

NEW REGULATIONS ON ENTERPRISE ENVIRONMENTAL INFORMATION DISCLOSURE CAME INTO EFFECT

Big Data Platform Empowers Mandatory Disclosure

The [*Measures for the Administration of Legal Disclosure of Enterprise Environmental Information*](#) (hereinafter referred to as the “Measures”) (link in Chinese) and the [*Format Guidelines for Legal Disclosure of Enterprise Environmental Information*](#) (hereinafter referred to as the “Format Guidelines”) (link in Chinese) issued by the Ministry of Ecology and Environment in December 2021 came into effect on February 8, 2022. **The promulgation and implementation of the new regulations provide a crucial and important legal basis for information disclosure, and mark the beginning of a new era of enterprise environmental information disclosure in China.**

Since the implementation of the Air Pollution Prevention and Control Action Plan in 2013, China has significantly strengthened its environmental regulation and made historic progress in government environmental information disclosure, which has vigorously promoted the Blue-Sky Protection Campaign and the nationwide battles to prevent and control pollution. In contrast, however, enterprise environmental information disclosure is still lagging behind, which can neither satisfy the public’s right to know nor force enterprises to assume their main responsibility for environmental management through public supervision. There are significant gaps compared with the advanced international level.

Among the many constraints, the prominent problem is the lack of compulsory requirements. To promote enterprise environmental information disclosure in China, IPE developed the Pollutant Release and Transfer Registry (PRTR) system in 2013 based on the requirements for enterprise environmental information disclosure in major industrialized countries. In our conversations with companies, not only do many Chinese companies lack the willingness to proactively disclose, many international brands, too, fail to effectively promote disclosure in their own supply chains in line with international practices. The common question they all

asked was: “Is there a government regulation that requires this in China?” The promulgation of the new **Measures** has finally cracked this dilemma.



中华人民共和国生态环境部
Ministry of Ecology and Environment of the People's Republic of China

政府信息公开

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企业环境信息依法披露管理办法

《企业环境信息依法披露管理办法》已于2021年11月26日由生态环境部2021年第四次部务会议审议通过，现予公布，自2022年2月8日起施行。

部长 黄润秋
2021年12月11日

企业环境信息依法披露管理办法

第一章 总 则

第一条 为了规范企业环境信息依法披露活动，加强社会监督，根据《中华人民共和国环境保护法》《中华人民共和国清洁生产促进法》《公共企事业单位信息公开规定制定办法》《环境信息依法披露制度改革方案》等相关法律法规和文件，制定本办法。

第二条 本办法适用于企业依法披露环境信息及其监督管理活动。

第三条 生态环境部负责全国环境信息依法披露的组织、指导、监督和管理。
设区的市级以上地方生态环境主管部门负责本行政区域环境信息依法披露的组织实施和监督管理。

第四条 企业是环境信息依法披露的责任主体。

The Measures for the Administration of Legal Disclosure of Enterprise Environmental Information

HIGHLIGHTS OF THE NEW MEASURES

1. Companies subject to disclosure

Focusing on enterprises with high environmental impact and public concern, the new Measures require key polluting entities, companies that are on the List for Mandatory Cleaner Production Audit, listed companies and their subsidiaries, as well as companies that issue financial products to disclose environmental information in accordance with the law.

The Measures also specify the procedures for developing a list of enterprises subject to the environmental information disclosure, and the period of time for enterprises to be included in the list.

Which companies should make the disclosure?

- 1) Key polluting entities;
- 2) Companies that are on the List for Mandatory Cleaner Production Audit;
- 3) Listed companies (and their subsidiaries) that received administrative penalties for violating ecological and environmental regulations in the previous year;
- 4) Companies that issue financial products such as corporate bonds and non-financial corporate debt financing instruments may also be required to disclose environmental information if they have ecological and environmental violations in the previous year;
- 5) Other companies that should disclose environmental information as stipulated by laws and regulations.

