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Esquel and Fast Retailing (Uniqlo) publish supplier lists for the first time, C&A and Esquel disclose supplier names in Chinese, Target pushes suppliers to respond to real-time monitoring data & more



Next week, IPE will co-host an event in Beijing looking back on the progress made since IPE and 26 other organizations launched the "green choice" initiative in March 2007 and exploring the future outlook and opportunities for green supply chain management. Apple will reflect on its transformation toward supply chain transparency, and other leading brands -including Panasonic, Esquel, Walmart, Huawei and Coca-Cola -- will also share their "green choice" stories. The session looks to delve into such questions as whether the market is a friend or an

enemy to environmental governance and how the supply chain environmental management of multinationals compares to that of Chinese companies. It will also mark the official publication of the "white list" of steel and cement suppliers to be prioritized by property developers participating in the China Real Estate Green Supply Chain Initiative, further raising the bar for Chinese companies' supply chain management. In this month's newsletter:

• Esquel and Fast Retailing (Uniqlo) publish supplier lists for the first time

- Target pushes suppliers to respond to real-time data compliance issues
- IPE releases version 4.0 of Blue Map app, English version coming soon
- Subscribe to IPE's Green Choice Newsletter

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and Esquel disclose Chinese names of suppliers

溢达集团 Ⅴ

3月6日 17:04 来自 微博 weibo.com

The number of apparel and textile brands willing to go transparent about their supplier

lists keeps growing: most recently, Esquel and Fast Retailing -- parent company of well-known brand Uniqlo -- published lists of their suppliers for the first time. Further innovation was seen this past month in the decision by Esquel and C&A, who first disclosed its list last year, to publish supplier names in Chinese, making this information accessible to the substantial share of consumers that make up the Chinese market. In another example of progress, Esquel -- a Hong Kong-based textile and apparel

manufacturer -- interacted with IPE and other environmental NGOs on Weibo to

respond about its decision to go public with its supplier list. As Esquel is a supplier to a number of well-known brands that also work directly with IPE, including Nike, Gap Inc., Bestseller and Marks & Spencer, Esquel's move to publish its list radically extends transparency of the environmentally-intensive portion of textile supply chains. We hope that some of Esquel's other customers, such as Anta, Polo Ralph Lauren and Tommy Hilfiger, can also follow suit by directly engaging with environmental NGOs to improve their supply chain environmental management. The CITI scores for <u>C&A</u>, <u>Esquel</u> and <u>Uniqlo</u> all reflect these brands' progress in supplier list transparency.



China have been required by law to publicly disclose their real-time data for air emissions and/or wastewater discharge. This data is collated into IPE's Blue Map, offering supply chain

managers a glimpse into the real-time performance of their most environmentally intensive suppliers. New regulations that entered into force in 2015 also require factories monitored for air emissions at local levels, such as the provincial or city level, to disclose their real-time data to the public via online government platforms. Brands can use this data to serve as a "red flag" toward potential environmental compliance issues at their suppliers. Notably, US retailer Target has begun pushing suppliers with overemissions issues as reflected in real-time monitoring data to publicly respond to their

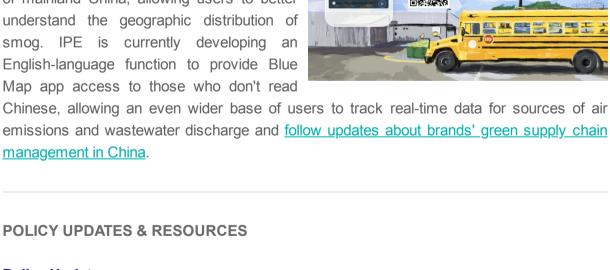
transgressions. Target recently prompted one of its suppliers to respond to issues with the real-time readings for pH level of its wastewater discharge continually exceeding the legal limit for several days in a row. The factory's response is published on IPE's database and

explains the actions the factory has taken to rectify the issue and prevent it from reoccurring, showing that it is actively addressing the issue. Real-time data has the potential to save brands money and resources by alerting them to potential issues as soon as they occur. **Industry Rank** CITI Score



most prominent of these is a dynamic 扫描二维码,立即下载 visualization of 3-day air quality trends for all

of mainland China, allowing users to better understand the geographic distribution of smog. IPE is currently developing an English-language function to provide Blue Map app access to those who don't read management in China. **POLICY UPDATES & RESOURCES Policy Updates**



• Environmental Protection Tax Law of the P.R.C. (English) Passed on December 25, 2017; goes into effect January 1, 2018. A system of pollution taxes will replace the

Policy Resources • Soil Pollution Action Plan ("Soil Ten") (Unofficial English translation) • Amendments to China's Air Law (passed in August 2015) (English translation)

• Water Pollution Prevention and Control Law (Draft) (Chinese) Approved by State

Council for submission to NPC for first review, read English analysis here. June draft

 <u>EU-China Environmental Governance Project Policy Resource Center</u> (Bilingual) • China Hazardous Chemicals Management Resource Center (Bilingual)

• Made in China 2025 (policy summary)

pollution fee system instituted in 1982.

for feedback can be viewed <u>here</u> (Chinese).

<u>China Law Translate</u> (crowd-sourced English translations of Chinese laws)

• <u>"Water 10" Action Plan (issued in April 2015)</u> (English translation)

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