
Environmental Policy Trends in 1Q 2024

April 2023

This information is provided for the convenience of foreign investors and foreign invested companies. For inquiries, please contact the Ministry of Environment official dispatched to KOTRA (☎ 02-3497-1738).

(Summary) Environmental Policy Trends for Foreign Investors – 1Q 2024

① [Major Policy] Government to pursue carbon-free green growth as future growth driver

① (Plans to nurture top global green businesses in climate and environment) The Ministry of Environment and related ministries held an emergency economic ministerial meeting (Feb. 14) presided by the Vice Minister of Economy and revealed plans to nurture top global green businesses in climate and environment.

< Plans to nurture top global green businesses in climate and environment >

Under the goal of nurturing 1,000 start-ups in the green industry, 10 technologies including technologies to enhance the recyclability of secondary batteries were selected^① as leading global green technologies and R&D and other support^② will be provided; green convergence clusters shall be additionally established (from 2 to 10 by 2028)^③ and a green export fund worth KRW 400 billion shall be created^④.

② (Facilitation of circular economy, introduction of regulatory sandbox, etc.) With the enactment of the Act on Promotion of Transition to a Circular Economy, the regulatory sandbox for a circular economy has been in effect since January 1st of this year.

The purpose of the regulatory sandbox is to support the implementation of innovative new industries that can help the efficient use of resources and promote the circulation of wastes.

- Eligibility: Businesses planning to launch new technologies and services to promote circular economy
- Services
 - (Fast-track confirmation) Where it is unclear whether regulations apply, an application for fast-track confirmation can be

filed, under which the applicant can confirm whether regulations apply within 30 days of the date of application (no applicable regulations if no reply is made).

- (De-regulation after demonstration) A demonstrative test is permitted in the market under certain conditions, and if the safety and efficiency of the business is confirmed, the government makes amendments to the related laws and regulations.

- (Temporary permit) If there are no problems or issues with the new technology, a temporary permit is given so that market launch can be permitted before related laws and regulations are amended.

- Applications can be made by e-mail around the year, and details on the notice and required documents for application are posted on the website of the Korea Environmental Industry & Technology Institute(www.keiti.re.kr).

③ (Promotion of production and use of bio gas by recycling *organic waste resources**) *The Bio Gas Promotion Act*** (legislated Dec. 30, 2022, enforced Dec. 31, 2023) is in force starting January 1st this year.

* Example: Sewage sludge, excreta, livestock excreta, food waste

** ① Mandatory producers in the private and public sectors are defined considering the volume of organic waste resources discharged. (enforced: 2025 for public sector and 2026 for private sector) ② The long-term production rate goal for the public and private sectors up to 2050 (final goal of 80%) and the annual goal shall be publicly announced every year (25~30 years for public sector: 30%; 26~39 years for public sector: 10%). ③ The legal ground for providing financial and technical support for bio gas production facilities of mandatory producers are established.

② [Major Policy] Promote the purchase of zero emission vehicles, strengthen management of exhaust gas from vehicles

① (Announcement of plans to revise the subsidy scheme for

electronic vehicles in 2024) The Ministry of Environment and other related ministries disclosed plans to revise the subsidy scheme for electronic vehicles in 2024 (hereafter “revised subsidy scheme”) on February 6, and shall finalize the guidelines for electronic vehicle subsidies and government subsidies per vehicle type after an opinion collection period.

- Objective of revision: △ Support high-functional electric vehicles and promote technology innovation △ Provide incentives for safe and eco-friendly electronic vehicles through the transparent disclosure of battery safety information, etc. △ Strengthen the responsibility of electric vehicle manufacturers to improve the after sales services and charging environment △ Strengthen subsidies for the financially disadvantaged class, youths and small business operators.

- Refer to the Ministry of Environment website (www.me.go.kr), the zero-emission vehicle website (www.ev.or.kr) for the full text.

② (Strengthened management of uncertified *exhaust gas reduction devices**) The subordinate laws of the Clean Air Conservation Act were partially amended to strengthen *the management of uncertified exhaust gas reduction devices and have been in effect*** since February 17.

