CÁMARA
CHILENO BRITÁNICA
DE COMERCIO

Doing Business in Chile
Guide 2025

ENVIRONMENTAL LAW
(Y PROYECTO LEY MARCO CAMBIO CLIMÁTICO)

EXECUTIVE SUMMARY

Chile's rapid economic growth in recent decades has been driven by its abundant natural resources, such as the mining, forestry, salmon, fishing, fruit, and wine industries. To safeguard both the economy and the country's natural heritage for future generations, a sustainable development model is essential.

Over the same period, environmental awareness in Chile has grown significantly. Education in schools and media coverage have played key roles in shaping public awareness of the issues. Universities now offer specialized environmental courses and degrees, and well-funded and internationally connected NGOs have become increasingly influential in advocating for sustainability.

Approximately 80% of Chileans live in urban areas, with nearly half the population concentrated in the centrally located Metropolitan Region, home to the capital Santiago. Climate related problems such as air pollution, drought, and the associated disasters such as forest fires have increased public concern and the need for action.

In response, the government has modernized the environmental legal framework, which is designed to protect the environment and to sustain the economy.

In this article we have made a summary of the most important legal aspects of Chilean environmental law. We have included relevant references to our environmental legal framework. We look at the various treaties and appropriate chapters in some of the free trade agreements (FTA's). We discuss general environmental laws and regulations, and specifically those relating to water, soil and air. We also look at how the framework affects three key sectors in the Chilean economy: energy, mining and fishing/aquiculture. We list the various environmental institutions, and some of the management instruments. Finally, we cover civil liability.

ENVIRONMENTAL REGULATIONS

CONSTITUTIONAL REGULATIONS

Even though the Civil Code of 1857 contains certain provisions related to environmental protection, it was the Chilean Constitution of 1980 that paved the way for the development of environmental law by recognising, for the first time, the right to live in an environment free of pollution.

The Constitution mandates that the State establish, promote, and implement measures to safeguard the right to live in an environment free from pollution. It also grants legislators the authority to impose restrictions on other rights, including private property, to ensure environmental protection.

This constitutional right is safeguarded by the "Recurso de Protección", as established in Article 20 of the Constitution. This legal action, filed before the relevant Court of Appeals, seeks to prevent or halt illegal acts or omissions by individuals or public authorities that threaten the right to a pollution-free environment. Widely utilized, it has been instrumental in suspending high-profile projects with potential environmental impacts.

ENVIRONMENTAL TREATIES AND ENVIRONMENTAL CHAPTERS IN FREE TRADE AGREEMENTS

Chile has approved and ratified many international treaties on environmental matters, including the following:

- Stockholm Convention, for protection from persisting organic polluting substances (2005).
- Rotterdam Agreement, concerning the previous consent proceedings for massive pesticide application (2005).
- United Nations Convention to Combat Desertification, especially in Africa (1998).
- Agreement on Biological Diversity (1995).
- Environmental treaty with Argentina (1993).
- Basel Convention, for the control of cross-border movements of hazardous waste and its elimination (1992).
- Convention of Washington, for the protection of the flora, fauna and the natural scenic beauties of America. (1997).

- International Convention for the Regulation of Whaling. (1979).
- The Antarctic Treaty (1998).
- Convention for the Conservation of Antarctic seals (1981).
- Environment and Coastline Protection for the South-East Pacific (1986).
- United Nations Convention of the Law of the Sea (1997).
- The Paris Agreement, on climate change (2017).
- Various international conventions regarding the ozone layer.

The free trade agreements (FTAs) between Chile and the US, the EU, New Zealand, Singapore and Brunei include chapters on environmental protection requirements. Exporters must comply with the environmental requirements in the treaties, which are sometimes more demanding than the exporter's own domestic regulations.

In addition to the environmental treaties, Chile has ratified the International Labour Organization (ILO) Convention Nº 169 on Indigenous and Tribal Peoples.

One of the main provisions of the Convention states that governments must consult the indigenous people, through appropriate procedures and through their representative institutions, whenever consideration is being given to legislative or administrative measures which may affect them directly.

Chilean legislation is not clear about the application of this treaty. Consequently, the extension of this duty has been mainly clarified through the jurisprudence of the Courts of Appeals and the Supreme Court. In general terms however, the courts of law have found that the community participation stage contemplated in the environmental assessment of Environmental Impact Studies do comply with the standard of consultation required by the ILO 169 Convention.

