

Apple, Adidas highlight CITI scores and cooperation with IPE in annual sustainability reports, green choice initiative marks tenth anniversary with white list launch, Blue Map's "foul & filthy" polluted waters reporting module featured in citizen science documentary & more [View this email in your browser](#)



Although strides have been made in improving multinationals' supply chain accountability, worldwide consumption continues to perpetuate pollution in developing economies, as well as the negative health consequences associated with such environmental impacts. A [recent study published in the journal Nature](#) estimates that consumption of Chinese-made goods in Europe and the U.S. can be linked to as many as 108,600 premature deaths in China from fine particulate matter air pollution.

In an article that references the study's results, Triple Pundit [highlights the role of the Corporate Information Transparency Index \(CITI\)](#) as a means of identifying which companies are actively and transparently working to foster environmental sustainability in their global supply chains. Since supply chain impacts are often far removed from consumption decisions, consumers can employ the CITI to differentiate which companies are taking concrete actions and verifying them to minimize pollution impacts, rather than relying on companies' self-reported data.

In this month's newsletter:

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IPE marks ten-year anniversary of green choice initiative with panel discussions and launch of first "white list"

IPE and SEE Foundation jointly convened the ["Green Choice Forum: Ten Years' Progress and Future Outlook"](#) in Beijing on March 22. Representatives from government, environmental NGOs and international and Chinese brands reflected on the progress made over the past ten years since the launch of the "green choice" initiative in 2007 and discussed remaining challenges for green supply chain development in China, such as how to tap into the power of consumer choice and green consumption. Paula Pyers of Apple [engaged in a dialogue with representatives from Chinese NGOs on Apple's transformation](#) from supply chain opaqueness to active and transparent supply chain management, and representatives from Huawei, Walmart, Esquel, Coca Cola and Panasonic shared their supply chain environmental management journeys.

A coalition of China's largest property developers also [released the first iron & steel and cement supplier "white list" at the Forum](#). The white list aims to serve as an implementation mechanism for the [Real Estate Industry Green Supply Chain Initiative](#) by leveraging the power of market mechanisms to reduce emissions and control smog. Its launch reflects the progress of domestic Chinese brands toward improving supply chain environmental performance.

[Reuters](#) and Singaporean outlet [The Straits Times](#) both reported on the Forum's outcomes.



Apple, Adidas highlight CITI scores and cooperation with IPE in annual sustainability reports

As an increasing number of brands choose to publicly report on their progress against sustainability initiatives, we're encouraged to see [leading brands acknowledge in even greater detail the importance of their work with IPE](#) in managing the environmental compliance of their suppliers in China. Most recently, Apple and Adidas pointed to their leveraging of the Blue Map database to check and follow up on suppliers' environmental compliance issues. They also publicized how this work has been rewarded via their high marks on the [Corporate Information Transparency Index \(CITI\)](#), which intends to serve both as a means of benchmarking brands' green supply chain performance and also as a road map to show brands what steps they can take to improve supply chain environmental performance.

#1
ranking for third year in a row by Corporate Information Transparency Index (CITI)

It's a big world. We want to leave as little impact on it as possible.

For the third straight year, Apple achieved the top score in the Corporate Information Transparency Index ("CITI") with a score of over 80, the first company to do so. The CITI is run by the Institute of Public and Environmental Affairs ("IPE"), a Chinese non-governmental organization with extensive expertise in environmental transparency.

We utilize environmental data collected by IPE to help identify areas for improvement in our suppliers' environmental performance, and we invite IPE personnel to provide oversight on ensuing remediation of any identified gaps. This has resulted in closure of 196 issues identified by local environmental authorities since 2012, including 23 in 2016 alone. In each of these cases, IPE directly facilitated and supervised independent third-party validation of the enhancements made. Further, 100 percent of our suppliers involved in this process continue to share annual environmental monitoring data through IPE's platform to transparently demonstrate that their improvements are sustained. Some of our suppliers have internalized this approach and now work directly with IPE on managing environmental issues within their own supply chain.

INCLUSION IN THE CITI TOP 30
THE ENVIRONMENTAL PERFORMANCE OF OUR SUPPLY CHAIN IN CHINA IS CONSIDERED A LEADING EFFORT WORLDWIDE

80%
WE ARE COMMITTED TO REDUCING OUR SUPPLIERS' FOOTPRINTS: CHEMICAL USE, DISCHARGES AND WASTE WATER PROCESSES ACROSS OUR GLOBAL SUPPLY CHAIN ARE DISCLOSED ON THE IPE PLATFORM

of material in the correct colour. Right First Time is crucial because it means that only one drawing process and the standard water consumption is necessary to get it right. Additional work means extra water recycling. The most common technology used - which aims for 100% reuse of water or zero discharge as well as improved machinery which again saves 1% less water usage for every 1% in material down to go. In 2016, the further operational machinery upgrades to increase the amount of material processed are already visible. From 2014 we have reduced the amount of water in our material processes from 121 litres/kg to 95 litres/kg - a reduction of 22%.

Based on this success, we have begun to apply a similar approach to reduce water usage at our footwear suppliers. In 2016, we started a pilot project with four factories. The goal is to motivate them to track their water consumption data to make sure we fully understand their water usage. As a second step we can then help them to strengthen their abilities to save water in their manufacturing processes.

