

Report asserts Disney uses licensing to shirk environmental responsibility. Asics actively responds to allegations of pollution in its supply chain & more

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We spent much of August liaising with brands to review their scores based on the updated [Corporate Information Transparency Index \(CITI\)](#) evaluation criteria and finalizing the new scores for this year's annual CITI report. We're thrilled to see more and more brands making substantive progress, and that some brands have even taken the initiative to voluntarily join the CITI rankings.

The 2016 CITI report, [set to be released at our annual co-hosted conference on October 27 in Beijing](#), will highlight key areas of progress and remaining gaps in brands' green supply chain management practices.

In this month's newsletter:

- [Report asserts that Disney uses licensing to shirk environmental responsibility](#)
- [Asics actively responds to allegations of pollution in its supply chain](#)
- [Apple announces that 14 final assembly sites in China are now zero-waste compliant](#)

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Report asserts that Disney uses licensing to shirk environmental responsibility

In August 2016, IPE and two partner NGOs, Lvse Jiangnan and Huai River Guardians, conducted a joint investigation aiming to understand the supply chain management practices behind Disney's carefully constructed green image. Investigations indicate that the brand has failed to meet its promises to "actively screen, evaluate and study the direct and indirect impacts its daily operations impose on the environment." Instead, Disney uses licensing as a way of shirking environmental responsibility. The groups' report was [first published on IPE's WeChat public account on August 24](#) and has since been [released for download on IPE's website](#) in both [English](#) and [Chinese](#). Prior to the report's publication, the NGOs published a [separate report](#) on August 15 examining the gap between environmental commitments of Disney and luxury brand Coach and pollution violations at suspected suppliers to the two brands. Coach responded to IPE's letters stating that the suppliers are not part of Coach's supply chain, but has not yet responded to questions asking whether the suppliers have previously been a part of Coach's supply chain, or whether they are indirect suppliers to Coach. On September 1, Disney wrote to IPE to state that they have "completed our analysis of the additional factories, and would like to discuss the results with [IPE] over a phone call."



Asics meets with IPE, actively responds to allegations of pollution in its supply chain

After IPE [published a report](#) (Chinese) on August 11 alleging that two footwear factories with pollution violations are part of Asics' supply chain, Asics actively responded by promptly investigating the suppliers' issues and responding to IPE to seek collaboration and guidance on how to better promote supplier environmental performance. On August 26, Asics visited IPE's office in Beijing to share its current supply chain environmental management practices and discuss how Asics can leverage IPE's resources to strengthen its processes for verifying the environmental compliance of its suppliers. Prior to the visit, Asics worked with a third-party to conduct their own on-site audit at one of the facilities raised in the original report, a subsidiary of Atechs Group in Shandong. Asics has already begun mapping its supply chain in China and has shared with IPE the initial screening results of other supplier factories in China using IPE's [publically-available pollution database](#). Asics' speedy and thorough response demonstrates that brands' willingness to work together with NGOs can minimize future risks for brands while positively impacting China's environment.



Apple announces that 14 final assembly sites in China are now zero-waste compliant

Apple announced in August that all 14 of its final assembly sites in mainland China have achieved compliance with UL's Zero Waste to Landfill standards. According to a [press release from Apple](#), "The UL standard certifies all of their manufacturing waste is reused, recycled, composted, or, when necessary, converted into energy. Since the program began in January 2015, the sites have diverted more than 140,000 metric tons of waste from landfills." But Apple's commitment to environmentally responsible waste disposal doesn't stop at just the first tier of its supply chain: Apple tracks the path of waste from its suppliers to final processing facilities and regularly screens these processing facilities for environmental compliance. Where the brand discovers issues of noncompliance, including those violation records identified via [IPE's database](#), Apple pushes these suppliers to submit details about their violations and information about corrective actions taken to achieve compliance. Apple's efforts provide a model for how other brands can take responsibility for their suppliers' waste at all levels throughout their supply chains.

POLICY UPDATES & RESOURCES

Policy Updates

- [Ministry of Industry and Information Technology \(MIIT\)'s 2016-2020 Industry Green Development Plan](#) (Chinese)
- [Environmental Impact Assessment \(EIA\) Law](#) (Chinese) -- New amendments passed by NPC Standing Committee on July 2; went 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. For chinadiologue's commentary on the new law, see [here \(English\)](#) or [here \(Chinese\)](#).

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

[Coca-Cola pulls plug at India plant pollution probe](#) -- *South China Morning Post*, August 20

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SAVE THE DATE!

IPE will co-host its annual **Green Supply Chain Forum** on **October 27 in Beijing**. The 2016 CITI rankings and report will be released at the conference, which will convene stakeholders from government, brands, NGOs, academia and the media.

Disclaimer: Links are provided for reference only. IPE assumes no responsibility for false or inaccurate information in the materials provided in this newsletter.

If you have feedback or comments for this newsletter or IPE, we want to know! Please send a message to ipe@ipe.org.cn.

