

frESH Law Horizons

September 2020



Latest COVID-19 restrictions: new offences. On 24 September, new regulations were introduced in the UK, bringing into effect the announcement of the government two days previously, as to further national restrictions in connection with the coronavirus disease 2019 (COVID-19) pandemic. In addition to further measures for hospitality businesses (including requiring closure by 10 p.m. daily, service at tables and reducing the 30-person limit for weddings and similar down to 15) the requirement to wear face coverings in England was expanded to cover more places and to require staff working in hospitality and retail to wear them too. Earlier in the month, there were regulations requiring hospitality businesses to enforce the "rule of six." Businesses that fail to comply with the requirements to enforce the six-person limit without reasonable excuse can be subject to an initial fine of £1,000, increasing up to a maximum of £4,000 for subsequent offences (by way of fixed penalty notices). Failure to comply with requirements for early closure and service at tables could also result in an initial fine of £1,000, but increasing up to a maximum of £10,000 for repeated breaches. Companies (and officers such as directors where there is consent, connivance or neglect) can also be prosecuted for breach of the requirements.

Spot inspections by Health and Safety Executive (HSE) to check COVID-19-secure measures continue. The HSE <u>reported</u> earlier this month that it was targeting Bolton and Trafford. Amidst rising COVID-19 cases, the HSE says that it will provide advice and guidance to manage risk and protect workers and visitors during spot checks. However, where businesses are not managing risks properly, it also says that it will take immediate action, which can range from the provision of specific advice, to the issuing of enforcement notices, stopping certain work practices until they are made safe or, even, where businesses fail to comply, to prosecution.



Numerous parties charged with health and safety failings after queue barrier in shopping centre killed 10-year-old boy. There have been reports this month in the press of the intended prosecution by Reading Borough Council. Trade press reports indicate that the Council have issued a statement to confirm that charges have now been laid against Arcadia, Topshop, Stoneforce (the fitters) and Realm (the manufacturers) under the Health and Safety at Work Act 1974, following a Coroner's conclusion in March that the death of the boy in February 2017 was accidental, arising from an inadequately fixed barrier causing a traumatic head injury. The reported prosecution is a reminder that a number of parties can face potential liability in connection with an incident. The delineation of responsibility in these circumstances is often complex.

Corporate manslaughter investigation of governing body for UK Athletics. It has also been reported this month that UK Athletics is facing a corporate manslaughter charge for the death of a Paralympic athlete, when a throwing cage collapsed on him during a practice session. The Corporate Manslaughter and Corporate Homicide Act 2007 came into force in 2008. An organisation can incur significant penalties under its provisions in the event of conviction, including fines and reputational damage (as the court can force an organisation to publicise a conviction). Corporate manslaughter is governed by the same definitive sentencing guideline that applies to health and safety offences, under which the offence range is £120,000 to £20 million, with the court considering the seriousness and the size of the defendant (in terms of its turnover).

Department for Transport (DfT) issues new guidance for goods vehicle operators and drivers. The <u>guidance</u> is designed to prevent terrorists accessing commercial vehicles. There are numerous <u>best practice recommendations</u> to prevent "vehicle as a weapon" attacks, including around having and promoting a strong security culture and the development and implementation of procedures for staff reporting unusual behaviour to supervisors and police.



Government response to consultation on transparency in supply chains. The Modern Slavery Act 2015 requires certain commercial organisations to produce an annual slavery and human trafficking statement. With the aim of improving this reporting process, the government has announced in its response to a recent consultation on transparency in supply chains, that it intends to make the inclusion of certain matters within the annual statement mandatory, to require inclusion of the date when the statement was approved and signed (although this is best practice, this is not currently a legal requirement), to introduce a single fixed reporting deadline and to require publication on a government-run website. There is, as yet, no indication of a timescale for these changes to be implemented.

HSE announces crackdown on dust in construction. Its <u>press release</u> indicates a programme of inspections over coming weeks.

