

Environmental Policies: Changes Coming in 2025

- Ten key policies newly introduced by the Ministry of Environment, including the expansion of the emissions trading system

The Ministry of Environment (Minister Kim Wansup) has announced 10 major environmental policies that will change starting in 2025. The newly introduced policies were selected based on high interest from the public and businesses, and the details are as follows.

① Expansion of market participants in the emissions trading system and enhancement of market flexibility

According to the Act on the Allocation and Trading of Greenhouse Gas Emission Permits, as of February 2025, not only business entities eligible for allocation (hereinafter referred to as “allocation companies”) but also institutional investors such as collective investment business entities, banks, insurance companies, and fund managers will be allowed to participate in the emissions trading market. In addition, whereas previously emissions trading was only possible through the emissions trading exchange (Korea Exchange), trades can now also be conducted through emissions trading brokerage companies, enhancing trading convenience. Furthermore, starting in June 2025, when applying for the carryover of remaining emission permits, the allowable carryover amount will increase from three times to five times the net sale amount, making the utilization of emission permits more flexible.

② Guarantee of KRW 1.5 trillion for small and medium-sized climate technology companies through the Green Transition Guarantee Project

Until now, although small green companies have growth potential, they have not been able to fully benefit from green finance due to low collateral and

credit, which created barriers to loan access. Therefore, starting in January 2025, the Green Transition Guarantee Project (worth KRW 140 billion) has been newly initiated. Through this project, guarantees totaling KRW 1.5 trillion will be provided to small climate technology companies with excellent climate and environmental technologies, as well as to small and medium-sized enterprises (SMEs) promoting greenhouse gas reductions, aiming to support smooth funding procurement.

③ Upgrade and management of 10 local rivers to national river status

By the end of 2023, through deliberation and resolution by the National Water Resources Management Committee, 20 local rivers were designated as and changed to national river status. Out of them, 10 rivers were upgraded first in October 2024, with the remaining 10 rivers, including the Jucheon River, being upgraded starting in January 2025.

As a result, the total length of national rivers will increase by 267 km to 4,069 km (89 rivers). For the rivers upgraded to national river status, flood control plans will be prioritized, including reinforcement of embankments and improvement of drainage facilities to ensure safety against floods, including those with a 100-year return period.

* (Designation: 8 rivers) Jucheon River, Danjangcheon River, Dongchangcheon River, Wicheon River, Byeongcheoncheon River, Jocheon River, Osucheon River, Cheonnicheon River / (Extension: 2 rivers) Gapcheon River, Sapgyecheon River.

④ Implementation of the hygiene and safety certification system for water purification plants

In accordance with the Water Supply and Waterworks Installation Act, as of January 2025, a water purification plant hygiene and safety certification system will be implemented to certify wide-area and local water purification plants that supply hygienic and safe tap water as hygiene and safety-compliant purification plants, with periodic renewals.

⑤ Improvement of chemical substance regulations to international standards

According to the Act on the Registration and Evaluation of Chemical Substances, starting in January 2025, the registration obligation criterion for newly manufactured or imported chemical substances will be changed from 0.1 tons per year to 1 ton per year, in line with international standards such as those of the European Union (EU). For chemical substances that are required to be reported and are below 1 ton per year, information about the reported substances will be made publicly available starting in August 2025, and the government will review the appropriateness of the reporting materials to ensure thorough chemical substance management. In addition, in the past, chemical substance regulations have been uniformly applied to business establishments (such as inspection cycles for handling facilities and operational permit obligations), but they will be applied differentially based on risk level and quantity handled starting in August 2025.

⑥ Operation of a differentiated environmental impact assessment system considering regional conditions and environmental impacts

According to the Environmental Impact Assessment Act, starting in February 2025, for small-scale projects, cities and provinces can conduct self-assessments considering regional conditions instead of evaluations by watershed or local environmental offices. In addition, starting in October 2025, projects with minimal environmental impact will undergo rapid assessments, while projects with significant environmental impact will undergo in-depth assessments, thus differentiating the evaluation procedures in proportion to the environmental impact.

