

绿色选择 Green Choice 月报 Newsletter | 2019年9月 September 2019

How to Mobilize the Market for Climate Action

The UN Climate Summit on Monday passed with few major headlines. China, although on track to meet its targets under the Paris Agreement, did not announce any additional plans that might align with a 2-degrees limit on global warming.

IPE Director Ma Jun published an op-ed in TIME Magazine during the lead up to the event, citing the complexities China faces given the economic slowdown and extended trade war. China has made sweeping investments to curb coal consumption since 2011; however, consistent reductions have proved elusive, as emissions from steel and cement rebounded last year.

To address climate change in spite of economic challenge, he argues, China must mobilize the market with greater transparency. Multinational and domestic brands have pushed more than 8,000 suppliers to address pollution issues using violation records collected by IPE. When the government publishes these pollution records, businesses are forced to manage their supply chains as NGOs and the public weigh in and investors take note of environmental risk. A landmark report now finds China effectively reduced the spread of pollution while maintaining economic growth since 2015, due in no small part to private sector engagement.

China may apply this method to climate action by requiring enterprises to publicly disclose their emissions, incentivizing companies to respond to carbon hotspots. Still the workshop of the world, China requires collaborative efforts to fulfill its role as a true climate leader.

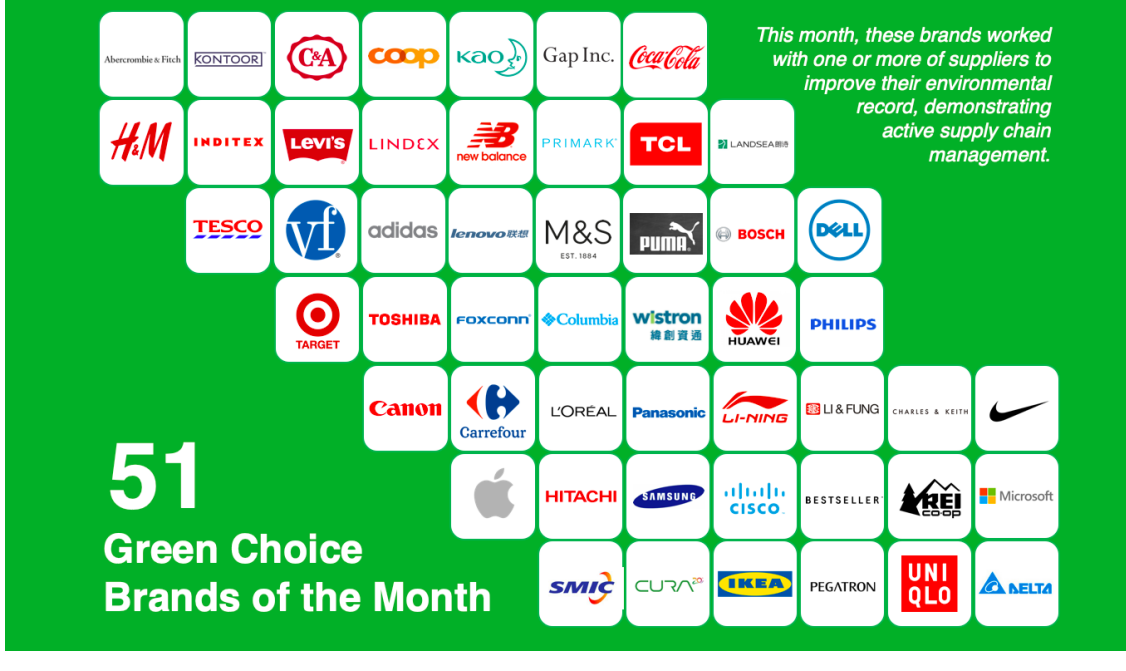
Climate hawks, keep an eye out for supply chain climate action index in December!

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IPE绿色选择月报的中文版。

— Erin Wong, Green Supply Chain Outreach Coordinator

In this month's newsletter:

- Invitations out for the Green Supply Chain Forum
• Brand stories from Nike, Target, Marks & Spencer and Adidas
• Ma Jun offers insights on Yangtze River rectifications
• Policy Updates & Resources



Invitations out for the 2019 Green Supply Chain Forum



2018 Green Supply Chain Forum Panel

This year's Green Supply Chain forum will be co-hosted by IPE, the Ministry of Ecology and Environment (MEE) Foreign Economic Cooperation Office, SEE Foundation and the Environmental Defense Fund. The agenda includes representatives from MEE, the Ministry of Industry and Information Technology, and top executives from Apple, Dell, C&A and other industry leaders from the IT and textile sectors.

In 2019, MEE and local environmental departments carried out in-depth monitoring and law enforcement work. China's war on pollution and the battle for blue skies have witnessed significant improvements across the country; however, much work still remains, and complex domestic and international circumstance present the need for innovative solutions.

Our team is sending out official invitations by the end of the month. If you would like to join us at the forum as foreign or local media coverage, NGO representative or other partner, please send us an email at gsc@ipe.org.cn

Brand stories from Nike, Target, Marks & Spencer and Adidas

The Green Supply Chain forum marks the end of the 2018-2019 Corporate Information Transparency Index (CITI) evaluation cycle. As the cycle draws to a close, active brands generate an upswing in activity, this year including four new brand stories published by major IPE partners.



Nike introduced several ongoing waste reduction programs, including the Nike Grind Program, which recycles scrap materials from footwear manufacturing into tracks, gym floors and turf fields. In China, 13 Nike and Converse footwear factories have maintained a recycling rate of 70% and eliminated all waste to landfills since 2016.