RELEVANT ENVIRONMENTAL LAWS AND REGULATIONS IN CHILE

This section summarizes the most relevant laws and administrative regulations, covering:

1. General laws and regulations applicable across sectors.
2. Specific regulations on water, soil, and air protection.
3. Industry-specific regulations governing key economic activities that may drive further investment.

GENERAL LAWS AND REGULATIONS APPLICABLE ACROSS SECTORS.

Environmental laws and regulations in Chile are fragmented across various statutes, each governing specific activity. No unified environmental code or single regulatory authority exists, making it challenging to consolidate relevant provisions on a given issue.

The General Environmental Law (Law 19,300) is Chile's primary environmental legislation, in force since March 9, 1994, and significantly amended in 2010. It safeguards the right to a pollution-free environment, ensures environmental protection, and preserves natural heritage. A key component is the Environmental Impact Assessment System (EIAS), managed by the Environmental Assessment Service, which evaluates the environmental impact of projects and activities.

The Environmental Impact Assessment System Regulation (DS 40/12, Ministry of Environment) governs this process. Projects with potential environmental impact—such as those in energy, mining, industry, infrastructure, and forestry—must undergo EIAS for approval or rejection. The regulation specifies required submissions: an Environmental Impact Study (EIS) or an Environmental Impact Declaration (EID), depending on the project's effects. It also details the assessment process, content requirements, Environmental Assessment Resolution (EAR), public participation, monitoring and enforcement, sectorial permits, and environmental insurance policies.

Another key regulation is the Sanitary Code (Código Sanitario), which includes general provisions on public health. Notably, Title 10 outlines sanctions imposed by health authorities for violations such as unauthorized hazardous waste disposal or pollution affecting public health.

PRINCIPLES OF THE GENERAL ENVIRONMENTAL LAW

This law provides the legal framework for the right to a pollution-free environment, environmental protection, and the conservation of Chile's natural heritage. Rather than revoking existing environmental laws, it harmonizes regulations and establishes key principles for environmental law development. It covers general provisions, environmental management instruments, civil liability for environmental damage, enforcement mechanisms, and the creation of environmental agencies.

The law broadly defines the environment as a dynamic system encompassing natural, artificial, physical, chemical, biological, and cultural elements that interact and are continuously shaped by human or natural actions, influencing life in all its forms.

Despite this broad scope, the law provides a precise definition of pollution. According to Article 2(c) of the General Environmental Law, pollution is the presence of substances, elements, or energies—alone or combined—at levels exceeding or falling below legally established limits.

Thus, determining pollution requires predefined legal thresholds for these elements in the environment.

This law recognizes certain principles forming the environmental legal system, including:

- Prevention. All activities that could affect the environment must be previously assessed, to quantify and prevent environmental damage.

- Damage liability. The party responsible for pollution and environmental damage must bear the costs of remediation and restore the affected environment. Additionally, they must absorb any negative impacts the remedial actions may have on their business.

- Gradual application. Regulations for existing projects and activities should tighten gradually, allowing investors sufficient time to adopt new technologies and cleaner mechanisms.

- Participation. Environmental decisions can only be adopted after hearing all parties. The same applies to resolutions approving or rejecting projects or activities that may affect the environment.

- Efficiency. The regulatory instruments used by the authority must be technically suitable and as cost effective as possible.

- Polluter pays. The owner of a current or future polluting activity must bear all the costs and make all the investments required to avoid pollution.

SPECIFIC ENVIRONMENTAL LAWS AND REGULATIONS

WATER POLLUTION

Monitoring and Supervision

The enforcement of industrial liquid waste emission standards falls under the Health Authorities (Servicios de Salud), the Maritime Authority (Dirección de Territorio Marítimo y Marina Mercante) for ocean discharges, and the Sanitary Services Authority (Superintendencia de Servicios Sanitarios -SSS).

Created in 1990 by Law 18,902, the SSS is the primary agency overseeing industrial liquid waste regulations. It approves emissions and treatment programs and conducts sanctioning proceedings for violations, which can result in fines ranging from UTA 1 to 1000 (approx. USD 820 to 820,000) and potential site closure.

