

Hong Kong's emerging (if belated) public support for effective environmental conservation has seemingly filtered through to the always influential business sector; as illustrated by the recently imposed requirement for listed companies to submit annual "environmental, social and governance" (ESG) reports. Another, less desirable, result, is the emerging practice of corporate "greenwashing", which we consider in this edition.

The Editors

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WILL ESG REPORTING ELIMINATE OR ENCOURAGE CORPORATE "GREENWASHING"?

Greenwashing

Greenwashing (GW) is "The process of misleading customers on the public about the environmental soundness or sustainability of a company's products, services, or operations": Investopedia.com.

Hong Kong Stock Exchange (HKEX) describes GW as follows:

- (A) failure to implement a published plan or commitment to operate the company's business in a specific, environmentally responsible way;
- (B) publishing pledges on plans regarding environmental responsibilities relating to the company's business which are vague on lack detail as to the precise steps to be taken or safeguard procedure to be implemented;
- (C) declaring plans or commitments concerning the environment which have no real factual bases or are untrue regarding the company's environmental impacts.

Greenwashing is a global corporate problem

An article in the *South China Morning Post* (6 May 2023), under the heading "Seeing red over *inflated green claims*" describes the emerging problem for regulators – and the long-suffering public. Excerpts (abridged) from that article are set out below.

Global regulatory bodies are taking action to combat greenwashing to ensure efforts aimed at reducing carbon footprints succeed.

In Shanghai, manufacturing of key materials used in vehicles, buildings and consumer products of German chemical marker Covestro is undergoing a "sustainability" transformation.

In 2021, the manufacturing site, its largest globally, became one of the company's 11 locations certified to use the so-called mass balance approach for tracking the movement and usage of sustainable raw materials.

The mass balance approach allows the transition towards more sustainable chemical work at scale, enabling customers of the chemical industry to use products made with recycled and renewable raw materials. It helps cut use of fossil resources, enable the transition to a more circular economy and ultimately reduce its carbon footprint.

Covestro plans to reduce its carbon footprint across the supply chain and will unveil later this year reduction targets for the so-called defined as those attributable to activities of its suppliers and consumers. It has already set a goal of achieving net-zero emissions from its own operations and from its own operations and from purchased energy by 2035.

To back up its sustainability claims and help customers do the same, Covestro has adopted processes for tracking the movement of sustainably sourced bio-based and recycled materials through the supply chain, so that evidence of their sustainable benefits can be documented and audited.

Consumers are becoming increasingly aware of the impact greenhouse gas emissions from fossil fuels have on global warming and climate change, and they are willing to pay more for products made entirely or partially from bio-based and recycled materials.

Covestro's procurement of sustainable raw materials nearly tripled to 55,000 tonnes last year from its 2021 levels, Wirtz said.

However, to earn the trust of brand owners and their consumers and combat suspicions of so-called greenwashing – the act of making unsubstantiated claims about the environmental benefits of a product or practice – the manufacturing processes of products with sustainable materials need to be independently certified.

Covestro is among many chemical, energy and agricultural firms that have had their facilities and processes certified by the International Sustainability and Carbon Certification system, whose auditing methodologies are accepted by various governments and trade bodies for sustainability compliance.

When greenwashing, companies cannot substantiate their claims by meeting commonly adopted measurement, reporting and verification standards on environmental, social and governance (ESG) issues. Left unchecked, this could create disincentives for society to take decarbonisation and other sustainability actions seriously.

This would pose hurdles to meeting the Paris Agreement target of achieving net-zero emissions by 2050 and limiting global warming to below 1.5 degrees Celsius.

While regulatory challenges to corporate sustainability claims are rare in Asia, there are some precedents in Europe.

In 2020, Britain's Advertising Standards Authority accused low-cost airline Ryanair of greenwashing and banned it from repeating an advertised claim that it had the lowest carbon emission among major airlines in Europe, saying it was poorly substantiated.

In February, Australian environment activist group Market Forces said it had filed a complaint to Singapore Exchange, alleging Japan's largest power firm, JERA, had failed to make sufficient disclosures about its financial and legal risk exposure to the natural gas industry in the prospectus of a Singapore-listed bond issued in 2022.

In South Korea, the Ministry of Environment drafted legislation in February to slap fines of up to 3.

Last May, prosecutors raided the headquarters of DWS Group, the asset management arm of Deutsche Bank, after a whistle blower alleged it had failed to take into account ESG factors in a large number of its investments, contrary to claims made in its fund sales materials.

In response, DWS said in its latest annual report published in March it was cooperating with authorities.

In the global green bond market, greenwashing is fairly common, with about a third of issuers reporting deteriorating environmental performance after their debuts, according to a research paper from the Hong Kong Monetary Authority (HKMA) published last November.

The paper was based on a study of 1,888 green bonds issued by 643 listed firms globally from 2013 to 2021, which had raised a total of US\$591 billion.

While the new regulation will simplify the process to determine penalty amounts, there is a risk companies simply pay the fine while reaping the monetary and reputational benefits of its claims, according to Seoul- based climate action group Solutions for Our Climate.

Greenwashing is a complex problem that encompasses regulatory issues such as competition, disclosure, advertising and trademarking, according to Daniel Cash, a credit rating regulation expert and senior lecturer in law at Aston University in Britain.

A lack of clear definition and legal difficulties in making companies accountable were the major challenges for regulators, he told a Hong Kong Green Finance Association (HKGFA) panel discussion in March.

"How do you know a company is intending to greenwash, or whether they are doing it by accident, or whether it is a misunderstanding of the rules and procedure?" he said. "Regulators have difficulties defining the levels of motives and consciousness and applying proportionate regulations and penalties to deter such behaviour."

The lack of global standards and framework for sustainability is a key contributor to greenwashing, according to Kim Schumacher, associate professor in sustainable finance and ESG at Japan's Kyushu University.

"Persistent data gaps and sector wide inconsistencies in terms of ESG impact measurement reporting and verification have created numerous materially blind spots," he wrote in a report published by the Asian Productivity Organisation last December. "Sustainability data, the key pillar of ESG ratings, remains largely self-assessed."

This was worsened by the fact that people analysing ESG data and giving ratings to companies often lacked the background needed to ascertain accuracy of the environmental metrics calculations and soundness of climate risk assessment, he said.

In the European Union, since January 1, rules have been tightened for asset managers to disclose if and how sustainability risks and opportunities are assessed and integrated into their investment decisions that their funds can be labelled differently.

In Hong Kong, the Securities and Futures Commission (SFC) published a circular in 2021 requiring ESG funds to disclose periodic assessments of how they incorporate ESG factors into their investment decisions.

In the EU, greenwashing concerns prompted its 27 nations to thrash out a deal in early March to establish a green bond standard. It mandated that issuers must demonstrate the proceeds of their green bonds fall within the list of activities deemed to be aligned with the EU's goals on climate change mitigation, adaptation and the other environmental objectives.

Subjecting sustainability disclosures to external audits against international standards is also vital, according to Zhao Lijian, China director of international sustainability advisory and certification provider Carbon Trust.

"We believe companies should be auditing their environmental claims with the same rigour as their financial reporting." he said.

The corporate world needs to establish a global baseline of sustainability disclosures to meet capital market needs by the middle of this year, an SFC spokesman said.

Another way to tackle greenwashing is the implementation of so-called taxonomy, a classification system for green and sustainable activities.

The HKMA is leading an initiative to establish a green finance classification framework aimed at enhancing transparency and cress-market comparability, while lowering costs.

Recent greenwashing cases:-

	Company	Regulatory body	Manufacturers
April 2023	Etihad Airway	Britain's Advertising Standards Authority	Company told not to exaggerate environmental impact of flying
March 2023	Weiman Products	US National Advertising Division	Company voluntarily discontinued "eco-friendly" claims on cleaning products
March 2023	Lufthansa	Britain's Advertising Standards Authority	Company told to cease ambiguous and unsubstantiated environmental benefit claims
October 2023	HSBC Holdings	Britain's Advertising Standards Authority	Two ads banned for misleading consumers on the company's ongoing contribution to climate change
			(SCMP Advertising.org)

Sustainability?

In the context of the environmental, E component of ESG, "sustainable" and "sustainability" must be the most over-used and misleadingly applied words in businesses' public statements, Misuse of "sustainable is a common form of GW. When companies declare to the world they operate "*sustainably*", or their business is "*sustainable*" or promotes "*sustainability*" what do they actually mean?

