

frESH Law Horizons

June 2020



COVID-19: Further relaxation of lockdown from 4 July 2020. From 4 July 2020, the relaxations will mean most venues in the hospitality sector will be allowed to reopen in England, including accommodation (such as hotels and holiday parks), restaurants and pubs/bars, although indoor hospitality will be by way of table service only. Contact details from customers will also need to be collected. Following the announcement, further "Covid-Secure" workplace guidelines were issued for those workplaces falling within the category of: hotels and other accommodation; and restaurants, pubs, bars and takeaways (the guidelines that were previously issued for takeaway/ delivery services only have been updated). As with other types of workplace, the guidelines included recommendations in relation to social distancing, cleaning, PPE and workforce management, and also inbound and outbound goods. The guidelines still state that those that can work from home, should continue to do so.

The announcement by the Prime Minister also extended to the re-opening of some leisure facilities and tourist attractions, including cinemas, museums, galleries, theme parks, arcades, outdoor gyms and playgrounds; and so can hairdressers. However, nightclubs, soft-play areas, indoor gyms, swimming pools, water parks, bowling alleys and spas cannot yet reopen.

Other developments this month of relevance to the hospitality and leisure sector, include the draft Business and Planning Bill 2020, which if adopted in its current form, will amend the current regime for "pavement licences" to allow tables and chairs outdoors on the highway, and will allow greater flexibility for sales of alcohol for consumption off the premises, for example by way of takeaway or delivery, as summarised in the <u>local government lawyer</u> publication. In addition, the government has <u>reviewed</u> the social distancing guidance to address a proposed reduction from 2 metre distance to 1 metre, while taking other precautions.

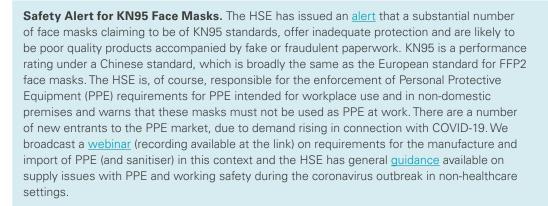


Furloughed witnesses: Judge rules Giving Evidence is not "work". A bulletin issued by Nottingham Law Society reports on a civil case, where the judge declined to vacate a trial on the grounds that the defendant's employees were furloughed. Although a civil case, it is likely that the criminal courts would take a similar approach, as the judge considered the requirements of the furlough scheme itself and decided that attending a court to give evidence for the employer is not "work" within the meaning of that scheme; and further, that being contacted by an employer's solicitor to arrange attendance at court, is not asking a furloughed employee to do any work which makes money or provides services in breach of the scheme.

Europol launches European financial and economic crime centre (EFECC). The <u>EFECC</u> is intended to provide operational support to EU member states and EU bodies in combatting financial and economic crime and to promote the systematic use of financial investigations. It has published a <u>strategic report</u> providing an overview of threats related to economic and financial crime, including various types of fraud, the production and distribution of counterfeit goods, money laundering and others.

Fine of £1.2 Million for Oil Company for Health and Safety Breaches. A refinery company pleaded guilty at Grimsby Crown Court, following an incident where 2 workers suffered multiple burn injuries. The Health and Safety Executive (HSE) inspector commenting on the case referred to a "significant risk gap" leading to an incident and stated that where such an incident results in injury to workers, the HSE will take action, irrespective of the size of the organisation. The case was reported this month by IOSH magazine.





Food Standards Agency (FSA) Report on Role of Science in Risk Assessment Post-Brexit. The report explains how an enhanced risk analysis process will continue to protect consumer interests after the EU transition period. There are some new elements, including: a clearer separation between risk assessment and risk management; an expanded role for the Scientific Advisory Committee; and a new UK process authorising regulated products such as food and feed additives, enzymes, flavourings, novel foods, and genetically modified food and feed. There will also be 3 new Joint Expert Groups for regulated products, which will focus on food contact materials; additives, enzymes and other regulated products; and animal feed and feed additives.

Justice Committee to Review Private Prosecutions. The Justice Select Committee has announced an inquiry into the safeguards around private prosecutions, focusing on cases brought by large organisations against individuals when the organisation is also the alleged victims of the offence. The Chair of the Justice Committee has quoted the example of The Post Office Horizon cases, as being an example of a large organisation acting as investigator and prosecutor of alleged crimes in which they were also the victim, highlighting a risk that organisations in such circumstances will be faced with a conflict of interest that could call into question their ability to conduct an objective investigation and prosecution.

