Greening the Global Supply Chain: The Role of Information Transparency and Public Participation

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IPE Established in 2006

- Database now contains official environmental violation records for **210, 000+** enterprises
- Green Supply Chain project has pushed nearly **2000** factories to implement corrective actions

关于绿色选择倡议
绿色供应链
绿色证券
绿色信贷
NGO伙伴

蔚蓝贷

数据检索

下载Ferret软件，提高检索效率

企业名称： 输入文本 年份：

地 区： --省级行政区-- --地级市-- 每页显示： 20 条记录

查询 高级查询>>

序号	企业名称	地区	年份	环境监管记录
1.	海口绿地鸿翔置业有限公司	海口	2015	查看
2.	海南南国食品实业有限公司	海口	2015	查看
3.	海南正强超越生化技术开发有限公司	海口	2015	查看

Typical Problems

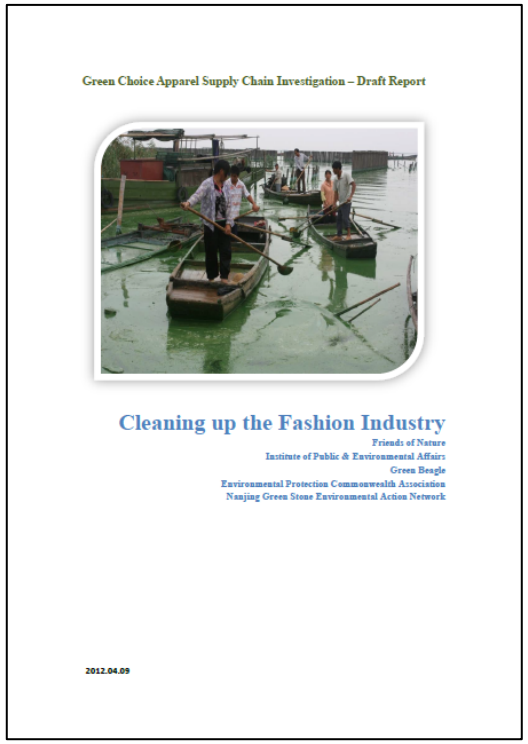
Wastewater	• Discharge does not meet discharge standards • Discharge through hidden discharge pipes • Incorrect or incomplete permits
Air Emissions	• Emissions do not meet discharge standards • Emissions control systems not run correctly • Permitting problems
Solid Waste	• Improper storage, treatment and transfer of solid waste

Typical Punishments:

- Temporary closure of facilities or production lines
- Orders to complete corrective actions
- Fines

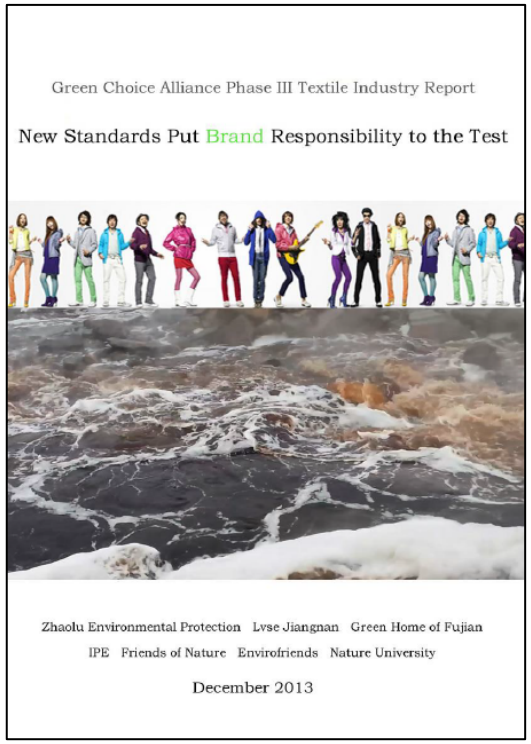
Textile Industry Investigations

→ Series of reports focusing on such issues as the water intensiveness, management of main materials suppliers, implementation of discharge standards, and centralized wastewater treatment