Cambridge Dictionary defines "sustainability" as "the quality of being able to continue over a period of time". This, of course, could mean the business is commercially sound and so will continue to operate.

In terms of the environment, the Cambridge definition is: "The quality of causing little or no damage to the environment and therefore (the business is) able to continue for a long time."

If, say, a bank proclaims it practises "sustainable banking" that might just mean that it claims to have sufficient funds and financial acumen to keep its banking business going for the foreseeable future.

A long accepted definition of environmental "sustainable developments" is: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland Report, 1987)

However, even this definition has an anthropocentric focus. Environmentally responsible agencies and businesses should these days treat *"sustainability"* as requiring consideration of the health of ecosystems for their inherent biodiversity values, regardless of their perceived usefulness to the business itself or mankind more generally.

GW and ESG

HKEX now requires listed companies to present and publish annual ESG Reports. Since 2013, HKEX has published an *ESG Reporting Guide* to assist companies in preparing such reports.

In the 2022 Analysis of ESG Disclosure released by HKEX, the temptation to rely on "sustainable" hype proves too much for the authors, who declare that "*HKEX is committed to creating a sustainable regulatory framework by advocating for and introducing whist ESG standards and regulations*." What they mean, we assume, is that HKEX aims to crate *effective* regulations to foster meaningful ESG standards and reports.

Unfortunately, the ESG Guide and other HKEX reports concerning companies' environmental responsibilities tend to allow ample room for GW in ESG Reports. For example, in its 2021 Guidance on Climate Disclosure, HKEX advises companies:-that, after selecting the appropriate scenarios, to "*identify physical and transaction risks parameters that matter to their business operations*" (emphasis added). Whilst better than no reference to the environment at all, this is disappointingly a message from HKEX which is completely at odds with genuine, broad environmental responsibilities.

A model statement regarding climate aspects of ESG suggested by HKEX, in the context of climate change, is: *Climate related performance targets are set at the management level and monitored by the board*". What concrete facts does that reveal to HKEX concerning the *actions* taken by the company to reduce greenhouse gas emissions, directly and indirectly, (in relation to supplies and downstream activities)?

Regarding climate change – an important sub-element of the E in ESG – the Guide recommends that, in general, a company should consider significant climate - related issues which have impacted or may impact the company, and how the company might mitigate the effects of such issues. Again, this direction does not require boards to consider their responsibilities to the environment over and beyond the limited extent of direct effects to the company's business. This only encourages a corporate approach which indirectly nurtures GW. Other language of HKEX, in the Guide and related published reports tends to align with the above example concerning climate disclosures.

The Hong Kong Monetary Authority (HKMA) adopts a similar, business first, approach. This is despite HKMA's adoption of the *Brundtland Report* definition of *sustainable development*, its admirable inclusion of biodiversity loss and climate charge in its definition of ESG issues, and its direction that a bank's investment policies should make specific reference to climate and environmental *risks and broader environmental risks* (emphasis added).

However, the thrust of advice from HKMA and HKEX is that boards need only consider and report on environmental risks to their business, as distinct from risks to the environment itself. Again, this leaves room for imaginative GW in ESG Reports, particularly by the banking and financial industry: e. g. *White Paper on Green and Sustainable Banking*, June 2020.

Conclusion

It is accepted that perhaps it is too much to expect that our self-regulated business sector, always focused on making money regardless, could be coerced or encouraged to take genuine steps to reduce adverse environmental impacts of their operations. No doubt ESG Reports are an improvement on the pre-existing situation; but there is long way to go before we shall see realistic ESG Reports or, more importantly, robust programmes by public companies aimed at reducing greatly the environmental harm they cause or contribute to.

TOWN PLANNING

Approved South Lantau Coast Outline Zoning Plan amended

On 15th September 2023, the Town Planning Board announced amendments to the approved South Lantau Coast Outline Zoning Plan (OZP).

The amendments mainly involve:

- 1. rezoning of two sites located in Pui O and Shui Hau respectively from "Coastal Protection Area" ("CPA") and/or "Country Park" to "Conservation Area" to reflect the planning intentions to conserve the natural habitats;
- 2. rezoning of two sites located in Pui O and Mong Tung Wan respectively from "CPA" and "Green Belt" to "Recreation" to facilitate lowimpact leisure and recreational uses;
- 3. zoning amendments to reflect the as-built conditions of existing facilities and other planned developments;
- 4. rationalisation of zoning boundaries to address the differences with the Lantau South Country Park; and
- 5. incorporation of an area to the northwest of Fan Lau Sai Wan into the planning scheme area of the draft OZP.

[Town Planning Board Press Release, 15/09/2023]

Approved Tuen Mun Outline Zoning Plan amended

On 20th October 2023, the Town Planning Board announced amendments to the approved Tuen Mun Outline Zoning Plan (OZP).

The amendments mainly involve:

- 1. rezoning a site at the upper section of Hong Po Road from "Green Belt" ("GB") and an area shown as 'Road' to "Residential (Group A)28" ("R(A)28");
- 2. rezoning a site at the junction of Hong Po Road, Tsing Lun Road, and Ng Lau Road from "Residential (Group E)1" ("R(E)1") and an area shown as 'Road' to "R(A)28";
- 3. rezoning a site to the west of Ng Lau Road from "R(E)1" to "Government, Institution, or Community" ("G/IC");
- 4. rezoning a site in Tuen Mun Area 9 from "Comprehensive Development Area (1)" ("CDA(1)"), "Comprehensive Development Area (2)" and an area shown as 'Road' to "Commercial (2)";
- 5. rezoning a site adjacent to Ho Tin Light Rail Station from "CDA(1)" to "Open Space"; and
- 6. Rezoning two sites to the west and further west of Hing Fu Street from "GB" to "G/IC(3)" and "G/IC(4)" respectively.

[Town Planning Board Press Release, 20/10/2023]

Approved Sha Tin Outline Zoning Plan amended

On 17 November 2023, the Town Planning announced amendments to the Sha Tin Outline Zoning Plan (OZP).

Amendments are:

- 1. rezoning a site at the junction of Wong Chuk Yeung Street and Kwei Tei San Chuen Road from "Green Belt" ("GB") to "Residential (Group A) 8";
- 2. rezoning a site to the northeast of Shan Mei Street from "Industrial" to "Government, Institution or Community" ("G/IC");
- 3. rezoning a site at the north of On Sum Street and a site at the junction of Yuen Hong Street and Yuen Shun Circuit from "G/IC" to "Commercial (1)" ("C(1)");
- 4. rezoning a site at the south of On Sum Street from "Open Space" ("O") to "C(1)";
- 5. rezoning a site on Sha Tin Wai Road from "O" to "Residential (Group A) 9";
- 6. rezoning a site on Chap Wai Kon Street from "G/IC" to "Residential (Group A) 10";
- 7. rezoning a site on Yuen Hong Street from "Industrial (1)" to "Commercial (2)";
- 8. rezoning a site on Tung Lo Wan Hill Road from "GB" and "G/IC" to "Residential (Group B) 3";
- 9. rezoning a strip of land at the northern end of Tung Lo Wan Hill Road from "GB" to "G/IC";
- 10. rezoning a site to the north of Mei Tin Road, Tai Wai from "Residential (Group B)" and "GB" to "Other Specified Uses" annotated "Religious Institution with Columbarium"; and
- 11. rezoning a site to the south of Chek Nai Ping on Tai Po Road (Ma Liu Shui) from "GB" to "Other Specified Uses".

[Town Planning Board Press Release, 17/11/2023]

DIGEST OF LEGISLATION

Development (Town Planning, Lands and Works) (Miscellaneous Amendments) Ordinance 2023

The Development (Town Planning, Lands and Works) (Miscellaneous Amendments) Ordinance 2023 (the "Amendment Ordinance") took effect on 1 September 2023.

The Amendment Ordinance covers major amendments to the development procedures cited in the following ordinances:

- the Lands Resumption Ordinance (Cap. 124);
- the Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127);
- the Land Acquisition (Possessory Title) Ordinance (Cap. 130);
- the Town Planning Ordinance (Cap. 131);
- the Roads (Works, Use and Compensation) Ordinance (Cap. 370); and
- the *Railways Ordinance* (Cap. 519)

According to the government, the main objectives of the amendments are as follows:

- streamlining and shortening statutory time limits;
- avoiding repetitive procedures of a similar nature;
- providing an express mandate at law for the government to proceed with different procedures in parallel;
- clarifying inconsistent or ambiguous arrangements; and
- streamlining other miscellaneous processes for more effective use of public resources.