Regulations for industrial liquid waste (Residuos Industriales Líquidos - Riles) have been in place in Chile since 1916. They cover three main categories:

Discharge into the public sewage system

Is regulated by DS 609/98 of the Ministry of Public Works. This regulation includes the monitoring process, and the maximum concentrations of polluting substances that can be discharged into public sewers. The producer may negotiate with the relevant sanitary authorities to take responsibility for treating some of the pollutants contained within the liquid waste, or alternatively construct its own treatment facilities.

Discharge into surface water, including oceans, lakes, rivers, lagoons, canals, and aqueducts, etc.

This is regulated by DS 90/00 of the Ministry of the General Secretariat of the President (MINSEGPRES), which sets monitoring requirements and maximum allowable concentrations of pollutants in industrial liquid waste discharged into inland, maritime, or surface waters. Enforcement is carried out by the Maritime authority, Health authorities, and the Sanitary Services Authority.

Discharge or infiltration into underground waters

This is regulated by DS 46/02 of the MINSEGPRES. This regulation sets monitoring requirements and maximum allowable concentrations of pollutants in industrial liquid waste discharged into in underground waters. It falls under the jurisdiction of the SSS and the Health Authorities.

To comply with the respective emissions standards, industries must have clean production processes and wastewater treatment facilities if necessary. Under law 19,300 the treatment plants may require approval via the EIAS

Another key regulation is the Navigation Law (DL Nº 2,222/78), which governs maritime spills. It includes provisions on administrative and civil liability for oil and pollutant spills, as well as rules on limited liability funds and environmental insurance.

SOIL POLLUTION AND PROTECTION

The Urban Development and Construction Law (DFL 458/76) regulates soil protection in urban areas, covering construction conditions, building permits, and land division. Its regulations, outlined in DS 47/92, govern urban zoning, construction safety, and environmental impacts of urban expansion. Together with territorial planning instruments, these laws help manage city growth, protect agricultural zones, and promote efficient land use.

The Agriculture Protection Law (DL 3,557/81) establishes measures to prevent soil pollution, control pests, and regulate hazardous substance transit to safeguard the agricultural sector. Additionally, Law 20,412 promotes incentives for the environmental sustainability of agricultural soil.

Forestry is a key industry in Chile. The Forest Development Law (DL 701/74) governs forestry activities on both forested and degraded lands. Law 20,283 protects native forests, requiring approval of forest management plans before any extractive activity involving protected species.

AIR EMISSIONS / POLLUTION

Chile has extensively developed air emissions regulations, particularly due to industrial activity in the densely populated Metropolitan Region. However, several regulations apply nationwide.

National Air Emissions Regulations

Key national standards, issued by MINSEGPRES include:

- DS 59/98 (particulates)
- DS 112/02 (ozone)
- DS 113/02 (sulphur dioxide)
- DS 114/02 (nitrogen dioxide)
- DS 115/02 (carbon monoxide)
- DS 12/11 (MP 2.5 fine particulate matter)
- DS 136/00 (lead)

Additionally:

- DS 138/05 (Public Health Ministry): Requires industries to report emitted substances to health authorities.
- DS 10/12 (Public Health Ministry): Regulates industrial boilers and steam generators.
- DS 13/11 (Environment Ministry): Controls thermoelectric plant emissions (PM, NOx, SO_2, and Mercury).

- DS 38/11 (Environment Ministry): Establishes industrial noise limits.
- DS 09/23 (Environment Ministry): Regulates odour emissions from swine farms.
- DS 28/13 (Environment Ministry): Governs copper smelters and arsenic emissions.
- DS 38/21 (Environment Ministry): Sets emission standards for generator sets.
- DS 39/21 (Environment Ministry): Regulates mobile machinery emissions.

Metropolitan Region-Specific Regulations

Santiago's dense population and geographical conditions exacerbate air pollution, requiring special regulations:

- DS 4/92 (Public Health Ministry): Regulates airborne particle emissions from stationary sources.
- DS 31/16 PPDA - Prevention & Pollution Cleaning Plan (MINSEGPRES): Aims to meet air quality standards for PM10, PM2.5, Ozone, and CO within 10 years, establishing emission reduction goals and regulations on polluting activities.

ENVIRONMENTAL LAW AND IMPORTANT ECONOMIC ACTIVITIES

ENERGY SECTOR REGULATION IN CHILE

Chile's energy sector is highly attractive and crucial to the economy. The Electric Law (DFL 4/20,018) regulates the generation, transmission, and distribution of electricity, covering concessions, authorizations, regulated prices, tariffs, and the coordinated operation of the national electricity system.

