

CHAPTER 13
TRADE AND SUSTAINABLE DEVELOPMENT

SECTION 13.1

GENERAL PROVISIONS

ARTICLE 13.1

Context and Objectives

1. The Parties recall the Rio Declaration on Environment and Development of 1992, the Agenda 21 on Environment and Development of 1992, the Johannesburg Declaration on Sustainable Development of 2002 and the Plan of Implementation of the World Summit on Sustainable Development of 2002, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up of 1998, the Ministerial Declaration of the United Nations Economic and Social Council on “Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development” of 2006, the ILO Declaration on Social Justice for a Fair Globalisation of 2008, the ILO Centenary Declaration for the Future of Work of 2019, the Rio+20 Outcome Document “The Future We Want” of 2012, the Convention on the Elimination of all Forms of Discrimination Against Women of 1979, and the UN 2030 Agenda for Sustainable Development of 2015.
2. The Parties shall promote sustainable development which encompasses economic development, social development and environmental protection, all three being interdependent and mutually reinforcing components. The Parties underline the benefit of cooperation on trade-related and investment-related aspects of labour and environmental issues as part of a global approach to trade and sustainable development.
3. The Parties reaffirm their commitments to promote the development of international trade and investment as well as commit to promote their preferential economic relationship in a manner that is beneficial to all and that contributes to sustainable development. The Parties are therefore determined to maintain and improve their respective high standards within the areas covered by this Chapter.

ARTICLE 13.2

Definitions

1. For the purposes of this Chapter, “labour law and standards” means a Party’s law and standards, or other legally binding measure of a Party, that are directly related to the following rights, principles and protections:
 - (a) the fundamental principles and rights at work as referred to in paragraph 2 of Article 13.13 (International Labour Standards and Agreements); and
 - (b) labour protections in respect of wages, employment standards, information and consultation rights at company level, hours of work and health and safety at work which are consistent with the ILO Decent Work Agenda, as set out in the ILO Declaration on Social Justice for a Fair Globalisation.
2. For the purposes of this Chapter, “environmental law” means a law or other legally binding measure of a Party, the purpose of which is the protection of the environment (which is taken to include the mitigation of climate change), including the prevention of a danger to human life or health from environmental impacts, such as those that aim at:
 - (a) the prevention, abatement or control of the release, discharge, or emission of pollutants or environmental contaminants including greenhouse gases;
 - (b) the management of chemicals and waste or the dissemination of information related thereto; or
 - (c) the conservation and protection of wild flora or fauna, including endangered species and their habitats, as well as protected areas,but does not include a measure of a Party solely related to worker health and safety.

ARTICLE 13.3

Right to Regulate and Levels of Protection

1. The Parties affirm the right of each Party to set its own policies and priorities in the areas covered by this Chapter, to establish its own levels of protection relating to labour and the environment (including resource efficiency, mitigation of and adaptation to climate change), and to adopt or modify its law and policies in a manner consistent with its international commitments and with this Agreement.

2. Each Party shall seek to ensure that its law and policies covered by this Chapter provide for and encourage high levels of labour and environmental protection, and shall strive to continue to improve in a manner consistent with its international commitments, its law and policies and their underlying levels of protection, with the goal of providing high levels of labour and environmental protection.

ARTICLE 13.4

Upholding Levels of Protection

1. The Parties shall not encourage trade or investment between the Parties by relaxing or lowering the level of protection provided by their respective environmental law or labour law and standards.
2. A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its environmental law, or its labour law or standards in order to encourage trade or investment between the Parties.
3. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental law, or its labour law or standards in order to encourage trade or investment between the Parties.

ARTICLE 13.5

Transparency

The Parties stress the importance of ensuring transparency as a necessary element to promote public participation and making information public within the context of this Chapter and in accordance with their respective law and practices.

ARTICLE 13.6

Public Information and Awareness

1. In addition to Article 13.5 (Transparency), each Party shall encourage public debate with and among non-State actors as regards the development of law and policies covered by this Chapter.
2. Each Party shall promote public awareness of its law and standards covered by this Chapter, as well as enforcement and compliance procedures, by ensuring the availability of information to stakeholders, and by taking steps to further the knowledge and understanding of workers, employers and their respective representatives.
3. Each Party shall ensure that access to relevant environmental information held by or for public authorities is provided to the public upon request and

shall take the necessary measures to actively disseminate such information to the public by electronic means.