Target reflected that since 2011, their team has engaged 63 Chinese mills in the Apparel Impact Institute's Clean by Design program (formerly of the Natural Resources Defense Council), which pioneered 10 best practices for energy and water use savings. Their 2018 cohort of 20 mills reduced water use by an average of 20% and energy use by an average of 12%.

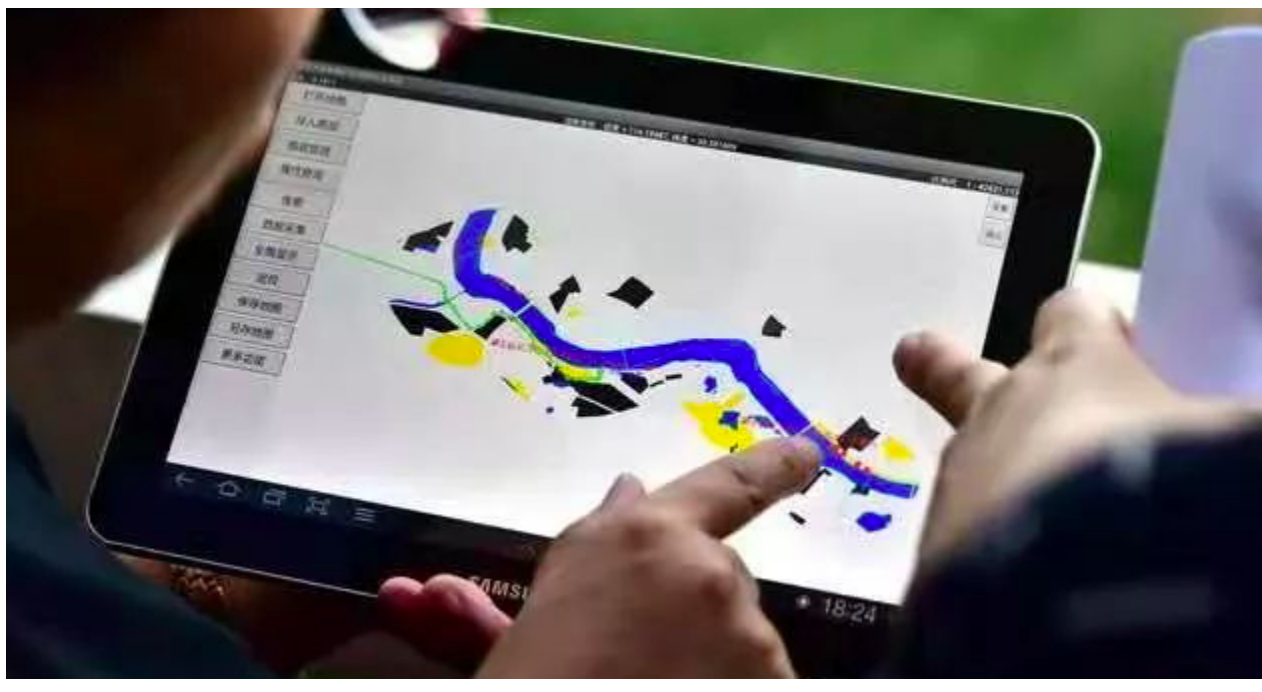
Marks & Spencer shared their investments at factories in Hangzhou and Foshan, both of which achieved savings by targeting energy-intensive processes with washing machines, wool sorting and refrigeration.

Adidas detailed the annual improvements of its factory in Jiangsu, China since 2015. Through the Adidas Energy and Water Investment Plan, the factory serves both energy and water efficiency through wastewater heat recovery, solar-powered water pre-heating, equipment insulation, wastewater recycling, natural gas boilers and more.

More highlights to come in this year's CITI report!

Ma Jun offers insights on Yangtze River rectifications

The FORTUNE Global Sustainability Forum invited IPE Director Ma Jun to speak at two panel events this year. Alongside Debra Tan of China Water Risk and FORTUNE moderators, he discussed (Chinese) the government campaign to clean up the Yangtze River, which provides water resources for a third of the population. His remarks centered on the diverse challenges facing the river, including hydropower dams, water diversion and pollution.



Ma Jun also participated in discussion on measuring the impact of corporate sustainability practices with Ronnie Tham, the Director of Global Sourcing for Walmart and Yin Zheng, the Executive Vice President of Schneider Electric. The conference speakers also included a representative of McDonald's, which IPE recently found with numerous supply chain pollution issues last month, highlighting the need to not only measure the positive impacts of sustainable operations, but also pay attention to all areas where production impacts the environment and public health.

To send a letter in support of McDonald's responding to pollution issues, send an email to gsc@ipe.org.cn. To understand the most pressing issues considered by corporate stakeholders in Asia in 2019, check out ELEVATE's annual survey, Tracking the Trends.

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POLICY UPDATES & RESOURCES

Policy Updates

The Ministry of Emergency Management (MEM) issued Guidelines for the Management of Chemical Risks in Chemical Industry Parks (Trial) last month, as well as a Notice on the Guidelines for the Investigation and Management of Hazardous Chemical Enterprise Risks and Hazards (MEM Notice [2019] No.78). The guidelines and notice respond to the 3.21 chemical explosion that took place in Xiangshui County earlier this year, requiring safety management systems for enterprises with dangerous chemicals to effectively prevent future accidents by addressing risks as they arise.

Most notably, under the new guidelines, emergency management departments at all levels must continuously track, collect and study the safety risks and management of chemical parks and high-risk chemical plants within their jurisdiction. Industrial parks considered high risk may not expand or undergo new construction; they will be given time limits to complete rectification efforts; and if the rectification fails to meet the conditions for safe production, production may be suspended and safe production licenses may be revoked.

For more details on the newly strengthened regulations, read the full text of the documents on the MEM website.

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)

Questions or comments on content and layout? We'd love to hear from you: gsc@ipe.org.cn

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