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SUSTAINABILITY NEWSLETTER

MARCH 2024

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NATIONAL

JSE TO BEGIN TRADING CARBON OFFSET CREDITS – The Johannesburg Stock Exchange (JSE) recently collaborated with Xpansiv Ltd., a provider of trading infrastructure for environmental commodities like carbon credits and renewable energy certificates, to leverage Xpansiv's specialized knowledge in the industry. The decision of the JSE to start carbon offset trading comes as a response to the growing global focus on sustainability and environmental responsibility and serves as a way to address the potential demand in the local marketplace. As the largest producer of greenhouse gases on the continent, South Africa is slowly implementing a carbon tax, leading to a potential boom in the offset market. Additionally, being the continent's top generator of solar and wind energy would simplify the process of issuing carbon credits. Leila Fourie, JSE's Chief Executive Officer, mentioned in an interview that there have been a minimum of five sellers interested in registering. The issuance of the first credits is anticipated to take place around April and May 2024. Fourie also stated that the initial carbon credits available for trading are linked to forestry and agriculture initiatives that isolate CO₂ from the air. The JSE is currently engaged in discussions with two other African exchanges for a potential partnership in trading offsets using the platform established by the JSE. This collaboration will not only expand the reach of carbon offset trading in Africa but also foster greater cooperation in addressing climate change on the continent. This move marks a significant step towards greater sustainability in the region, as companies will now have the opportunity to participate in carbon offset trading on a regulated platform. As the largest exchange in Africa, the JSE has the potential to set a precedent for other exchanges on the continent and to lead the way towards a carbon neutral future for the continent.

Source: Carbon Herald dated 22 March 2024

MINISTER'S DECISION COULD SIGNIFICANTLY HARM FUTURE OF AFRICAN PENGUINS – The recent decision by South African Environmental Minister, Barbara Creecy, to enforce a ban on commercial fishing for anchovy and sardines, the primary food source of African penguins, has sparked controversy. Two prominent conservation groups, BirdLife South Africa and Southern African Foundation for the Conservation of Coastal Birds (SANCCOB) filed court papers on 19 March 2024 challenging Creecy's August 2023 decision to confirm the ban on commercial fishing for anchovy and sardines within previously designated Interim Closure areas around six major African penguin breeding colonies for at least the next ten years. The conservation groups support closed fishing areas to protect the penguins but disagree with Creecy's implementation of the policy and argue that it could instead lead to the extinction of the critically endangered penguin species by 2035. They describe the Minister's decision as "arbitrary" and "biologically meaningless," contrary to recommendations from an international panel of experts appointed by Creecy herself. The African penguin population has plummeted, with a decrease of 97% of its historical population. Despite previous efforts such as the Island Closure Experiment (ICE), which showed promise in reducing competition between penguins and the local fishing industry, the impasse between the fishing industry and the conservation sector remains unresolved. While the Environmental Department imposed interim closures around penguin breeding colonies, the Minister's final decision did not align with all of the panel's recommendations, particularly regarding important penguin foraging habitats and considering a "trade-off mechanism" to balance industry interests with penguin conservation. This legal challenge is significant as it underscores the importance of science-led decision making in environmental protection. The groups argue that the permanent imposition of interim closures without considering the panel's recommendations could result in total loss of the African penguin species.

[Source: Ground Up dated 22 March 2024](#)

