



Press Release

다시, 대한민국!
새로운 국민의 나라

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The Minister of Environment made a policy briefing to the President

- Achieving economic growth and a better and safe environment for all at the same time-

The Ministry of Environment will implement policies for a transition towards carbon neutrality in scientific and feasible ways.

- **(Achieving carbon neutrality based on science)** The Ministry will reach the climate targets promised to the international society. The Ministry will ensure to achieve the sector-specific objectives by utilizing nuclear power.
- **(K-taxonomy)** The Ministry will include nuclear power in the K-taxonomy on the premise of safety to attract green investment.
- **(Overcoming the carbon barrier)** The Ministry will help South Korean companies overcome a de facto trade barrier by upgrading the Korea emission trading system (K-ETS)

The Ministry of Environment will create a pleasant and safe environment.

- **(Particle pollution)** The Ministry will reduce ultrafine particle concentration by 30 % and make the country's level of particle pollution the middle of OECD countries.
- **(Safe water management)** The Ministry will freeze water prices supplied through the regional water system. The Ministry will also establish a water-related disaster response system using advanced technology.
- **(Scientific river management)** The Ministry will provide an optimal operational plan for dams in the four major rivers based on scientific data.

The Ministry of Environment will create an environment to increase the competitiveness of the country and the companies together.

- **(Circular economy)** The Ministry will contribute to resource security by recycling plastics and rare-earth metals.
- **(Green management)** The Ministry will create a virtuous cycle in which the more environmental results the companies produce, their corporate values will get higher.
- **(Support for export)** The Ministry will provide environmental support for the semiconductor, automobile, and oil industries
 - ※ (Semiconductor) Localization of technology for ultrapure water,
 - (Automobiles) Distributing 2 million zero-emission vehicles,
 - (Oil) replace oil with pyrolysis-derived oil

Sejong, July 18 - On July 18, the Ministry of Environment (ME, Minister Han Wha-jin) made a policy briefing to President Yoon Suk Yeol. Acknowledging the growing importance of economy and livelihood due to global inflation and high-interest rates, the Ministry focused on policy efforts to revive the Korean economy and environment simultaneously and to make a better and safe environment for people.

The three core tasks and nine detailed tasks are as follows.

The Ministry of Environment will implement policies for a transition towards carbon neutrality in scientific and feasible ways.

- ❶ **First, the Ministry will ensure to reach the climate targets, or the Nationally Determined Contributions, by 2030 while redesigning the sector-specific reduction goals.**

The Ministry of Environment will make efforts to reduce greenhouse gas (GHG) emissions from power generation as much as possible by increasing the contribution of nuclear power to the country's energy mix based on the nation's energy policy direction. It will make the government achieve reduction goals faster by allocating emission allowances to the industry and buildings/waste sectors. The Ministry will draw the draft redesign of the sector-specific reduction targets through professional reviews and extensive feedback. Then, the Ministry will include the draft in the first master plan for national carbon neutrality and green development by March 2023.

② Second, the Ministry of Environment will establish a foundation for further utilizing nuclear power plants.

Using nuclear power has the advantage of reducing GHG emissions and particulate matter. Therefore, the Ministry plans to include nuclear power in the K-taxonomy, a classification system of green economic activities, to attract green investment.

If nuclear power is included in the K-taxonomy, the Ministry will apply it according to the nuclear and environmental safety guidelines suggested by the European Union.

③ Third, the Ministry of Environment will help South Korean companies overcome a carbon trade barrier.

Korean companies may face a de facto trade barrier caused by insufficient carbon reduction, such as the EU's carbon border adjustment mechanism.

The Ministry of Environment will support Korean companies so that they can preemptively improve their industrial structures. Like the EU, the Ministry will ensure that companies significantly contributing to carbon reduction will receive more emission permits. The Ministry will also expand the auctioning for allocating emission allowances. The Ministry will devise a realistic approach to lessen the industry's burden while considering its competitive edge, and it will take effect in 2026 after sufficient preparation. Furthermore, the Ministry will establish a cooperative system so the EU can acknowledge South Korea's efforts. The Ministry will invest the profits from emission allowance auctioning to develop technology and companies' activities for carbon reduction.