-- The Measures

The procedures and periods for developing the list of enterprises subject to mandatory environmental information disclosure

- Municipal ecological and environmental authorities in charge of the region organize the development of the list of enterprises for environmental information disclosure in accordance with the law within the administrative region (hereinafter referred to as the "List"), confirm the list of enterprises for the current year by the end of March each year, and announce it to the public. The List shall be posted on the government website to seek public comments before announcement; the period of public notice shall not be less than 10 working days.
For enterprises that meet the requirements to be included in the List after the announcement of the List, the municipal ecology and environmental authorities should add the enterprises in the next year's List.
The municipal ecology and environmental authorities in charge of the region shall submit the list of enterprises to the provincial ecology and environmental authorities within ten working days after the announcement. Provincial ecology and environmental authorities shall submit the List in their administrative regions to the Ministry of Ecology and Environment before the end of April each year.

- Key polluting entities should be included in the List from the date of inclusion in the list of key polluting entities. Enterprises that are on the List of Mandatory Cleaner Production Audit should be included in the List, and remain on the list until the third year after the completion of the mandatory cleaner production audit acceptance. Listed companies, bond-issuing enterprises should be included in the List for three consecutive years; in the event of re-occurrence of the circumstances specified in Article 8 of the Measures, they shall be included in the list of enterprises for the next three consecutive years since the expiration of the first three-year period. Enterprises that meet more than two circumstances at the same time, should be included in the List in accordance with the longest period.

-- The Measures

2. Content and time frame of disclosure

The new Measures require enterprises to prepare annual environmental information disclosure reports and interim reports in accordance with the Format Guidelines and upload them to the enterprise environmental information disclosure system within the specified time period respectively. See below for details on the requirements.

1. The Blue Map Database and Blue EcoChain

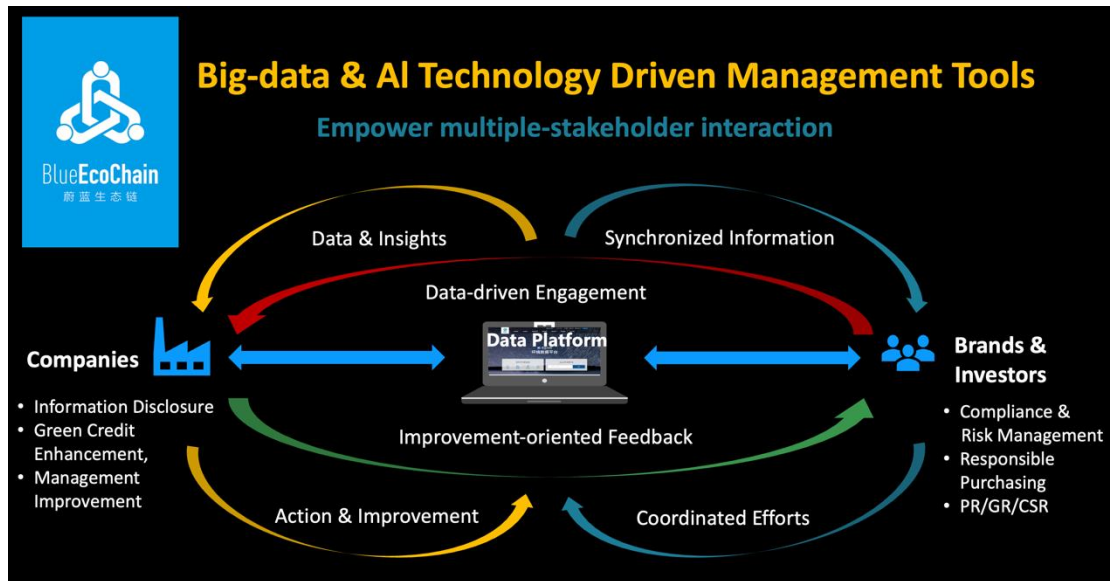
- **The Blue Map Database**

Since its establishment in 2006, IPE has developed and operated the Blue Map Database, which collects publicly available environmental information through official government channels and collates it into a user-friendly database to facilitate the retrieval of environmental information by stakeholders. The Database dynamically tracks more than 5,000 data sources, which include official platforms of ecology and environment, maritime, emergency management, water, water conservancy, ocean, housing and construction, industry and information, land and resources, development and reform, meteorology, forestry and grass departments, as well as corporate information disclosure platforms. By 2021, the Database covers more than 10 million enterprises with more than 60 categories of environmental data, including Environmental Supervision Records, Automated Monitoring Data, Inspection Reports, Production Suspension/Restriction, Environmental Impact Assessment, and officially confirmed petitions and complaints.