4. Each Party shall be open to receive and shall give due consideration to submissions from the public on matters related to this Chapter, including communications on implementation concerns. Each Party shall inform its respective civil society organisations, in accordance with its law and practices, of those submissions it considers relevant through the consultative mechanisms referred to in Article 13.31 (Sub-Committee on Trade and Sustainable Development).

ARTICLE 13.7

Scientific and Technical Information

1. When preparing and implementing measures related to the environment or labour conditions that affect trade or investment between them, the Parties shall take account of relevant and available scientific, technical and other information such as traditional knowledge, and relevant international standards, guidelines and recommendations.
2. The Parties acknowledge that where there are threats of serious or irreversible damage, the lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

ARTICLE 13.8

Cooperation

1. The Parties recognise the importance of cooperation on trade-related and investment-related aspects of labour and environmental issues in order to achieve the objectives of this Chapter. Therefore, the Parties agree to dialogue and to consult with each other with regard to trade-related sustainable development issues of mutual interest. Each Party may, as appropriate, invite the participation of its social partners or other relevant stakeholders in relevant cooperation projects and in identifying potential areas of cooperation.
2. Accordingly, the Parties may cooperate on issues of mutual interest in areas such as:
 - (a) improved understanding of the effects of economic activity and market forces on the environment and labour conditions;
 - (b) the international promotion and the effective application of fundamental principles and rights at work referred to in Article 13.13 (International Labour Standards and Agreements), and the ILO

Decent Work Agenda, including on the interlinkages between trade and full and productive employment, core labour standards, decent work in global supply chains, social protection, social dialogue, and gender equality;

- (c) dialogue and information-sharing on the labour, gender equality and environmental provisions of their respective trade agreements, and the implementation thereof; and
 - (d) monitoring and reviewing the impact of the implementation of this Agreement on sustainable development and women's economic empowerment.
3. The Parties shall strive to strengthen their cooperation on trade-related and investment-related labour and environmental issues of mutual interest in relevant bilateral and multilateral fora in which they participate such as ILO, WTO, OECD, United Nations Environment Programme and fora established under multilateral environmental agreements. They may, as appropriate, establish cooperative arrangements with such organisations to draw on their expertise and resources.

ARTICLE 13.9

Means of Cooperation

1. The Parties shall strive to cooperate on issues of mutual interest to promote the objectives of this Chapter through actions such as:
- (a) the exchange of information on best practices, events, activities and initiatives;
 - (b) the exploration of collaboration in initiatives regarding third parties;
 - (c) technical exchanges, research projects, studies, reports, conferences and workshops; and
 - (d) any other form of cooperation deemed appropriate.
2. Cooperation under this Chapter shall be subject to the availability of funds and resources of each participating Party. Costs of cooperation under this Chapter shall be borne by the Parties concerned, in a manner to be agreed between them.

ARTICLE 13.10

Promotion of Trade and Investment Favouring Sustainable Development

1. The Parties recognise the important role of trade and investment in promoting sustainable development in all its dimensions.
2. Pursuant to paragraph 1, the Parties undertake to continue to:
 - (a) promote and facilitate foreign investment and trade in, and dissemination of, goods and services that contribute to sustainable development, including those goods and services subject to ecological, fair or ethical trade schemes;
 - (b) promote and encourage the development and use of sustainability certification schemes that enhance transparency and traceability throughout the supply chain in line with domestic priorities;
 - (c) promote trade and investment policies that support the objectives of employment, social dialogue, and rights at work;
 - (d) promote trade and investment in goods and services that contribute to sustainable development, such as renewable energy and energy-efficient products and services, including through addressing related non-tariff barriers, or the adoption of policy frameworks which will support the use of the best practicable environmental options, as appropriate;
 - (e) recognise the importance of trade and investment to a more resource-efficient and circular economy, promote life-cycle management of goods and the promotion of sustainable product value chains, including carbon accounting and end-of-life management, extended producer-responsibility, recycling and reduction of waste;
 - (f) promote sustainable procurement practices;
 - (g) encourage cooperation between enterprises in relation to goods, services and technologies that contribute to sustainable development;
 - (h) encourage the integration of sustainability considerations in private and public consumption decisions; and
 - (i) promote the development, establishment, maintenance or improvement of environmental performance goals and standards.