The Climate Change Committee ("CCC") published its annual report to parliament. The CCC says that ministers must seize the opportunity to turn the COVID-19 crisis into a defining moment in the fight against climate change. The report sets out comprehensive new advice to the UK government on delivering an economic recovery that accelerates the transition to a cleaner, net-zero emissions economy and strengthens the country's resilience to the impacts of climate change. The CCC also sets out specific recommendations broken down across different government departments, with urgent steps that must be taken in the months ahead.

Over 200 British firms have called on the government to align economic recovery plans with climate and sustainability goals. A letter was sent to the Prime Minister by the Corporate Leader's group, signed by several hundred business leaders and calling for "the economic recovery plans you are developing align with the UK's wider goals and deliver a clean, just recovery, that creates quality employment and builds a more sustainable, inclusive and resilient UK economy for the future". This letter is perhaps the clearest indication to date of the widespread support within the business community for an economic recovery that prioritises climate action. A group of leading charities, under the banner of The Climate Coalition have also written to the Prime Minister setting out seven priority areas for action for a green recovery. Finally, the Citizen's Climate Assembly UK has issued an interim briefing following its first six meetings, in which 79% of assembly members 'strongly agreed' or 'agreed' that "Steps taken by the government to help the economy recover should be designed to help achieve net zero", and 93% 'strongly agreed' or 'agreed' that "As lockdown eases, government, employers and/or others should take steps to encourage lifestyles to change to be more compatible with reaching net zero."





The Environmental Justice Commission has issued an interim report titled, Faster, further, fairer: Putting people at the heart of tackling the climate and nature emergency. The Commission, part of the Institute for Public Policy Research think tank, reports that a new approach is required in order to act with the ambition and at the scale that the climate and nature emergency demands. This new approach would "take faster action to tackle the climate and nature crisis, go further in the transformation of our economy and deliver a fairer transition for all." One aspect highlighted in the report is the Commission's view that the UK's progress in cutting carbon emissions has been overstated, because there is a significant carbon footprint associated with imported products. So the direct production emissions for those products may have been removed from the UK, but they are still happening elsewhere. The report urges policymakers to "commit to a target on consumption emissions".

The government has published its response to the consultation on the future of UK carbon pricing. The Department for Business, Energy and Industrial Strategy (BEIS) and the devolved administrations in Wales, Scotland and Norther Ireland have set out proposals for a new UK emissions trading scheme (UKETS). The first phase of the scheme will be 2021 to 2030, and will operate either as a stand-alone UK trading scheme, or be linked to the EU emissions trading scheme (EUETS). The UKETS would initially cover the same gases and sectors as the EUETS, but extension into other sectors would be considered in the first review of the scheme (by 2026). The cap for the UKETS will initially be 5% below the UK's notional share of the cap for Phase IV of the EUETS. The Climate Change Committee will advise on the sixth carbon budget later this year, and the government says it will, within 9 months of this advice being issued, consult on the trajectory for the UKETS cap for the remainder of the first phase. The government has also said that in light of inherent uncertainty, it is sensible to have a fallback carbon pricing option; so it will also consult on a carbon emissions tax later this year which, "if needed, will ensure a carbon price remains in place in all scenarios".

Alok Sharma, Business Secretary and COP26 President gave a keynote address on the sustainable recovery, investor collaboration on COVID-19 recovery and the climate emergency. The main thrust of the speech was that the government wants deliver a green recovery in partnership with business and finance, and that business involvement and engagement are vital in supporting the green recovery and transition to net zero.

The Environment Agency (EA) has issued a <u>statement</u> regarding its regulatory approach during the COVID-19 pandemic. The statement refers to carrying out virtual inspections using technology, and emphasises that "coronavirus is not an excuse to operate illegally." The EA expects operators to take all reasonable steps to comply with regulatory requirements using contingency plans to help them comply. The EA has extended the duration of a number of its COVID-19 regulatory position statements until 30 September 2020 (RPS C3, C5, C6, C8 and C10). The EA has also issued a statement confirming that it is <u>continuing to regulate waste sites</u> during the pandemic, and recently carried out a visit with police to an illegal waste site. Finally, the EA has also updated all of its guidance on environmental permit applications to confirm that postal applications cannot be accessed at present, and all applications should be emailed.