⑦ Expansion of electric vehicle subsidies for young people and multi-child households

According to the “2025 Guidelines for Processing Subsidies for Electric Vehicle Supply Projects,” which will be effective as early as January 2025, young individuals purchasing an electric vehicle as their first-ever car will be able to receive an additional 20% of the government subsidy that is normally provided for each vehicle type. For multi-child households, the additional

support previously set at 10% of the basic government subsidy has been reformed to a fixed amount (KRW 1 million to 3 million), allowing them to receive more subsidies than before.

⑧ Expansion of reward categories for the carbon neutrality point system

According to the “Regulations on the Operation of the Carbon Neutrality Point System,” starting in February 2025, the reward categories for carbon neutrality points will be expanded from the existing 10 to 12, with the addition of “bicycle use” and “zero food waste practices.” In addition, the reward rate for using multi-use delivery containers will be adjusted from KRW 1,000 per use to KRW 2,000.

⑨ Implementation of one-stop service for health damage investigation, dispute resolution, and damage relief

Until now, services for environmental damage investigation (by the Ministry of Environment), dispute resolution (by the National Environmental Dispute Resolution Commission), and damage relief (entrusted to the Korea Environment Industry & Technology Institute) have been carried out individually by various agencies. As a result of amendments to the Environmental Health Act, Act on Liability for Environmental Damage and Relief Thereof, Environmental Dispute Mediation and Environmental Damage Relief Act (formerly the “Environmental Dispute Mediation Act”), Asbestos Damage Relief Act, and Consumer Chemical Products and Biocides Safety Control Act, starting in January 2025, the Environmental Dispute Resolution and Damage Relief Commission will serve as a unified point of contact for health damage investigation, dispute resolution, and victim compensation, enabling swift environmental damage relief with a single application.

⑩ Implementation of the public sector biogas production target system

In accordance with the Act on the Promotion of the Production and Use of Biogas from Organic Waste Resources, the public sector biogas production target system has been officially implemented as of January 2025. Public obligated producers will gradually increase the proportion of biogas production

from organic waste resources to 50% by 2025 and 80% by 2045, based on the biogas production target rate.

* Mandatory production ratio based on the maximum production capacity of biogas that can be produced from organic waste resources

Son Ok-ju, Deputy Minister for the Planning and Coordination Office of the Ministry of Environment, stated, “We will continuously improve environmental policies by reflecting the voices of the public and the challenges faced on the ground.”

Attachment: New and Previous Comparison Table. End.

