

绿色选择 Green Choice

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This month sees the opening of China's most important annual political meetings, the Two Sessions ("Lianghui"), following over two months of delay due to the COVID-19 outbreak. The Government Work Report delivered at the two sessions outlines the agenda and policy priority for the coming year, including a stimulus package to revitalize China's economy. In addition to boosting economic growth, the report also reiterates the target to ensure more effective protection of ecosystems and the environment. Balancing growth and environmental protection will require innovative, market-based solutions, says IPE founding director Ma Jun in an interview by Ecotextile. See excerpts of the interview and link to the full article below.

In this month's newsletter:

- Primark, Bestseller and Suitsupply join the green supply chain map
- Ma Jun in Ecotextile News: Sustainability in China 'at crossroads' post-Covid 19
- CITI 7.0 to emphasize continuous disclosure and supply chain logistics management



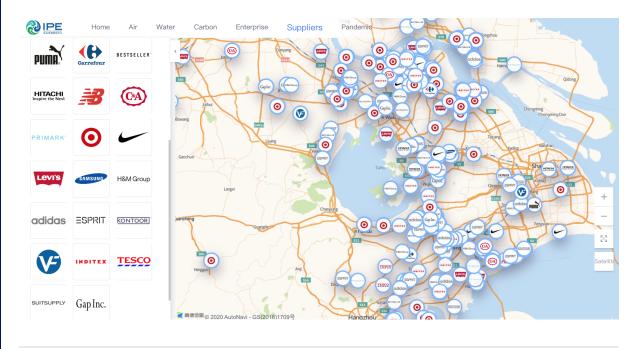
This month, 52 brands worked with one or more of suppliers to improve their environmental performance, demonstrating active supply chain management.

China National Building Material Group Co., Ltd. (CNBM), one of the largest manufacturer for building materials has begun requiring its cement and concrete subsidiaries across China to provide public explanations regarding its previous environmental violations. Joining Landsea, a major property developer based in Nanjing, China, CNBM has pushed more than 35 facilities to disclose their corrective actions remediating the excedances of exhaust air emissions, the lack of emergency response to heavy air pollution, the lack of enviornmental permits and the lack of noise control. We call for other brands in the real estate industry but also those who source from China to join force and keep track of the suppliers' environmental performances and motivate those with violations to comply with local laws and regulations.

Primark, Bestseller and Suitsupply join the green supply chain map

In the past two months, Irish fashion retailer Primark, Danish clothing retailer Bestseller and Dutch-founded men's fashion brand Suitsupply joined the Green Supply Chain Map, where leading brands move for maximum transparency and accountability of their suppliers. The map displays brand logos on their suppliers' facilities, linking brands reputation to suppliers' environmental performance status. Map users, especially consumers and investors, can stay updated on these leading brands' supply chain environmental management performance.

The map showcases environmental performance of 95 Bestseller suppliers, including 16 tier one garment/ finished product suppliers with washing/ dyeing process, 30 tier one cut-pack factories and 49 tier two material manufacturers with dyeing, printing, finishing, tanning and laminating processes. The map also presents 37 Suitsupply suppliers, including upstream waste treatment facilities and raw material manufacturers. With an additional 200 suppliers from Primark, the map now links more than 2,000 suppliers to 20 leading brands in textile, IT and "diversified" industries.



Ma Jun in Ecotextile News: Sustainability in China 'at crossroads' post-Covid 19

Featured below are excerpts from an interview with Ma Jun, Director of the Institute of Public and Environmental Affairs, for the Ecotextile News:



BEIJING - As China looks to boost its economic growth with GDP expected to plunge by 10 per cent in the first quarter of this year, Ma Jun, Director of the Beijing-based Institute of Public and Environmental Affairs gives Ecotextile News an exclusive insight into what sustainability in the textile industry could look like for China in the immediate post-corona era. John Mowbray reports.

As shopping malls in China start to open back up for business in the wake of the Covid-19 pandemic and clothing retailers see the first trickle of customers returning to their stores, environmental protection measures in China are now firmly at a new 'crossroads', according to Ma Jun, Director at the environmental not-for-profit Institute of Public and Environmental Affairs (IPE).

With exports from some Chinese textile regions down by as much 20 per cent post-lockdown, it's clear that economic recovery is going to take precedence over pollution control with the government now favouring 'market-based solutions' rather than top-down government intervention to control the problem.