The Amendment Ordinance aims to shorten the time for approval of developments by imposing several restrictions on the right to object to development applications. The Development Bureau has estimated that under the Amendment Ordinance, the time required to transform a piece of land from a "primitive" into a "spade ready" site ready for development will be reduced from at least six years to four years; and the time needed for large-scale projects, such as New Development Areas, will be compressed from 13 years to seven years.

Major amendments introduced include allowing reclamation work to be conducted at the same time as development planning (such that there is no need to wait for the completion of an outline zoning plan), allowing the Town Planning Board to impose a time limit on the oral representation of attendees at hearings, etc.

[Press Release, Government of Hong Kong, 01/09/2023]

Commencement of MSW charging and amendment of charges for disposal of construction waste

The government has appointed 1 April 2024 as the commencement date for municipal solid waste ("**MSW**") charging. Accordingly, all provisions under the previously passed *Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Ordinance* 2021 will come into effect, including the provisions concerning relevant offences, their penalties and defences to offences. After that date, citizens will have to dispose of MSW in designated plastic bags or stick designated labels to the MSW before disposal.

The government has also increased existing construction waste disposal charges at landfills in support of the MSW charging scheme. The weight-based gate fee for disposal of MSW has increased from \$200 to \$365 per tonne to prevent deliberate mixing of MSW and construction waste in the hope of avoiding the charge difference. In addition, the government has also increased the sorting charge for waste (from \$175 to \$340 per tonne) as a penalty against the deliberate mixing of the two types of wastes.

An Environmental Protection Department spokesperson said that the MSW charging scheme will sit "at the centre of the overall waste reduction strategy of the government". It provides financial disincentives to the community to reduce waste at source and to resort to alternative disposal methods of MSW, including waste recycling and reusing. In the meantime, the government has taken various measures to prepare for the official launch of the MSW charging scheme, including establishing the manufacturing and retail network for the supply of designated bags and labels, conducting briefings, communicating with different stakeholders, training frontline staff for the scheme and expanding the community recycling network.

[Press Release, Government of Hong Kong, 13/10/2023]

WEST KOWLOON CULTURAL DISTRICT

The Board of the West Kowloon Cultural District Authority (WKCDA) held its 116th meeting on 23 November 2023.

In support of the government's night economy initiative, WKCDA organised the night-time event "*WestK Nightscapes*" on 10 November 2023. The event was held across different outdoor venues in WKCA: the Artist Square, Harbourside Deck near M+, and High Lawn. Food stalls and live music were offered for three consecutive weekends. Taking place around Victoria Harbour, the event aims to create an atmosphere for visitors to bask in captivating performances while enjoying a refreshing drink and the scenery.

As a unique feature, different music genres were presented at different venues in WKCD in order to cater for the diverse tastes of visitors, such as jazz, R&B, rock and pop songs.

Meanwhile, the tallest Christmas tree in Hong Kong has also been placed at Harbourside Lawn West. The tree will stand there from 24 November until 1 January 2024. In addition, the Hong Kong Tourism Board is also organising the *Winter Harbourfront Pyrotechnics* show at 8 p.m. every Saturday and Sunday from 9 December to 26 December, and during the Christmas holiday. A *Christmas Market* will also be held from 21 to 30 December at the Great Lawn in the Art Park by the WKCDA, featuring approximately 25 stalls which will offer innovative food and beverage choices, special merchandise, and live music performances.

Apart from the special exhibition, *Gazing at Sanxingdui: New Archaeological Discoveries in Sichuan*, which has been displayed since 27 September at the Hong Kong Palace Museum and will be on view till 8 January 2024, another special exhibition, *Botticelli to Van Gogh: Masterpieces from the National Gallery, London*, co-organised by HKPM and National Gallery, UK, is also to be staged from 22 November until 11 April 2024. This is the first exhibition in Hong Kong which presents the National Gallery's prestigious art collection, showcasing 52 of the world's finest masterpieces created by 50 influential artists from over 400 years of Western art history. Some key pieces are *Three Miracles of Saint Zenobius* by Sandro Botticelli, *Long Grass with Butterflies* by Vincent van Gogh; and *Irises* by Claude Monet.

The *Virtual Museum* website was launched by HKPM on 31 October. It features high-resolution 260-degree panoramic images detailing the museum's diverse galleries and public areas. The website enables visitors to tour most exhibitions at the museum online but with an experience similar to an in-person visit. It breaks geographical and temporal boundaries and allows Hongkongers to view the exhibitions and collections of HKPM anytime, anywhere and with anyone around the world. The museum has taken it as an important measure to fulfil its mission of public education and promoting cultural and artistic exchange between the East and the West.

In addition, the Hong Kong Institute of Architects has just presented the *HKIA Medal of the Year in HKIA Annual Awards 2022/23* to HKPM. This prestigious architectural award in the region has served to recognise HKPM's excellent architectural design.

[West Kowloon Cultural District Authority Press Release, 23/11/2023]

HONG KONG BRIEFING

Reporting polluting vessels

This morning at around 830am, we have received multiple complaints with photos and videos of a vessel emitting huge amount of dark smoke while traversing East Lamma Channel. We have asked the Marine Department to investigate. The Marine Department requires a continuous video of at least 3 minutes of a vessel emitting black smoke to be able to take enforcement action successfully.

Wild boar captured at Cyberport

AFCD captured a wild boar near Cyberport Waterfront Park on 6 October 2023. When we receive reports of wild boars spotted in developed areas we will inform the AFCD for follow – up. Since November 2021, AFCD has captured and humanely dispatched 647 wild boars in Hong Kong.

[Pokfulam News, 12/10/2023]

New legislation affecting disposable plastics and tableware and producer responsibility schemes

A bill has been passed by the Legislative Council to regulate the use of disposable plastic tableware and other plastic products, as well as to strengthen existing producer responsibility schemes. The main provisions of the bill are as follows.

- 1. Regulation of disposable plastic tableware:
 - The sale of nine kinds of disposable plastic tableware will be prohibited, such as: expanded polystyrene (EPS) tableware; straws;

stirrers; cutlery (forks, knives, spoons); and plates.

- Catering premises will be prohibited from providing these tableware items to customers for dine-in and takeaway services.
- The regulations will be implemented in two phases. In the first phase, the sale of certain small and difficult-to-recycle disposable plastic tableware will be prohibited, along with the provision of such tableware to takeaway customers. In the second phase, the provision of all nine kinds of disposable plastic tableware to dine-in customers will be prohibited.
- 2. Regulation of other plastic products:
 - The manufacturing, selling, and distributing of various disposable plastic products will be regulated in two phases.
 - In the first phase, products with established non-plastic alternatives or those that are not considered necessities will be banned. This includes items such as cotton buds, balloon sticks, inflatable cheer sticks, glow sticks, and party hats.
 - Hotels and guesthouses will be prohibited from providing free disposable toiletries and in-room plastic-bottled water.
 - The manufacturing, selling, and free distribution of oxo-degradable plastic products will be banned.

Implementation of these regulations will occur in stages. The first phase is proposed to begin on 22^{nd} April 2024, to coincide with Earth Day, whilst the timing for the second phase will depend on the availability and affordability of non-plastic or reusable alternatives.

To support the transition to non-plastic tableware, an online information platform has been established by the Environmental Protection Department. This platform provides guidance to the food and beverage trade, tableware suppliers, and the public, listing over 400 non-plastic disposable tableware products. The platform also promotes tableware rental and cleaning services to encourage the use of reusable tableware.

In addition to the regulations concerning plastic products, the bill expands the scope of the producer responsibility schemes for waste electrical and electronic equipment, such as: larger refrigerators; washing machines; stand-alone clothes dryers; and dehumidifiers. The bill also streamlines the operation of the schemes by removing requirements related to recycling labels on regulated electrical equipment. These amendments are expected to be implemented on 1st July 2024. The bill also includes optimizations for the producer responsibility scheme for glass beverage containers.

The government encourages businesses to prepare early for the upcoming regulations and aims to foster a plastic-free culture. Initiatives such as the Bring Your Own Containers Eateries Scheme have been launched to encourage the public to bring their own containers when ordering take-aways.

[Press Release - the Government of the Hong Kong Special Administrative Region, 18/10/2023]

Pilot scheme for electric public light buses

The Environmental Protection Department (EPD) announced that the Pilot Scheme for Electric Public Light Buses would accept applications until 17th November.

The government has allocated \$80 million to promote the use of electric public light buses (e-PLBs) through this Pilot Scheme. The scheme aims to test different models of e-PLBs, evaluate their operational performance, assess the associated quick charging facilities, and conduct operational trials on various minibus service routes.