The EA has published details of enforcement undertakings accepted between 1

December 2019 and 31 May 2020. As usual there are a number of substantial undertakings given by water utility companies for breaches of environmental permitting requirements, plus a number of other permitting breaches for private companies. A sizeable number of packaging waste enforcement undertakings were also accepted during this period, the largest one being £35,868.12 from The Works Stores Limited.

The European Court ruled on permissible level of impurities in paper waste for classification as "green list" waste. In the February edition of frESH Law Horizons we reported on the Advocate General opinion in this case, and the ECJ has now ruled on the issue, following the Advocate General's opinion. A German company, Interseroh Dienstleistungs, which ships waste paper for recycling to the Netherlands, argued that paper with up to 10% impurities can still be classed as low risk "green list" waste under the waste shipments regulation. The German regulator disagreed and questions on interpretation were referred to the ECJ. The Advocate General's opinion indicated that the use of a general figure such as 10% cannot be assumed to be insignificant as regards impact on recyclability, and that scientific evidence would be required to show that there would be no impact up to this impurity level. Concluding, she said the waste in question should be subject to the procedure of prior notification and consent and not green list controls. The ECJ adopted the same approach.





The gov.uk guidance on waste shipments has been updated to explain the rules that apply to waste import and export now that the UK has left the EU. It also clarifies the refund amount. The EU Waste Shipments Regulation 1013/2006, will be implemented in the UK by the International Waste Shipments (Amendment) (EU Exit) Regulations 2019 from the end of the Brexit transition period. The updated guidance confirms that waste handlers must comply with the requirements of both the EU Regulation and the UK Regulations, as well as import controls of other countries involved in the shipment.

The EA updated guidance on collecting and treating waste electrical and electronic equipment (WEEE). The guidance reflects amendments made in 2019 to the Persistent Organic Pollutant (POPS) legislation, the effect of which is that most small WEEE must be treated as hazardous waste unless it can be proved otherwise. The guidance covers how to classify some waste electrical devices, components, and wastes from their treatment and how to dispose of waste containing POPS. Many industry experts have commented that this represents a major change in how this sector has historically operated, because so much more WEEE will have to be classed as hazardous and so can only be treated in facilities that have the necessary permits and processes. The fact that all cables will have to be classed as hazardous is likely to have a particular impact on the scrap metal industry. There will also be impacts for the charity retail sector in terms of which sorts and ages of electrical items they can sell.

NGO's demand a review of the Clean Air Strategy. Representatives for the Good Law Project and Mums for Lungs <u>wrote a letter</u> to the Secretary of State for Environment, Food and Rural Affairs on 2 June 2020 to request an urgent review of the Government's Clean Air Strategy, and other relevant policies relating to air quality, in accordance with the Air Quality Standards Regulations 2010, the Treaty on the Functioning of the European Union and the European Convention on Human Rights. This request is made in light of the growing evidence of a link between poor air quality and both the incidence and severity of COVID-19.



The COVID-19 pandemic has led to an increased number of non-compliant hand sanitiser products on the EU market, according to the reports made by several EU countries to the European Chemicals Agency (ECHA) and the European Commission (EC). ECHA reports that national enforcement authorities are taking action to protect citizens from the risks of illicit and ineffective products. High demand for sanitisers and disinfectants has attracted new suppliers, some of whom are not aware of the applicable legal framework for such products. Whilst most of these new suppliers seek to inform themselves of the relevant regulations and requirements, ECHA notes that some appear to be taking advantage of the situation. We have previously produced guidance notes on key issues relating to both sanitiser and to PPE, and presented a webinar on the same topic.

The UK is no longer seeking 'associate membership' of EU REACH at the end of the Brexit transition period. In a <u>letter to the Environmental Audit Committee</u>, environment Minister Rebecca Pow confirmed that many aspects of the EU REACH regime will be retained in UK REACH, and there will not be "change for change's sake". However, she did confirm that the government will not be seeking associate membership of EU REACH because it would require oversight from the European Court. She also stated that work on the UK REACH system is still on track despite the COVID-19 pandemic, but confirmed that work on the wider Chemicals Strategy, has been "temporarily paused" as a result of it.