April 2012

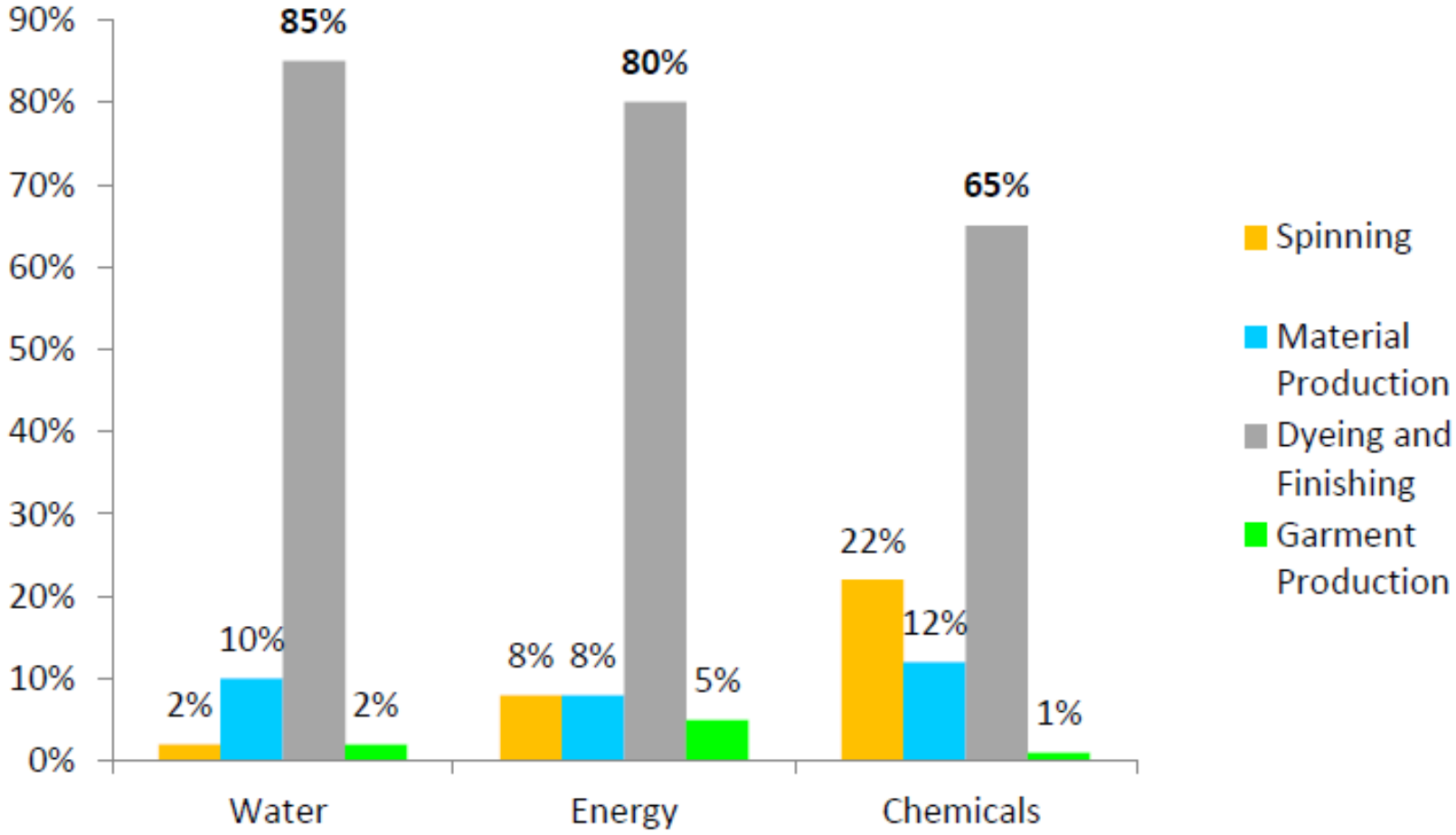
October 2012



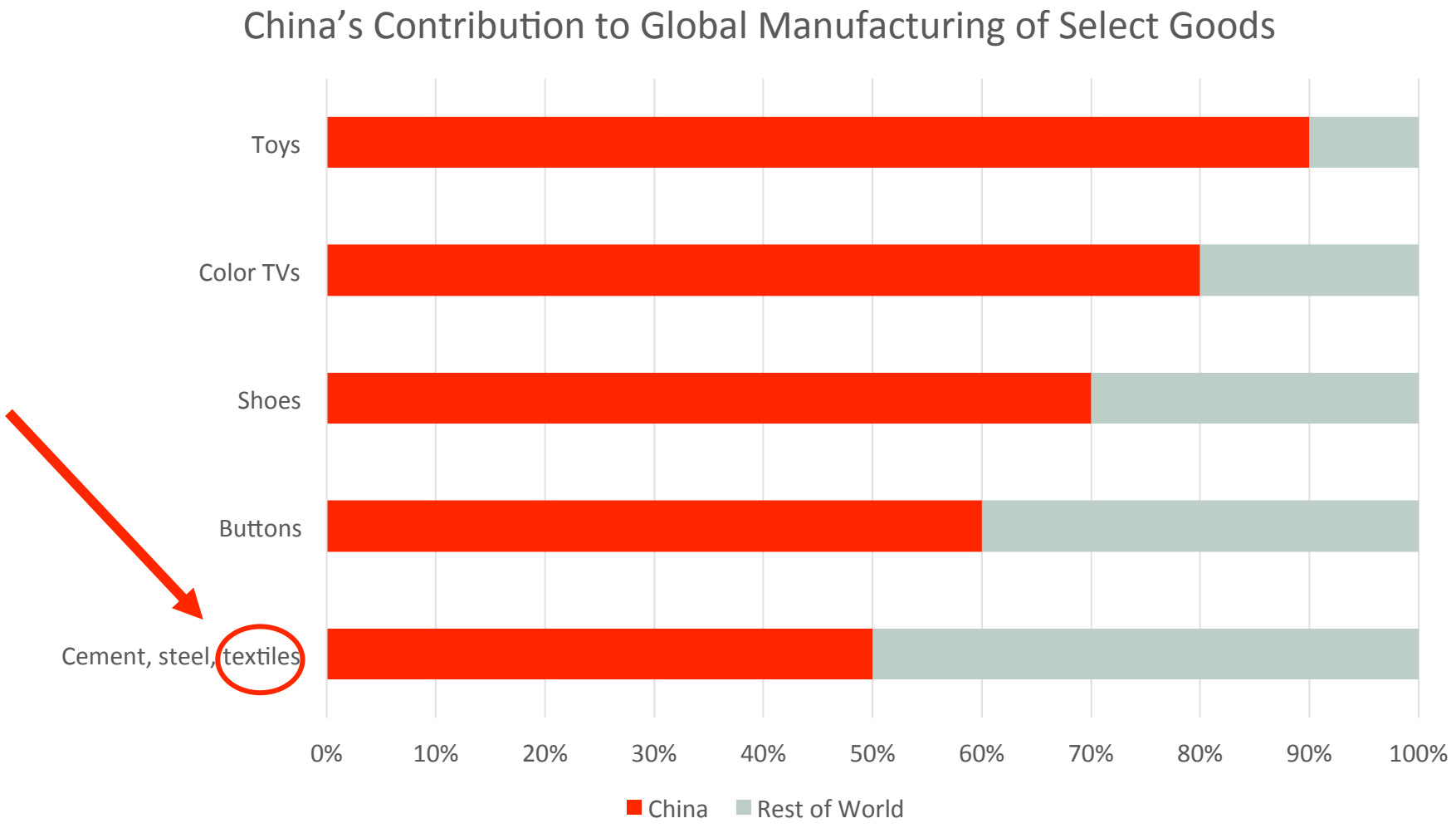
December 2013

December 2014

Dyeing and Finishing Sector is Extremely Water-, Energy-, and Chemical-Intensive



China manufactures about half of the world's textiles



Source: International Trade Statistics 2013. WTO.

Manufacturing is contributing to pollution, but manufacturers are insufficiently engaged. Corporations need to be involved and more transparent.

Green Choice Alliance Founded in March 2007 by 21 eNGOs

Green consumption leads to green production and procurement

Number of participating eNGOs has grown to 50

- Proposes that consumers use their purchasing power to influence corporations
- Calls on brands to green their supply chains

IPE 公众环境研究中心

NRDC

2014: Release of the first **Corporate Information Transparency Index (CITI)** rankings of brands' supply chain performance

