

# 绿色选择 Green Choice

月报 Newsletter | 2019年 11月 November 2019

## 2019 SCTI highlights climate-conscious supply chains

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Monday, as COP25 commenced in Madrid, IPE and CDP <u>released</u> the second annual SCTI evaluation report to highlight the importance of cross-sector collaborations in global climate mitigation. A spin-off of CITI, the SCTI evaluates brand actions to measure and reduce carbon emissions along their supply chains in China.

Dell topped the rankings this year, with Cisco in second place and H&M and Nike tied for third. Apple was named the inaugural SCTI Master, graduating out of the annual rankings, while L'Oreal and UPM soared into the Top 20 (listed above), representing a trend of new industries among the ranks of leading brands.

Congratulations to these leaders for their exemplary efforts! Read on for more details or find the full report and best practices <u>here</u>.

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:

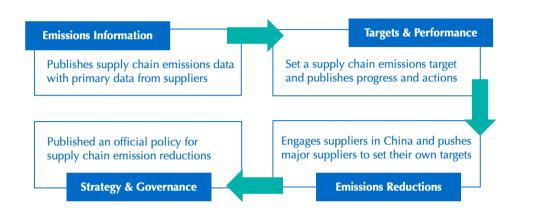
- 2019 SCTI finds more attention to climate change, yet insufficient plans
- IPE launches China's first national dynamic carbon map
- <u>H&M joins the Green Supply Chain map</u>
- Partner Updates



## **2019 SCTI Evaluation Results:**

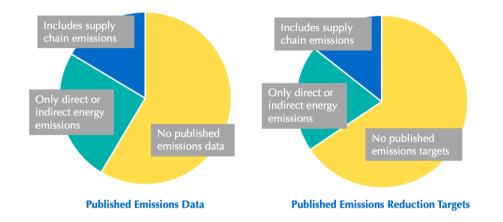
#### More attention to climate change, yet insufficient plans

Similar to CITI, the SCTI provides a roadmap for effective supply chain management and evaluates how well 440 brands spanning 19 industries perform in each of the given areas. The four dimensions of SCTI ultimately assess whether brands accurately measure their supply chain emissions, establish future targets, demonstrate progress toward targets, engage suppliers in China and disclose this information to the public.



This year's SCTI found that with the exception of a few leading brands – including Dell, Cisco, H&M, Nike and PUMA, which already push their suppliers in China to reduce their carbon footprints – most brands' emissions reduction targets lacked sufficient implementation plans for the China supply chain and did not break down overall targets by region or high-impact area. China is still the leading source of carbon emissions worldwide and for companies sourcing from China, it would be prudent to take action where it is needed most.

While the same companies evaluated in SCTI motivate nearly 3,000 suppliers a year to respond to pollution issues based on the <u>CITI roadmap</u>, brands still rarely push their suppliers <u>to report carbon</u> <u>data</u>, forgoing an essential step in accurate emissions accounting.



That said, climate change has received increasing attention at international brand headquarters, as noted in the Strategy & Governance dimension. We saw an interesting surge of representation from leading brands in the personal care, paper, food and beverage, pharmaceutical and brewing industries in the Top 50, suggesting that while these companies did not previously focus on supply chain environmental issues, they are taking deliberate steps to prioritize climate change.

The average Top 50 SCTI score is slightly higher than that of the broader green supply chain CITI, demonstrating more focus on climate action by brands in general. Dell demonstrated extraordinary commitment by requiring suppliers accounting for 95% of purchases to set their own emissions reduction targets and report emissions, as well as reducing their own <u>Scope 1 and</u> 2 (Question 2) absolute emissions by 40% by 2020. By contrast, Chinese brands lag behind, with only two in the SCTI Top 50.