INTERNATIONAL

LANDMARK JUDGMENT IN PERU ON RIGHT TO HEALTHY ENVIRONMENT – The Inter-American Court of Human Rights (IACHR) handed down the judgment in the case of *Residents of La Oroya v. Peru* on 22 March 2024, addressing the Peruvian State's responsibility for the damage suffered by 80 residents of La Oroya. In December 2002, a group of residents of La Oroya, located in the Peruvian highlands, filed a compliance lawsuit against the Ministry of Health and the General Directorate of Environmental Health of Peru, seeking protection of their right to health and a healthy environment. The community argued that the company managing the La Oroya Metallurgical Complex (CMLO) failed to comply with environmental protection standards, leading to extremely high levels of lead and other contaminants in the blood of children and pregnant mothers in the community. In 2006, the Peruvian Constitutional Court ordered the adoption of measures to protect the community. However, in 2020, the IACHR indicated that, more than 14 years after the court's decision, there was no evidence that the state had taken effective measures to fully implement the Constitutional Court judgment. In its judgment, the IACHR affirmed the Peruvian State's international responsibility for violating the right to a healthy environment for the residents of La Oroya. The Court noted that the State, despite being aware that CMLO generated high levels of pollution, did not fulfill its obligations to protect the rights of the population. The Court also concluded that the State is responsible for violating the right to health and personal integrity, dignified life, access to information, political participation, judicial guarantees and judicial protection to the detriment of the 80 victims in the case. Likewise, it found the state accountable for violating the rights of children to the detriment of 57 minors who were affected by environmental pollution and the state's lack of attention, as well as violating the right to life to the detriment of two victims who lost their lives due to pollution. Among the measures mandated by the court, it ordered the State to provide, free of charge, medical, psychological and psychiatric treatment to the victims in the case, as well as ensure a specialized healthcare system for symptoms or diseases related to exposure to pollutants. Additionally, the state was instructed to compensate the victims monetarily, proportional to the degree of impact and vulnerability of each individual. The La Oroya Case is one of the most investigated in the field of environmental pollution. In 2006, La Oroya was classified as one of the 10 most polluted cities in the world.

[Source: Jurist dated 23 March 2024](#)

CLIMATE CRISIS A MAJOR CONTRIBUTOR TO COCOA PRICE REACHING RECORD HIGH – The last week of March 2024 saw cocoa prices rise to all-time highs on commodity exchanges in London and New York, reaching more than \$10,000 per tonnes, following the third consecutive poor harvest in West Africa. Ghana and Ivory Coast, which together produce more than half of the global cacao crop, have been hit by extreme weather intensified by the climate crisis and the El Niño weather phenomenon. This has been further exacerbated by disease and underinvestment in ageing plantations. The poor harvest has left chocolate producers struggling to secure their supply, with many warning of more price rises and potential reductions in the size of bars and sweets. A spokesperson for Nestlé, said prices for consumers may need to increase after cocoa prices tripled in a year. However, none of the money will make it to smallholder producers in west Africa, with Ghana and Ivory Coast having already sold this year's crop through a cartel, leaving many farmers disgruntled. Along with coffee, tea and bananas, cacao is one of the household staples threatened by global warming, with researchers scrambling to find wild varieties that are more heat and drought-resistant and able to withstand future conditions. However, unlike many of the world's crops, much of the cacao supply is produced by smallholder farmers, many of whom are struggling to afford to replace ageing trees and buy fertilisers. "Cocoa prices have reached record levels on the international market. In contradiction, this does not mean higher incomes for producers," said Amourlaye Touré, a senior adviser at the NGO Mighty Earth. Martijn Bron, a former head of cocoa trading for the commodity giant Cargill, told The Guardian that the world was not running out of chocolate, but said prices could remain high for some time. "There is a large shortage of fresh cacao beans. Normally there is a global crop of about 5 million tonnes. Now it's about 0.5 million tonnes less. It could take over 5 years for supply to recover," he said. In the long term, the high prices could be good for farmers as it may lead to more investment in cacao production, said Bron.

[Source: The Guardian dated 29 March 2024](#)

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For more information contact admin@imbewu.co.za or visit <https://imbewu.co.za/she-electronic-legal-registers/>

International Mother Earth Day – 22 April 2024:

<https://www.gov.za/news/events/commemorative-events/international-mother-earth-day#:~:text=The%20proclamation%20of%202022%20April,inhabitants%20with%20life%20and%20sustenance>.

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