* Diesel Particulate Filter (DPF), low-emission engine, idle stop & go, etc.

** A fine is imposed for solicitation or vicarious execution of sale of uncertified devices.

③ [Regulatory Improvement] Enforcement of standards for hazardous chemicals treatment facilities for display businesses

① (Standards for hazardous chemicals treatment facilities designed for display businesses) Followed by *the semiconductor businesses**, *hazardous chemicals treatment facilities standards considering the characteristics of production equipment have been applied to the display businesses*** as well since January 1, 2024.

* Refer to Environmental Policy Trends for 4Q 2023.

** Refer to Environmental Policy Trends for 1Q 2024.

② (Change of standards for determining water pollution for TMS-installed facilities) In order to rationalize the management of water pollutants discharging facilities, the subordinate law of the Water Environment Conservation Act was amended and enforced on January 1, 2024. Under the amended law, the standards for determining excess discharge on Tele-Monitoring Systems were changed from the excess discharge of three times or more based on 3 hour average/day to once or more based on 24 hour average/day.

③ (Establishment of basis for promotion of recycling of waste panels) The Ministry of Environment held a Proactive Administration Committee for rationalization of regulations and the extension of storage period for waste solar panels (30days→180days).

④ (Consideration of application of regulatory policies in the field) 8Grace period of two years to be applied to regulations on packages for transport

Before the enforcement of the regulations on disposable packages for transport(Apr. 30, 2024), the Ministry of Environment announced plans to apply a grace period of two years for packages for transport considering the realities of the retail industry in early March.

* In line with the world-wide effort to reduce the use of plastic, the Rules on the Standards, etc. on Packaging Materials and Packaging Methods based on the Act on the Promotion of Saving and Recycling of Resources were amended in 2022 and enforced April 30 this year.

For details, refer to Environmental Policy Trends for Foreign Investors for 1Q of 2024.

⑤ (Industry Support) Implementation of carbon neutrality, compliance with environmental safety, support for nurturing

green industries

① (Support program for ESG diagnosis and consulting) To support companies' timely response to regulations on environmental factors in trade such as climate-related disclosures and due diligence in supply chains, a program for ESG diagnosis and consulting shall be conducted on February 16, under which 130 SMEs and middle-standing companies will benefit (application for the program shall be received starting February 1).

< ESG Consulting Support for 2024 >

Program	Details
Basic consulting	<ul style="list-style-type: none"> • (Eco-friendly management consulting) Support for establishment of ESG management system ※ ESG education, eco-friendly process improvement, GHG management system (measurement, target setting, reduction)
In-depth consulting	<ul style="list-style-type: none"> • (Consulting on environmental barriers to trade) Customized support for responding to ESG regulations ※ Preparations against climate disclosure and due diligence on supply network, support for examination of contract and acquisition of initiative • (Carbon reduction product design and manufacturing consulting) Support to enhance carbon competitiveness of products ※ Calculation of carbon emission across the product lifecycle and establishment of reduction measures

② (Support for green bonds) The Ministry of Environment will continue its pilot project under which companies issuing green bonds used for green economic activities defined by K-TAXONOMY shall be provided with up to KRW 300 million. Companies can apply through the Environmentally Responsible Platform website (<http://www.gmi.go.kr>) starting February 1.

③ (Completion of synchronization of national environmental standards 2023 with 183 international standards) The National Institute of Environmental Research announced that 183 Korea Standards (KS) in the environmental field became synchronized with ISO standards last year

through support of international standardization activities for laying the ground for Korean source environmental technologies to be introduced to the global society.

The synchronized national standards can be accessed at the e-Nara standard certification system (standard.go.kr).

④ (Support program for hazardous chemical substances emission facilities in 2024) The Ministry of Environment will continue its program to create a chemically safe business place to improve the hazardous risk factors in SMEs with insufficient technology financing capacities, and disclosed a detailed business plan on February 22 through its website.

※ For applications and details, refer to Environmental Policy Trends for Foreign Investors for 1Q 2024.

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