

# Key Developments: Responsible Sourcing and Supply Chain Management

## China EHS Roundtable

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# Today's Agenda

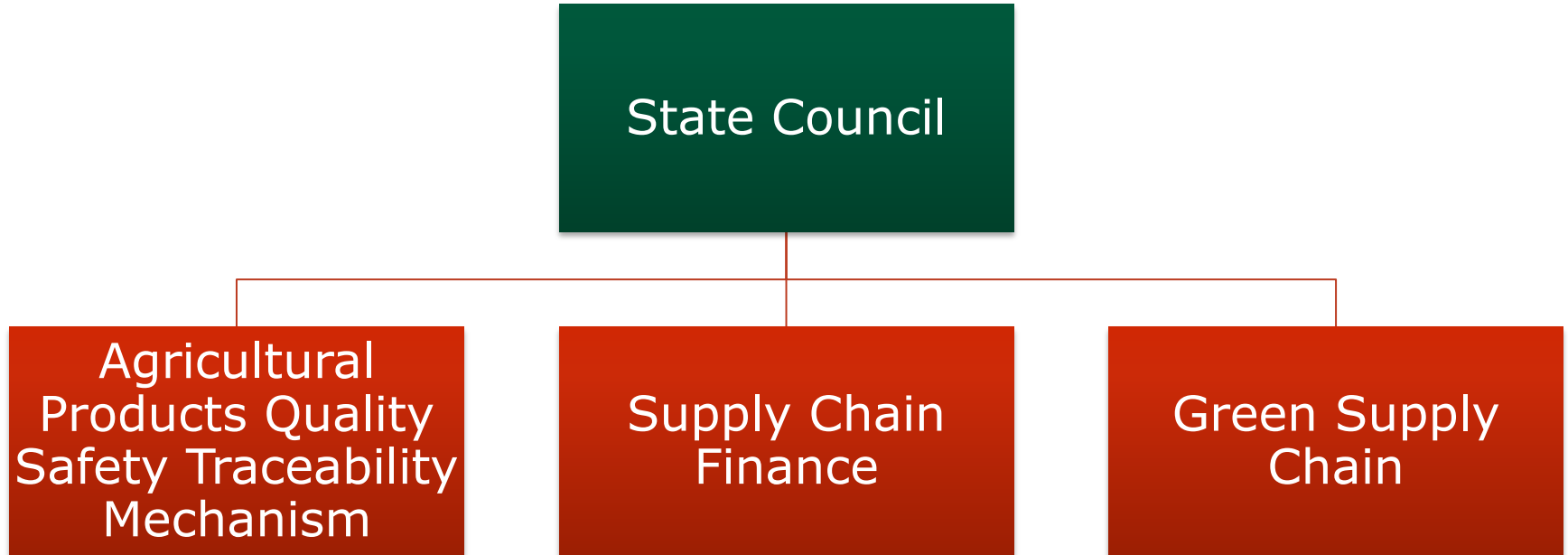


Supply Chain Initiatives

Key Regulations and Enforcement Actions  
Impacting Supply Chain Management

Conflict Minerals Policy in China

# Supply Chain Initiatives



# Supply Chain Initiatives

## Ministry of Industry and Information Technology

- Green Supply Chain Management
  - Establish sustainable green supply chain management strategy
  - Implement green supplier management
  - Intensify green manufacturing
  - Construct green recyclable system
  - Set up a green information collection, monitoring and disclosure platform

# Key Regulations

## Water Pollution

- Law on Water Pollution Prevention and Control

## Environmental Taxation

- Law on Environmental Protection Tax
- Implementation Regulations on Environment Protection Tax

# Key Regulations

## Pollution Discharge Permit

- Measures for Pollutant Discharge Permitting Administration (for trial implementation)
- Inventory for Classified Regulation of Pollutant Emission Permits for Fixed Pollution Sources
- Technical Specification for Application and Issuance of Pollutant Permit: General Requirements
- Environmental management records and compliance reports of pollutant emission permit technical specification for pollution sources— General rule (on trial)

# Key Regulations

## Pollution Discharge Permit

- Commitment Letter
- Self-monitoring Requirement
- Recording
- Reporting
- Information Disclosure

# Key Regulations

## Others

- Inventory of Chemicals Subject to Prioritized Control (First Batch)
- Integrated Inventory for Environmental Protection (2017)
- China RoHS II: Compliance Catalogue (First Batch) and Conformity Assessment System



# Enforcement

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## Shaeffler Case

Shanghai Jielong Metal Wiredrawing Co. Ltd (“Jielong”) was ordered by the local EPB to suspend business and dismantle some of its production equipment due to its violation of the environmental protection law.

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Schaeffler requested a delay in administrative sanctions on Jielong by claiming a potential 300 billion RMB loss for the automobile industry.

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No extension was granted.

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# Enforcement

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## Industrial Park Waste Water Treatment Case

Action Plan of Water Pollution Prevention and Control (“Water Ten Rules,” State Council).

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2356 industrial parks were involved, of which 94% completed waste water centralized treatment facilities and 91% installed online monitoring systems by 2017.

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208 provincial industrial parks in 22 provinces failed to comply.

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# Enforcement

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## Chemical Industry

One of the key industries on the enforcement radar.

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Continuous environmental and safety supervision and a three-year occupational health supervision program on dust pollution.

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Relocation of hazardous chemical manufacturers.

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# Conflict Minerals

Guidelines for Social  
Responsibility  
Outbound Mining  
Investment and  
Chinese Due Diligence  
Guidelines for  
Responsible Mineral  
Supply Chain (CCCMC)

Chinese Due Diligence  
Guidelines for Conflict-  
related and High-risk  
Regional Mineral  
Responsible Supply  
Chain (AQSIQ)

Guidance on Social  
Responsibility of  
Electrical Information  
Industries (MIIT)

# Questions & Discussion



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