



China's Ministry of Environment (MEP) [has announced a key restructuring](#) that aims to make it more effective and results-oriented. The change, which was approved last year and comes at the outset of [China's annual lianghui meetings](#) of key government stakeholders, **will replace previous departments focusing on pollution prevention and control and total emissions control with new divisions respectively responsible for air, water and soil pollution.** The new structure will support MEP's comprehensive focus on improving environmental quality and will allow MEP to respond more quickly to public concerns.

While China is internally working hard to clean up its environment, **the outcome of China's efforts also depends upon the support of foreign companies that source in China.** Chinese law expert Dan Harris recently wrote on the China Law Blog about [why China's pollution problems matter to foreign companies](#). He concludes, "doing your part to reduce China pollution makes good business sense."

In this month's newsletter:

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- [Report analyzes pollution-related risk of publicly-listed companies](#)

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Xiaomi named as a greenwasher by respected Chinese media outlet

Xiaomi, the Chinese smartphone powerhouse, usually receives attention for sleekly-designed products and stunning sales volume, [selling over 70 million smartphones in 2015](#). However, respected Chinese news outlet Southern Weekly [recently highlighted the brand for a much less desirable reason: its greenwashing](#). The Southern Weekly report points out that last June, Xiaomi was the only company out of 37 investigated by IPE and other NGOs that refused to confront the issue of pollution in its supply chain. In response, [Xiaomi released a message on Weibo](#), stating, "As an internet company that focuses on research and development of smartphones, we do not deal with production and manufacturing, but rather, like Apple and Samsung, select and implement strategic cooperation with supply chain companies of a global standard." Southern Weekly's report notes that Apple and Samsung have responded to previous allegations of supply chain pollution by actively working with NGOs to implement corrective actions. Meanwhile, while choosing to ignore supply chain pollution, Xiaomi has ironically continued using environmental pollution to market its products, such as the popular Mi Air Purifier. Instead of greenwashing, Xiaomi should set an example – especially as a market leader among domestic brands – by focusing on proactively and transparently addressing environmental problems in its supply chain. [Xiaomi cannot only exploit opportunities that come from environmental pollution, but rather must produce more environmentally-friendly products.](#)



IT brands demonstrate how healthy competition among industry brands can drive significant emissions reductions

In the two weeks following the Chinese New Year holiday, twelve suppliers to eight IT brands – Apple, Huawei, Dell, Foxconn, Philips, Canon, Panasonic and Toshiba – contacted IPE to issue public statements about pollution violation records in IPE's database and the corrective actions they have taken to address these issues. To verify they have effectively addressed environmental issues including discharge of air emissions, wastewater and solid waste not complying with legal standards, some of the suppliers plan to undergo a third-party GCA audit supervised by IPE and the Green Choice Alliance network of NGOs. [An article published on IPE's "Blue Map" We Chat](#) recently highlighted how GCA audits at three facilities respectively pushed by Apple, Philips and Foxconn can create sustainable change by transparently confirming whether improvements are effective and working together with brands and suppliers if further improvements are required, thus preventing the need for additional efforts and costs in the long-run. The active efforts of so many brands within the IT industry demonstrate how transparency can level the playing field to drive forward environmental improvements on a greater scale.



Report highlights pollution-related risk of publicly-listed companies



Since January 2015, IPE has collaborated with the Securities Times to publish the weekly "Pollution Ranking for Publicly-Listed Companies' Online Monitoring Data," a listing of publicly-listed companies whose pollution issues may pose a risk to investors based on publicly available environmental monitoring data. The two organizations [released an annual report](#) last month summarizing their findings from 49 sets of rankings issued in 2015. Of the 141 public companies named to the Pollution Ranking over the course of a year, those from chemicals, utilities and non-ferrous metal industries showed up on the list the most often. Of note, a total of 28 companies publicly responded to their pollution issues, and a majority of these have already achieved compliant emissions. However, only 50 of the 141 companies -- less than 40% -- received any sort of official environmental violation or penalty, illustrating that there remains significant room for improvement in environmental law enforcement. The Pollution Ranking has thus far drawn its rankings from monitoring information about 1365 key state-monitored enterprises linked to a total of 519 publicly-listed companies. The report is currently [available for download in Chinese on IPE's site](#) and will be available in English soon. For IPE's database of listed companies with pollution violations, please see [here](#).

POLICY UPDATES & RESOURCES

Policy Updates

- [Ministry of Environmental Protection to be restructured \(English\)](#)
- [Guideline on Green Bond Offering \(Chinese -- National Development and Reform Commission explains 12 types of green bond projects\)](#)
- [2016 List of Key State-Monitored Enterprises \(Chinese -- listed enterprises must disclose real-time emissions monitoring data\)](#)
- [Measures on the Determining and Handling of Environmental Monitoring Data Fraudulent Activity \(Chinese\)](#)

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's environment ministry unveils restructuring plan aimed at making it more effective](#) -- South China Morning Post, March 3

[Polluters feel heat from Environmental Protection Law](#) -- Xinhua, February 15

RELATED REPORTS

[China Water Risk and International Renewable Energy Agency: Water Use in China's Power Sector 2030](#)

[World Bank: Keeping the Water and Environment Clean in the Qiantang River Basin](#)

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