Updated guidance published on UK chemical regulations (UK REACH) from January 2021. The guidance is high level and more detail is expected, but it confirms the introduction of a REACH-like scheme in the UK, as previously proposed in the context of "no-deal" Brexit planning in 2018 and 2019. There is, however, a much longer phase-in period for full registrations than was originally proposed, with phase-in dates until October 2027 depending on tonnage and hazard classification of the substances. We have published a UK REACH Roadmap that sets out more details of the new regime and the steps that companies need to take now to ensure compliance with UK REACH, and also continued compliance with EU REACH for UK companies.

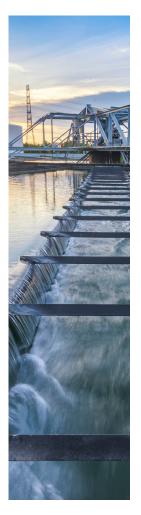
HSE has also updated its web-pages on Brexit transition guidance for Biocides; Classification, labelling and packaging of substances and chemicals (CLP); Prior informed consent (PIC); Plant Protection Products (pesticides); and REACH. These pages appear to replicate content already on other parts of the gov.uk website, and do not appear to include additional guidance from HSE.

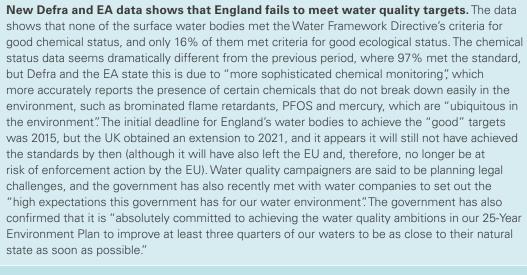


The Environment Agency (EA) has published its latest corporate scorecard, which shows it did not achieve many of its environmental performance targets. The scorecard covers the period from January to March 2020, and is intended to be a snapshot of the EA's performance against a number of metrics, but as a result of COVID-19, much of the data is either incomplete or estimated. Areas that were not on-target include water pollution, high-risk illegal waste sites. The scorecard also looks at wider "organisational" targets, such as budgets and workforce diversity (an area in which it is also below target).

The EA has also just published a report called State of environment: health, people and the environment. Its main findings include that air pollution is the single biggest environmental threat to health in the UK, shortening tens of thousands of lives each year, followed by noise, which is responsible for more life years lost than lead, ozone or dioxins. It also highlights the connection between mental health and pollution, flooding and climate change, and the inequalities across England in terms of exposure to pollution and access to the natural environment. It highlights that there are opportunities to improve health through the choices government, regulators, businesses and individuals make in creating and contributing to healthier, greener and more accessible environments.







A new CBI report found that improving air pollution could gain three million lost working days per year in the UK. The report, called "Breathing life into the UK economy: Quantifying the economic benefits of cleaner air" was commissioned by the Clean Air Fund. It examines the economic impacts of the UK achieving World Health Organization (WHO) guidelines for air pollution. Its main findings are that there would be a £1.6 billion annual economic benefit to the UK by meeting the WHO guidelines, 17,000 premature deaths could be prevented every year and three million working days could be gained by reducing worker sickness absence or absence due to sick children.

The Good Law Project is threatening a legal challenge for a review of the Clean Air Strategy in light of a link between air pollution and COVID-19. The claimants are Good Law Project, Mums for Lungs, Student Action for Global Health and the UK Youth Climate Coalition, and we reported on their initial letter to the government in our June edition. The matter has now progressed to a formal pre-action protocol letter, which sets a deadline of 17 September for the government's substantive response, failing which proceedings will be issued. The legal challenge rests largely on the precautionary principle, meaning that if scientific evidence about an environmental or human health hazard is uncertain and the stakes are high, precautionary measures should be taken. If this case was to establish a precautionary principle approach in UK law, this would be a major development.

The EA is consulting on new guidance about appropriate measures for permitted facilities that take non-hazardous and inert waste for treatment or transfer. The guidance is intended to improve the design and operation of permitted facilities in the non-hazardous and inert waste sector, to make sure that standards are clear, consistent and enforceable. The guidance will apply to existing and new facilities, such as household waste recycling centres, waste transfer stations, materials recycling facilities and sites producing soil and aggregates. One aspect of the new guidance states that when choosing a site, operators should consider the potential impacts of climate change, and make sure that they minimise potential pollution impacts on nearby receptors. Existing facilities will be given time to implement the new standards. Unless specifically stated, the guidance will apply to all permitted waste management facilities in the sector, whether operating under an installation or waste operation permit. The consultation closes on 13 November 2020.

