercial profit, build good image, develop living standard, accord with shareholder's benefit, keep balance between right and responsibility and promote continuous development. All of these are exactly the meaning of bearing social responsibility.

Except them, there are lots of enterprises that carefully implementing social responsibility and devoting to the harmonious development in China. In particular, the first session of Corporate Social Responsibility International Forum was successfully held one year ago, in which the topic of "global responsibility and create harmony" had been reported. Meanwhile, the concept of social responsibility of enterprise had been initially involved in the blueprint of China's constructing harmonious society. All of these indicate that with the development of productive forces and the shaping of opening, bearing enterprises social responsibility, repaying the society and improving the harmonious development between itself and the society have become the inevitable trend towards the development of Chinese enterprises. China will learn the developed countries' experience of implementing social responsibility, answer the call of "global contract action" of the United Nations and put the implementing social responsibility and realizing harmonious development into practice.

The earth is the homeland of human beings. For the sake of our harmonious, healthy and wonderful future, for the purpose of realization of getting along harmoniously and the development of economy and society, I am here appealing all enterprises to work together to carry out social responsibility.

Thank you very much!

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