- **The Blue EcoChain**

Based on environmental big data and IT technologies, IPE and its partners launched the Blue EcoChain system, an automatic screening tool that sends push notifications the instant a violation occurs. Whenever environmental violations, administrative penalties, confirmed complaints or safety accidents occur in the supply chain of brands or the subsidiaries of listed companies in China, companies can get timely push notifications about the violations and corrective actions from their subsidiaries/suppliers through the Blue Map app and emails. Companies with violations can also provide timely feedback, explanation and/or confirmation through the disclosure process of the Blue EcoChain.

By the end of 2021, IPE's Blue EcoChain tool has been adopted by nearly 100 international and Chinese brands to track and control environmental risks in their supply chains in China. In addition, more than 16,700 companies have used Blue EcoChain to track their own environmental performance and greenhouse gas emissions; more than 5,500 companies have used IPE's disclosure platform to publicly disclose explanations and corrective actions regarding environmental penalties; and nearly 6,000 companies have passed the Green Choice environmental audits that verify the effectiveness of their corrective actions.



Application Scenario:

Assist listed companies, bond-issuing enterprises and other key enterprises to carry out interim environmental information disclosure

The new Measures stipulate the disclosure period and content of the interim environmental information disclosure report. Listed companies and subsidiaries at all levels within the scope of consolidated statements, bond-issuing enterprises and other key enterprises are required to disclose timely information in the form of interim reports in accordance with the Measures if there are changes in their ecological and environmental permits, administrative penalties, ecological and environmental damage compensation and other information of high market interest and time-sensitive.

The Blue EcoChain can send the relevant information collected by the Blue Map Database to listed companies, bond-issuing companies, brands and enterprises in a timely manner to help them understand the environmental violations of their subsidiaries and/or suppliers, and carry out information disclosures and track the implementation of disclosures.

Information required to be disclosed in the mandatory interim environmental information disclosure report within five working days from the date of receipt of the relevant legal instrument

1. Information on the granting, change, renewal and revocation of ecological and environmental administrative permits.
2. Information on administrative penalties for ecological and environmental violations;
3. Information that the legal representative, the main person in charge, the executive and other persons directly responsible are sentenced to administrative detention due to ecological environment violations;

4. Information that the legal representative, the main person in charge, the executive and other persons directly responsible are prosecuted for criminal liabilities due to ecological environment violations;

5. Information on ecological environment damage compensation and agreement.

Enterprises in the event of an environmental emergency shall disclose relevant information in accordance with relevant laws and regulations.

-- The Measures

2. Enterprise Greenhouse Gas Emissions Accounting Platform

The Measures requires enterprises to disclose carbon emissions information, including emission volume and facilities contributed to the emissions, etc., in the form of annual reports. The Format Guidelines further refine the content of carbon disclosure, stipulating that key greenhouse gas emitters included in the emissions trading scheme shall disclose the actual annual carbon emissions from the current year and the previous year, as well as the status of allowance surrender, facilities contributed to the emissions, accounting methods and other information.

Information on Carbon Emissions

Article 19. Key greenhouse gas (GHG) emitters included in the emissions trading scheme shall disclose carbon emission-related information, including

- 1) The actual annual carbon emissions from the current year and the previous year;
- 2) The status of allowance surrender;
- 3) The facilities contributed to the emissions, accounting methods and other information based on GHG emissions accounting and reporting standards or technical specifications.

-- The Formate Guidelines

To assist enterprises to carry out carbon emissions accounting and disclosure efficiently and conveniently, IPE worked with professional organizations and launched the "Chinese Enterprise Greenhouse Gas Emissions Accounting Platform" (<http://ghg.ipe.org.cn/>) in 2020. The accounting platform was developed based on the Guidelines for Accounting and Reporting Greenhouse Gas Emissions for Chinese Enterprises issued by the National Development and Reform Commission in three batches from 2013 to 2015. It embeds GHG accounting formulas and emission factors applicable to 24 industries.