UK Climate Assembly publishes its recommendations on achieving net zero. The Assembly is a group of 108 individuals selected as a cross section of the UK population, called upon by six select committees of the House of Commons, to meet and make proposals about climate change and the net zero commitment. It has now published its report and key recommendations include taxes on flying, which exponentially increase with frequency and distance; different types of zero carbon heating; local production and consumption of food and carbon-related food labelling; and not exporting our emissions. It calls upon governments and businesses to encourage changes in lifestyle to reduce emissions, and for politicians to unite on this issue across political parties. The Assembly did not propose any kind of personal carbon allowances, nor did it particularly support the use of fossil fuels with carbon capture and storage, preferring renewable power, and it did not propose any shortening of the 2050 net zero deadline.





Six Portuguese young people filed a climate case against 33 countries (including the UK) with European Court of Human Rights (ECHR). The claim alleges breaches of Article 2 (legislation to deter threats to the right to life) and Article 8 (the right to respect for private life, family life, home and correspondence). They are asking the ECHR to hold 33 countries accountable for fuelling the climate crisis, and the claim centres on their assertions about the rising threat that climate change poses to their lives and to their physical and mental wellbeing (and will affect them more than older people). This is the latest in a growing line of climate change litigation cases that include claims about breaches of human rights.

Meanwhile, a UK campaigner is seeking judicial review of the proposed UK Emissions Trading Scheme on climate grounds. The claimant argues that the proposed UK scheme should include municipal waste incinerators (not currently covered by the EU emissions trading scheme), because they are a significant source of greenhouse gas carbon emissions. She also objects to the possibility to "bank" emission allowances to meet future compliance requirements (permitted under the EU scheme), and argues that the emissions cap should be set at below "business as usual" levels. She asserts that if these changes are not made, the UK will not meet its Paris Agreement commitments.

The CDP, Climate Disclosure Standards Board (CDSB), Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) are to develop joint guidance on corporate sustainability reporting. These five are among the leading sustainability reporting organisations, and a number of them set the frameworks and standards for sustainability disclosure, including climate-related reporting, along with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. They have issued a statement of intent to work together towards corporate reporting, including on sustainability and environmental issues. They identify features of the current systems, which have created confusion among producers and users of sustainability information, and which and have made it harder to develop the comprehensive solution for corporate reporting that is urgently needed. Their aim is to provide joint market guidance on how the different frameworks and standards can be applied in a complementary way, and a joint vision of how applying sustainability frameworks and standards can complement financial generally accepted accounting principles (financial GAAP).

Guidance has been issued on the English ban on straws, stirrers and cotton buds. The Department for Environment, Food and Rural Affairs (Defra) published guidance on the ban on the supply and sale of these items, which comes into effect on a phased basis, through the Environmental Protection (Plastic Straws, Cotton Buds and Stirrers) (England) Regulations 2020, from 1 October 2020. Local authorities will be responsible for enforcement. The guidance explains the phased introduction of the ban, depending on the type of product and the type of customer (consumer or business), and how existing stocks are treated. There are a number of exemptions that are explained in more detail in the guidance, and it also includes information about enforcement and penalties.

Hampshire introduces online nitrate trading pilot to unblock development. Housing developments in a number of English counties have effectively ground to a halt following the 2018 ECJ decision in the so-called Dutch Nitrogen Case. Housing growth has stalled in the Solent area for over a year due to concerns that nitrates were causing a range of negative environmental effects, such as excessive growth of green algae. The pilot project will establish an online "nitrate trading" auction platform, through which housing developers will buy credits to create new habitats to prevent harmful levels of nitrates from new housing from reaching rare wildlife and habitats. If successful, this platform could be rolled out to other areas affected by the same issues.

The EA's Definition of Waste Service has been temporarily suspended until at least 1 January 2021. This means it is not possible to submit a request to the EA at the moment for an opinion on the waste status of a material. No reason has been given for the closure, but it could be connected to workload struggles in other areas – the EA has also recently confirmed that it has brought in additional resources to help it clear a substantial back-log in environmental permit applications. The EA had only reopened the paid-for waste advice service in 2018, having suspended its previous service in 2016 and come in for criticism as a result.







