

CITI 4.0 evaluation guidelines released, investigation reveals environmental violations in P&G's supply chain, report by Changing Markets Foundation highlights severe pollution in global viscose supply chains & more

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Pollution from raw materials manufacturing persists as a weak spot in brands' supply chain management. This month, we [released a report](#) revealing multiple environmental violation issues at several suspected suppliers to Procter & Gamble from the phosphorous chemicals industry. Phosphorous is a key ingredient in shampoos and other cleaning agents.

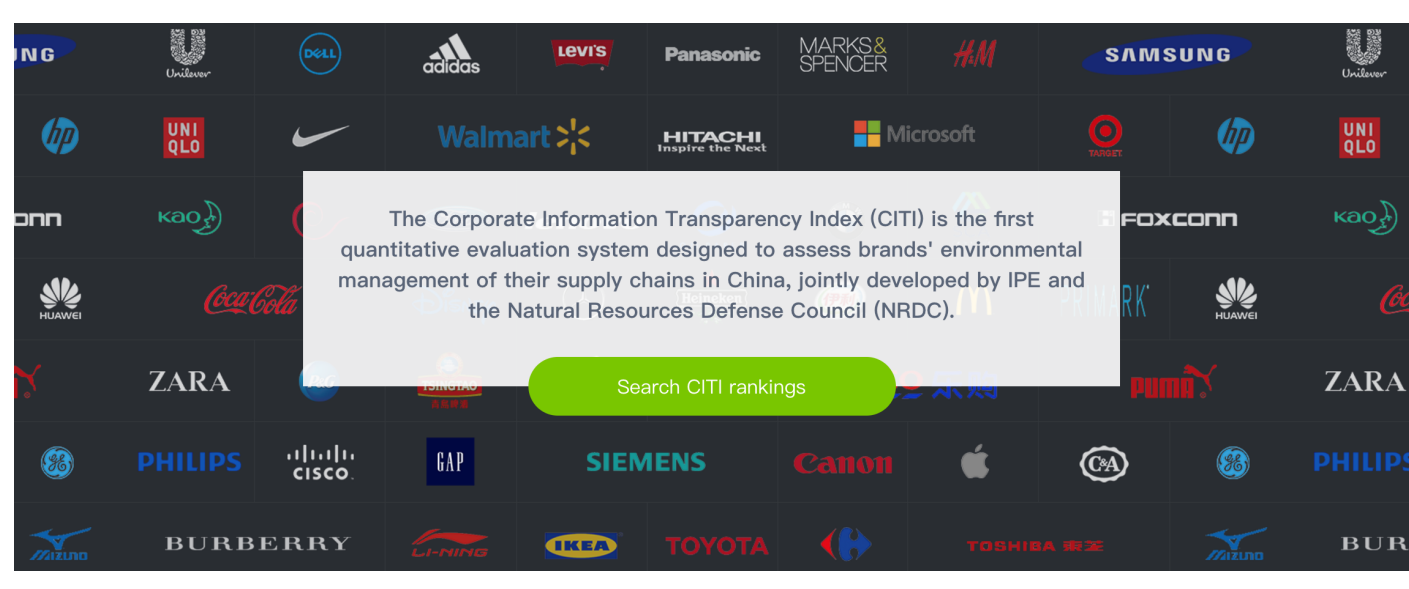
Apart from the household and personal care industry, another similar investigation recently conducted by [Changing Markets Foundation](#) also puts the fashion industry under the spotlight. The report, titled "[Dirty Fashion: How pollution in the global textiles supply chain is making viscose toxic](#)", presents substantial evidence that major European and North American fashion brands irresponsibly procure viscose from highly-polluting suppliers in China, India and Indonesia. Based on these findings, we hope that brands can heighten management of raw materials suppliers to curb their pollution impacts.

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CITI 4.0 evaluation guidelines released

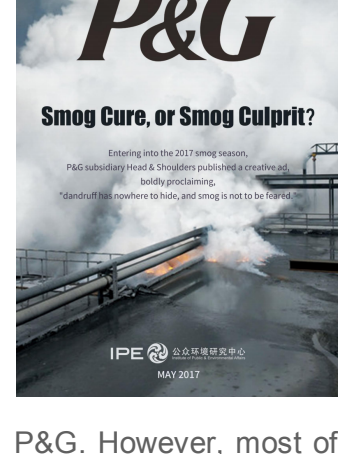


Following two rounds of feedback from experts and brands, we have completed the CITI 4.0 criteria and distributed the updated CITI 4.0 Evaluation Guidelines to brands. We will update the guidelines on IPE's website shortly; anyone who wishes to receive the guidelines earlier may [contact IPE](#) directly. The main modifications in version 4.0 focus on Sections 4 and 5: Section 4 aims to incentivize brands to use public disclosure to verify progress toward disclosed energy conservation and emission reduction targets, and Section 5 has shifted its focus from recycling to promoting public green choice.

