

绿色选择 Green Choice

月报 Newsletter | 2019年7月 July 2019

Round Two Inspections Begin

New central environmental inspections began this month, firing off the second wave of China's most aggressive environmental strategy to date.

Between 2016 and 2018, the first round of central inspections took industry by surprise as the national Ministry of Ecology and Environment (MEE) stepped in at the local level for the first time. Nearly half a million new violation records collected in IPE's Blue Map during this period offer unmistakable evidence of revitalized law enforcement.

This year, MEE will take a similar approach, but with several important revisions. It is the first time inspection teams will include state-owned enterprises (SOEs) and they are expected to give enterprises slightly more leeway after identifying noncompliance issues. In this way, the government hopes to simultaneously tackle some of the greatest sources of pollution and also motivate long-term polluters to take responsibility in rectification efforts. Read on for details.

Note: For Chinese readers, the Alliance for Water Stewardship (AWS) has kindly begun to translate our monthly newsletter. Click [here](#) to subscribe to the Chinese version of IPE's Green Choice Newsletter.

各位希望阅读中文月报的读者，可持续水管理联盟（AWS）将我们的月报翻译成中文。您可以通过他们的平台此处订阅IP的绿色选择月报的中文版。

— Erin Wong, Green Supply Chain Outreach Coordinator

In this month's newsletter:

- [New round of central inspections takes on SEOs.](#)
- [2019 Green Supply Chain Forum announced – CITI scoring begins!](#)
- [Industry publication Chemical Watch features IPE report](#)
- [Bonus! Record removal summary.](#)



New round of central inspections takes on SEOs

Eight inspections teams [settled](#) into various municipalities and provinces by July 15, landing in Shanghai, Fujian, Hainan, Chongqing, Gansu and Qinghai. This round of inspections is characterized by two significant developments.

First, central inspectors have repeatedly emphasized that punishments will not take the previous one-size-fits-all approach, a direct response to the 2017 blanket production bans on industries known for heavy pollutants, which frustrated those who had already installed environmental protection equipment. This year, violators will be given more time to make rectifications in order to encourage enterprises to "dare to take responsibility" for prior mistakes and effective response. (We highlighted the importance of differentiating management strategies in our [April report](#) on iron and steel.)

Second, and perhaps most notably, two of the eight teams are specifically [designated](#) to tackle state-owned enterprises (SOEs). Inspection teams entered subsidiary factories of [China Minmetals Corporation](#) and [China National Chemical Corporation](#) (ChemChina) earlier this month to show the public that the central government is not afraid to tackle severe pollution issues among their own assets. This round is expected to empower local authorities in their supervision of SOEs and make an example of these major companies that can pave the way toward green development.

The inspections will cover private industry in addition to SEOs and extend to all industries; every enterprise found in noncompliance therefore remains at risk to the closures and heightened penalties that characterized the previous round. While the continued flow of government force builds confidence in domestic change, the scale of environmental problems still requires multi-stakeholder support from leading brands and suppliers. Stay tuned for more updates and keep up with your own suppliers by [checking](#) them in the Blue Map!

2019 Green Supply Chain Forum announced – CITI scoring begins!



Speaking of multi-stakeholder support, IPE just finalized the date of our annual Green Supply Chain Forum, which will be held in Beijing on October 23-24 (above, last year's forum). The Ministry of Ecology and Environment (MEE) Foreign Economic Cooperation Office has agreed to co-host the forum, which will feature presentations from Chinese and international brands as well as industry experts sharing their recommended best practices in supply chain management. October 23 will focus exclusively on developments in the IT and textile industries, honing in on how to respond to environmental risk through IPE's data-based tools and welcoming feedback from brands already using the system.

In the weeks leading up to the event, our team will be scoring brands on their supply chain management practices since last fall, sifting through publicly available information online, in reports, and in communications with IPE. Be sure to get in touch if your team has made major milestones this year! Check dynamic Corporate Information Transparency Index (CITI) brand rankings [here](#).

Interested in attending the forum? We welcome media, brands and industry stakeholders to request a formal invite by emailing gsc@ipe.org.cn.

Industry publication Chemical Watch features IPE report

Another chemical industry publication featured our May [report](#), which highlighted four chemical giants that were indirectly supplied by Jiangsu Tianjiayi Chemical Co., Ltd. (JTC), the site of a fatal explosion in March of this year.

Chemical Watch [reached out](#) (porous payroll) to the four companies named in the report – BASF, Clariant, DuPont and Merck KGaA – three of which responded to deny direct business relations with JTC, although Merck and Clariant indicated that the factory may indeed belong their indirect supply chain. The American Chemistry Council, which runs an industry sustainability program also highlighted in the report, commented that their oversight program "focuses primarily on responsible use of chemical products downstream of sale, not on supply chain responsibility."

In short, sources contacted by *Chemical Watch* only affirm the report analysis. Present environmental and safety response programs operating in China's chemical industry cover only company's direct suppliers; in this way, pollution oversight overlooks extreme gaps in Tier 2 suppliers, allowing sourcing companies to continue to profit off of dire risks hidden in the globalized economy.



Bonus! Record removal summary

Did you know suppliers can remove a violation record from the Blue Map Database? All they need to do is fix the problem at hand and demonstrate they are currently in compliance. We currently detail this in the [Guide to Addressing and Removing Records](#), but its proven a bit long for every enterprise to sift through, so we decided to clean it up a bit and design handout for everyone. Find a PDF version on our [Document Download Center](#).

If you'd like to see another project brief, drop us a line at gsc@ipe.org.cn

Subscribe to IPE's Green Choice Newsletter

POLICY UPDATES & RESOURCES

Policy Updates

The Ministry of Ecology and Environment (MEE) [finalized](#) a nearly two-year process to draft amendments to the current chemical registration legislation. The proposed amendments resolve several inefficiencies in the present system by reducing registration requirements for chemicals transferred in low volumes, differentiating requirements for low- versus high-risk chemicals, and simplifying the registration process for new substances seeking additional to the national inventory. These amendments would build on the existing Environmental Management of New Chemical Substances regulation (MEP Order No. 7). Read more details at [Bloomberg Environment](#).

Policy Resources

- [Environmental Protection Tax Law of the P.R.C.](#) (English)
- [Soil Pollution Action Plan](#) ("Soil Ten") (Unofficial English translation)
- [Amendments to China's Air Law](#) (passed in August 2015) (English translation)
- ["Water 10" Action Plan](#) (issued in April 2015) (English translation)
- [Made in China 2025](#) (policy summary)
- [EU-China Environmental Governance Project Policy Resource](#)
- [Center](#) (Bilingual)
- [China Hazardous Chemicals Management Resource Center](#) (Bilingual)
- [China Law Translate](#) (crowd-sourced English translations of Chinese laws)

RELATED NEWS AND REPORTS

[China's chemical crackdown 'having more impact on business than US trade war'](#)

South China Morning Post, July 31, 2019

[The hidden costs of China's rare-earth trade](#)

Los Angeles Times, July 29, 2019

[Cashing in on the waste sorting revolution](#)

chinadialogue, July 24, 2019

[Shanghai's compulsory waste sorting begins](#)

chinadialogue, July 2, 2019

DOWNLOAD IPE'S BLUE MAP APP!

Our Blue Map 5.0 now available in English! Download by scanning the QR code below.