The government may be considering abolishing the "green list" for UK waste exports. Defra minister Rebecca Pow, speaking at an Environmental Audit Committee (EAC) inquiry, indicated that Defra may "consult on whether all waste exports should be notified" to avoid hazardous waste (particularly electronic waste) being misdescribed and exported under the simplified green-list procedure, which does not require notification and consent.

The Institute for Government reports on delivery of Net Zero. The report, "Net Zero – How Government can meet its climate change target" identifies seven actions/requirements that he government should take in order to deliver this target, including coordination across government and between sectors, consistent policy and regulatory frameworks, and processes to develop public and cross-party political support.

A number of COVID-19 EA regulatory position statements (RPS) expire at the end of September, but others are extended to March 2021. There were COVID-19 RPSs, 13 of which were due to expire on 30 September 2020 and one that is due to expire on 30 November 2020. The EA confirmed in a stakeholder letter which will be extended, and has subsequently updated the extended RPS. Five RPS will be extended until the end of March 2021, covering social distancing for waste transfer and consignment notes; PPE waste from home healthcare workers treating patients with COVID-19; cleansing and PPE waste at a healthcare waste management facility; accumulating radioactive waste that you cannot transfer because of COVID-19; and exceeding permit limits for medical use of radioactive substances. There are six expiring RPS covering water and sewerage company sampling, storing treated sewage sludge you cannot move; exceeding waste storage limits at permitted sites; storing waste at unpermitted sites due to exceeding your storage limits; temporary storage of incinerator bottom ash aggregate and spreading slurry or milk on land, or storing slurry. There are two further RPSs with September expiry dates, relating to monitoring and reporting. The EA has said that it intends to let those expire, but re-issue them in similar terms to last until 31 January 2021. Separately, the EA has also confirmed that, due to COVID-19, the planned move of abstraction and impounding licensing into the environmental permitting regime is being delayed until spring 2021.

The Department Business, Energy and Industrial Strategy (BEIS) consults on a Green Gas Levy. The Green Gas Levy was announced at the March 2020 Budget and will be the funding source for the Green Gas Support Scheme (to increase the proportion of green gas in the grid, through support for biomethane injection). Both are expected to launch in autumn 2021, while the first levy collection is intended to be in April 2022. This consultation sets out proposals for the new levy to be placed on licensed gas suppliers. BEIS anticipates that suppliers will pass the costs of the levy onto gas bill payers in the domestic and non-domestic sectors. OFGEM will administer the scheme. The consultation closes in 2 November 2020.

Waste site director ordered to pay back proceeds of crime. A company director has been issued with a Proceeds of Crime Act (POCA) order to pay back over £179,000 in proceeds of crime while running an illegal waste operation. The individual was the sole director of Rhino Recycling Limited, which operated an unlicensed waste site. The director was convicted of waste offences and sentenced to 12 months' custody suspended for 18 months and ordered to complete 160 hours' unpaid work in the community. The EA then followed up with proceedings to recover the proceeds of crime. Between March 2013 and December 2015, he acquired over £1,000,000 in criminal benefit from the company's illegal waste activities and was ordered to pay back £179,373.36, the sum total of all of his available assets. He also pleaded guilty to contempt of court for dealing with and disposing of a portion of his assets between September 2019 and July 2020, contrary to the terms of a court order forbidding him from doing so. He was sentenced to four months' imprisonment, suspended for 18 months.





Court upholds POCA awards against landowners for unauthorised waste on their sites (but that they did not personally deposit). In R v Green and Ryder, the appellants owned the site as individuals but the waste was deposited by a company (controlled by the same individuals) that had a permit. The appellants were convicted of operating a waste disposal facility without a permit because they continued to store and treat some of the waste that the company had deposited. A POCA award was also made against the appellant for criminal benefit from the waste deposit - which they appealed on the grounds that it was the company that originally (and lawfully) benefitted from the deposit of the waste, not the individuals. They also argued that, as well as receiving no financial benefit, their site was now worth less because of the presence of the waste. The EA's position was that the fact that the waste had originally been lawfully deposited was irrelevant and that in order to comply with the permitting legislation, the appellants had to remove the waste, and, in not doing so, had avoided costs. The Court of Appeal dismissed the appeal, holding that storing the waste was an offence and saving the costs of removal is a pecuniary advantage. This is the latest in a line of cases that have held landowners/ landlords responsible for waste on their sites by others (albeit in this case the "other" did have a connection to the owners).