CITI : Scope of evaluation

Assess 160+ brands across nine industry categories

CITI： Areas of evaluation

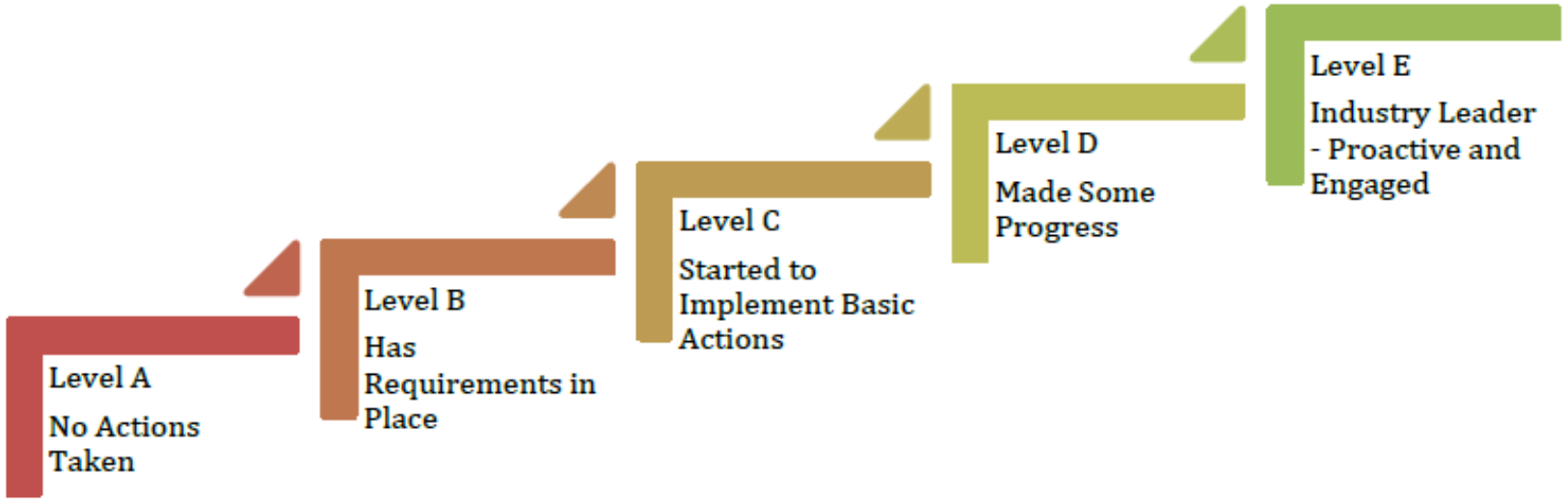
1) Engagement and responsiveness
2) Compliance and corrective actions
3) Extend green supply chain practices
4) Data disclosure and transparency
5) Responsible recycling

CITI： Areas of evaluation

指标	沟通与回应	合规性与整改行动			延伸绿色供应链		数据披露		责任回收	总分
	公共问责与沟通	建立供应商检索机制	推动供应商整改并公开说明	推动供应商管理排入集中处理设施的废水	识别并管理供应链中环境影响较高的供应商	推动供应商检索其上游供应商	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	建立废弃产品回收渠道并跟踪回收去向	
权重	12	12	14	10	14	8	10	12	8	100

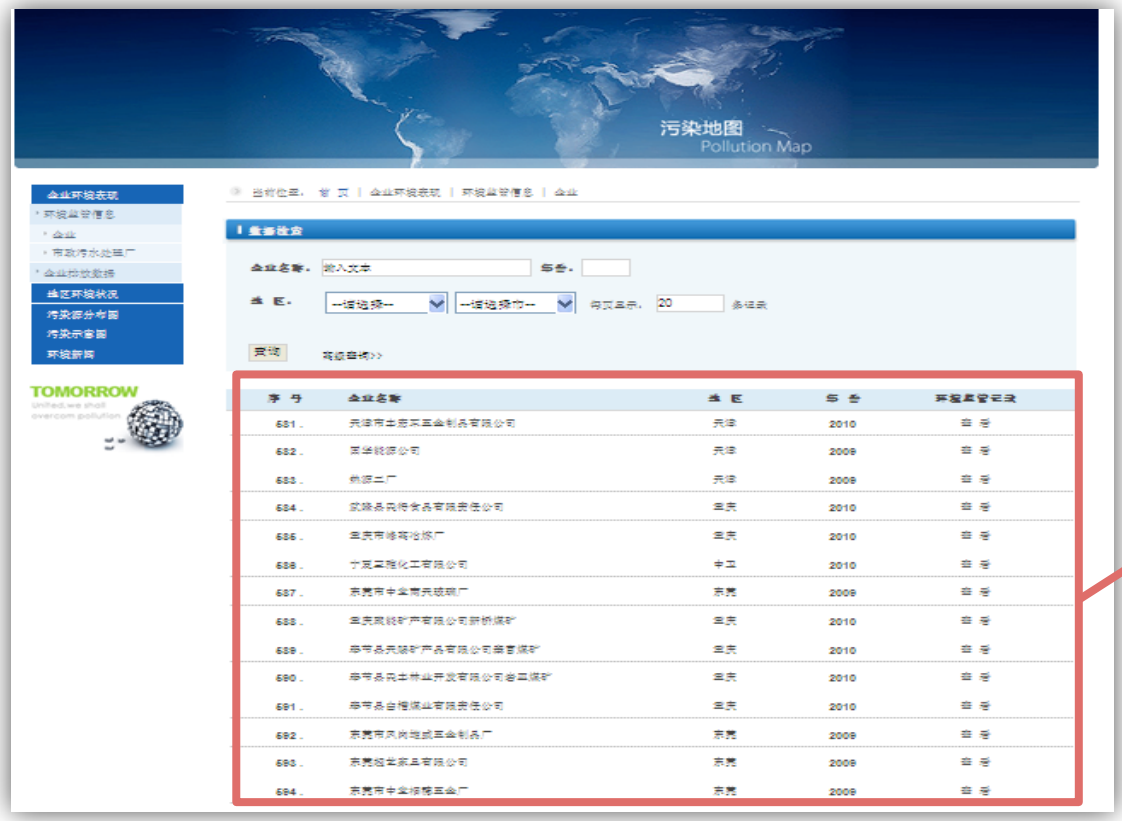
Criteria	Engagement and Responsiveness	Compliance and Corrective Actions			Extend Green Supply Chain Practices		Data Disclosure and Transparency		Responsible Recycling	Total Score
	Respond to enquiries and engage with the public	Establish a mechanism to screen suppliers for violations	Push suppliers to take corrective actions	Push suppliers to manage wastewater discharged to centralized treatment facilities	Identify, screen, and manage high environmental impact suppliers	Push suppliers to screen their own upstream suppliers	Push suppliers to disclose energy and climate data	Push suppliers to disclose PRTR Data	Establish recycling program and track used products	
Weight	12	12	14	10	14	8	10	12	8	100

CITI： Roadmap for Greening Supply Chains



Getting started: What companies can use

IPE violation database to screen suppliers



Over 210,000 environmental violations recorded

Getting started: What companies can use

Self-monitoring data from companies under special supervision

E.g. Zhejiang province's real-time information platforms shows self-monitoring data from state-monitored enterprises

序号	站点名称	二氧化硫 (mg/M3)	氮氧化物 (mg/M3)	烟尘 (mg/M3)	监测时间
1	苍南县宜嘉垃圾发电有限公司(苍南县伟明垃圾发电有限公司) 烟气排放口	10.500	224.880	36.520	2014-08-14
2	常山县南方水泥有限公司(原名浙江常山水泥有限公司) 老线排放口	-	678.217	30.780	2014-08-14
3	常山县南方水泥有限公司(原名浙江常山水泥有限公司) 新线排放口	0.517	386.383	15.270	2014-08-14
4	长兴新城环保有限公司 排放口	119.817	167.367	19.050	2014-08-14
5	慈溪金轮能源发展有限公司 烟囱	-			
6	慈溪中科众茂环保热电有限公司 烟囱	80.450	70.817	45.730	2014-08-14
7	德清绿能热电有限公司 总排口	98.818	323.172	18.910	2014-08-14
8	德清旺能环保能源有限公司 1号排放口	103.200	237.200	47.760	2014-08-14
9	德清县中能热电有限公司 总排口	149.520	361.560	39.140	2014-08-14
10	奉化热电有限公司 烟囱	-			