The operational trials will begin in phases, beginning with Kowloon Tong (Suffolk Road) and Yue Man Square Public Transport Interchanges as trial points. Approval for successful applications is expected to be granted by December 2023, and the trial is set to commence in the first quarter of 2024.

To encourage participation, the government will subsidize successful operators with 80% of the vehicle price for each e-PLB joining the Pilot Scheme. Detailed information about the scheme and the application process can be found on the EPD website (www.epd.gov.hk/epd/english/environmentinhk/air/guide_ref/pseplb.html).

In March 2021, the government launched the *Hong Kong Roadmap on Popularisation of Electric Vehicles*, which outlines long-term policy objectives and plans to promote the adoption of electric vehicles and their supporting facilities. The objective is to achieve zero vehicular emissions by 2050. The roadmap includes testing various electric and other new energy public transport, including e-PLBs, in collaboration with different sectors to gather experience and establish a specific roadmap and timetable for promoting electric commercial vehicles.

[Press Release - the Government of the Hong Kong Special Administrative Region, 27/10/2023]

ADVISORY COUNCIL ON THE ENVIRONMENT (ACE)

On 10th July 2023, the ACE held its 259th meeting. Members of the ACE, which focused on the tightening of the volatile organic compound (VOC) limits of regulated architectural paints and extending of the VOC control to cleaning products. The issue of VOC first came before the ACE in 2004 and members have generally been supportive of the proposals to control VOC in various contexts made by the Environment and Ecology Bureau (the "**EEB**") and its predecessor.

Background

VOCs are organic chemicals that would evaporate at room temperature. While not all of them are toxic to the human body, most are major contributors to the worsening ozone pollution in Hong Kong. Aside from road and marine vehicles, a great amount of VOCs source from local non-combustions such as paints, consumer products, printing inks, adhesives and sealants.

Current measure

In view of the hazard, the government has adopted strategies on multiple levels to reduce local VOC emissions. Statutorily, the *Air Pollution Control (Volatile Organic Compounds) Regulation* (Cap. 311W) was enacted in 2007 to gradually prohibit the import and local manufacture of specified products with a VOC content exceeding the relevant statutory content limits. This proved to be a successful course of action, seeing that the VOC emissions from products reduced by 62% to 10,330 tonnes in 2020 following implementation of the regulation. The regulation currently regulates 6 broad categories of VOC containing consumer products and a total of 172 kinds, such as architectural paints and other industrial products.

Proposals considered by the ACE

The EEB submitted two proposals with a view to improving air quality for the members' consideration in ACE Paper 10/2023. They are:

- (1) tighten the VOC content limits of 22 types of regulated architectural paints ("**RAP**s"); and
- (2) extend the VOC control to 7 types of cleaning products.

Having considered the paper and briefed by the presentation team from the EEB (the "**Team**"), members of the ACE welcomed the proposals and acknowledged their benefits to the environment as well as the health of the general public in Hong Kong.

Question-and-Answer Session

The ACE raised various questions and made suggestions in relation to the proposals in the meeting, which are summarised below.

Scope of Regulation and Enforcement

Members had questions about the products covered under the current proposals and suggested the inclusion of formaldehyde in furniture products in the scope of regulation, as well as encouraging the use of non-aerosol products. The Team advised that the EEB is exploring the feasibility of such regulations. The suggestion to control the level of VOC in all products in the long run was, however, met with a challenge to identify sufficient alternatives in the market.

Members also suggested expanding the scope of regulation to an overall regulation in the storage, transportation, sale and disposal of VOC products as well as the level of VOC emission during construction and renovation works. The Team pointed out that it would be impracticable to monitor all construction and renovation sites or to control non-local manufacturers and online sellers. The Team put forward that the priority should be strengthening publicity and public education and discouraging the use of relevant products.

The coverage of VOC as data is also a concern of the members. The suggested inclusion of carcinogenic VOC and individual VOC organic components in the *Air Quality Objectives* and the Indoor *Air Quality Certification Scheme* respectively was acknowledged by the Team, which will explore the possibility of these inclusions.

The Team thanked a member for suggesting that the government take the lead by including the use of VOC-free or low-VOC in the tender requirements of all government construction or development projects.

Publicity and Public Education

Members suggested collaboration between the EEB and other government organs to raise public awareness on this issue. A member raised that promotional materials can be prepared hand in hand with the Education Bureau and the Department of Health. Another suggestion was to implement a labelling system for the environmental performance of products for the public's reference. Another idea along this line is the EEB cooperating with the Consumer Council or Green Council to formulate a list of low-VOC or VOC-free products to help consumers make informed decisions.

Regional Cooperation

Since air pollutants drift across borders, members explored the possibility of cooperation with Pearl River Delta ("**PRD**"), as the economic zone was a major source of VOC in Hong Kong. Suggestions include aligning the VOC regulations in the Mainland and Hong Kong as well as sharing with PRD the local use of pollutant tracking technology.

Internal Discussion Session

Members raised some new points in this closed-door session after the Team left the meeting. For example, a member suggested a health and risk analysis be conducted by the government in order to minimise ambient VOC concentration.

Another point raised was to motivate suppliers or developers to put more resources into product development, given that the availability of alternatives in the market would be a prerequisite to impose more stringent regulations over the long run. The member put an emphasis on timely information to the traders of the upcoming requirements so they can prepare accordingly.

Moving forward

Although the ACE welcomed the proposed tightening of VOC content limits, the EEB reminded members that implementation of the new requirements would have to take into consideration the preparatory time of the relevant trades. The Team suggested that January 2025 would be an appropriate time to implement the new regulations.

CLIMATE CHANGE

Australian companies on the way to net zero

Major Australian companies are well placed to cope with the introduction of mandatory climate change, reporting due to begin next years, as they have already been complying with global standards, according to Brambles Industries' global head of decarbonisation, Marisa Sanchez Urrea.

Ms. Sanchez Urrea said many large ASX-listed companies were already reporting in line with the Task force on Climate related Financial Disclosures (TCFD) issued in 2017.

Brambles specialises in the supply of pallets and containers for the transport of goods for the food, beverage, retail and manufacturing industries. It operates in 60 countries meeting in Melbourne this week will see approximately 20 major ASX-listed companies which may be the first in line for mandatory reporting, get together to exchange view on how to prepare for the new regime in Australia.

Whilst the mandatory reporting requirements in Australia are based on the principles of the TCFD, there are modifications being considered to suit local conditions.

"The ASX- listed companies which will be the "advanced reporters" (under the proposed mandatory reporting regime) will be getting together to exchange learnings and knowledge on the topic and prepare ourselves for what is coming." Ms Sanchez Urrea said.

She said working on strategies to reduce emissions to net zero would involve collaboration between companies to exchange ideas on best practices, as well as working closely with customers and suppliers to reduce carbon emissions.

Reducing "scope three emissions" – those in a company's value chain from suppliers to customers – was one of the most challenging issues facing companies, she said.

Brambles announced in June that it would bring forward its goal of reaching net zero emissions by 10 years, to 2040. This involves having carbon neutrality in its own operations – scope one and two emissions – and having 100 percent renewable energy in its own operations, by 2025.

But she said the real challenge would be achieving its target of reaching net zero emissions by 2040 in relation to its scope three emissions, which make up 97 percent of the company's total emission profile. Some 64 percent of this relates to the subcontractors it uses to transport its pallets and containers.

Brambles' strategy includes committing to the interim target of reducing scope one and two emissions by 42 percent (on 2020 levels) and scope three emissions by 17 percent by 2030.

She said Brambles' carbon reduction strategies included having more discussions with major customers, such as Coles, on ways to share transport, for example, using empty trucks to transport pallets.

[The Advertiser, 28/11/2023]

Saudi Aramco plans a hydrogen-conversion pilot plant

Saudi Aramco, the world's largest oil exporter, is partnering with a Chinese company, Since Gas, to construct a pilot plant in China aimed at converting ammonia into hydrogen. The move is part of Aramco's efforts to research and develop low-carbon energy solutions to address climate change. Ahmad Al-Khowaiter, Aramco's Executive Vice President of Technology and Innovation, stated that the company plans to allocate nearly \$500 million annually to sustainability-related research and development, such as hydrogen and carbon capture and storage (CCS) projects.