The EC published a <u>stakeholder notice</u> on the regulation of biocidal products after Brexit transition period. It reminds UK biocide suppliers and non-EU suppliers with a UK-based representative what they need to do to meet the requirement of the Biocidal Products Regulation (528/2012) that biocides can only be placed on the EU market by an organisation or person that is established in the EU. The notice also specifies when existing authorisations are valid and confirms that biocides lawfully placed on the EU or UK markets before the end of the transition period can remain.



Transport Action Network (TAN) has issued a <u>Statement of Facts and Grounds</u> challenging the Secretary of State for Transport on the legality of the 'Second Roads Investment Strategy' (RIS2). RIS2 determines which road projects will be taken forward by Highways England within the five year period it covers (2020 to 2025). The challenge has four grounds: failing to take account of the impact of RIS2 on climate change objectives (carbon budgets, the net zero target and the Paris Agreement); breach of TAN's legitimate expectation that the strategy would include the establishment of a metric for measuring the emissions of greenhouse gases from road users; failing to take account of duties under the Air Quality Standards Regulations 2010; and failing to carry out a strategic environmental assessment. The next stage will be grant/refusal of permission to judicially review but no hearing date has been set yet.

The Environment Bill will not now resume until after the summer recess. Parliamentary scrutiny of the Environment Bill was paused on 19 March, but it was thought that the <u>public bill committee</u> scrutinising the bill was going to restart on 15 June and report by Thursday 25 June. However, the Secretary of State for the Department of the Environment, Food and Rural Affairs (**DEFRA**) confirmed that the bill will not be returning to parliament until after the summer recess. The committee is now scheduled to report by Tuesday 29 September 2020. Following the Committee's final report, the bill will have a third reading and then be transferred to the House of Lords for further scrutiny.

The Network for Greening the Financial System (NGFS) <u>published a guide</u> on integrating climate-related and environmental risks into prudential supervision. It has also published a set of <u>climate scenarios for central banks and supervisors</u> and an associated <u>guide</u>. The guides are intended to assist in the integration of climate-related and environmental risks into banks' and supervisors' work.



The three European financial supervisory authorities (EBA, EIOPA and ESMA) are holding a public hearing on proposed environmental, social and governance (ESG) disclosure standards for financial market participants, advisers and products. The aim of the public hearing is to explain and discuss the content of the consultation paper on draft regulatory technical standards under the Regulation on sustainability-related disclosures in the financial services sector. The hearing will be of interest to stakeholders affected by this Regulation, such as financial market participants, financial advisers, environmental associations, investor representatives or consumer bodies.

The EC published FAQs about EU taxonomy and the EU green bond standard. The EC also welcomed the adoption by the European Parliament of the Taxonomy Regulation as a key piece of legislation that will contribute to the European Green Deal by boosting private sector investment in green and sustainable projects. Since this regulation is likely to be published in the Official Journal of the EU in the next couple of months, it is likely to form part of the UK body of retained EU law when the Brexit transition period ends. However, the disclosure requirements contained in the proposed Taxonomy Regulation only apply after 31 December 2021. Therefore, these requirements will not necessarily form part of the retained EU law in the UK. This topics has been the subject of recent correspondence between the House of Commons European Scrutiny Committee and HM Treasury.

EU starts revision of its packaging law. The EC <u>published</u> an inception impact assessment, i.e. its plan for the revision of Directive 94/62 on Packaging and Packaging Waste ('PPWD'). The PPWD regulates the placing of packaging on the European market and the prevention and management of packaging waste. In line with the ambitions of the 2018 <u>Plastics Strategy</u> and the 2019 <u>European Green Deal</u> and the recently adopted new <u>Circular Economy Action Plan</u>, the Commission wants to make all packaging, including plastic packaging, reusable or recyclable in an economically viable manner by 2030. For more information, please see the <u>SPB client alert</u>.





