

Investigation finds China's largest lead-acid battery exporter illegally dumped wastewater, report highlights corporate disclosure crucial for China's national carbon market, new environmental regulations enter into force in 2018 & more [View this email in your browser](#)



On behalf of IPE, we wish you all a happy and prosperous New Year! We started off 2018 by collaborating with our longtime partner, the Natural Resources Defense Council (NRDC), to officially launch our new, interactive [Green Supply Chain Map](#). The map is the first tool to openly link leading multinational brands to their suppliers' environmental performance.

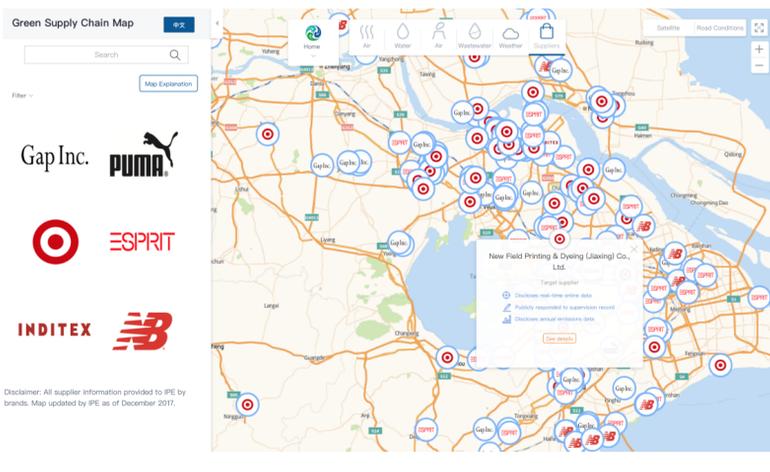
Target, Esprit, New Balance, PUMA, Gap Inc. and **Inditex** are the first companies to step forward to be featured on the new map. The creation of the map opens up significant opportunities for retailers and brands to green their supply chains by raising expectations that suppliers will actively maintain solid environmental management and transparency. Well-performing factories can be recognized and motivated by multinational and local Chinese firms, and greater public accountability toward performance can reduce the time and expense associated with factory audits.

The [map's launch](#) was covered by [Quartz](#) and several other media outlets, including [Sustainable Brands](#), [Ecotextile News](#), and [JustStyle](#).

In this month's newsletter:

- [Investigation finds China's largest lead-acid battery exporter illegally dumped wastewater](#)
- [Report: Corporate disclosure crucial for China's national carbon market](#)
- [New environmental regulations enter into force in 2018](#)

Subscribe to IPE's Green Choice Newsletter



Investigation: China's largest lead-acid battery exporter illegally dumped wastewater

In early December 2017, environmental groups Lvse Jiangnan and IPE conducted a pollution investigation into **Leoch Battery (Jiangsu) Corp.**, China's largest exporter of lead-acid batteries. The investigation report presents evidence that Leoch Battery illegally dumped highly acidic wastewater containing lead.

Lead is a toxic chemical that can be harmful to human health even at low exposure levels. Soil samples collected near the wastewater dumping site show lead concentrations and pH levels that both exceed safe standards. In addition, in the pollution sources monitoring report published by the local government in 2015, lead concentration in fugitive gas discharged by Leoch Battery also exceeded legal standards. According to reports from Chinese media outlet Economic Daily (China Economic Net), Leoch Battery is a major supplier to **Huawei, ZTE, China Tower, BMW, Jaguar Land Rover, Bosch** and other well-known global brands.



CHINA'S LARGEST LEAD-ACID BATTERY EXPORTER ILLEGALLY DUMPS WASTEWATER
Investigative Report on Leoch Battery (Jiangsu) Corp.

Lvse Jiangnan
Institute of Public & Environmental Affairs
December 2017

Based on the report's findings, Lvse Jiangnan and IPE contacted Leoch Battery to urge follow up action. Thus far, Leoch Battery stated that a number of brands have informed them to take corrective actions. The company has expressed its willingness to issue a public explanation and conduct a third-party audit to verify its corrective actions.

The report can be downloaded from [IPE's website](#) in both [English](#) and [Chinese](#).

Corporate disclosure crucial for China's national carbon market

Just prior to the launch of China's carbon emissions trading market in December 2017, IPE released a [research report](#) recommending the immediate establishment of an accompanying disclosure system for information on greenhouse gas (GHG) emissions.



Drawing on global experiences, the report points out that disclosure of trading markets information is crucial to achieving emissions reduction goals in China. The report argues that carbon emissions rights are a virtual asset and a public good. Therefore, disclosing information such as emissions reduction data and reduction measures helps to clarify property rights, and makes possible the effective supervision of trading processes to ensure fairness, impartiality and the absence of cheating.

For more information, please see the official [press release](#) and this [featured article](#) published on *chinadialogue*.

New environmental regulations enter into force in 2018

- **Environmental Protection Tax Law**

China's first Environmental Protection Tax Law came into effect on January 1, 2018. The law replaces the previous pollutant discharge fee system, which has been in place since 1982. According to the new law, enterprises and public institutions that discharge pollutants directly into the environment will have to face environmental protection taxes. The taxable pollutants, as listed on the appendix to the law, including air and water pollutants, solid waste, and noise pollution. The law grants provincial-level governments the discretion to decide the applicable tax rate within the range given by the law.

- **Revised Water Pollution Prevention and Control Law**

The revised Water Pollution Prevention and Control Law went into effect on January 1, 2018. The law introduces a "river chief" system, with leading officials assuming responsibility for addressing water pollution and improving water quality. The law also raises the maximum fines for polluters, with fines now reaching as high as 1 million RMB.

POLICY UPDATES & RESOURCES

Policy Updates

- [Environmental Protection Regulations on Restricted Imported Solid Wastes that can be Used as Raw Materials](#) (Chinese) —Published by the Ministry of Environmental Protection on December 14, 2017.
- [Ecological and Environmental Damage Compensation System](#) (Chinese) — Published by the State Council on December 17, 2017; went into effect on January 1, 2018.
- [Administrative Measures on Hazardous Waste Operating Permits](#) (Chinese) — Draft revision seeking public feedback through January 25, 2018.

Policy Resources

- [Environmental Protection Tax Law of the P.R.C.](#) (English)
- [Soil Pollution Action Plan \("Soil Ten"\)](#) (Unofficial English translation)
- [Amendments to China's Air Law \(passed in August 2015\)](#) (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)

RELATED NEWS AND REPORTS

[Desperate to meet water standards, Kunshan closes 270 companies](#)
— *Sixth Tone*,
December 26, 2017

[China cleans up its act on environmental enforcement](#)
— *China Water Risk*,
November 17, 2017

DOWNLOAD IPE'S BLUE MAP APP!

IPE's Blue Map 4.0 now available in English! Download by scanning the QR code below:



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.