Industries such as steel, cement, aviation, and shipping, which lack affordable and reliable renewable energy alternatives, require solutions like CCS to reduce emissions. Aramco believes that CCS, depending on the geographical context, can be the most cost-effective option to address the emissions of these hard-to-decarbonise sectors. The company aims to demonstrate the feasibility of ammonia-to-hydrogen conversion technology through its collaboration with Since Gas. The pilot plant, located in Jiangmen, Guangdong province, will have a daily hydrogen production capacity of 200 kilogrammes and is expected to be completed this month.

The conversion process utilises a catalyst developed in collaboration with King Abdullah University of Science and Technology in Thuwal, Saudi Arabia. Hydrogen, when burned, produces no carbon emissions, but its transportation is expensive. Ammonia, on the other hand, can be a more cost-effective carrier for hydrogen energy during long-distance transportation. However, commercial-scale technology for converting ammonia back to hydrogen is still under development.

Aramco's long-term goal is to produce 11 million tonnes of "blue ammonia" from natural gas by 2030. Blue ammonia refers to ammonia produced in a process in which harmful emissions are captured and stored. The preferred "green ammonia" is produced using renewable energy, resulting in minimal emissions. Aramco plans to sell blue ammonia in Europe and Asia when environmental policies and economic incentives make it economically viable.

In addition to the ammonia-to-hydrogen project, Aramco has signed an agreement with renewable energy technology firm Enowa to build a low-carbon synthetic fuel pilot plant. This project aims to demonstrate the technical and commercial viability of producing non-fossil, low-carbon fuels. The plant will utilise a technology developed by ThyssenKrupp Uhde, a German chemical engineering firm, to convert renewable

hydrogen and captured carbon dioxide into synthetic methanol. The methanol will then be transformed into low-carbon petrol using ExxonMobil's methanol-to-gasoline technology, potentially reducing carbon emissions by over 70% compared to conventional fuels.

Aramco has set ambitious targets to reduce emissions intensity from its upstream oil and gas production operations and to achieve net-zero scope 1 and scope 2 greenhouse gas emissions across all its operated facilities by 2050. The company also plans to invest in 12 gigawatts of solar and wind farms by 2035. However, Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman, recently stated at the COP28 global climate summit in Dubai that the kingdom would not support a proposal for phasing down fossil fuels, instead emphasising the importance of reducing emissions from fossil fuels through carbon capture, utilisation, and storage.

In 2022, Aramco recorded a profit of \$161 billion, highlighting the significant financial resources the company possesses to invest in research and development of low-carbon energy solutions.

SCMP (13/12/2023)

COP28 signals transition away from fossil fuels

In a significant development at the UN's COP 28 climate summit in Dubai, nations have explicitly targeted the use of fossil fuels for the first time. Following intense negotiations that nearly led to the collapse of the talks, participating countries reached an agreement to "transition away" from coal, oil, and gas. This, however, amounted to a backdown from the earlier proposed text which had stronger language calling for a "phase-out" of fossil fuels. The United States, the United Kingdom, and the European Union were among the nations advocating for a complete phase-out from the start of the summit.

The climate summit brought together representatives from almost 200 nations to meet in the United Arab Emirates for nearly two weeks. The aim was to make progress in addressing climate change, especially in light of months of record-breaking extreme weather events. Initially, expectations were low regarding the ability of the oil-rich UAE to deliver a deal that would challenge the fossil fuel industry. Criticism was raised due to the dual role of Sultan al-Jaber, the COP28 president, who also serves as the CEO of Abu Dhabi's oil giant, Adnoc.

However, in a surprising turn of events, al-Jaber delivered a jubilant speech, hailing the conference's "historic achievement." The gravelling of the deal took many delegates by surprise, but it was met with cheers and a standing ovation in the plenary room. Nevertheless, concerns were raised by representatives of small island states, particularly the Alliance of Small Island States (AOSIS), which argued that they were not present when the final communique was decided and that the language used might hinder progress in reducing emissions rather than promoting a robust reduction.

The 21-page agreement, presided over by Mr. Jaber, states that countries will contribute to transitioning away from fossil fuels in energy systems in a just, orderly, and equitable manner. It also acknowledges that global emissions of warming gases will likely peak before 2025, although developing nations might experience a later peak. The commitments were softened due to opposition from oil-producing nations like Saudi Arabia, as well as objections from less affluent countries reliant on fossil fuel exports, who argued that the agreement did not adequately reflect their limited role in causing climate change.

Whilst politicians praised the deal as a historic achievement and a step towards the end of the fossil fuel era, activists and scientists criticised it as weak and insufficient to address the urgent issue of emissions and global warming. The agreement sets a target for countries to cut greenhouse gas emissions by 45% within six years, but progress thus far has been inadequate. Environmental activists and climate scientists expressed disappointment, describing the meeting as a missed opportunity and a "*fossil fuel COP out*".

Despite mixed reactions, United Nations Secretary-General António Guterres acknowledged that many governments desired a clearer commitment to phase out fossil fuels but noted that it had been watered down. Guterres emphasised the inevitability of the phase-out and expressed hope that it does not happen too late. The announcement of Azerbaijan, a gas-rich nation in the Caucuses, as the host for the 2024 UN climate talks concluded the summit.

[COP28: Landmark summit takes direct aim at fossil fuels:. BBC, 14/12/2023]

Cop 28--yet another talk show

COP 28 was expected to officially conclude in Dubai on 12th December 2023. However, a deadlock persists due to differences of opinion on addressing climate issues. Considerable discussions and wrangling have taken place over the final version of the agreement, with differences in the language of the resolution becoming a stumbling block in finalising the text. Despite the conclusion of COP 28, finalising the language of the resolution is no substitute for actual achievements on the ground.

A new draft of a COP28 agreement, published by the United Arab Emirates' presidency of the summit, lists eight options for countries to implement in order to cut emissions. These options include reducing both the consumption and production of fossil fuels in a just, orderly, and equitable manner to achieve net zero by, before, or around the year 2050.

The imperative need to reduce and ultimately eliminate the production and consumption of fossil fuels, such as coal, crude oil, and natural gas, has been stressed in previous climate meetings in Paris, Glasgow, Egypt, and elsewhere. However, these targets to reduce fossil consumption have largely remained on paper, with production and consumption increasing in recent years.

The use of coal, crude oil, and natural gas as energy sources results in the production of global warming gases such as carbon dioxide, sulphur dioxide, nitrous oxide, and methane. While all countries agree in principle on the need to reduce the production and consumption of such fossil fuels, achieving this is the primary requisite to attain net zero emissions by 2050. A coalition of over 100 countries, including oil and gas producers like the US, Canada, Norway, the EU, and climate-vulnerable island nations, desires an agreement during COP28 to eliminate the use of fossil fuels.

However, passing resolutions or signing agreements is not the issue. The crux of the matter lies in unresolved practical issues and difficulties in curbing and eliminating the use of fossil fuels, the dominant energy source globally.

During COP28, OPEC oil producers hesitated to support any move to curb crude oil production and consumption due to their economies' dependence on fossil fuel production and sale. Other countries heavily reliant on fossil fuels for economic and industrial growth also lack viable alternative energy sources.

There is no successful strategy yet to find an entirely eco-friendly energy source to replace fossil fuels Claims about renewable energy such as solar and wind power are promising, but there are limits due to seasonal factors and low capacity utilisation.

While nuclear fuel is an eco-friendly option, it too has limitations. The hydrogen economy is discussed as an eco-friendly alternative, but issues remain, including power-intensive water electrolysis for hydrogen generation and unresolved technological issues in storage, transportation, and production costs.

The high-sounding targets to eliminate fossil fuels without a feasible and eco-friendly alternative source for energy are unrealistic. In the absence of such alternatives, target dates for eliminating fossil fuels should be considered nothing but empty talk.

In these conditions, the only way out is to gradually reduce the demand for energy over the coming years and set a time-bound target for this reduction. Reducing global population is one effective way to achieve this, which would subsequently reduce the need for goods, services, and energy.

Surprisingly, no one discussed the need for reducing energy demand during COP 28 or earlier meetings.

In such circumstances, COP 28, like previous climate meetings, deserves to be branded as a mere talk show based on wishful thinking.

[Sri Lanka Guardian, 15/12/2023]

REGIONAL & INTERNATIONAL

China

China wins UN environmental award

Blue Circle, a project initiated by the Department of Ecology and Environment of Zhejiang Province and Zhejiang Lanjing Technology Co., Ltd., won the 2023 Champions of the Earth Award, the most prestigious environmental recognition of the United Nations, for its innovative efforts in marine pollution reduction.