Based on the application of cloud computing and IT technologies, IPE and its partners developed the InsBlue Intelligent Carbon Management Platform, which integrates carbon emissions accounting, online verification, and data collection.

The InsBlue Intelligent Carbon Management Platform is embedded with calculation formulas and emission factors suitable for China, which is easy to use and can effectively reduce the time and costs, enabling companies to calculate the carbon emissions of their organizations, projects and products. Through the carbon accounting process, enterprises can also establish their own carbon management system.

To enhance the credibility of carbon accounting and disclosure, and to provide a solid data base for carbon emissions reduction and carbon neutrality, InsBlue has created an online verification system for enterprises, using digital solutions to complete third-party verification work, instead of traditional on-site verification. By using the online verification system, enterprises not only save labor cost and time, but also reduce human errors.

Application Scenario:

Assist listed companies, bond-issuing enterprises and other key enterprises to carry out GHG emissions accounting

For enterprises that need to disclose carbon emissions information according to the new Measures, the traditional way is to hire a third-party organization to carry out carbon accounting through on-site research. This approach is time-consuming and expensive, and the collected documents cannot be effectively archived, which is not conducive for enterprises to establish carbon management systems.

On the other hand, most of the companies are not yet equipped to conduct effective carbon management, lacking in awareness, expertise, infrastructure, human resource allocation and financial investment.

The Intelligent Carbon Management Platform developed by IPE in collaboration with professional organizations can assist listed companies, bond-issuing enterprises and other key enterprises to calculate GHG emissions, identify their baseline, carry out disclosure in accordance with the regulations, and gradually establish a carbon management system to help reduce pollution and carbon emissions in a coordinated manner.

3. Environmental Information Disclosure Form

The Measures require enterprises to prepare annual environmental information disclosure reports in accordance with the Format Guidelines, and to disclose environmental information for the period from January 1 to December 31 of the previous year by March 15 of each year.

What information should be disclosed?

- 1) Enterprise basic information, including information on its production and environmental protection;
- 2) Enterprise environmental management information, including environmental permits, environmental protection tax, environmental pollution liability insurance, environmental credit ratings, etc.;
- 3) Pollutant generation, treatment and discharge information, including pollution prevention and control facilities, pollutant emissions, emissions of toxic and hazardous substances, and the storage, transfer, utilization, disposal of industrial solid waste and hazardous waste, as well as enterprise self-monitoring information, etc.;
- 4) Carbon emissions information, including emission volume and facilities contributed to the emissions, etc.;
- 5) Ecological and environmental emergency response, including emergency plans for environmental accidents, emergency response to heavy weather pollution, etc.;
- 6) Ecological and environmental violations;
- 7) Status of interim environmental information disclosure for the year in accordance with the law;
- 8) Other environmental information required by laws and regulations.

-- The Measures

For key polluting entities, the Measures state that eight types of information including enterprise environmental management information, pollutant generation, treatment and emission information and carbon emission information should be disclosed.

For the enterprises that are on the List for Mandatory Cleaner Production Audit, the Measures require them to disclose the reasons, implementation, evaluation and acceptance results of mandatory cleaner production audits in addition to the eight types of information.

For listed companies and bond-issuing enterprises that meet the prescribed circumstances, the Measures require them to disclose the response to climate change, ecological and environmental protection and other information of the invested projects on the basis of the disclosure of the eight types of information.

Among the eight types of information required by the annual environmental information disclosure report, besides the carbon emission information that mentioned in the previous section of this article, the reporting of pollutant generation, treatment and emission information is also quite challenging for enterprises. On the one hand, there are many types pollutants related to wastewater, exhaust air, solid waste (including hazardous waste), etc.; on the other hand, the identification of toxic and hazardous substances also requires professional knowledge.

Since 2010, IPE has been promoting IT industry brands to require their suppliers to calculate and disclose annual pollutant emissions data, especially information on toxic and hazardous substances.