Compliance and Corrective Actions

Using third-party auditors to audit corrective actions

About GCA

- About Green Choice Alliance
- Third Party Audit Organizations

Green Supply Chain

Green Stocks

Green Credit

NGO Partners

TOMORROW
United,we shall overcome pollution

Location: Green Choice Alliance | About Green Choice Alliance |

- British Standards Institution(off-site document review)
- ERM(on-site audit)
- Evergreen Bridge Environmental Consultants
- GOLDER(on-site audit/off-site document review)
- Greenment
- Guangzhou TUV Industrial Technical Services Company Ltd.
- Intertek China(on-site audit/off-site document review)
- SGS-CSTC(on-site audit)
- TUV-Rheinland (on-site audit/off-site document review)
- URS(on-site audit)

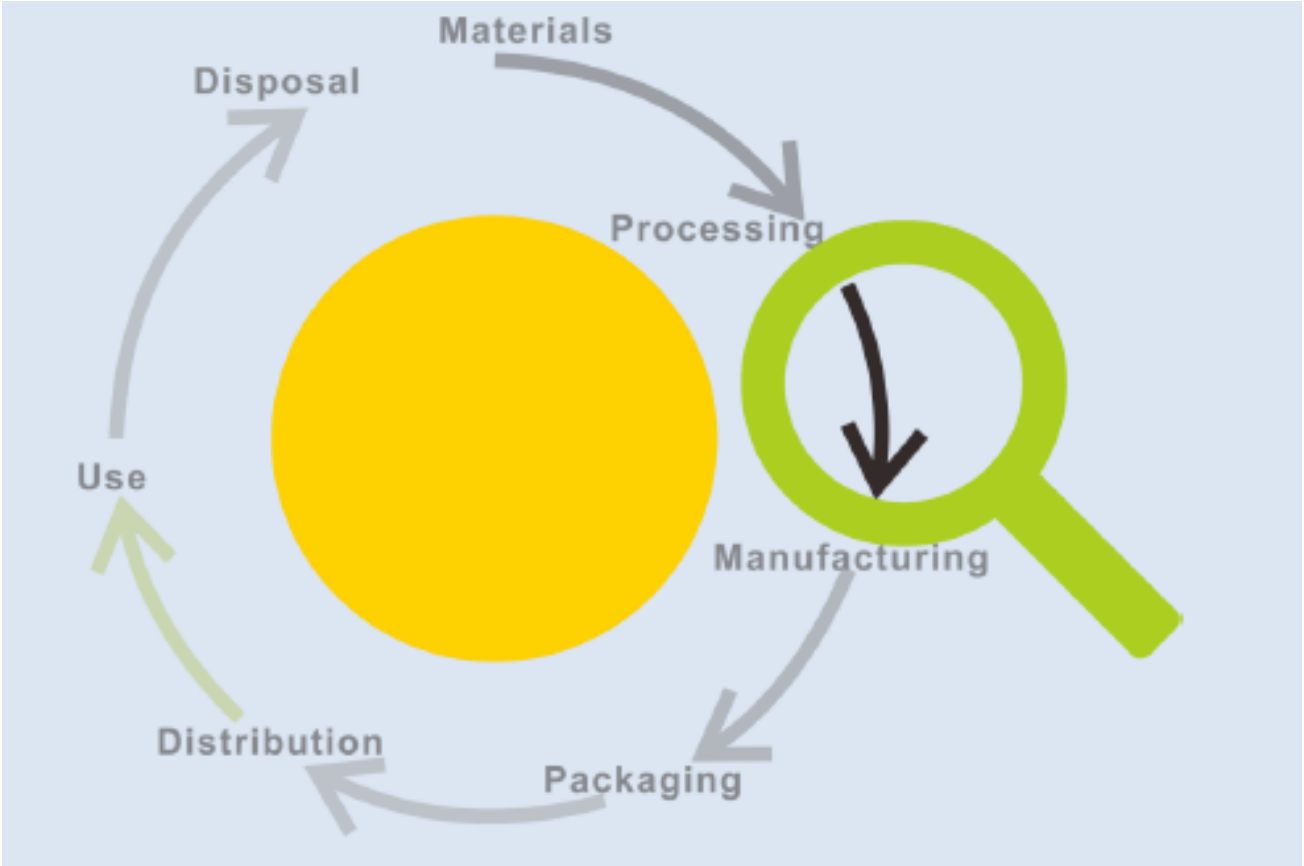
Compliance and Corrective Actions

Key features of the GCA audit process:

1) Creates a level playing field to stop global procurement's race to the bottom
2) Transparency based on publicly-available government-source data on polluters
3) Use of market-based independent auditors with NGO participation
4) Reduce multiple/repetitious audits and associated cost & fatigue
5) The power to work with the public