Environmental Considerations

Generation projects of over 3 MW, and all high-voltage transmission lines projects must undergo an Environmental Impact Assessment System (EIAS) before construction and operation.

Renewable Energy Requirements

Electricity generation companies must annually prove to the National Energy Coordinator that at least 20% of the energy they withdraw from the grid for their customers comes from Non-Conventional Renewable Energy (ERNC) sources. These include Solar, Wind, Mini Hydro, Biomass, Geothermal, and Tidal technologies. Failure to meet this requirement results in a fine based on the energy shortfall.

LAWS AND REGULATIONS IN THE MINING INDUSTRY

Mining regulations in Chile are primarily governed by the Chilean Constitution, the Organic Constitutional Law on Mining Concessions, and the Mining Code, alongside specific laws on safety, closure, environmental approvals, and permitting.

Mining Code & Concessions

The Mining Code defines mineral substances eligible for private mining concessions and outlines the application process. It also regulates ancillary rights, including water use and surface land access, since mining concessions are independent from land ownership.

Environmental Approvals

Mining projects extracting over 5,000 metric tons per month must undergo an Environmental Impact Assessment System (EIAS) and comply with the approved Environmental Assessment Resolution (EAR).

Mining Safety & Operational Requirements

The Mining Safety Regulations (DS 132/02) mandate:

- Approval from the Geology and Mining National Service before operations begin.
- Safety standards for transport, storage, and use of explosives.
- Technical requirements for open-pit and underground mining operations.

Mine Closure Regulations

Law No. 20,551 establishes the legal and technical requirements for both temporary and permanent mine closures. Mining companies must submit a closure plan before operations commence.

Projects extracting over 10,000 gross tons per month must provide a financial guarantee to ensure closure compliance, using instruments like standby letters of credit or insurance policies.

LAWS AND REGULATIONS FOR FISHING AND AQUICULTURE ACTIVITIES

Chile's vast coastline and inland waters make fishing and aquaculture key industries. The General Fishing and Aquaculture Law (Law 18,892) governs these sectors, requiring project owners to comply with environmental and sanitary regulations.

Key Environmental Regulations

- Waste from Aquaculture (DS 64/21) – Sets conditions for the treatment and disposal of aquaculture waste.
- Protection & Control of Infectious Diseases (DS 319/01) – Establishes disease prevention measures for fish farms and wildlife.
- Aquaculture Environmental Regulation (DS 320/01) – Provides an administrative framework for environmental compliance in fish breeding facilities.
- Aquatic Pollution Regulation (DS 1/92, Ministry of Defence) – Grants the Maritime Authority power to address pollution from ships and boats, also impacting coastal infrastructure projects.

ENVIRONMENTAL INSTITUTIONS

Over the past few decades, Chile has seen significant growth in industries such as mining, forestry, and electricity generation, all of which impact the environment in various ways. As investment in these sectors surged, existing regulations proved insufficient to address modern environmental challenges.

On January 26, 2010, Law 20,417 was published in the Official Gazette, bringing significant reforms to Chile's environmental institutions. This law established several key environmental agencies, including:

Environment Ministry (Ministerio Del Medio Ambiente)

This State Secretariat collaborates with the President of the Republic in designing and implementing environmental policies, plans, and programs. It is responsible for protecting biodiversity and water resources while promoting sustainable development, ensuring policy coherence, and overseeing regulatory frameworks.

Council Of Ministers For Sustainability And Climate Change (Consejo De Ministros Para La Sustentabilidad Y El Cambio Climático)

This council, chaired by the Environment Minister and composed of various State Ministers, is responsible for:

1. Proposing policies to the President for the sustainable use of renewable resources, integrating sustainability criteria into public policies, and identifying sectoral policies requiring strategic environmental evaluation.
2. Reviewing Environment Ministry proposals for creating State-protected areas.
3. Defining criteria and mechanisms for citizen participation in Environmental Impact Statements.
4. Providing opinions on environmental bills and administrative acts proposed by ministries to the President.
5.

Environmental Evaluation Service - (Servicio De Evaluación Ambiental - SEA)

This functionally decentralized government agency operates under the supervision of the President through the Ministry of the Environment. It is territorially organized via Regional Directive Bodies and managed by an Executive Director, who oversees its operations and holds legal representation.