IPE has long advocated for the establishment of a nationwide Pollutant Release and Transfer Registry (PRTR) system suitable for China's national situation to promote the disclosure of annual pollutant release and transfer data, including toxic and hazardous substances, by enterprises. In 2013, IPE developed a "Proposed Pollutant Inventory for China Priority Pollutant Release and Transfer Register (PRTR)" (hereinafter referred to as the "Proposed Pollutant Inventory"). The Proposed Pollutant Inventory is based on China's National Register of Hazardous Wastes, as well as the hazardous substances from the US TRI and EU PRTR lists that are most relevant to industries in China.

After China released the List of Priority Controlled Chemicals, the List of Toxic and Hazardous Air Pollutants and List of Toxic and Hazardous Water Pollutants, IPE continuously updated the Proposed Pollutant Inventory to assist enterprises in identifying toxic and hazardous substances for proper control and disclosure.

中国环境优先污染物转移登记制度建议物质清单

Proposed Pollutant Inventory for China Priority Pollutant Release and Transfer Register

物质分类 Category	序号 No.	中文名称	化学文摘号 CAS No.	English Name
分类1：持久性有机污染物 Persistent Organic Pollutants (POPs)	1	六氯苯	118-74-1	hexachlorobenzene
	2	氯丹	57-74-9	chlordane
	3	灭蚁灵	2385-85-5	mirex
	4	五氯苯	608-93-5	Penta chlorobenzene
	5	滴滴涕	50-29-3	DDT
	6	多氯联苯	1336-36-3	PCBs
	7	多氯代二噁英, 多氯代苯并呋喃	N/A	PCDD + PCDF (dioxins + furans)
	8	林丹(γ-六六六)	58-89-9	lindane
	9	氯代环烷烃(六六六)	608-73-1	HCH
	10	四溴联苯醚及五溴联苯醚	N/A	PBDEs
	11	全氟辛酸	335-67-1	PFOA
	12	全氟辛烷磺酸	1763-23-1	PFOS
	13	全氟辛烷磺酸盐类		PFOSA
	14	全氟辛基磺酰氟	307-35-7	PFOSF

Wastewater Pollutants Calculator Collapse

辅助计算方法为：污染物总量=污染物浓度*总流量。如需使用辅助计算工具进行计算请点击展开填写各污染物因子浓度，计算结果会自动填入数据表；如不使用请直接填写可数据并将计算方法上传至数据来源文件

Indicator	Industrial Effluent Concentration (mg/L)	Domestic Sewage Concentration (mg/L)	Result (t)	Result (kg)
COD				
BOD ₅				
NH ₃ -N				
Suspended Solids				
Total Phosphorus				
Petroleum				
Total Mercury				
Total Nickel				

Online automatic calculation tool for pollutant emissions

Since the launch of the PRTR voluntary disclosure platform, IPE keeps improving the disclosure indicators, adding energy consumption, carbon emissions and other indicators, making the disclosure of corporate environmental and carbon data more comprehensive. IPE has also developed an automatic calculation and calibration tool to help enterprises improve the efficiency and accuracy of pollutant emissions data accounting and disclosure.

By the end of 2021, 25 leading brands in and outside of China have incorporated IPE's PRTR reporting and disclosure mechanism into their supplier management, and have promoted suppliers to disclose more than 7,000 sets of annual PRTR data. Most of the suppliers have been able to carry out data accounting and reporting on their own, and have been disclosing PRTR data through the IPE website for years.

Application Scenario:

Assist listed companies, bond-issuing enterprises and other key enterprises to disclose annual environmental information

Enterprises that are subject to mandatory disclosure based on the new Measures can use the Blue Map Database to check their ecological and environmental violations, calculate carbon emissions through the Enterprise GHG Emissions Accounting Platform, and use the pollutant emission calculation tool that comes with the IPE PRTR reporting template to measure pollutant emissions including toxic and hazardous substances, so as to prepare for the mandatory disclosure of annual environmental information.

IPE is also working with professional organizations to develop reporting form that meet the requirements of Measures and the Format Guidelines, which will incorporate carbon and pollutant emissions calculation tools to better facilitate companies to disclose environmental information in accordance with the new regulations.