EC shows openness to chemical recycling amidst NGO criticism. US-headquartered NGO Global Alliance for Incinerator Alternatives (GAIA) published a position paper on 'Chemical Recycling: Distraction, Not Solution', along with a technical assessment. In an earlier letter, a group of EU NGOs had already urged the EU Environment Commissioner to put in place a legal framework that would ensure that chemical recycling does not become a loophole in EU Climate and Circular Economy legislation. The EC replied that it has no immediate plans to amend the "technology neutral" Waste Framework Directive to specify a distinction between chemical and mechanical recycling. Innovative companies could change the game by delivering solutions to tackle plastic pollution and there, chemical recycling had a role to play. The Commission was monitoring the progress of the different chemical recycling technologies and would explore their potential.

EU to amend Waste Shipments Regulation to implement international law on plastic waste. The EC published a <u>draft delegated regulation</u> amending the annexes to the EU Waste Shipments Regulation 1013/2006 to ensure that the EU implements the decision on plastic waste agreed at the fourteenth meeting of the Conference of the Parties to the UN Basel Convention held in May 2019. This involves prohibiting the export of hazardous and hard-to-recycle plastic waste from the EU to non-OECD countries and setting out control procedures for the export of such waste to OECD countries. The Commission invites comments on the draft until 22 July. It plans to adopt the regulation in Q4 2020. It would then enter into force at the start of 2021.

EU to revise concentration limits for persistent organic pollutants (POPs) in waste. The EC <u>published</u> an inception impact assessment, i.e. its plan to update Annexes IV and V of POPs Regulation 2019/1021. The initiative follows-up on the <u>new Circular Economy Action Plan</u> and the 2018 <u>Communication on the interface between chemicals, product and waste legislation</u> (CPW). It aims to determine limits for new substances listed under the UN Stockholm Convention, and update existing values, in order to find the optimal balance between enabling recycling while at the same time substituting substances of concern. According to the Commission, this is particularly relevant in the case of POPs, which may be reintroduced into the economy in recycled material as otherwise already banned legacy substances. The Commission invites comments on its plan until 7 August 2020. It will prepare a full impact assessment throughout 2020 but does not plan to conduct a further public consultation. A legislative proposal is expected in Q2 2021.

PFAS: EC adopts act on PFOS whilst ECHA committee opines on PFHxS. The EC adopted a <u>delegated regulation</u> to time-limit the remaining exemption from a ban of perfluorooctane sulfonic acid and its salts and perfluorooctane sulfonyl fluoride. This exemption will apply for five years from the entry into force, with the option of extension. With this, it intends to bring EU law in line with an agreement reached at the ninth Conference of the Parties to the UN Stockholm Convention on POPs. Meanwhile, the Committee for Socio-Economic Analysis (SEAC) of ECHA <u>supported</u> a Norwegian proposal to restrict the manufacture and placing on the market of another subgroup of PFAS, perfluorohexane-1-sulphonic acid (PFHxS) under REACH. SEAC's opinion follows the one of the ECHA Committee for Risk Assessment (RAC). The opinions will be available on <u>RAC's</u> and <u>SEAC's</u> web pages in the near future. The EC will take a final decision based on these opinions.

EU bans pesticide dicofol. The EC adopted a <u>delegated regulation</u> prohibiting the use, production, import and export of dicofol, by listing the substance in Annex 1 to the POPs Regulation 2019/1021. This delegated act also implements a decision taken by the Parties to the Stockholm Convention at their ninth Conference in May 2019. The delegated regulation will enter into force after being scrutinised by the European Parliament and Council.



EU starts review rules on the sustainable use of pesticides. The EC <u>published</u> its combined evaluation roadmap and inception impact assessment to (1) evaluate the Sustainable Use of Pesticides Directive 2009/128 (SUD) and (2) assess the impacts of possible new measures to reduce the risks of pesticides. In line with the objectives set out in the recently adopted Farm to Fork Strategy, it aims to address the problem of the limited effectiveness of the SUD in reducing pesticide use and risks to human health and the environment. Depending on the results of the evaluation, the EC might choose not to amend the SUD (baseline scenario). Other policy options include legally binding targets to reduce the use of pesticides, more effective supervision of the SUD by Member States, use of new technologies, or the mandatory collection and sharing of more detailed statistics on pesticides use. Stakeholders can provide comments until 7 August. The EC would make a legislative proposal by Q1 2022.