The SEA's main functions include:

1. Managing the Environmental Impact Assessment System (EIAS).
2. Interpreting Environmental Assessment Resolutions (EAR's).
3. Promoting and facilitating community participation in the EIAS.
4. Standardizing criteria, requirements, conditions, certificates, formalities, and environmental procedures.

Environmental Protection Agency (Superintendencia Del Medio Ambiente)

This functionally decentralized governmental agency operates under the supervision of the President through the Ministry of the Environment and has its own assets.

The Agency is responsible for overseeing and enforcing compliance with Environmental Assessment Resolutions (EARs), Prevention and Decontamination Plans, Environmental Quality and Emission Regulations, Management Plans, and other environmental instruments established by law.

Its key functions include:

1. Monitoring compliance with EAR regulations and conditions.
2. Overseeing adherence to Environmental Prevention and Decontamination Plans.
3. Temporarily suspending operational authorizations in EARs or implementing urgent measures to protect the environment.
4. Requiring project holders to submit their projects to the Environmental Impact Assessment System (EIAS).

Environmental Courts (Tribunales Ambientales)

On June 28, 2012, Law 20,600 established Chile's Environmental Courts to provide a specialized jurisdiction for resolving environmental disputes, integrating both legal and scientific expertise.

These courts operate under the oversight of the Supreme Court and serve to adjudicate environmental conflicts. There are three courts:

1. First Environmental Court (Antofagasta) – Covers the northern regions: Arica and Parinacota, Tarapacá, Antofagasta, Atacama, and Coquimbo.
2. Second Environmental Court (Santiago) – Jurisdiction over Valparaíso, Santiago, O'Higgins, and Maule.
3. Third Environmental Court (Valdivia) – Covers Biobío, Araucanía, Los Ríos, Los Lagos, Aysén, Magallanes, and the Chilean Antarctic.

Each court consists of three judges: two specialized in administrative or environmental law and one scientist with environmental expertise. Judges are appointed by the President, with Senate approval, from candidates proposed by the Supreme Court based on a selection process by the Council of High Public Management, ensuring representation from all branches of government. Their Key Responsibilities include:

- Reviewing claims against Supreme Decrees on environmental quality and emissions, contamination declarations, and decontamination plans.
- Ruling on lawsuits seeking environmental damage reparations.
- Evaluating claims against Environmental Assessment Resolutions (EAR's) that reject Environmental Impact Declarations (EID) or Environmental Impact Studies (EIS).
- Authorizing enforcement actions by the Superintendence, such as suspending or cancelling an EAR.

ENVIRONMENTAL MANAGEMENT INSTRUMENTS

The General Environmental Law establishes regulatory tools to ensure compliance with environmental policies and sustainable development. The key environmental management instruments include:

1. Environmental Education – Promotes awareness, values, and behaviours that prevent and mitigate environmental damage.
2. Environmental Impact Assessment System (EIAS) – Evaluates projects' environmental impacts (detailed below).
3. Environmental Quality Standards – Set limits on levels of chemical, biological, energy, radiation, and vibration escapes such as to protect public health (Primary Standards) and the environment (Secondary Standards). Areas with pollution levels between 80%-100% of the limit are declared "Zona Latente"; those exceeding the limit are "Zona Saturada."
4. Emission Standards – Regulate pollutant emissions from specific sources.
5. Pollution Prevention Plans – Implemented in "Zona Latente" areas to prevent pollutant levels from exceeding Environmental Quality Standards.
6. Pollution Clean-up & Prevention Plans – Applied in "Zona Saturada" areas to restore environmental conditions and prevent further deterioration.
7. Management Programs – Ensure sustainable use of renewable resources and biodiversity conservation.
8. Community Participation – Encourages public involvement in environmental decision-making.
9. Strategic Environmental Assessment – Integrates environmental considerations into policies, plans, and programs.
10. Environmental Information Access – Guarantees public access to environmental information held by authorities.

ENVIRONMENTAL IMPACT ASSESSMENT SYSTEM - EIAS (SISTEMA DE EVALUACIÓN DE IMPACTO AMBIENTAL)

The EIAS is the principal environmental management instrument.

Purpose of the EIAS

Under the General Environmental Law, certain economic activities must undergo an environmental impact assessment before proceeding. The EIAS ensures compliance with environmental laws and evaluates potential environmental impacts, concluding with an Environmental Assessment Resolution (EAR).