Environmental Supervision Records Rectification Orders Automated Monitoring Data

Enterprise Feedback Emissions Data

Key Monitoring Entities Performance Grading by the Gov Exemplary List Exempted from Production Restrictions

Cleaner Production Audit Environmental Accident Risk Monitoring Data Production Suspension/Restriction Accidents

Safety Supervision Records Environmental Impact Assessment Inspection Reports

Filter Search ▾

Total Enterprises: 7,185

Number	Enterprise Name	Location	Data Year	COD	NH ₃ ...	Tota...	Gro...
1	ROOKIE CLOTHING CORPORATION..	Xiamen / Fujian	2021	--	--	--	57.98
2	Huafeng Huajin Co., Ltd.	Putian / Fujian	2019	--	--	--	26310.9
3	Huafeng Huajin Co., Ltd.	Putian / Fujian	2020	--	--	--	28055.58
4	Huafeng Huajin Co., Ltd.	Putian / Fujian	2021	--	--	--	28140
5	Wuhan Winsome Knitting Indu..	Wuhan / Hubei	2021	2.1666	0.2871	4.51384	2084.83
6	Cone Denim (Jiaxing) Limited	Jiaxing / Zhejiang	2019	25.279	0.171	35.6046	54685.78
7	Jinjiang Dingsheng Garment ..	Quanzhou / Fujian	2021	--	--	0.07	184.44
8	Dongguan Welkin Electronic ..	Dongguan / Guangdong	2021	5.2708	0.3291	2.67552	7405.62
9	Kao (Shanghai) Chemical Ind..	Shanghai / Shanghai	2021	7.34	0.06	14.885124	24474.61

Pollutant emissions and carbon emissions information disclosed by companies through the Blue Map website

In conclusion, the implementation of the Measures is an important step towards the establishment of a robust system for mandatory enterprise environmental information disclosure in China. **We recommend listed companies, bond-issuing enterprises, key emission entities, enterprises on the List of Mandatory Cleaner Production Audit, as well as brands and investors whose suppliers/investees are subject to environmental information disclosure to pay closer attention to the new Measures, fulfil their responsibilities with the support of digital solutions to improve environmental performance and achieve green transformation and low carbon development.**

APPENDIX: LEGAL PROVISIONS RELATED TO ENTERPRISE ENVIRONMENTAL INFORMATION DISCLOSURE

Went into effect on January 1, 2015	Environmental Protection Law of the People's Republic of China Article 55 ● <u>Key polluting entities shall truthfully disclose to the public the names of its main pollutants, emission methods, emission concentrations and total emissions, excessive emissions, as well as the construction and operation of pollution prevention facilities to accept public supervision.</u>
June 27, 2017 Second Amendment	Law of the P.R.C on Water Pollution Prevention and Control Article 32 ● The competent department of environmental protection under the State Council shall, in conjunction with the competent department of health under the State Council, publish a list of toxic and harmful water pollutants and implement risk management according to the degree of harm and impact on public health and the ecological environment. <u>Enterprises, institutions and other producers and business operators that discharge toxic and harmful water pollutants listed in the list specified in the preceding paragraph shall monitor the sewage outlets and the surrounding environment, assess environmental risks, investigate potential environmental safety hazards, disclose information on toxic and harmful water pollutants, and take effective measures to prevent environmental risks.</u>
October 26, 2018 Second Amendment	Law of the P.R.C. on Air Pollution Prevention and Control Article 24 ● Enterprises and other production operators shall, in accordance with relevant state regulations and monitoring norms, monitor their industrial emissions and the toxic and hazardous air pollutants listed in the list of Article 78 of this Law, and keep the original monitoring records. <u>Among them, key polluting entities shall install and use automatic monitoring equipment for air pollutant emissions, connect with the monitoring network of competent departments of ecology and environment, ensure normal operation of the monitoring equipment and disclose the emission information in accordance with the law.</u> The specific methods of monitoring and the qualifications of key polluting entities are determined by the competent department of ecology and environment under the State Council.
Went into effect on January 1, 2019	Law of the P.R.C. on Soil Pollution Prevention and Control Article 21 ● The competent department of ecology and environment of the local people's government at or above the municipal level shall, in accordance with the provisions of the competent departments of ecology and environment under the State Council, develop a list of key soil polluting entities in the administrative region based on the emissions of toxic and hazardous substances, etc.; the list shall be made public and updated in due course.

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