ECHA committee backs microplastics restriction proposal. ECHA'S RAC opined that restricting the use of intentionally added microplastics is appropriate for reducing their impact on the environment. With this, RAC supported ECHA'S REACH restriction proposal from January 2019 (please see fresh Law Horizons, March 2020). However, RAC recommended defining more stringent methods to assess the biodegradability of polymers for the purpose of excluding them from the restriction. RAC also favoured a complete ban of microplastics, as infill material on artificial turf pitches after a transition period of six years. The draft opinion of the SEAC will soon be available for consultation. The EC will take a final decision on the restriction based on these opinions. The EC's draft will then be open to scrutiny by the European Parliament and Council.

ECHA presents "one substance-one assessment" plan. During the <u>Safer Chemicals Conference</u> held online by the European Chemicals Agency on 2 June, its Executive Director Bjorn Hansen outlined how ECHA would address chemicals through only one assessment, instead of multiple ones, with a view to serving the objectives of the European Green Deal and the circular economy. Moving to a one substance-one assessment approach would notably involve addressing chemicals in groups and speeding up the generation of safety data, the identification of chemicals of concern and the management of risks of substances.



European Parliament committee proposes to object to authorisation of chromium trioxide. The European Parliament's Environment, Public Health and Food Safety Committee (ENVI) approved a motion for resolution objecting to a draft EC decision to authorise uses of chromium trioxide in functional chrome plating applications for several industry sectors. Use of the substance requires authorisation under REACH due to its carcinogenic properties. ENVI argues that the EC failed to prove that there are no suitable alternatives available for each application covered in the authorisation. In October 2019, the European Parliament adopted a similar resolution asking the EC to amend its draft decision and grant authorisation only for the specific uses for which no alternative is available (please see fresh Law Horizons, November 2019). A group of NGOs later called on the EC to reject applications for the authorisation that "would unlawfully allow the continued use of chromium trioxide" (please see fresh Law Horizons, May 2020). The European Parliament will vote on this motion during one of the following plenary sessions. The EC will have to take into account any objection by the Parliament, but is not be bound to withdraw or amend its draft decision in the procedure applicable to REACH authorisations.

Stakeholders comment on Chemicals Strategy for Sustainability. More than 420 stakeholders provided feedback on the EC's roadmap on a Chemicals Strategy for Sustainability (please see frESH Law Horizons, May 2020). Besides, industry, NGOs and individual citizens, multiple Member State authorities also provided comments. Many mentioned as key priorities guaranteeing better coherence across EU policies, notably the circular economy and eco-design, and applying the same rules to imported as to domestic products. Some industry stakeholders highlighted the role of chemicals in the transition to a sustainable economy and, hence, the need to consider incentives and technologies, e.g. chemical recycling and green chemistry, to boost innovation in that field. Many NGOs highlighted the importance of prioritising the protection of the most vulnerable population, limiting the production and use of harmful chemicals to what is essential, and addressing combined exposure to multiple sources of chemicals, persistent chemicals (e.g. PFAS) and endocrine disruptors.



European Court rules on access to justice in the context of water legislation. The European Court of Justice ruled on a preliminary reference regarding a challenge to the construction of a motorway in Germany, with possible impacts on surface and ground waters, on the grounds that the authorities had not conducted a proper prior environmental impact assessment (EIA) (C-535/18; not yet available in English). The claimants asserted that this breached their right to participate in the decision-making process under the EIA Directive. The Court confirmed various principles relevant to access to justice in environmental matters and clarified the interplay between the Water Framework Directive 2000/60 and the EIA Directive 2011/92. It also addressed the substantive question of what constitutes deterioration of a body of groundwater.

Contacts



Rob Elvin
Partner, Manchester
T +44 161 830 5257
E rob.elvin@squirepb.com



Nicola A. Smith
Director, Birmingham
T +44 121 222 3230
E nicola.smith@squirepb.com



David Gordon
Partner, Birmingham
T +44 121 222 3204
E dave.gordon@squirepb.com



Anita Lloyd
Director, Birmingham
T +44 121 222 3504
E anita.lloyd@squirepb.com



Ken Huestebeck
Senior Associate, Brussels
T +322 627 11 02
E ken.huestebeck@squirepb.com



Gary LewisDirector, Manchester
T +44 161 830 5373
E gary.lewis@squirepb.com

squirepattonboggs.com 38858/06/20