

New regulations provide basis for judging and handling environmental data fraud, realizing brands' climate commitments requires supplier-level data disclosure & more [View this email in your browser](#)



2016 is a big year for IPE -- it's our 10th anniversary, and we have a number of exciting plans in store. We're starting the year off by **making a key improvement to our supplier database search mechanism: we're in the process of integrating the function of the Ferret software tool into our online system.** This function will allow brands and other [registered Corporate Users of IPE's site](#) to upload an excel factory list online to search all in one go, rather than having to download the Ferret tool or manually search supplier names. We expect this upgrade to streamline the use of our database and help alleviate some technical road bumps.

In this month's newsletter:

- [New regulations provide basis for handling environmental data fraud](#)
- [Brands need to be more transparent about climate emissions from production](#)
- [Panasonic provides model for extending supply chain management](#)
- [Supplier Spotlight: Samsung pushes PCB manufacturer to address compliance issues](#)

We wish you all the best this Chinese New Year as the Year of the Monkey begins!

Subscribe to IPE's Green Choice Newsletter

New Regulations Provide Basis for Handling Environmental Data Fraud

Expansion of environmental monitoring data and real-time data disclosure have contributed tremendously to improved environmental enforcement and transparency in China. However, more stringent requirements for disclosure also create [potential for factories to tamper with monitoring equipment or falsify data](#), such as in [this incident at a Coca-Cola bottling plant last fall](#), or to collude with third-party companies. To combat these issues, in late December 2015, the Ministry of Environmental Protection introduced the [Measures for Determining and Handling Environmental Monitoring Data Fraudulent Activity](#). The new regulations build on the framework set forth by Article 65 of China's new [Environmental Protection Law](#), which clarifies the legal responsibility for parties involved in environmental information fraud. They also contribute several additional measures, such as the development of a blacklist for any agency found to have been involved in environmental data falsification.