The project encourages the public to collect marine debris and enables individuals to visually monitor the whole process of sustainable waste management from recycling to reuse. The plastic waste collected will be re-purposed into high-valued, ecologically and environmentally friendly products. Sales revenue from these products will then be distributed to people participating in plastic recycling.

Since the beginning of the project, more than 61,600 people have participated, and a total of 10,936 tons of marine debris have been collected, including 2,254 tons of plastic waste, according to Lang Wenrong, director of the Department of Ecology and Environment of Zhejiang Province and a co-founder of Blue Circle.

Blue Circle also includes a source-tracing system for recycled plastic particles, based on blockchain, solving a traditional problem discouraging enterprises from purchasing recycled plastics. By recording the whole treatment process of marine plastic waste, Blue Circle provides comprehensive information for tracing the products and enhances transparency in the industry.

[Xinhua, 30/10/2023]

Australia

Fire-ants warning

All states need to step up in the fight to eradicate fire ants, amid warnings the pest could spread farther south. The federal government has announced \$268 million in funding for fire-ant eradication, but there are concerns this money may have passed its use-by date.

In July, the stinging ants were detected at Mermaid Waters on the Gold Coast, about 11km from the Queensland / NSW border, jump-starting a comprehensive awareness campaign spearheaded by the NSW Department of Primary Industries and Tweed Shire Council.

The Invasive Species Council welcomed the federal government's announcement, but said Australians could not lose focus on the threat fire ants posed.

Rece Panta, the conservation officer at the Invasive Species Council, said the funding was "*a really significant moment in the battle to stop one of the worst super pests invading the whole of Australia*", but other states needed to join the fight.

"The pressure must now shift to the Victorian, West Australian and South Australian governments, which have yet to commit to their share of funding for eradication," Mr. Pianta said. "Fire ants are one of the world's worst super pests and if they are allowed to spread across the continent, their impact will be greater than cane toads, rabbits, feral cats and foxes combined."

Jack Gough, who is the advocacy manager for the Invasive Species Council, echoed Mr. Panta's comments and criticised the delay in funding. "We know the delayed funding... meant that this year the budget was two-thirds of what we spend (on fire ants) last year", he said.

Mr. Gough also said that whilst the recent federal funding announcement was key to eradicating the fire ant, governments still needed to be prepared to spend more.

"Every single Australian should be concerned about fire ants. It doesn't matter if you're in Perth or Penrith, Bendigo or Byron Bay, fire ants are coming if we don't eliminate them from southeast Queensland," he said.

[The Weekly Times, 25/10/2023]

ACT to legislate the right to a healthy environment

The Australian Capital Territory could become the first place in Australia to give people a legal right to a healthy environment. The government of the ACT introduced new human rights legislation on 26 October 2023.

The Human Rights (Healthy Environment) Amendment Bill 2023 seeks to address the impacts of climate change and to shore up the environment for future generations, according to the ACT Government.

The government said that a healthy environment included, *inter alia*: clean air; a safe climate; access to safe water and to healthy and sustainably produced food; as well as healthy biodiversity and ecosystems.

The yet-to-be-passed law will require ACT authorities to consider the environment when making decisions or carrying out functions, but any breaches of the law will not attract penalties for some time. The government said this was to allow time to see what happened with similar international laws, and to give people a chance to fully understand the changes, but it also said residents would soon be able to raise any breaches with the ACT Human Rights Commission.

"The legislation introduced today reflects growing international consensus and practice around the role and importance of environmental protections", Human Rights Minister Tara Cheyne said.

A group of environmental lawyers also supported the bill but wants it to go further.

The Environmental Defenders Office made a submission to the legislative assembly and called for the proposed new laws to also apply to private entities. "*Private businesses are a major contributor to the destruction of ecosystems and the loss of biodiversity, through deforestation, land-grabbing, extracting, transporting and burning fossil fuels*", the EDO said in its submission.

[ABC, 26/10/2023]

Feral pigs roam city streets

Four wild pigs have shocked a local resident on a walk after emerging from the front yard of a Darwin home.

The man was walking home on Monday night when he heard a rustling on the nature strip in the suburb of Leanyer.

"All of the trees are coming into flower, so I was hearing a lots of bats – Hearing the rustling and the wing beats coming in and out, then I thought hold on, that doesn't sound like a bat. Is it a possum? Crunch, crunch and a grunt."

The man froze; being an avid hunter he knew what that grunt meant – a pig.

"One pig turned into two pigs, turned into four pigs. I thought, you've got to be kidding me," he said. "I've been chasing these things basically all my life, and here they are out in suburbia not scared at all."

The man tired stomping his feet but the pigs did not react and also ignored it when nearby dogs began barking at them.

He guessed the animals were between nine and 12 months old. They were clearly comfortable roaming the urban area.

[*The Advertiser*, 26/10/2023]

Bushfires escalate fauna extinction rate

Australia has listed more threatened species in the past two years than in the previous ten, revealing the true impact of the Black Summer bushfires ahead of return of similar conditions in 2023-24, new research reveals.

According to the Conservation Volunteers Australia findings, there was a net increase of about 150 threatened species nationally in the two years since the landmark 2021 *State of the Environment Report* compared with about 130 between the SOE 2011 and 2021 editions.

[*The Advertiser*, 27/10/2023]

Company accused of "green trickery"

Australia's top corporate cop has urged a Federal Court judge to fine financial giant Mercet \$11.3m concerning claims it misled consumers by falsely pumping up its climate credentials, in the country's first legal action against greenwashing conduct.

The Australian Securities and Investments Commission singled out greenwashing as a key ongoing enforcement priority and launched its civil case against Mercer Superannuation in February, alleging it made public statements about seven "sustainable plus" investment options offered by the Mercer Super Trust.

The website statements marketed the options to members who are "deeply committed to sustainability" because they would not invest in carbon intensive fossil fuel companies.

But the corporate regulator claimed those with "sustainable plus" options actually had investments in companies active in the fossil fuel industry, such as AGL Energy, BHP, Glencore and Whitehaven Coal.

On Thursday, ASIC's barrister, Tim Begbie KC, told Federal Court Judge Christopher Horan in Melbourne that Mercer should be hit with a penalty that would sufficiently deter other companies from engaging in similar conduct.

[*The Advertiser*, 08/12/2023]

Europe

Almost 400,000 deaths attributable to filthy air

Almost 400,000 deaths in Europe in 2021 were related to three main air pollutants and some could have been avoided if pollutants had been reduced to the levels recommended by the World Health Organization, according to an EU report dated 24 November 2023.

The European Environment Agency said that within the EU, pollution caused by fine particulate matter ("**PM2.5**"), which affects people with heart diseases in particular, led to 253,000 deaths in 2021. Pollution from nitrogen dioxide ("**NO2**"), most harmful to people with diabetes, resulted in 52,000 deaths and short-term ozone ("**O3**") exposure led to 22,000 deaths.

Including a larger set of European countries outside the EU, there were 389,000 pollutant-related deaths in Europe, the EEA said in its report for 2023, released on 24 November 2023.

"Air pollutant concentrations in 2021 remained well above the levels recommended by the World Health Organization in its air quality guidelines", the EEA said in the report.

"Reducing air pollution to these guideline levels would prevent a significant number of attributable deaths in EU member states", the report suggested.

The highest number of deaths from PM2.5 in 2021 occurred in Poland, Italy and Germany, whilst countries in northern Europe such as Iceland, Scandinavia and Estonia saw the lowest impact.

NO2 and short-term O3 exposure had the biggest impact on deaths in Turkey, Italy and Germany, according to the report.

[*Reuters*, 25/11/2023]

First CO2 free cargo ship to set sail in 2026

The world's first cargo ship that produces nearly zero planet-heating pollution is on track to set sail in 2026, according to one of the companies involved in the project.

Fertiliser producer Yara International and its partners plan to power the Yara Eyde – which is yet to be built – mostly with clean ammonia, meaning it should emit 95% less carbon dioxide ("**CO2**") than the average fossil fuel-powered vessel, the Norwegian company told CNN.

The production of ammonia typically involves heavy use of fossil fuels, such as coal and natural gas, and emits vast quantities of CO2. However, Yara Clean Ammonia, a subsidiary of Yara International, plans to provide a mix of "blue" and "green" ammonia for the Yara Eyde. In "blue" ammonia production, CO2 emissions are captured at the source and stored underground, whilst "green" ammonia is made using renewable electricity.