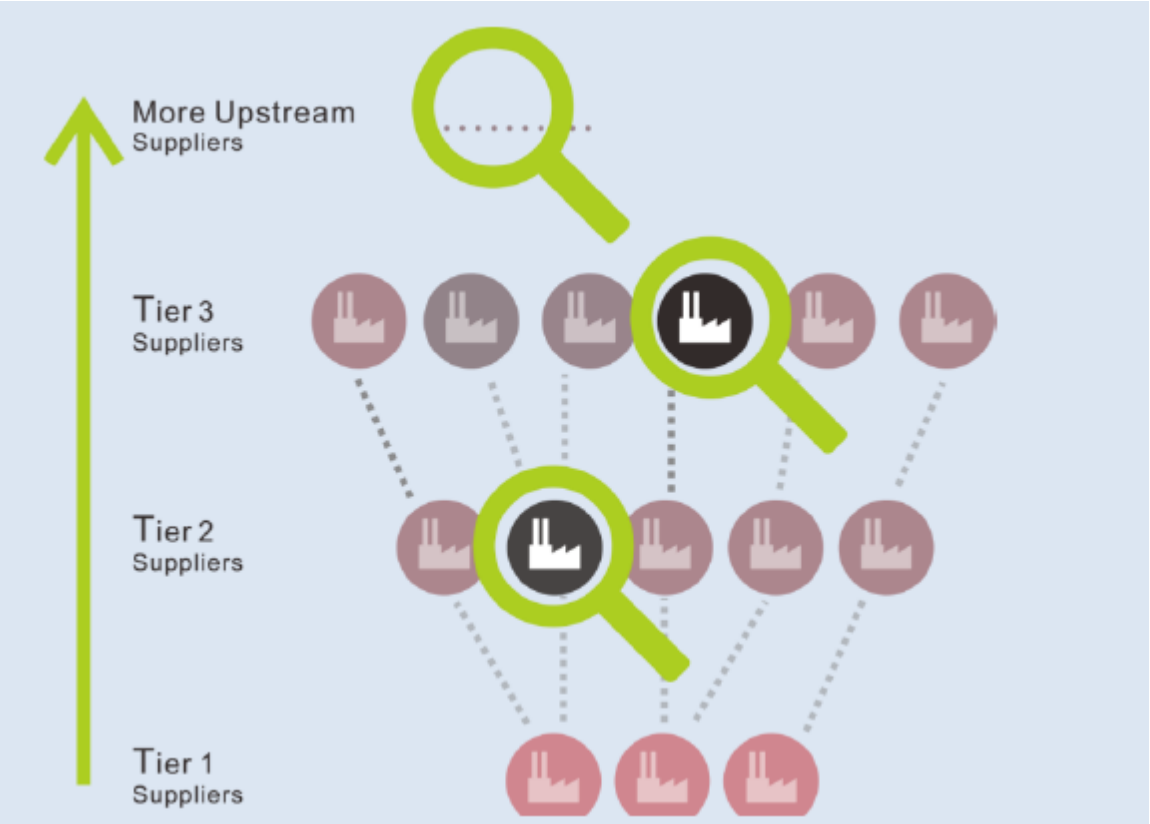
Extend Green Supply Chain Practices

Identify and focus on the heaviest-polluting sectors



Extend Green Supply Chain Practices

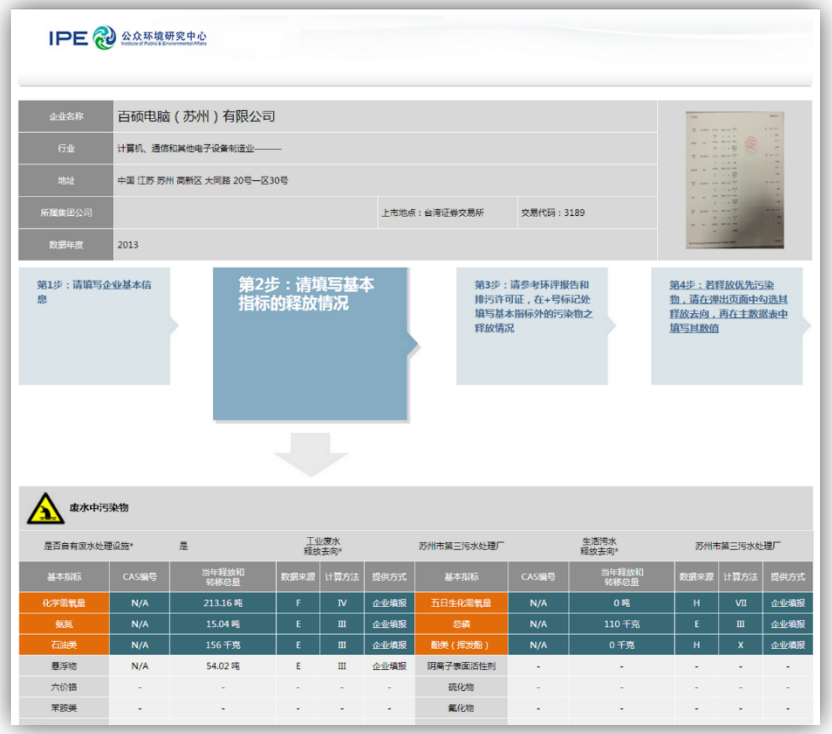
Brands push their suppliers to screen their suppliers, so tier one suppliers screen tier 2, and tier 2 screen tier 3 etc.



Data Disclosure & Transparency

Push suppliers to use pollution release and transfer register (PRTR) system to self-report environmental data, GHG emissions and energy consumption

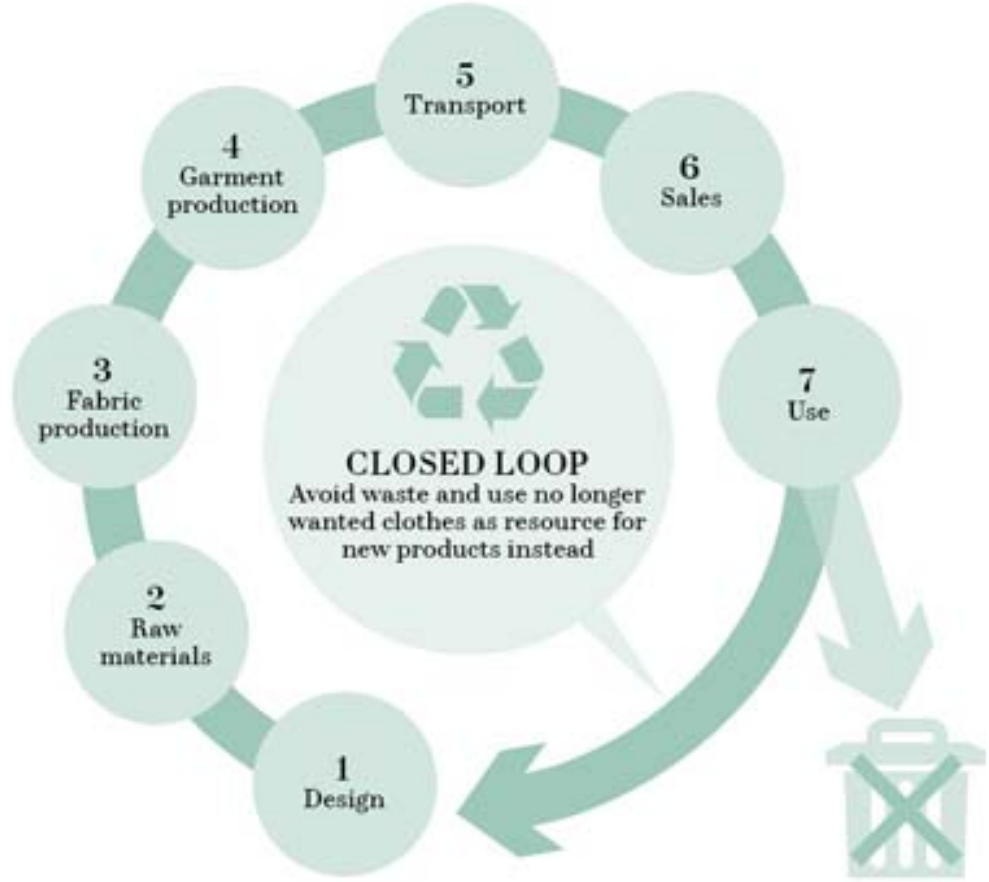
http://www.ipe.org.cn/en/pollution/dischargeprtr.aspx