But how long will this last?

"After 4 years of the most stringent environmental enforcement in China, I think we are now again at some kind of crossroads because of the massive impact of this coronavirus," Ma Jun told us in a Zoom interview. "And the economic recovery will be made an absolute priority after this with a new stimulus package." [...]

But Ma Jun thinks that in China, government injections of cash will come with a caveat. And says money won't be squandered on businesses that are badly run or those that are serial polluters. It's here that he says his organisation can provide guidance on which companies are low risk through its suite of online tools to monitor live pollution incidents.

In particular, he points to the IPE's Blue EcoChain tool, where brands and retailers get a live push notification on their mobile devices if a pollution incident has been recorded at one of their Chinese suppliers. It's an example of how the government can assess where funds could be better directed. This tool, together with the NGO's 'Dynamic Environment Credit Assessment', which is based on big data, assigns millions of factories with a credit score based on their previous environmental due diligence. [...]

Check out the rest of the interview here >>

CITI 7.0 to emphasize continuous disclosure and logistics supplier compliance management

Early this year, IPE released the seventh edition of the green supply chain CITI Evaluation Guidelines (bilingual), CITI 7.0. Following rounds of feedback from experts and brands, we have completed the detailed grading rules (Chinese) for the CITI 7.0, with this year's major updates highlighted in red. A video explaining the grading rules can be found here (Chinese) (download code: 5zor).

There are two major updates to this year's criteria. First, continuous information disclosure is now considered an efficient means to verify the effectiveness of corrective actions. Brands can receive equally high scores by pushing high environmental impact suppliers to continuously disclose information on violations, excessive emissions and corrective actions. Secondly, responsible management of logistics suppliers is incorporated into this year's CITI evaluation, including suppliers that provides transportation, storage, loading and unloading, packaging, distribution processing, distribution or recycling services.

We look forward to having more in-depth conversations with brands regarding their preliminary scores in the coming months.

CITI 评价指南 7.0

CITI 7.0 Evaluation Guidelines

	沟通与透明		合规性与整改行动		延伸绿色供应链					节能减排		推动公众绿色选择	
指标	公众问责与 沟通	推动透明 供应链	检索供应商 环境合规表现	推动供应商整改及 披露	化学品及原材料 供应商负责任管控	废水负责任 管控	固体废物 负责任管控	物流供应商 负责任管控	供应商自主 管控环境风险	推动供应商 披露能源和气 候变化数据	推动供应商 披露污染物 排放转移数据	引导公众关注在华供 应链的环境表现	总分
权重	6	8	10	12	8	10		4	10	12	12	8	100
	Responsiveness and Transparency		Compliance and Corrective Actions		Extend Green Supply Chain Practices					Energy Conservation and Emissions Reduction		Promote Public Green Choice	
Criteria	Respond to enquiries and engage with the public	Promote supply chain transparency	Screen suppliers for environmental compliance	Require suppliers to take corrective actions and issue public explanations	Responsible management of chemical and raw material suppliers	Responsible management of wastewater		Responsible management of logistic supplier	Supplier self- management		Push suppliers to disclose pollutant release and transfer data		Total Score
Weight	6	8	10	12	8	10		4	10	12	12	8	100

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POLICY UPDATES & RESOURCES

Policy Updates

- Proposed List of Chemicals for Priority Control (Second Batch) (Chinese) Draft seeking comments through May 31, 2020. Click here to see an analysis by the Chemical Watch and the list of chemicals in English.
- Solid Waste Pollution Prevention and Control Law (Revised) (Chinese) Published by the Ministry of Ecology and Environment on April 29, 2020; goes into force on September 1, 2020.

Policy Resources

- Environmental Protection Tax Law of the P.R.C. (English)
- Soil Pollution Action Plan ("Soil Ten") (Unofficial English translation)
- <u>Amendments to China's Air Law</u> (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
- <u>Center</u> (Bilingual)
- <u>China Hazardous Chemicals Management Resource Center</u> (Bilingual)
- <u>China Law Translate</u> (crowd-sourced English translations of Chinese laws)

Questions or comments on content and layout? Get in touch anytime: <u>gsc@ipe.org.cn</u>

RELATED NEWS AND REPORTS

Sustainable supply chains to lead the way for fashion post COVID-19

- Appeal Resources, May 6, 2020

How green can China's recovery package be?

- China Dialogue, May 21, 2020

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