The biodiesel, which will be needed to kick-start the ship's engine before it switches to burning ammonia, will provide 5% of the vessel's energy needs. According to a Yara International spokesperson, the biodiesel will be carbon-neutral, as its production will absorb as much CO2 as the fuel will emit when burnt.

However, researchers have found that biofuels, of which biodiesel is one example, are not always carbon-neutral. The steps involved in producing biofuels, such as using fertilisers to grow the plants that some are made from, may emit CO2.

Green ammonia also has "drawbacks". Faig Abbasov, director of shipping at Transport & Environment, a Brussels-based non-profit, told CNN, *"its combustion on board the vessel creates nitrous oxide, which is the second-most potent greenhouse gas*". In response, a Yara Clean Ammonia spokesperson said a catalyser would be put into the ship's engine to absorb the nitrous oxide emissions, noting that the engine's design was still in a relatively early stage.

[CNN, 01/12/2023]

New curb on greenhouse gas emissions

EU member countries and the European Parliament have reached a preliminary agreement on curbing industrial emissions, including those from intensive poultry and pig farms and from ore mines.

The *deal would "reduce harmful emissions from industry and improve public access to information,"* the European Council, representing member states, said in a statement.

The agreement, still to be formally adopted, aims to reduce air, soil and water pollution from companies by revising existing rules on emissions and landfill of dusks.

[The Weekly Times, 06/12/2023]

France

Oysters oh natural

Rising sea temperatures due to climate change are forcing oyster farmers in France's southwest to take a break from summer maturation, traditionally a key step in the production of the tasty molluscs.

From next year, producers in Marennes Oleron, France's biggest oyster bay, will no longer be able to steep oysters in shallow day beds in salt marshes in summer months.

Oyster farmers in this region traditionally keep oysters in the oyster beds for the final weeks before their sale to give them a less salty and iodic taste than if they had come straight from the sea, and earns them the "fine" label, recognised by the EU's protected geographical indication category.

However, climate change is negating the effects of the oyster beds. With faster evaporation, the salt concentration has become too high between early June and late August leading to the ban in those months.

[The Weekly Times, 06/12/2023]

India

Supreme Court's 40-year quest to clean foul air

Pollution in India's capital Delhi has made global headlines in recent years, but it is not a new problem. For approximately four decades, the country's top court has actively discussed the issue, sometimes issuing orders that have significantly reshaped life in Delhi.

The latest intervention came in early November 2023, when the Supreme Court called for "immediate action" after air quality in the capital deteriorated to alarming levels.

The Supreme Court has often taken the lead in reforms to clean up Delhi's air. Some of its orders have addressed, for example: regulating the kind of vehicles that may operate in the city; relocation of thousands of smoke-spewing factories; and the sealing of industrial premises to reduce emissions. The Court has often been lauded for making the government act when it was unwilling to do so.

Sometimes the measures taken by the Court have also been drastic. In 1998, it ordered that the entire fleet of public transport vehicles which ran on diesel – estimated to be around 100,000 – switch to compressed natural gas ("**CNG**") by 2001. Even though the government opposed the move, fines from the court and the fear of being held in contempt, ensured compliance with the order. In its order, the Court also waded into smaller details, such as what kind of vehicles should be allowed in Delhi. For instance, it froze the licences of tuk-tuk drivers for more than a decade.

The measures paid dividends, but only briefly. Studies have shown that the shift to CNG did help clean up Delhi's air, but these gains have been negated by an increase in the number of private vehicles in the city.

In his book *Courting The People*, lawyer Anuj Bhuwania wrote that the order also adversely affected the lives of millions of workers employed in the public transport sector, such as the tuk-tuk drivers, who never got the chance to present their side to the Court.

Whilst some judges believe that the Court's intervention is necessary and has been successful, some legal experts express the view that several of the court's decisions have been questionable. For example, in November 2019, the Court directed the federal government to install smog towers, which work like large-scale air purifiers, in the capital. At the time, several experts told the BBC that there was not enough scientific evidence to prove that these towers would curb air pollution. Four years later, the capital's pollution control board also concluded that the towers had been ineffective.

[BBC, 27/11/2023]

Japan

"Nudge theory" to curtail littering by tourists

The Ministry of Environment in Japan is turning to "nudge theory", a behavioural science concept, as it looks for light-hearted ways to fight littering by tourists at sightseeing spots across the country.

Littering and other problems related to over tourism are worsening in popular destinations, including Kyoto and the city of Kamakura in Kanagawa Prefecture.

According to the Ministry, 1,080 municipalities, or 62% of all cities, wards, towns and villages in Japan, have ordinances against over tourism, such as fining people who are caught littering. However, there is criticism that such mechanisms are not effective enough due to a lack of street patrols and other enforcement measures.

In response, the Ministry will implement measures based on nudge theory in municipalities facing littering issues caused by tourists to prompt people to dispose of their rubbish properly.

An example of such measures is to set up rubbish bins featuring popular characters and encourage tourists to search for them. Another example involves rubbish bins that play music or issue coupons when used.

[*The Japan Times*, 18/10/2023]

Mexico

Residents oppose a new train line

Government contractors begin felling trees and bulldozing the path for a new railway towards the town of Imuris, 40 miles (65 kilometres) south of the US-Mexico border. Located right on the path is a ranch owned by the family of German Robles, which was federally designated a Natural Protected Area in 2011.

"Things will change completely in a matter of weeks, you know", Robles said, adding that the project will fragment the habitat his family worked hard to nurture. "It will create a kind of manmade wall that will not allow for animal species to migrate from one side to the other".

The railway project is billed as bolstering connections between a Pacific port and the border with Arizona. Local residents and conservationists say it ignores environmental concerns, but have had trouble fighting the project because it has been shrouded in secrecy.

In February 2023, military officials travelled to Imuris to announce the project. Since then, there has been no official communication: no plan, consultation or environmental assessment, local residents say. The project is not mentioned on any state or federal government websites, or in Sonora state's development plans. Nor is it clear why the new route is necessary other than to bring the line closer to new mines owned by the rail operator's parent company, Group Mexico.

Group Mexico, its rail subsidiary FerroMex, Sonora Governor Alfonso Durazo's office and Mexico's defence department all did not respond to requests for comment about the project.

No official map of the new rail line has been published, but according to a map leaked by a local official, the project will create a second rail line for a portion of the existing route between Nogales and the port of Guaymas, this time following the Cocospera river south before cutting through the west perimeter of the Aribabi ranch and then pulling west, into Imuris. Although the map's details are contested by government officials, locals say the map, with a few small changes, is borne out by construction so far.

Locals say the route rides roughshod over their farms' irrigation canals and threatens the reservoir that provides water for the township's 12,500 residents.

In addition to disrupting wildlife that rely on the river, construction will also cut up an important migration corridor over the Azul and El Pinito mountains for ocelots, black bears and jaguars, according to the Center for Biological Diversity.

About 80 homes and ranches lie on or next to the route, according to Wildlands Network's analysis of the leaked map. The state's infrastructure and urban development department has offered to buy portions of some properties for as little as 1.80 pesos (10 US cents) per square metre, and the state infrastructure department's chief of transparency declined to comment when asked why the offer was so low.

It is too late to stop the project now, Robles said, but there is time to save as much as possible of his family's vision of creating a habitat for the wildlife.

"This is one of the only towns in Mexico where you have both species", black bears and jaguars, "one species representative of North America and one species representative of South America", Robles said.

[*AP*, 18/11/2023]

South America

Latin America loses 22% of its fertile land

Due to an extreme mix of land degradation, drought and climate change, Latin America has become one of the areas in the world where the most healthy and productive lands are being affected annually, according to data compiled by the United Nations Convention to Combat Desertification (the "**UNCCD**").

Overall, in 2019 - and only taking into account the countries that report this type of information to the UNCCD – 378 million hectares were degraded in Latin America and the Caribbean (a proportion that is approximately equivalent to three times the size of Colombia) which represents 22% of the region's land. Meanwhile, drought affected 377 million hectares between 2016 and 2019 alone; the most acute peak occurred in 2017.

In Latin America there are currently approximately 539 million people (41% of the reported population in 18 countries) who have been impacted by land degradation. As to drought, on which the UNCCD has information from 20 countries in the region, it is estimated that 196 million people have been affected.

As Meza from the UNCCD explains, drought and land degradation go hand-in-hand and lead to desertification, a process in which the land loses its fertility and becomes more arid. This affects not only biodiversity, but also the ability to produce food. "When we experience drought, it's not only because of the lack of rain, but because – when there's degraded land – our vulnerability increases. In other words, if we had healthy lands, in periods of little rain or low drought, we would have greater resilience".