We look forward to having more in-depth conversations with brands regarding the criteria in the coming weeks. IPE will be updating brands' scores based on the CITI 4.0 guidelines and plans to share preliminary scores in July for discussion and review with brands, after which we will update the rankings on [our website](#) and the [Blue Map app](#).

Investigation reveals environmental violations in P&G's supply chain

Earlier this year, Procter & Gamble subsidiary brand Head & Shoulders published a creative advertisement boasting of its shampoo product as a magic weapon not only for eliminating dandruff but also for fighting PM2.5. The advertisement is surely catchy, but ironically, the product's manufacturing process may not be so eco-friendly.



Phosphates serve as the main ingredient in many shampoos and household cleaning products. According to [our investigation](#), three of P&G's suspected suppliers from the phosphorous chemical industry have been found to have multiple environmental violations, ranging from contaminated waterways and air emissions exceeding national legal limits to multiple environmental procedural violations.

P&G's PR team responded to IPE's report on June 14 stating that only one supplier raised in the report is a supplier to P&G and has already provided written documents verifying corrective actions as of January 2017. The spokesperson also said that none of the other factories are 'direct suppliers' to P&G. However, most of the pollution in this case occurs during raw materials manufacturing processes, which are far upstream in the supply chain. As we continue investigating supply chain pollution from household & personal care products, we urge P&G and other similar brands to map out their suppliers all the way to upstream raw materials suppliers, and push problem suppliers to transparently address their violation issues in order to take full responsibility.

The report can be downloaded on [IPE's website](#) in both [Chinese](#) and [English](#).

Report by Changing Markets Foundation highlights severe pollution in global viscose supply chains

A report published in June by [Changing Markets Foundation](#) presents evidence that **15 major fashion brands are turning a blind eye on severe pollution issues within their supply chains**. The report, titled "[Dirty Fashion: How pollution in the global textiles supply chain is making viscose toxic](#)", accuses major European and North American fashion brands of irresponsibly procuring viscose from highly-polluting suppliers in China, India and Indonesia.



IPE conducted follow-up research on the five Chinese viscose suppliers mentioned in the investigation, which the report links to **H&M, M&S, Tesco and Zara/Inditex**. One of the most 'notorious' viscose suppliers mentioned, Shandong CHTC Helon Co., Ltd. (Hengtian Hailong), has up to [28 environmental violation records](#) in [the Blue Map Database](#). Another corporation — Sateri (Jiujiang) Fiber Co., Ltd. (a subsidiary of Sateri) — was fined 5.697 million RMB for illicit discharging of wastewater and construction project procedural violations. Neither company has yet transparently addressed its violation records.



The information presented is only the tip of the iceberg. Owing to the lack of transparency among fashion supply chains, it is highly likely that there are more polluting companies that are continuously producing and providing raw materials to the world's top fashion brands, says the Changing Markets Foundation. Therefore, it is crucial for companies to not only to engage with their direct suppliers but also to make efforts to map their supplier chain more deeply, abide by their commitments to green supply chain management, and take up responsibility for sustainable sourcing of raw materials.

Manual on addressing and removing environmental supervision records is updated and available for download

IPE has made several adjustments regarding the classification of corporate environmental supervision records within the Blue Map Database, as well as suggested follow-up actions. These updates to the database aim to better focus brands' attention on those suppliers with the most recent and egregious issues. For more suggested information disclosure and record removal methods regarding record classification, please refer to the updated "[Guide to Addressing and Removing Environmental Supervision Records](#)." You may always contact IPE directly with your questions for the most up-to-date information.

POLICY UPDATES & RESOURCES

Policy Updates

- [Regulations of the P.R.C. on Open Government Information](#) (English) Originally passed on January 17, 2007; went into effect May 1, 2008. See [here](#) for the announcement by the State Council requesting public comments (Chinese). June draft for feedback can be viewed [here](#) (Chinese)
- [Administrative Measures on Compulsory Liability Insurance for Environmental Pollution](#) (Draft for Comment) (English)

Policy Resources

- [Environmental Protection Tax Law of the P.R.C.](#) (English)
- [Soil Pollution Action Plan \("Soil Ten"\)](#) (Unofficial English translation)
- [Amendments to China's Air Law \(issued in August 2015\)](#) (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)

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[Environmental Law: 2 Years On](#) --China Water Risk, June 14, 2017

[China to release plan for tackling e-waste by end of year](#) --Chinadialogue, June 5, 2017

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