Projects Subject to the EIAS

Projects listed in Article 10 of the General Environmental Law and Article 3 of the EIAS Regulation require EIAS approval at all stages, design, construction, operation and closure. These include:

- Major aqueducts and water infrastructure
- High-voltage electricity transmission lines and substations
- Electricity generation plants (over 3 MW)
- Nuclear reactors and related installations
- Airports, highways, and other transport infrastructure
- Harbors, shipyards, and maritime terminals
- Urban and tourist developments outside pre-approved plans
- Industrial or building projects in “Latente” or “Saturada” areas
- Mining projects
- Gas, oil, and similar pipelines
- Large-scale industrial and agricultural projects
- Forestry, fishing, and aquaculture projects

- Hazardous substances handling (production, transport, storage, disposal)
- Liquid waste treatment and disposal projects
- Projects within national parks, protected areas, or urban wetlands
- Chemical distribution in populated areas
- Use of genetically modified organisms (GMOs) in non-confined environments

Environmental Impact Study (EIS) vs. Environmental Impact Declaration (EID)

Developers must submit either an EIS (detailed impact assessment) for larger or more complex projects, or an EID (simpler declaration).

An EIS is required if a project meets certain environmental risk criteria, such as:

- Public health risks due to emissions or waste
- Adverse effects on renewable resources
- Significant changes to local communities or indigenous populations
- Proximity to communities or protected areas, wetlands, glaciers, or astronomical sites
- Major landscape and tourism impacts
- Disruption of archaeological or cultural heritage sites.

Note that most archaeological sites are in northern Chile, and most settlements of indigenous people are in the south, in the Ninth Region. Indigenous groups and NGOs representing the interests of indigenous people have a very strong presence and play an active role in Chilean public life.

An EIS must include:

1. Project description
2. Baseline environmental assessment
3. Explanation of significant impacts
4. Environmental impact evaluation

5. Mitigation, compensation, and repair measures
6. Environmental monitoring plan
7. Surveillance system

An EID, a sworn declaration, includes:

1. Project description
2. Justification for minimal environmental impact (threshold for an EIS)
3. Compliance with environmental regulations
4. Required environmental permits

The EIS process typically takes 18 months, while an EID typically takes 8 months.

Public Participation

- The public may submit comments on an EIS within 60 days of its publication.
- An EID may allow a 20-day participation period if requested by at least 10 individuals or 2 organizations.

EIAS Approval Process

1. Submission of an EIS or EID to the local Environmental Evaluation Service (EES).
2. Consultation with agencies holding environmental jurisdiction. This is implemented directly by the EES, as the project owner only deals with them. Once approved by the EES the other cannot be rejected by these agencies on environmental grounds.
3. Review by the Evaluation Commission or Executive Director.
    - EIS decisions: within 120 days
    - EID decisions: within 60 days
4. Additional information may be requested, extending the review process.

Possible outcomes:

- An EIS will be approved if the project complies with regulations and includes necessary mitigation measures.
- An EID will be rejected due to errors, missing information, or the need for a full EIS.

Environmental Assessment Resolution (EAR)

- If the EAR approves the project, other authorities cannot reject sectorial permits on environmental grounds.
- If the EAR rejects the project, environmental permits cannot be granted by the other authorities.
- Appeals against EAR decisions can be filed with the Executive Director, the Ministers Committee or the Environmental Court.

Review & Enforcement

- EAR's can be reviewed if project impacts significantly change from initial predictions.
- Non-compliance with EAR conditions may lead to fines or revocation of project approval by the Environmental Superintendence.

ENVIRONMENTAL MATTERS: CIVIL LIABILITY

Law 19,300 establishes two civil liability actions: environmental reparation and indemnification.

1. Environmental Reparation: Requires the responsible party to restore the environment to its prior state at their own expense. This action can be initiated by:
    - Any individual or legal entity (public or private) that suffered damage.
    - Municipalities where the damage occurred.
    - The State.

Liability requires proof of negligence or misconduct, though negligence is presumed if environmental laws (e.g., emissions regulations, pollution prevention plans) were violated.

2. Indemnification: Provides financial compensation but is only available to those directly affected. Responsible parties must prove full compliance with applicable environmental regulations.

Statute of Limitations: Claims must be filed within five years from when the damage becomes evident.