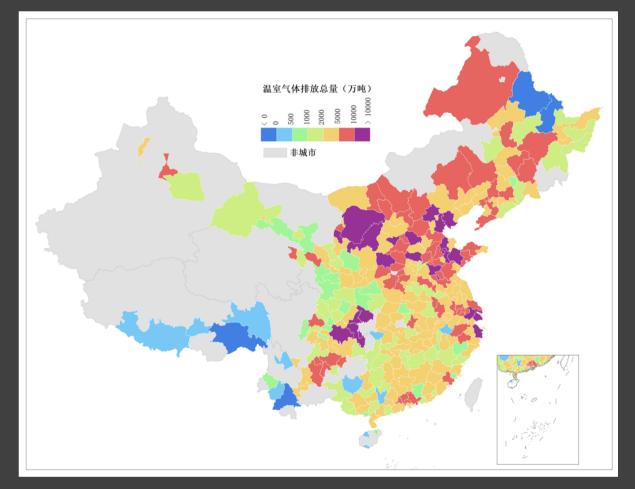


Apple, recently awarded the inaugural CITI Master title, was also named this year's SCTI Master, after requiring all of its key suppliers to annually disclose their GHG emissions, reduction targets and monitoring progress through the Blue EcoChain system. To date, they have pushed more than 200 suppliers to publish more than 600 sets of annual water, energy and chemical use data.

For more information on the SCTI roadmap, evaluation and best practices, read the full report.

#### Introducing the National Blue Carbon Map

In late November, IPE <u>launched</u> the Blue Carbon Map, China's first public database with regional greenhouse gas emissions listed by city, per capita and per unit of GDP. The map will help companies identify key regions and sources of emissions along their supply chain and provide a research foundation for investors, NGOs and the public.

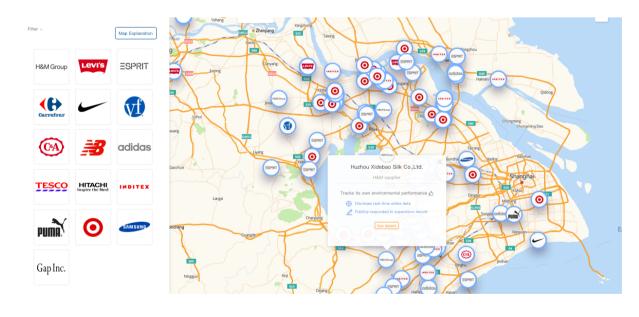


According to the data displayed on the map, carbon emissions are notably higher in the east and northeast, with Shanghai, Chongqing and Tangshan at the top of the list of cities with the highest emissions. The southeast region reveals much lower values once displayed as emissions per capita, whereas the northeastern cities show higher concentrations with highcarbon energy consumption and dense industrial production.

The map will also add enterprise-level emissions in the coming months and <u>be continuously</u> <u>updated</u> with government data thereafter.

## H&M joins the Green Supply Chain map

H&M Group became the sixteenth brand on IPE's <u>Green Supply Chain Map</u> in November, alongside thirteen other textile and apparel brands, Hitachi and Samsung. Their addition of 81 suppliers (T1, T2) brings the grand total to 1,792 suppliers linked to brand logos and environmental information, leading the way for corporate public accountability for manufacturing supply chains in China.



### **Partnership Updates**

<u>Changing Markets Foundation</u> (CMF) published the latest edition of its research into the environmental impacts of viscose, an alternative fiber used in textile manufacturing that has resulted in severe chemical pollution in China, Indonesia and India.



The 2019 report, *Dirty Fashion Disrupted: Leaders and Laggards Revealed*, provides a roadmap to the sustainable production of viscose and, as with this year's SCTI, calls out brands for setting sourcing policies without much evidence of progress or actions.

Notably, it calls out the Collaboration for Sustainable Development of Viscose, a coalition of leading Chinese viscose producers, which account for half of global viscose production, but at present, only require the minimum standards for clean manufacturing in China, rather than the international standard put forth by the E.U. and industry representatives.



On November 1, the <u>Sustainability Consortium</u> published the <u>Wastewater 101 Toolbox</u>, a new goto resource for brands, factories and researchers in textile manufacturing to find leading projects and share their own best practices. The Toolbox consolidates numerous resources into a single place, offering a comprehensive look at global wastewater research and response.



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