Responsible Recycling

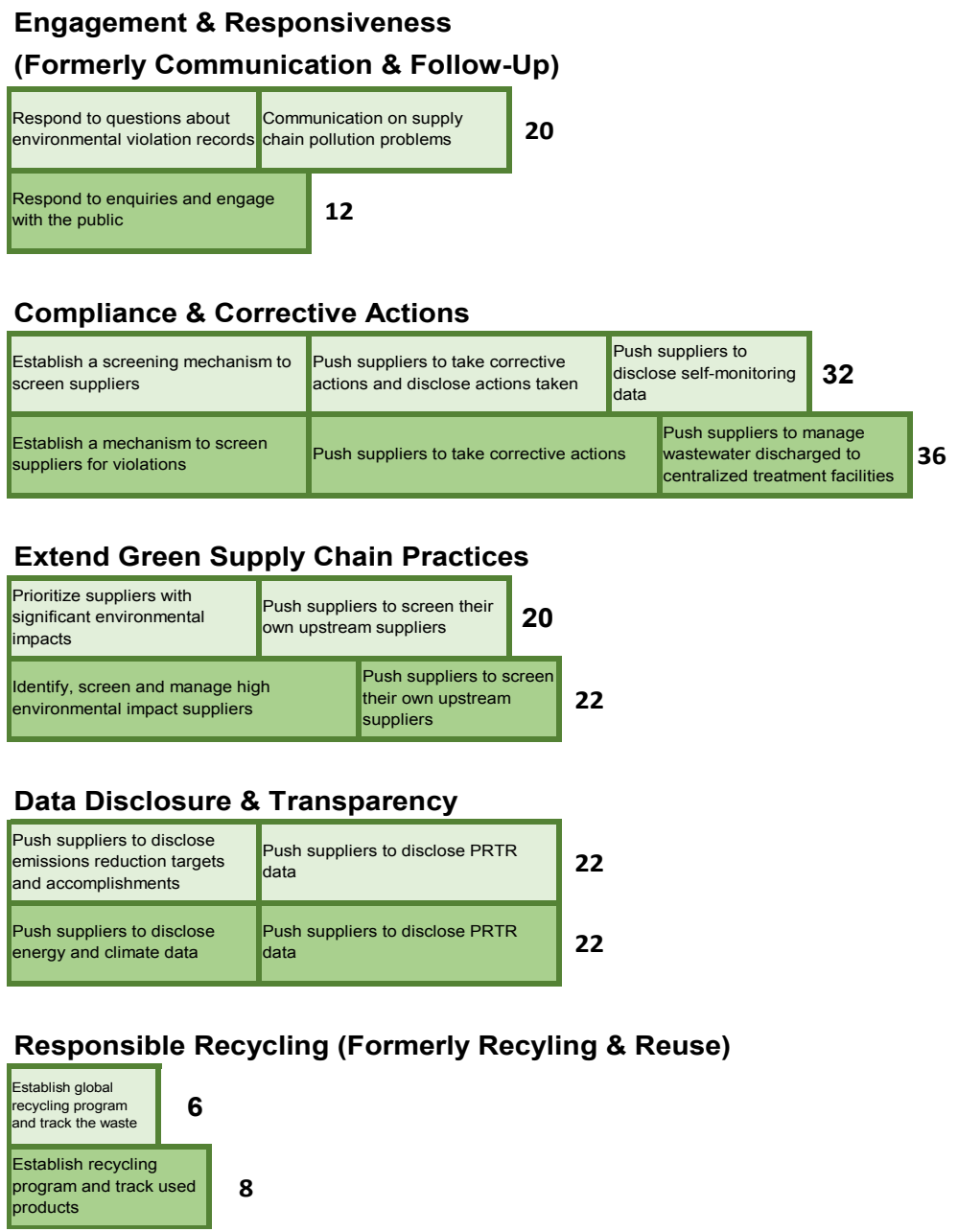
Encourage brands to establish a recycling program and track used products

For example, H&M is working to “close the loop on textile fibers”



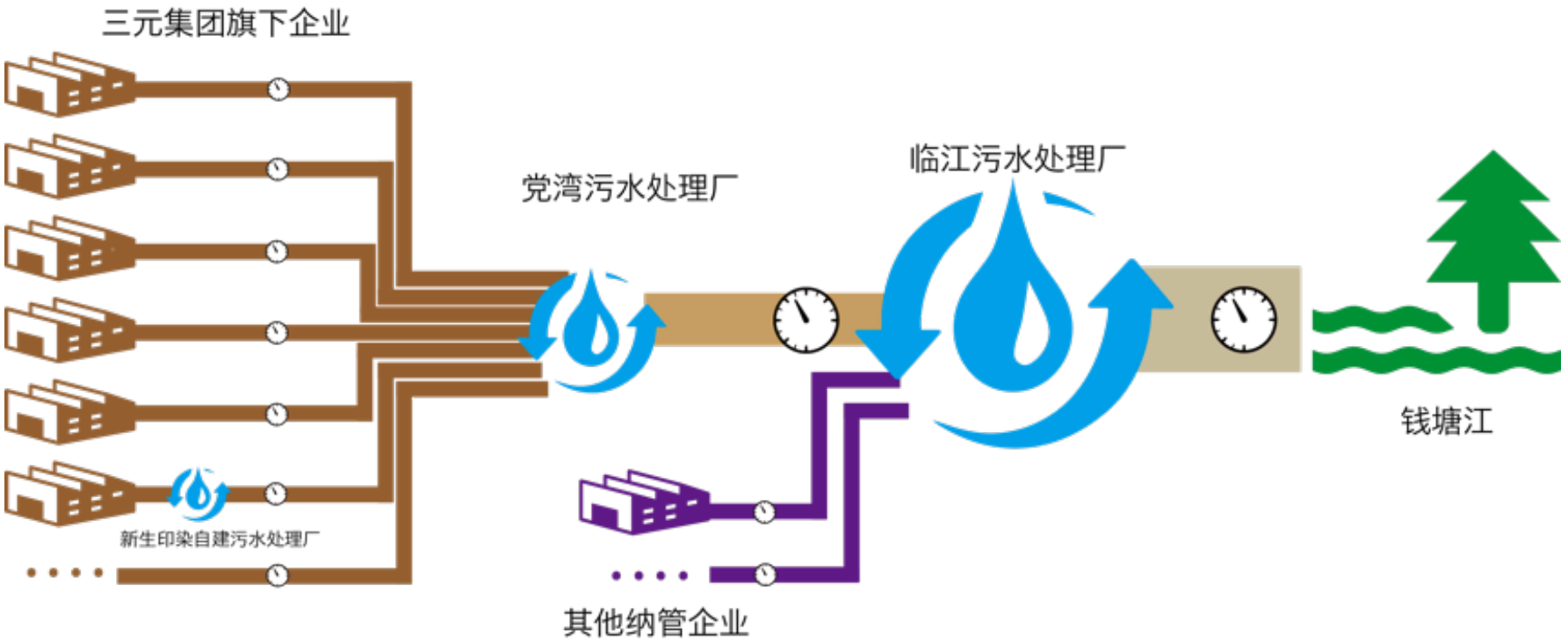
CITI 2.0: Key Updates

- Greater focus on compliance and implementation of corrective actions
- Addition of indicator focusing on centralized wastewater treatment
- Data disclosure & transparency → remove focus on companies setting their own targets; replace with focus on data transparency and PRTR



