

绿色选择 Green Choice 月报 Newsletter | 2019年8月 August 2019

Minmetals Violations on the Blue Map

The second round of environmental inspections already made good on its initial promise. State-owned enterprise (SEO) China Minmetals Corporation received two slaps on the wrist this month, confirming widespread speculation over the central government's commitment to hold their own assets accountable.

Inspectors zeroed in on two subsidiaries: Ganxian Hongjing Rare Earth Co., Ltd. and steel manufacturer Minmetals Yingkou Medium Plate Co., Ltd. The Hongjing Company can be found under its parent company in the Blue Map Green Stocks, which currently host environmental data on over 15,770 listed companies and 85,590 affiliated enterprises. According to the Blue Map, Hongjing Company has racked up five wastewater violation records since 2007, consistently polluting over the standard for heavy metals and other pollutants. In 2018, it received a public complaint regarding its use of hydrochloric acid, which released noxious fumes into the air. Minmetals announced that the Ganxian location would halt production immediately to resolve these issues, effective August 15.

Minmetals Yingkou, meanwhile, incurred fourteen violation records between 2007 and 2019. The violations reflect repeated air pollution throughout the year, with high concentrations of particular matter, sulfur dioxide and visible smoke. Although the steelmaker has not announced any forthcoming production halts, the Ministry of Ecology and Environment's reprimand of Minmetals as a 'repeat offender' demonstrates real teeth behind the inspection teams. Even in the midst of economic turmoil at home, major industrial players and SEOs would do well to prepare their own spotless environmental equipment and practice.

Meanwhile, public reports played a major role in Hongjing Company's official rebuke, a huge incentive to keep sending in those complaints. Water pollution near your home? Try reporting to local authorities using the Blue Map app!

各位希望阅读中文月报的读者，可持水管理联盟 (AWS) 将我们的月报翻译成中文。您可以通过他们的平台此处订阅IP绿色选择月报的中文版。

— Erin Wong, Green Supply Chain Outreach Coordinator

In this month's newsletter:

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Scale for Good: Pollution across the McDonald's supply chain



IPE took our typical brand investigation a few steps further this time. After finding wastewater violations at glass cup supplier to McDonald's, we started to investigate other segments of its supply chain. Here's what we found:

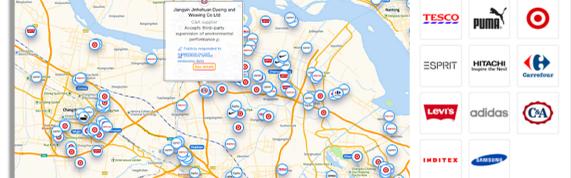
- Food: The company website lists Beijing Hormel Foods Co., Ltd. as its major pork supplier in China. On the Blue Map, we found the supplier had multiple violation records for excess COD, phosphorus and nitrogen in its wastewater, which flows directly into the Wenyu River in northeast Beijing.
Restaurants: The Blue Map contains environmental violation records for 95 McDonald's restaurants in China. This number only accounts for 4% of the company's locations in China, but 15 earned their records in just the past three years, largely for air pollution monitoring and procedural issues.
Transportation & Logistics: While mobile pollution sources remain difficult to track, IPE found that a major logistics company for McDonald's in Beijing received multiple penalties in recent years for emitting smoke and diesel exhaust over the local standard.



IPE contacted McDonald's regarding these supplier violations earlier this month; as of August 30, IPE has not received any direct response from the company, although Intertek, a product testing and inspection company that partners with McDonald's, did reach out. As McDonald's said themselves, "The success of McDonald's is due to its scale...If McDonald's makes a change for good, even a small change can have a major impact on the world." If McDonald's takes decisive action to limit pollution from production, the corporate impact could have an immense positive influence on China's environment and around the world.

If you agree, help us get in touch with McDonald's! Send us an email at gsc@ipe.org.cn and we'll forward your note in our future communications. Read the full report online here (Chinese), English version to be published in early September.

Three more brands join the Green Supply Chain Map



Not one but three major brands joined IPE's Green Supply Chain (GSC) map this month. These leading companies allowed IPE to link their public supplier lists to environmental data in the Blue Map. Users can click each supplier to see any previous violations; whether they've responded via public explanation or on-site audit; whether they've published annual water, energy and chemical use data; and whether their real-time air and water emissions complied with local standards in recent weeks.

We'd like to honor Carrefour, C&A and Hitachi for taking this momentous step. The map now hosts 12 textile brands, one IT brand and, thanks to Hitachi, one new industry representing the 'diversified' brands, which provide telecommunications, electricity, transportation and other varied products and services. After joining the GSC map, these brands automatically receive six points in their Corporate Information Transparency Index (CITI) evaluation Section 1.2; however, brands must be sure to include major high-impact suppliers with industrial wastewater or exhaust emissions beyond final assembly or cut and sew factories. For full points, brands will start pushing suppliers to track their own performance, as it is now open to the public.

Welcome to the all-star team, Carrefour, C&A and Hitachi!

Water in Focus: New brand story, new report & Ma Jun in Sweden

Last week, IPE Founding Director Ma Jun flew across the continent to join leading experts and advocates at the Stockholm International Water Institute's (SIWI) annual World Water Week. He spoke at the opening plenary alongside filmmaker Angela Code, and joined the Sweden Textile Water Initiative (STWI) on Tuesday to discuss further multi-stakeholder collaboration in Europe.



Meanwhile, IPE published (Chinese) an analysis of centralized drinking water source quality across the country. Centralized drinking water sources (水源地 shuǐ yuán dì) refer specifically to water bodies that support communities of 1,000 people or more. Using aggregate data from county, city and provincial governments, the report ultimately finds the water quality of these drinking water sources improved: in 2018, the regulatory compliance rate of water sources monitored at the municipal level reached 90.89% and the compliance rate for county-level water sources reached 92.20%.

P&G also published a brand story this month highlighting their water efficiency with new lean operation strategies, which reduced annual water use per unit by 56% at its own shampoo factory in Jiangsu.



Ma Jun and Angela Code speaking with moderator H.E. Henk Ovink, Ambassador and Special Water Envoy to the Kingdom of the Netherlands, at the World Water Week Opening Plenary.

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POLICY UPDATES & RESOURCES

Policy Updates

The Ministry of Emergency Management (MEM) issued Guidelines for the Management of Chemical Risks in Chemical Industry Parks (Trial) this month, as well as a Notice on the Guidelines for the Investigation and Management of Hazardous Chemical Enterprise Risks and Hazards (MEM Notice [2019] No.78). The guidelines and notice respond to the 3.21 chemical explosion that took place in Xiangshui County earlier this year, requiring safety management systems for enterprises with dangerous chemicals to effectively prevent future accidents by addressing risks as they arise.

Most notably, under the new guidelines, emergency management departments at all levels must continuously track, collect and study the safety risks and management of chemical parks and high-risk chemical plants within their jurisdiction. Industrial parks considered high risk may not expand or undergo new construction; they will be given time limits to complete rectification efforts; and if the rectification fails to meet the conditions for safe production, production may be suspended and safe production licenses may be revoked.

For more details on the newly strengthened regulations, read the full text of the documents on the MEM website.

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)

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DOWNLOAD IPE'S BLUE MAP APP!
Our Blue Map 5.0 now available in English! Download by scanning the QR code below.