The Ministry of Environment will create a pleasant and safe environment.

① First, the Ministry of Environment will reduce ultrafine particle concentration by 30% to move up from the lowest to the middle position among the OECD countries.

The Ministry of Environment will support for transition to clean energy in the industrial sector and the early scrapping of aged vehicles, including class 4 and class 5 vehicles. The Ministry will also assist with the conversion to automated heavy equipment.

The Ministry will take the additional initiative to prepare a high concentration of ultrafine particles. In line with this, the Ministry will extend the period of seasonal management for particle pollution from the current four months (December to March). Current forecasts for ultrafine particles are made 12 hours before. However, the forecasts for particle pollution will be made two days before.

- ❷ **Second, The Ministry will freeze water prices supplied through the regional water system. The Ministry will also establish a water-related disaster response system using advanced technology.**

While controlling the tap water quality in real-time using information and communications technology, the Ministry of Environment will continue diversifying the water intake sources of the Nakdonggang River. (construction to begin in 2025). The Ministry will freeze water prices supplied through the regional water system to ensure stability in peoples' lives. The Ministry of Environment will reduce or exempt from tap water fees for private waterworks businesses. The Ministry will adopt various technologies like seawater desalination and wastewater recycling to ensure quality and stable water supply for industrial complexes with rising water demand.

Furthermore, we will make use of advanced technology such as artificial intelligence for flood forecasting (2025) and digital replicas (twins) of dams and rivers (2026), thus completing the flood response system. We will develop a flood map to respond to urban flooding issues by 2025. It will also prevent sinkholes by replacing old drainage pipes.

- ❸ **Third, the Ministry of Environment will scientifically manage the rivers to benefit residents and the environment.**

The Ministry will comprehensively and scientifically manage the water quality, ecology, and measurements of dams in the four major rivers to devise an approach that will increase the utility of the dams in response to climate change.

The Ministry of Environment will create an environment to increase the competitiveness of the country and the companies together.

- ❹ **First, the Ministry of Environment will build a circular economy by improving recycling rates.**

The Ministry will upgrade and manage the life cycle of plastics from production, collection, separation, and recycling. The Ministry will also increase the supply and demand of waste plastics and recycling by encouraging companies to produce easily recyclable plastics and increase the separation rate of plastic waste.

Additionally, the Ministry will collect electronic waste and batteries to extract and reuse rare-earth metals, such as lithium and cobalt, whose demand is rising.

- ❷ **Second, the Ministry of Environment will establish a green management system in which the more environmental results the companies produce, their corporate values will increase.**

With the growing ESG trend, the Ministry will align the environmental data disclosure system with global standards to ensure that the investment value generated from Korean companies' environmental achievements is highly recognized.

Furthermore, the Ministry will partner with the financial sector for active financial investment in green, low-carbon activities in the private sector. The Ministry will also support SMEs in the inadequate condition through consulting, funding, and policy-based finance.

- ❸ **Third, the Ministry will provide environmental support for South Korea's major exports.**

The Ministry will localize the ultrapure water technology, considered the essence of the semiconductor industry, by 2025 (domestic market of KRW 1.4 trillion) and thus establish a stable supply chain.

The Ministry will supply two million zero-emission vehicles during the Yoon administration for a stable domestic market, and the Ministry will bring technological innovation based on this. The Ministry will make the private sector lead to establishing and operating high-speed electric vehicle (EV) chargers in the private sector for the expansion of charging facilities and supply of EVs.

The Ministry will also assist the petroleum industry in supplying raw materials and deregulation so the industry can use pyrolysis oil produced from used plastic bags as a substitute for oil.

Minister of Environment Han Wha-jin said, "While remaining dedicated to pursuing policies for the coexistence between the economy and environment, and ensuring a pleasant environment, I will also make sure to achieve our environmental policy goals not included in this work report."