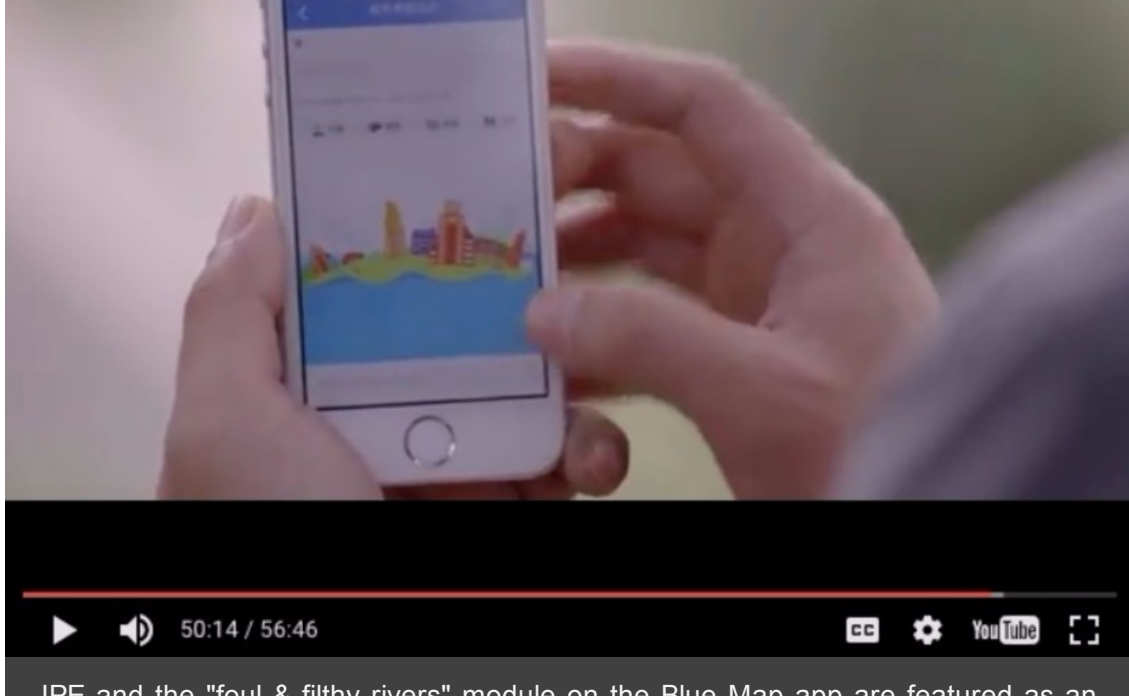
We also continue to be transparent about our supplier efforts to improve our suppliers' environmental performance. In 2016, for the second consecutive year, adidas ranked first in the textile sector and was also ranked first in the footwear sector. adidas' performance is reflected in the Corporate Information Transparency Index (CITI) created by the Institute of Public & Environmental Affairs (IPE) in close cooperation with the US-based environmental NGO, the Natural Resources Defense Council (NRDC). The index rates the performance of international brands in managing environmental impacts of manufacturing operations in China and identifies environmental issues within their supply chain. In addition to being first in textiles and second overall, adidas is listed in the CITI Top 30, officially testifying that we as a company are making personal steps towards green procurement and that the environmental performance of our supply chain in China is considered a leading effort worldwide.

These results are not down to chance. In fact, we have been collaborating with the IPE since 2011. Once notified by them, we partnered with our suppliers to work on their environmental violations until they were fully addressed. We also conducted monthly screenings of our suppliers' presence in the IPE database. We are aware that further improving our CITI rating in 2017 will be a challenge due to, for example, stricter environmental legislation and increasing costs for more frequent monitoring of our suppliers' performance. However, we will continue our path towards a green supply chain in China.

For example, in its [2017 Supplier Responsibility Progress Report](#), Apple states that, "For the third straight year, Apple achieved the top score in the Corporate Information Transparency Index ('CITI') with a score of over 80, the first company to do so." Apple lists concrete figures to show the work it conducted to earn this score -- closing 196 noncompliance issues, including 23 in 2016 alone. Meanwhile, [Adidas' sustainability report](#) not only highlights its inclusion in the CITI Top 30 and position as the top-ranking textile and apparel brand and second-ranking brands overall, but also openly

acknowledges all of the efforts it took to achieve this recognition: "These results are not due to chance. In fact, we have been collaborating with IPE since 2011. Once notified by them, we partnered with our suppliers to work on their environmental violations until they were fully addressed. We also conducted monthly screenings of our suppliers' presence in the IPE database." With these brands' commendable efforts, the question remains: who will challenge these companies' dominance and keep raising the bar?

Blue Map app's "foul & filthy rivers" module featured as example of citizen science in "Crowd & Cloud" documentary series



IPE and the "foul & filthy rivers" module on the Blue Map app are featured as an example of citizen science in the recent four-part documentary series [The Crowd & The Cloud](#), which is hosted by former NASA Chief Scientist Waleed Abdalati and premiered on the WORLD channel throughout the month of April. The segment on the "foul & filthy rivers" project (sometimes translated as "black & smelly rivers") appears in [Episode 2: Citizens + Scientists](#). The series can be viewed via the highly interactive [Crowd & Cloud website](#), which also includes profiles of [Ma Jun](#) and the [Blue Map App](#), as well as other featured citizen scientists and their projects.

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 pollution fee system instituted in 1982.
- [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 for feedback can be viewed [here](#) (Chinese).

Policy Resources

- [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)

RELATED NEWS AND REPORTS

[Report Links Global Trade to Fatal Air Pollution](#) -- Triple Pundit, April 10, 2017

[China's Increasing Use of Public Environmental Data](#) -- China Water Risk, April 20, 2017

BLUE MAP APP LAUNCHES ENGLISH FUNCTION

IPE's Blue Map 4.0 now includes an English language function!

Download below:



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