



While more brands are going transparent with supplier lists (see first item below), China's government is also supporting supervision efforts. China's Ministry of Environmental Protection (MEP) issued its first quarterly blacklist of key state-monitored enterprises earlier this year, representing another step forward for government scrutiny toward enterprises' excessive emissions. The list highlighted 95 enterprises whose pollutant monitoring data indicated that emissions exceeded legal standards over 80% of the time.

Around 9000 such enterprises designated for monitoring at the national level have been required since 2014 to disclose real-time monitoring data for air emissions and/or wastewater discharge, which IPE collates via the Blue Map app. Still, an IPE analysis found discrepancies between MEP's list and the disclosed data of several listed enterprises, whose data indicated a situation of relative compliance. Coupled with government drives for enforcement, transparency is helping NGOs and the public hold these enterprises accountable by pushing for improved data accuracy.

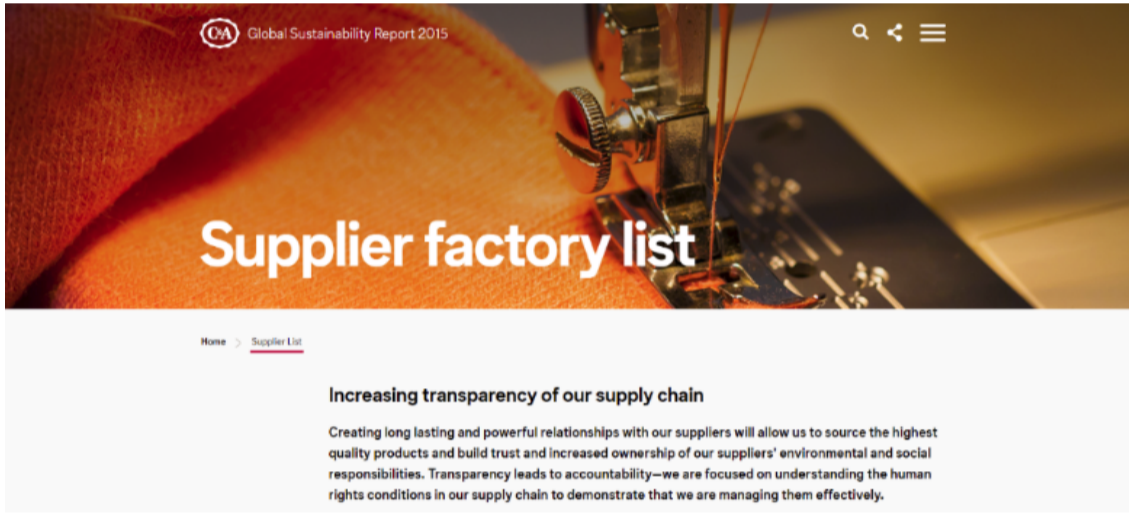
In this month's newsletter:

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Inditex publishes supplier list of wet processing units

As brands' supply chain management improves, so has brands' willingness to be transparent and to uphold public right-to-know principles by publishing supplier lists. Most recently, Inditex -- parent company of brand ZARA -- went public with a list of wet processing units, taking the lead in accepting public supervision toward a water-intensive segment of its supply chain that poses a high risk to the environment. Inditex's list is notable for not only including direct units but also listing indirect wet processing units that have been contracted by direct suppliers. Another textile brand, C&A, published a list of its direct suppliers this year for the first time. Nike jumpstarted the push for transparency when it published its supplier list back in 2005, making it the first company in the global footwear and apparel industries to publicly disclose its contractual suppliers. Although the apparel industry has generally led the way in terms of supplier list transparency, a handful of IT brands have also followed suit, with HP becoming the first electronics company to publish a supplier list in 2007 and Dell joining its ranks in 2009. Apple also began disclosing a list of 200 of its key suppliers for the first time in 2012. At present, other brands ranked on the CITI index that publish supplier lists include Adidas, Levi's, H&M, Target, Puma, Timberland and Columbia.



G20 summit prompts government order to temporary factory closures in Hangzhou and Shanghai regions

The G20 Conference to be held on September 4th and 5th in Hangzhou, Zhejiang Province, will see China hosting leaders from 20 major economies around the world. To control air pollution in the lead up to the summit, and following in the footsteps of Beijing's 2014 APEC summit, government officials have issued partial or complete factory closings within a 300 kilometer radius of Hangzhou. Approximately 50% of the textile dyeing industry in China is based in Zhejiang province, resulting in the shutdown of 370 dye houses, print mills, and finishing mills around Hangzhou proper. As a neighboring city, Shanghai has also ordered 225 industrial facilities to close between August 24 and September 6. In total, there are an estimated 1000 factories to be placed on pause in this period leading up to the summit. This large-scale shutdown of factories in the Hangzhou area creates complications for supply chains. The consequent slowdown, or in some cases standstill, in production limits factories' ability to generate shipments until after the summit concludes. In the meantime, many suppliers have already increased fees to accommodate the high demand in anticipation of closing.

Revised procedures for de-listing environmental violation records from IPE's Pollution Map Database

IPE recently made revisions to the procedures for removing environmental supervision records from the online Pollution Map Database. Although many of the procedures remain the same, record removal via off-site document review no longer requires the participation of a third-party auditing company and is now conducted by IPE staff. All GCA on-site third-party audits must still be conducted by an auditing company that has been approved by IPE, and the audit must be attended by IPE and/or an NGO member of the Green Choice Alliance network. Furthermore, GCA audit reports must be circulated to GCA members for comment for at least seven days before being published and records removed. The updated guidance on procedures for record removal can be downloaded in Chinese on IPE's website here, or for an English version, see here.

POLICY UPDATES & RESOURCES

Policy Updates

- [Environmental Impact Assessment \(EIA\) Law](#) (Chinese) -- New amendments passed by NPC Standing Committee on July 2; will go into effect starting September 1, 2016. Decentralizes approval process for EIAs; raises the potential penalties for noncompliance; lack of concrete improvements in requirements for public participation.
- [Water Pollution Prevention and Control Law](#) (Chinese) -- Draft revision seeking public feedback through June 30, 2016
- [2015 China Environmental Bulletin](#) (Chinese) -- Annual national-level statistics from MEP about the condition of China's environment

Policy Resources

- [Soil Pollution Action Plan \("Soil Ten"\)](#) (Chinese)
- [Summary of key targets of Soil Ten plan](#) (English)
- [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)

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IN THE NEWS

- [China says will ban IPOs by firms breaking environment protection rules](#) -- Reuters, July 1
- [China to publish city rankings showing most and least polluted water](#) - ecns, July 4
- [China's Tainted Soil Initiative Lacks Pay Plan](#) -- Caixin, June 8

RELATED REPORTS

- **Greenpeace: Detox Catwalk 2016** (third edition analyzing brands' Detox 2020 commitments to eliminate hazardous chemicals from their supply chains)
- **China Water Risk: Water-Nomics of the Yangtze River Economic Belt**

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