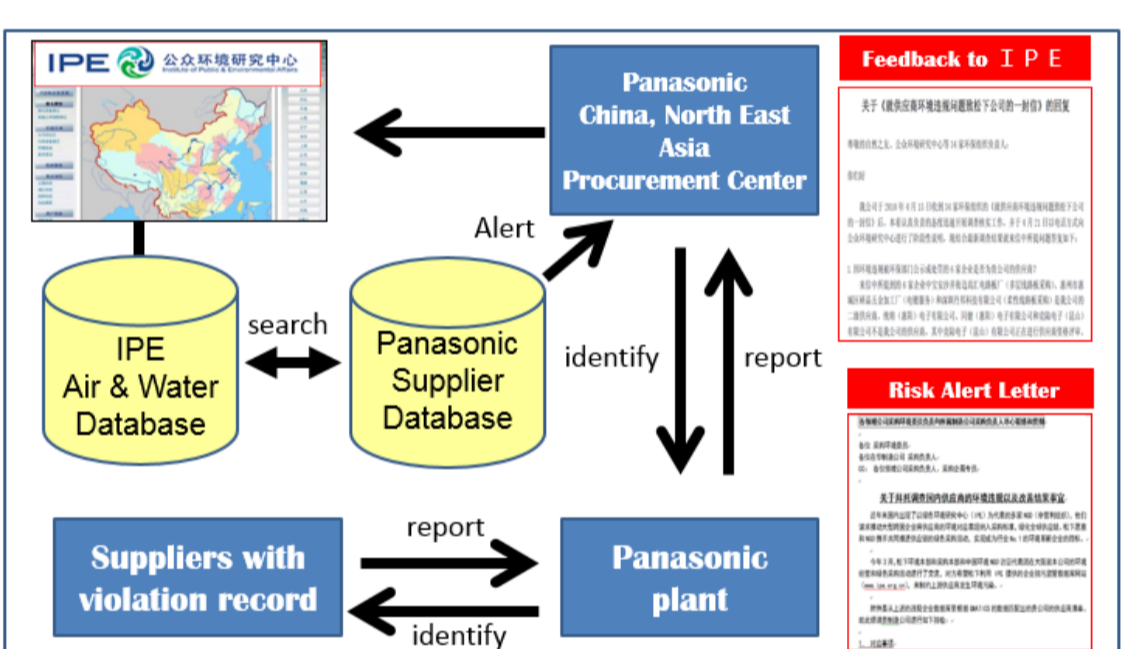


Brands Need to be More Transparent About Carbon Emissions from Production

It's a positive and necessary step that more brands are paying attention to supply chain emissions in the wake of the Paris COP21 conference. But for brands to be accountable to their promises for carbon reductions, it's imperative to be transparent about GHG emissions data from production at the facility level. As [NRDC's Linda Greer notes in her most recent Switchboard blog](#), supply chain initiatives from such groups as [the Carbon Disclosure Project \(CDP\)](#) are helping brands to make progress, but full transparency is unfortunately still far from the norm. To better track carbon emissions, brands can require suppliers in China to report their annual GHG emissions and energy usage by creating an account and [submitting their emissions information for disclosure on IPE's platform](#), which is currently being upgraded to integrate our different platforms for emissions and Detox disclosure. At present, eight brands ranked on the [Corporate Information Transparency Index \(CITI\)](#) have pushed their direct suppliers in China to publicly report carbon emissions, and Apple and Adidas have extended these requirements to high-energy suppliers farther up the supply chain – but over 60% of brands ranked on the CITI have yet to taken any action. Requiring public data disclosure exposes suppliers' deficiencies in environmental management, ensures robust data tracking, and allows for the setting of sound emissions reduction targets based on historical information.

Panasonic Provides Model for Extending Supply Chain Management

Panasonic was one of the earliest corporate users of the IPE database, completing its first GCA audit at a Shanghai facility in 2007. In 2015, Panasonic extended its supply chain management to require 66 subsidiary factories to monitor over 6000 of those factories' sub-suppliers. Extending its supply chain management has enabled Panasonic to choose and prioritize suppliers based on environmental compliance and has allowed Panasonic to ensure that its products and merchandise comply with [Panasonic's environmental guidelines](#). As part of its environmental management, Panasonic has established a robust multi-tier mechanism for regularly screening its suppliers and communicating with IPE on a monthly basis to verify the status and results of factories' corrective actions. Moreover, this setup has enabled Panasonic to extend its supervision to track the compliance of final processing facilities for used products. Panasonic's high standards and attention to detail has led Panasonic to push 21 suppliers to publicly address their violation records.



Supplier Spotlight: In 2011 and 2012, Unimicron Technology's Suzhou facility received a negative "yellow" rating from local environmental authorities for excessive wastewater discharge and air emissions. To address these violations, the factory subsequently implemented technical upgrades and improved its environmental management and emergency response systems. In January 2016, at the urging of Samsung, Unimicron invited technical experts to conduct a third-party GCA audit supervised by IPE and local partners. The facility is currently in the process of making additional improvements based on the experts' recommendations. The completion of Unimicron's upgrades and publication of its GCA audit report will result in benefits for the facility's business as well as the local environment.



POLICY UPDATES & RESOURCES

Policy Updates

- [Measures on the Determining and Handling of Environmental Monitoring Data Fraudulent Activity](#) (Chinese)
- [Li Keqiang and State Council announce new policies to resolve excess production capacity in the steel and coal industries, including the dissolving of "zombie companies"](#) (Chinese)
- [41 additional hazardous chemicals added as of February 1 to list for inspection by China's General Administration of Quality Supervision, Inspection and Quarantine](#) (Chinese)
- [Guidelines on Green Bond Offering](#) (Chinese)
- Cleaner Production Evaluation Index Criteria for [Battery](#), [Antimony](#), and [Nickel & Cobalt](#) Industries (Chinese)

Policy Resources

- [Amendments to PRC's Law on the Prevention and Control of Air Pollution \(passed in August 2015\)](#) (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)

IN THE NEWS

- [China ports introduce compulsory emissions rules from April](#) -- JOC, January 29
- [False emissions reporting undermines China's pollution fight](#) -- Reuters, January 17
- [Xinjiang cotton at crossroads of China's new Silk Road](#) -- Reuters, January 11

RELATED REPORTS

- Carbon Disclosure Project (CDP): [From Agreement to Action: Mobilizing suppliers toward a climate resilient world](#)
- Greenpeace: [Leaving Traces: The hidden hazardous chemicals in outdoor gear](#)

Disclaimer: Links are provided for reference only. IPE assumes no responsibility for false or inaccurate information in the materials provided in this newsletter.

If you have feedback or comments for this newsletter or IPE, we want to know! Please send a message to gca@ipe.org.cn.

Want to change how you receive these emails? You can [update your preferences](#) or [unsubscribe from this list](#)