CITI 2.0: Centralized Wastewater Treatment

Push brands to take responsibility for wastewater discharged to centralized treatment plants



Example: Saintyear's Wastewater Discharge Flowchart

CITI Evaluation Criteria		Respon-siveness	Compliance & Corrections			Extend Green Supply Chain		Data Disclosure & Transparency		Recycling	Total Score	Ranking +/-
		Respond to Enquiries	Establish Screening Mechanism	Push for Corrections	Centralized Wastewater Treatment	High-Impact Suppliers	Push for Upstream Manage-ment	Energy and Climate Data	PRTR	Recycling Used Products		
No.	**Brand**	**12**	**12**	**14**	**10**	**14**	**8**	**10**	**12**	**8**	**100**	**+/-**
1	Adidas	12	12	14	2.5	7	2	7.5	9	0	**66**	+6
2	H&M	12	12	7	2.5	7	4	5	6	4	**59.5**	-1
3	Levi's	12	12	10.5	2.5	7	2	5	6	2	**59**	+12
4	M&S	9	9	7	2.5	7	2	5	9	2	**52.5**	+2
5	Wal-Mart	9	12	14	0	7	4	2.5	3	0	**51.5**	+4
6	Esquel	9	12	14	0	7	2	2.5	3	0	**49.5**	-4
6	Nike	12	9	10.5	0	7	4	5	0	2	**49.5**	+3
8	Uniqlo	9	12	14	0	7	0	0	0	2	**44**	+4
9	Puma	12	9	7	0	7	0	2.5	6	0	**43.5**	-4
10	Target	9	12	7	0	7	2	2.5	3	0	**42.5**	+1
11	ZARA	9	12	7	0	7	2	0	3	0	**40**	+3
12	Burberry	9	9	7	0	3.5	2	2.5	6	0	**39**	New
13	Gap	9	9	7	0	7	4	0	0	0	**36**	-10
13	C&A	9	9	7	0	7	4	0	0	0	**36**	-10
13	IKEA	9	12	7	0	3.5	0	2.5	0	2	**36**	+4
16	Esprit	9	6	7	0	7	0	0	0	0	**29**	-4
16	Li-Ning	9	6	7	0	7	0	0	0	0	**29**	-1
18	Mizuno	9	6	7	0	3.5	0	2.5	0	0	**28**	+5

19	Primark	9	6	7	0	3.5	0	0	0	0	25.5
20	Ann Taylor	6	6	7	0	3.5	0	0	0	0	22.5
21	JACK & JONES	9	6	7	0	0	0	0	0	0	22
22	Timberland	12	3	0	0	3.5	0	2.5	0	0	21
23	Toread	6	3	7	0	0	0	0	0	0	16
23	Tommy Hilfiger	6	3	7	0	0	0	0	0	0	16
25	Youngor	9	3	3.5	0	0	0	0	0	0	15.5
25	G-Star	9	3	3.5	0	0	0	0	0	0	15.5
27	The North Face	9	3	0	0	0	0	0	0	0	12
27	Lee Jeans	9	3	0	0	0	0	0	0	0	12
27	Carrefour	9	3	0	0	0	0	0	0	0	12
30	Disney	6	3	0	0	0	0	0	0	0	9
30	Calvin Klein	6	3	0	0	0	0	0	0	0	9
30	Benetton	6	3	0	0	0	0	0	0	0	9
33	Tesco	6	0	0	0	0	0	0	0	0	6
34	Lafuma	3	0	0	0	0	0	0	0	0	3
34	Sears	3	0	0	0	0	0	0	0	0	3
34	Kmart	3	0	0	0	0	0	0	0	0	3
34	Armani	3	0	0	0	0	0	0	0	0	3

34	Kate Spade	3	0	0	0	0	0	0	0	0	3
34	Next	3	0	0	0	0	0	0	0	0	3
34	Abercrombie & Fitch	3	0	0	0	0	0	0	0	0	3
34	Lafuma	3	0	0	0	0	0	0	0	0	3
42	HUGO BOSS	0	0	0	0	0	0	0	0	0	0
42	361°	0	0	0	0	0	0	0	0	0	0
42	Kappa	0	0	0	0	0	0	0	0	0	0
42	Guess	0	0	0	0	0	0	0	0	0	0
42	ANTA	0	0	0	0	0	0	0	0	0	0
42	Cortefiel	0	0	0	0	0	0	0	0	0	0
42	DKNY	0	0	0	0	0	0	0	0	0	0
42	Victoria’s Secret	0	0	0	0	0	0	0	0	0	0
42	Macy's	0	0	0	0	0	0	0	0	0	0
42	J.C. Penney	0	0	0	0	0	0	0	0	0	0
42	Polo Ralph Lauren	0	0	0	0	0	0	0	0	0	0