New & Previous Comparison Table

No.	Policy Name	Before Change	After Change	Related Regulations (Effective Date)
1	Expansion of Market Participants in the Emissions Trading System and Enhancement of Market Flexibility	■ (Market participants) Business entities eligible for allocation, market makers, emission trading brokerage firms ■ (Trading Method) Direct transactions are only possible through the emissions trading exchange (Korea Exchange). ■ (Carryover Approval Criteria) It is possible to carry over up to three times the net sales volume of each phase (3rd and 4th) emission allowances (KAU, KCU) and offset credits.	■ Additional institutional investors such as collective investment business entities, banks, insurance companies, and fund managers. ■ Entrusted transactions are possible through emissions trading brokerage companies. ■ It is possible to carry over up to five times the net sales volume of each phase (4th) emission allowances and offset credits.	- Act on the Allocation and Trading of Greenhouse Gas Emission Permits (from February 2025) '3rd Planning Period Emission Allowance Allocation Plan (Revised)' (from June 2025)
2	Guarantee of KRW 1.5 Trillion for Small and Medium-Sized Climate Tech Through the Green Transition Guarantee Project	■ (Newly established)	■ The budget for the Green Transition Guarantee Project has already been reflected. ※ A basis for support under the "Environmental Industry Support Act" is planned to be established in the future.	
3	Upgrade and Management of 10 Local Rivers to National Rivers	■ 81 national rivers (3,802 km)	■ 89 national rivers (4,069 km, 267 km ↑*) * Designated 8 locations (247 km, Jucheongang, Danjangcheon, Dongchangcheon, Wicheon, Byeongcheoncheon, Jocheon, Osucheon, Cheonmicheon) + extended 2 locations (20 km, Gapcheon, Sapgyocheon)	'Notification of Designation/Change to National Rivers' (from January 2025)
4	Implementation of Hygiene and Safety Certification System for Water Treatment Plants	■ (Newly established)	■ Regulations on the application for water treatment plant hygiene & safety certification, certification standards, and validity period	Water Supply and Waterworks Installation Act (from January 2025)
5	Improvement of Chemical Substance Regulations to International Standards	■ Obligated to register before manufacturing or importing new chemical substances of 0.1 tons or more annually ■ Licensing requirement for handling hazardous chemicals ■ Inspection of handling facilities conducted every 1 to 2 years	■ Obligated to register for 1.0 tons or more annually ■ Chemical substances required to be reported (less than 1.0 tons) involves public disclosure of reporting information and review of the appropriateness of reporting materials. ■ Differentiation of business licensing/reporting based on the regulated quantity for each substance ■ Differentiation of inspection cycles for handling facilities based on risk level and handling volume (1 to 4 years)	- Act on Registration and Evaluation of Chemical Substances (from January 2025) - Act on Registration and Evaluation of Chemical Substances (from August 2025) - Chemical Substance Control Act (from August 2025)
6	Operation of Environmental Impact Assessment System Considering Local Conditions and Environmental Impact	■ Projects for small-scale environmental impact assessments are not subject to ordinance evaluation ■ (Newly established)	■ Ordinance evaluation is possible for private projects among those subject to small-scale environmental impact assessments. ■ Establishment of a basis for conducting rapid and in-depth evaluations based on the level of environmental impact.	- Environmental Impact Assessment Act (from February 2025) - Environmental Impact Assessment Act (from October 2025)
7	Expansion of Electric Vehicle Subsidies for Youth and Multi-child Households	■ (Newly established) ■ An additional 10% of the purchase subsidy (national funding) will be provided when a multi-child household (individual) purchases an electric vehicle.	■ An additional 20% of the purchase subsidy (national funding) will be provided when young people (ages 19 to 34) purchase an electric vehicle for the first time in their lives. ■ An additional maximum of KRW 3 million* will be provided based on the number of children. * (2 children) KRW 1 million, (3 children) KRW 2 million, (4 or more children) KRW 3 million	Guidelines for Processing Subsidies for Electric Vehicle Supply Projects (from January 2025)
8	Reorganization of Incentive Payment Categories for the Carbon Neutrality Point System	■ (Newly established) ■ KRW 1,000 per use is granted when using reusable containers for delivery.	■ Additional incentive payment items: - Use of public bicycles - Practice of zero food waste ■ KRW 2,000 per use	Regulations on the Operation of the Carbon Neutrality Point System (from February 2025)
9	Implementation of One-Stop Service for Health and Environmental Damage	■ (Damage Investigation) Ministry of Environment ■ (Dispute Settlement) National Environmental	■ Integrated handling by the Central Environmental Dispute Resolution and Damage Relief Commission	Environmental Health Act, Act on Liability for Environmental Damage and Relief Thereof,

No.	Policy Name	Before Change	After Change	Related Regulations (Effective Date)
	Investigation, Dispute Resolution, and Damage Relief	- Dispute Resolution Commission (Damage Relief) Commissioned to the Korea Environmental Industry and Technology Institute		Environmental Dispute Mediation and Environmental Damage Relief Act, Asbestos Damage Relief Act, Consumer Chemical Products and Biocides Safety Control Act (from January 2025)
10	Implementation of Target System for Biogas Production from Organic Waste Resources in the Public Sector	(Newly established)	- Public sector biogas production target system (Target) Local governments nationwide (Goal) By 2025: 50% → Expanded to 80% by 2045	Bioenergy Act (from January 2025)