High Court rules on application of lease repair covenant to asbestos materials spread across site. In *Pullman Foods Ltd v The Welsh Ministers and another*, the tenant had appointed consultants to dismantle and remove buildings from the site, and their work has disturbed asbestos-containing materials that had been left distributed across the site at the end of the lease. The yield-up covenant in the lease required the tenant to return the property "in good and substantial repair and condition to the satisfaction of the [lessor]." The key issue was whether this covered the asbestos materials, and the court held that it did. The court held that "condition" could include works that went beyond strict repair, and the presence of asbestos meant that the site was in a damaged or deteriorated condition and not in a good condition or in proper repair. The court found the tenant liable for damages for breach of covenant. This case highlights that it is important for tenants to check the environmental condition of a property and any hazardous materials present, before taking a new lease.

Sri Lanka is believed to be sending 21 containers of waste back to the UK after they were found to contain hazardous material. It has been reported that hospital waste was discovered in a number of containers (supposed to contain mattresses, carpets and rugs for recycling) imported by a private firm. The material is believed to have been impounded in Sri Lanka in 2018, and following legal action, 21 containers are now being exported back to the UK. The EA has confirmed that "we are in contact with the Sri Lankan authorities and have requested more information that would allow us to launch a formal investigation." This follows similar action taken by Malaysia and Poland in relation to allegedly misdescribed waste exports.

European Commission (EC) launches a consultation on review of EU fluorinated greenhouse gas regulation. Following an <u>Inception Impact Assessment</u> (IIA) published in June, this is the next stage of the review process. The public consultation aims to collect public views and evidence on the impact of the F-Gas Regulation (517/2014) and on the different policy options. The public consultation runs until 29 December 2020 and, according to the IIA, the EC is expected to adopt a proposal for a amending regulation in Q4 2021.

ECHA has issued a SCIP update bulletin confirming the database will be launched in late October 2020. New requirements for the submission of data about hazardous substances in articles to the SCIP database apply from 5 January 2021 in the EU, aimed at improving information available about hazardous substances in products when they become waste. During the last week of October, the SCIP database will be formally open for submitting notifications, several months in advance of the deadline. ECHA is encouraging companies to continue their preparations and states it is not aware of any plans to defer the deadline. ECHA is also hosting a webinar in November, and has issued a new infographic that explains the main duties and definitions related to the SCIP database and substances of very high concern (SVHCs) in articles.



The EC published the 2030 Climate Target Plan. The plan sets out a proposed 2030 emission reduction target of at least 55% compared to 1990 levels. This is accompanied by proposed amendments to the draft European Climate Law, to give effect to this new target, and to require the Commission to review, by 30 June 2021, how to amend other EU legislation to meet the amended 2030 and 2050 target. The EC also proposes that this 2030 target should form the EU's new Nationally Determined Contribution under the Paris Agreement, and that it should be submitted to the UNFCCC before the end of 2020. The EC is expected to issue detailed legislative proposals by June 2021.

The EC published consultations on reducing the impact of EU products on deforestation and forest degradation and on illegal logging. The UK issued its own similar proposals in August. The consultations seek views on potential additional EU measures to address these issues, and are open until 10 December 2020 and 26 November 2020, respectively.

EC unveils plan to create Sustainable Products Policy Framework. In line with its New Circular Economy Action Plan (CEAP 2.0), the EC published the IIA for the Sustainable Products Policy Framework. It foresees revision and extension of the Ecodesign Directive 2009/125 "to the broadest possible range of products," as well as possibly "a wide range of product related instruments." It is anticipated that these measures could include introducing extended producer responsibility (EPR) for the management of waste from product groups where it does not yet apply, and mandatory recycled content or recyclability requirements. However, the eventual scope and shape of the revision of the Sustainable Products Policy Framework remains to be seen, in particular against the backdrop of already existing sectoral legislation (such as the Packaging and Packaging Waste Directive and Construction Products Regulation, which are both currently being revised). It wants to give priority to product groups identified in the CEAP 2.0, such as electronics, ICT and textiles, but also furniture and high-impact intermediate products, such as steel, cement and chemicals. Stakeholders can provide feedback on the EC's plan until 2 November. The EC plans to make a legislative proposal by the end of 2021.