CITI 2.0: Achievements & Gaps

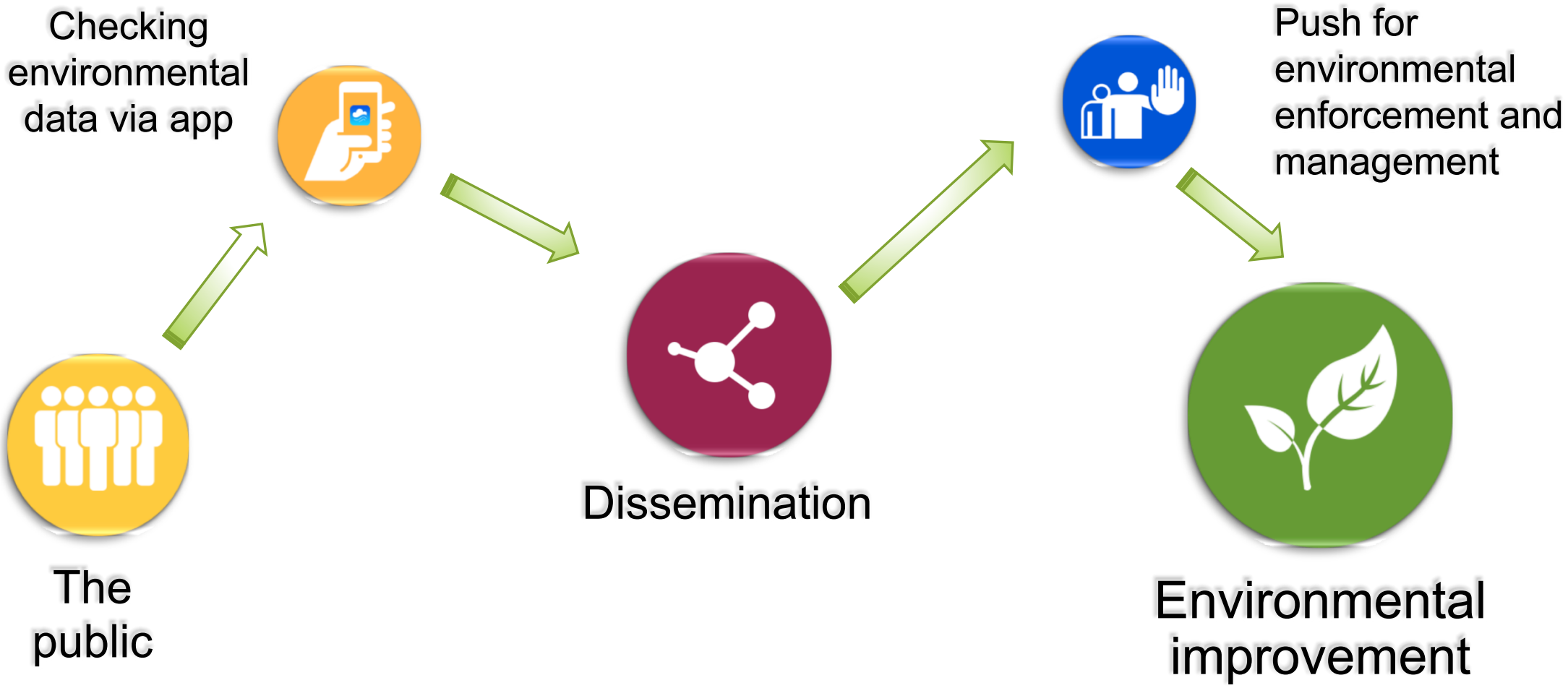
Positive Takeaways

- Green procurement greatly promotes pollution reduction
- Leading brands are cooperating to develop green supply chains
- Multi-stakeholder cooperation promotes social stability

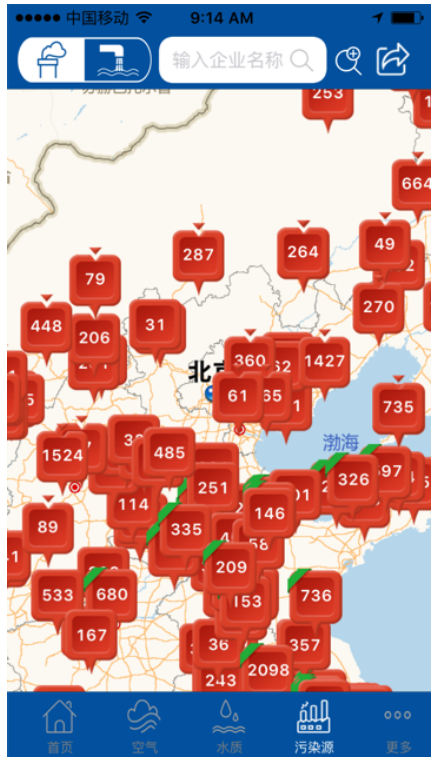
Key Gaps

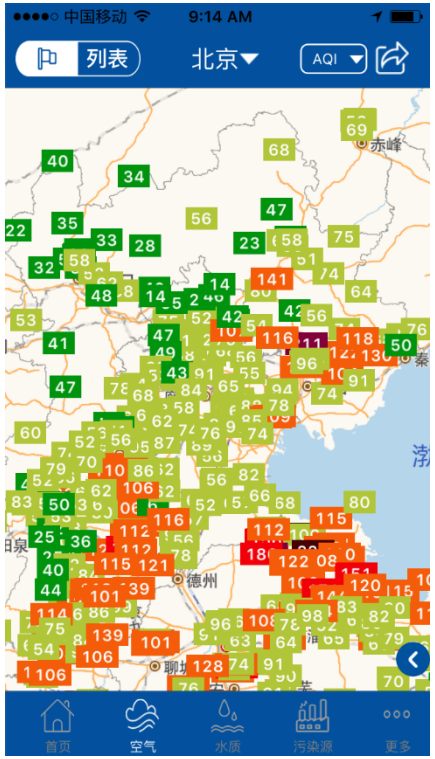
- There still exist significant discrepancies in brands' implementation of green procurement
- Centralized wastewater treatment is a responsibility loophole in need of urgent attention
- Consumers have not yet actively expressed their opinions and choices

Use new media and internet thinking to drive public participation and green consumption



Public Participation: Blue Map App launched in June 2014



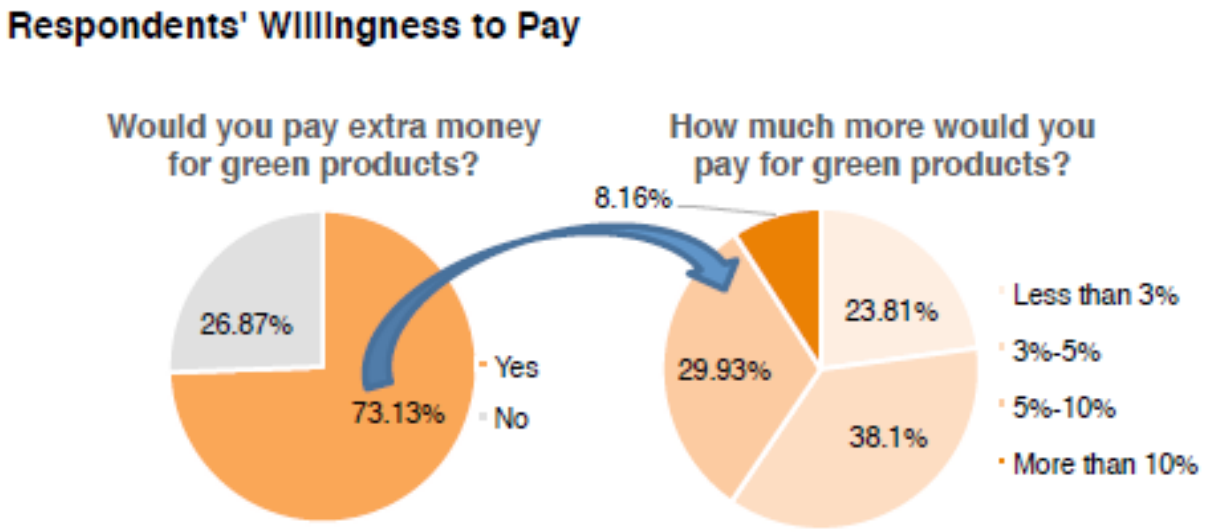


Achievements:

- 3 million+ downloads
- Best App of iOS app store
- 500+ factories have responded and taken corrective actions

→ Version 3.0 will integrate CITI information to promote green consumption

What is green consumption? Who are "green consumers"?



Source: China Carbon Forum survey, 2015

→ 73% of Chinese consumers are willing to pay a premium for "green" products

→ Media scare stories drive transparency among brands

Thanks for listening! Any questions?