



Blue Map Database

Green Supply Chain Management Methods: Operational Guide

REFERENCE DOCUMENT

IPE  **公众环境研究中心**

IPE Green Supply Chain Project
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IPE Green Choice Supply Chain Management Model

In 2006, the [Institute of Public & Environmental Affairs \(IPE\)](#) developed and launched China's first public environmental database, the Pollution Map, and has since continually updated it with new information. In 2016, the Pollution Map was upgraded into the [Blue Map Database](#). For more information, see [Appendix I](#).

IPE has pushed over 200 brands and companies to date to use the information in the database to manage the environmental impacts of their supply chains. Companies regularly screen their supplier lists to identify instances of environmental noncompliance. They then push problem suppliers to work with IPE to publicly address their environmental violation records and verify the effectiveness of rectifications.

Since 2007, IPE has worked with NGO partners and leading corporate citizens to formulate a framework for helping companies to manage the environmental impacts of their supply chains. This model is outlined below step-by-step and illustrated in chart form on page 4.

Step One: Collect and maintain a list of supplier names.

Companies maintain a list of their suppliers and regularly update this list. In order to compare supplier information with the records in IPE's database, companies must generate a list of the names of suppliers located in mainland China in *simplified Chinese characters*.

Step Two: Screen supplier lists to identify environmental risk.

To identify which suppliers pose a risk to the environment, IPE encourages companies to compare their supplier lists with **over 450,000 government-issued environmental noncompliance records**¹ that have been collected and entered into [IPE's online database](#). These records are supplemented by real-time data about suppliers' air emissions and wastewater discharge.

Companies may regularly screen their supplier list against the information in the IPE database to detect which suppliers have environmental violation records. IPE recommends that companies screen their supplier lists on **at least a quarterly basis**, and as often as monthly.

A link to a manual on supplier screenings can be found [here](#). There are two methods for screening suppliers:

Manual screening

[IPE's database](#) allows supplier names and keywords to be searched manually. This type of search can be convenient for situations such as the following:

- Due diligence process before signing a supplier;
- Companies with a small number of suppliers;
- Checking up on individual supplier cases.

¹ Figure is as of June 2017.

Automatic screening

IPE has developed an advanced supplier screening tool that allows a [corporate user](#) to quickly compare an Excel list of suppliers² with the environmental supervision records entered into the database. Instructions on how to use this tool can be found in [Appendix II](#).

Publicly-traded A-share and H-share companies may also be screened by stock ticker number using the [Green Stocks search portal](#) to identify violations at their subsidiaries and affiliated enterprises.

Step Three: Notify suppliers of violation record(s) and request them to contact IPE.

Where violation records are identified, companies notify suppliers of such records, requesting them to implement corrective actions and contact IPE to transparently address their record(s). In this communication, companies should clarify the source of the supplier violation record(s)³ as well as the company's individual requirements for addressing the record (such as publishing an explanation of the record and corrective actions, publishing supervision and monitoring information, taking steps to remove the record from the IPE database, etc.).⁴

Step Four: IPE reviews the record(s) with suppliers and assists with initial information disclosure.

After a supplier contacts IPE, IPE staff⁵ will work with the supplier's staff to confirm the facts of the environmental violation record(s). Once the facts of the record are confirmed, IPE will provide recommendations for initial information disclosure to address the record.

Information Disclosure ("Enterprise Feedback")

To publicly respond to a record, IPE will recommend a supplier to issue materials, such as documents clarifying the facts of the record, corrective action plans, and monitoring data to verify the supplier's current compliance situation. This information will be published on the same page as the violation record in IPE's database underneath the header "enterprise feedback."

Step Five: Suppliers demonstrate effectiveness of corrective actions through disclosure and/or a third-party audit.

Suppliers may verify the effectiveness of corrective actions by undergoing a [third-party "Green Choice Alliance" \(GCA\) audit](#). **Successful completion of third-party verification may allow a supplier to remove a record from IPE's database and/or be added to IPE's "white list."** Depending on the nature of the record, verification may be conducted as a supervised third-party on-site audit (to be completed by a [pre-approved auditing company](#) and supervised by IPE and/or its NGO partners) or an off-site document review (to be completed by IPE staff). For details about the

² IPE does not share supplier list information uploaded via user accounts. IPE may sign confidentiality agreements about supplier lists so long as companies commit to driving suppliers to openly address their violation records.

³ All supervision records in the database have been published by government sources, as outlined in Appendix I.

⁴ If requested, IPE can provide an e-mail template for such communication with suppliers to explain the background of the green supply chain project and help suppliers clearly understand the process to address violation records.

⁵ Once a company or brand begins screening its suppliers, IPE will assign a specific contact at the organization to be responsible for handling inquiries from suppliers of that specific company or brand.

requirements to remove a record from IPE's database, as well as the classification of corporate environmental supervision records and suggested follow-up methods, please see [Appendix III](#).⁶

[Data Disclosure & Transparency \(Optional\)](#)

Step Six: Set public targets for resource conservation and emissions reduction along the company's supply chain in China. Push suppliers to disclose annual pollutant release and transfer (PRTR) data to publicly verify progress toward these targets.

IPE encourages companies to use data disclosure to publicly verify progress toward energy use and emissions reduction targets for their supply chains in China. After disclosing aggregate targets for their supply chain in China, brands can require individual suppliers to publish their annual energy, resource use and pollutant discharge data on [IPE's pollutant release and transfer \(PRTR\) platform](#) and then use this disclosed data to verify the extent of progress toward their stipulated targets. Suppliers may provide information about energy usage and greenhouse gas emissions, water usage and wastewater emissions, air emissions, solid waste, and transfer and release of hazardous materials via the PRTR platform.

Supporting Documents:

[Appendix I: IPE Blue Map Database Introduction](#)

[Appendix II: Advanced Supplier Screening Tool Operation Manual⁷](#)

[Appendix III: Guide to Addressing and Removing Environmental Supervision Records](#)

⁶ IPE may share additional details about the breakdown between levels of risk classification for violation records upon request.

⁷ For local staff reference in implementing supplier list screenings.

Green Supply Chain Management Methods Flowchart