European Parliament to discuss New Circular Economy Action Plan. The Committee for Environment (ENVI) published a draft report on the CEAP 2.0. Amongst other things, the draft report emphasises the specific role that SMEs (and start-ups) are playing in the transition to a circular economy. It strongly endorses the broadening of the scope of the Ecodesign Directive and encourages the EC to propose targets for each product category and product-specific targets for recycled content, while ensuring the performance and safety of the products concerned. It underlines the objective to achieve non-toxic material cycles and reiterates the Parliament's position on a Chemicals Strategy for Sustainability (please see frESH Law Horizons July 2020). As the public sector should lead the way, the draft report supports the establishment of minimum mandatory criteria and targets for green public procurement. It underlines the essential role of packaging for food safety and hygiene. It asks industry to commit to reducing packaging and to develop more efficient and circular solutions. The Rapporteur's explanatory statement specifies a reduction of 50%, "bearing [...] in mind [a substitution of plastic with] renewable or recyclable material by 2030". It urges the EC to tackle microplastics in a comprehensive way. It calls on the EC to fully integrate circular economy principles in its upcoming Renovation Wave policy. It calls on the EC to propose specific binding waste reduction targets and caps on the generation of residual waste. It also asks the EC to assess measures to make secondary raw materials more competitive. ENVI will vote on amendments proposed on 7 December, before submitting its final report to the Parliament. In parallel, the Council of the EU (i.e. the member states) has been working on a draft policy statement on the CEAP 2.0, and plans to adopt its conclusions on 17 December. The final Council conclusions and resolution of the Parliament will be non-binding (just as the CEAP 2.0 itself). However, they could inform the already ongoing development of legally binding measures.



EC deems industrial emissions law effective but sees room for improvement. The publication of a 124-page-long Staff Working Document concludes the evaluation of the Industrial Emissions Directive 2010/75 (IED), which formally started in 2018 (please see *frESH Law Horizons* November and December 2018). The EC found that the IED has been effective in reducing the environmental impacts and competitive distortions in the EU, providing significant EU added value. However, it appears to have made an only limited positive contribution to resource efficiency, the circular economy and innovation, and had not contributed greatly to decarbonisation. The areas where the performance of the IED was not satisfactory or did not target as precisely the new policy objectives set out in the <u>European Green Deal</u> would be central to the review of the IED, which the EC has formally started earlier this year (please see *frESH Law Horizons* March 2020).

EC presents legislative proposal on occupational safety and health (OSH) in the fight against cancer. The proposal is the first initiative of the EC's upcoming flagship health policy Europe's Beating Cancer Plan, which is expected by the end of this year. The proposed fourth revision of the Carcinogens and Mutagens Directive 2004/37 (CMD) sets new or revised "Annex III" exposure limit values for acrylonitrile, nickel compounds (new limit values) and benzene (existing limit reduced). The EC noted that each year, about 120,000 work-related cancer cases occur because of exposure to carcinogens in the EU, leading to approximately 80,000 fatalities annually, making cancer the cause of half of the deaths linked to work. Estimates showed that more than 1.1 million workers in a wide range of sectors would benefit from improved protection by the proposed changes. As any other ordinary legislative proposal, it will now be negotiated by the European Parliament and the Council.

EC opens public consultation on green claims. As planned in its IIA, the <u>EC has published a survey</u> on its legislative initiative on substantiating green claims with the Product and Organisation Environmental Footprint (PEF and OEF) methods (please see frESH Law Horizons July 2020). The EC aims to make the claims reliable, comparable and verifiable across the EU – reducing "greenwashing" (i.e. companies giving a false impression of their environmental impact). This should help commercial buyers and investors to make more sustainable decisions and increase consumer confidence in green labels and information. Stakeholders can fill out the survey until 3 December. The EC also plans further stakeholder engagement before presenting a legislative proposal in the second quarter of 2021.

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