[El País, 18/11/2023]

Southeast Asia

Ministers commit to eventual elimination of crop burning

Southeast Asian agriculture and forestry ministers have agreed to take collective action to minimise and eventually eliminate crop burning in the region, amid deteriorating air quality and concern about cross-border haze.

In a statement after a meeting of the ASEAN in Malaysia, members recognised the adverse environmental and health impacts of crop burning practices and committed to collectively reduce and phase it out.

The pledge comes as air quality hit unhealthy levels in several parts of Malaysia in recent days and following weeks of elevated pollution in Indonesia.

Almost every dry season, smoke from fires to clear land for palm oil and pulp and paper plantations in Indonesia blankets much of the region, bringing risks to public health and worrying tourist operators and airlines. Many of the companies that own these plantations are foreign or foreign-listed.

The ASEAN meeting agreed to develop and implement educational campaigns and training programmes concerning sustainable agricultural practices, providing technical guidance on alternative methods for land clearing.

[Reuters, 06/10/2023]

United States

Tech companies aim to be "greener"

The world's biggest tech companies are in a race to become greener, investing in a suite of measures to fight climate change, from making their products carbon-neutral and ramping up their use of renewable energy to altering their packaging.

Some of the initiatives may seem counterintuitive. Anyone who has bought an item from Amazon - the \$US1.37 trillion (\$2.16 trillion) e-commerce titan – might be perplexed at the size of boxes it uses.

For example, a single bottle of hand cream might arrive in a package big enough for three or maybe four. But Amazon Asia Pacific operations director Akhil Saxena said this was designed to eliminate waste, not add to it.

The boxes are also made from recycled paper, which Mr Saxena said could be recycled again: "And then we are also looking at... the weight of the box itself. Reducing the weight also allows us to do things that are more efficient in the transportation part of it."

Optimising its use of boxes forms part of Amazon's goal to hit net-zero carbon emissions by 2040 - 10 years ahead of the Paris Agreement – and transitioning all of its operations to renewable energy by 2035.

It comes after Apple launched its first carbon – neutral products, the new Apple Watch line-up last month. The company plans to make every product carbon neutral by the end of the decade, including the entire global supply chain and the lifetime use of every device it makes. Apple thrives on the buzz of launching new products each year, heaping more pressure on the company to be greener. After all, the most environmentally friendly choice a person can make is to keep your existing mobile phone or smart – watch an extra year or two.

Apple has also ended the use of leather across all of its product lines, launched fibre-based packaging for its new Apple Watches and expanded the use of recycled materials in iPhones. Furthermore, it has given consumers more control over their emissions, introducing a new tool in its Home app called Grid Forecast. This is designed to inform people when the grid has more renewable energy available, prompting a change to greener habits.

Microsoft has also committed to becoming carbon negative by 2030, and plans to reverse all the greenhouse gas emissions it has produced since its founding in 1975 by 2050.

"The scientific consensus is clear. The world confronts an urgent carbon problem," Microsoft president and vice-chair Brad Smith said when the company declared its green vision three years ago. "The carbon in our atmosphere has created a blanket of gas that traps heat and its changing the world's climate"

Already, the planet's temperature has risen by one degree centigrade. If we don't curb emissions, and the temperatures continue to climb, science tells us that the result will be catastrophic."

[The Australian, 19/10/2023]

New resource to tackle plastic pollution globally

The Global Plastic Law Database will be the most comprehensive tool to date to research plastic legislation that has been adopted around the world. The Database will track legislation across the full life cycle of plastics and organize policies according to life cycle categories and key topics. Adopting laws to reduce plastic pollution on a global scale is widely recognized as a vital step to address this crisis and rein in the damage plastic pollution is doing to our communities, health, and environment. Following the adoption of the UN Plastics Treaty, the Database will support and monitor its implementation.

This launch represents years of work by the partner organizations, including ELAW, which have gathered, analysed, and presented laws from around the world. As a data partner on the project, ELAW is responsible for tracking and updating a significant portion of the global legislative activity, focusing on legislation outside the U.S. and Europe. We will work with partners to add more laws as we learn about them.

Going forward, ELAW will regularly review and add legislation to the database so that policymakers and advocates around the world have access to emerging trends, new solutions, and policy innovations as they work to rein in plastic pollution through law at all stages of the plastic life cycle.

ELAW also provides more in-depth information for lawyers on ELAW's website, Plastic Law.

[ELAW Press Release, 20/10/2023]

Laundering money linked to environmental crimes

The US has become a destination for the proceeds of environmental crimes, undermining global moves to stem illicit financial flows and combat the climate crisis, according to a new report by the Financial Accountability and Corporate Transparency Coalition (the "FACT Coalition"), a prominent anti-corruption group.

The FACT Coalition report, published on 26 October 2023, revealed that "critical gaps" in the US anti-money laundering system are vulnerable to exploitation by criminal groups, including those behind the destruction of the Amazon rainforest.

According to the FACT Coalition, the prevalence of abuse-prone shell companies and other secretive entities – which allow bad actors to anonymously stash dirty money in the US and invest in real estate – are a key part of the problem.

According to Interpol, illegal proceeds from environmental crimes, including illegal logging and mining, amount to US\$281 billion a year, and are often linked to corruption.

"Unless the US implements comprehensive reforms, including the weaknesses that are described in the report, it will continue to provide an avenue for criminal actors wanting to abuse our financial system and launder environmental crimes proceeds", said Ian Gary, the executive director of the FACT Coalition, at an event in Washington D.C. to launch the report.

[*ICIJ*, 26/10/2023]

Bray of pigs

The US is facing an influx of "super-pigs" from across the Canadian border.

The wild pigs have been roaming the Canadian provinces of Alberta, Saskatchewan and Manitoba, and could soon move south into Minnesota. North Dakota and Montana. They are often crossbreeds that blend the survival skills of Eurasian wild pigs with the high fertility of domestic pigs to create a "super-pigs" that is spreading out of control.

Ryan Brook, a professor at the University of Saskatchewan called the feral pigs "an ecological train wreck". He and his colleagues have documented 62,000 sightings in Canda.

Mr Brook said it is was essential to implement an early detection system then respond quickly to the threat.

[*The Weekly Times*, 06/12/2023]

This Quarterly Report does not constitute legal advice given on any particular matter. Whilst all effort has been made to ensure completeness and accuracy at the time of publication, no responsibility is accepted for errors and omissions. Further information and enquiries in respect of this quarterly should be directed to Fred Kan & Co.

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Dubai, United Arab Emirates LUTFI & CO. Office S2209 Level 22 Emirates Financial Towers Dubai International Financial Centre Tel: +971 4 3798298 Fax: +971 4 3798689 Convictions under environmental legislation: September to November 2023 (December 2023 data not available)

[Note: the EPD no longer classifies second (and subsequent) offences.]

The EPD's summary of convictions recorded and fines imposed during the above period is as follows:

September 2023

Fifty-three convictions were recorded in September 2023 for breaches of legislation enforced by the Environmental Protection Department.

Eleven of the convictions were under the Air Pollution Control Ordinance, 1 was under the Environmental Impact Assessment Ordinance, 14 were under the Noise Control Ordinance, 9 were under the Public Cleansing and Prevention of Nuisances Regulation, 17 were under the Waste Disposal Ordinance and 1 was under the Water Pollution Control Ordinance.

A company was fined \$30,000, which was the heaviest fine in September, for contravening the provisions of a licence.

October 2023

Forty-nine convictions were recorded in October 2023 for breaches of legislation enforced by the Environmental Protection Department.

Eighteen of the convictions were under the Air Pollution Control Ordinance, 12 were under the Noise Control Ordinance, 6 were under the Public Cleansing and Prevention of Nuisances Regulation, and 13 were under the Waste Disposal Ordinance.

A company was involved in two cases of failing to comply with air pollution abatement notice. A \$20,000 fine, which was the heaviest fine in October, was imposed on the company for each of its offences.

November 2023

Forty-nine convictions were recorded in November 2023 for breaches of legislation enforced by the Environmental Protection Department.

Eleven of the convictions were under the Air Pollution Control Ordinance, 18 were under the Noise Control Ordinance, 6 were under the Public Cleansing and Prevention of Nuisances Regulation, 6 were under the Product Ecoresponsibility Ordinance, 5 were under the Waste Disposal Ordinance, and 3 were under the Water Pollution Control Ordinance.

A person was fined \$16,000, which was the heaviest fine in November, for failing to take measures to control air pollutant emission.

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