ARTICLE 13.11

Responsible Business Conduct

The Parties commit to promote responsible business conduct, including by encouraging relevant practices such as responsible management of supply chains by businesses, as well as providing supportive policy frameworks to encourage the uptake of relevant practices by businesses. In this regard, the Parties acknowledge the importance of dissemination, adherence, implementation and follow-up of internationally recognised principles and guidelines, such as the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

ARTICLE 13.12

Anti-Corruption

Recognising the need to build accountability, transparency and integrity within both the public and private sectors and that each sector has complementary responsibilities in this regard, the Parties affirm their resolve to eliminate bribery and corruption in international trade and investment and their commitment to implement their respective obligations of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, with its Annex, done at Paris on 17 December 1997, and the United Nations Convention against Corruption, done at New York on 31 October 2003. The Parties shall consult with a view to identifying and agreeing measures or areas of cooperation to prevent and combat bribery and corruption in matters affecting international trade and investment.

SECTION 13.2
TRADE AND LABOUR

ARTICLE 13.13

International Labour Standards and Agreements

1. The Parties shall continue to promote the development of international trade and investment in a way that is conducive to full and productive employment and decent work for all.
2. Each Party shall ensure that its labour law and practices embody and provide protection for the fundamental principles and rights at work. In this respect the Parties recall the obligations deriving from membership of the ILO and affirm their respective commitments to respect, promote and realise the principles concerning the fundamental rights as reflected in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up of 1998, namely:
 - (a) freedom of association and the effective recognition of the right to collective bargaining;
 - (b) the elimination of all forms of forced or compulsory labour;
 - (c) the effective abolition of child labour; and
 - (d) the elimination of discrimination in respect of employment and occupation.
3. Each Party who is a member of the ILO:
 - (a) shall make continued and sustained efforts towards ratifying the fundamental ILO Conventions (as identified by the ILO Governing Body) and related Protocols;
 - (b) reaffirms its commitments under Article 5(1)(c) of ILO Convention 144 to the re-examination at appropriate intervals of unratified Conventions and of Recommendations to which effect has not yet been given; and
 - (c) shall exchange information on their respective situations and advances regarding the ratification of the fundamental as well as priority and other ILO Conventions that are classified as up to date by the ILO.
4. Each Party reaffirms its commitments to effectively implement in its law and practices the ILO Conventions which each Party has ratified.

5. Each Party reaffirms its commitments to effectively implement in its law and practices the different provisions of the European Social Charter⁸³ that, as members of the Council of Europe, each Party has accepted respectively.
6. The Parties recognise the importance of the strategic objectives of the ILO Decent Work Agenda, as reflected in the ILO Declaration on Social Justice for a Fair Globalization of 2008.
7. The Parties commit to:
 - (a) promote the development and enhancement of measures for decent working conditions for all and related employment rights, including with regard to wages and earnings, hours, health and safety at work and other conditions of work;
 - (b) promote social dialogue on labour matters among workers and employers, and their respective organisations, and governments;
 - (c) the maintenance of a well-functioning labour enforcement system; and
 - (d) ensure non-discrimination in respect of working conditions;and each Party that is a member of the ILO shall do so in accordance with the ILO Declaration on Social Justice for a Fair Globalization of 2008.
8. The Parties note, as set out in the ILO Declaration on Social Justice for a Fair Globalization, that the violation of fundamental principles and rights at work shall not be invoked or otherwise used as a legitimate comparative advantage and that labour standards shall not be used for protectionist trade purposes.
9. The Parties recognise the value of international cooperation and agreements on labour affairs as a response of the international community to economic, employment and social challenges and opportunities resulting from globalisation.
10. Affirming the value of policy coherence in decent work, including core labour standards, and high levels of labour protection, coupled with their effective enforcement, the Parties recognise the beneficial role that those areas can have on economic efficiency, innovation and productivity, including export performance.

⁸³ The Council of Europe, established in 1949, adopted the European Social Charter in 1961, which was revised in 1996. For the United Kingdom, the reference to the European Social Charter in paragraph 5 refers to the original 1961 version.

ARTICLE 13.14

Non-Discrimination and Equality in the Workplace

1. The Parties support the goals of eliminating discrimination in employment and occupation, and of promoting gender equality in relation to trade and the workplace.
2. Each Party affirms its commitments to effectively implement in its laws, policies and practices the international agreements pertaining to inclusive economic development, gender equality or non-discrimination to which they are a party.
3. The Parties commit to:
 - (a) promote policies that aim to ensure an inclusive labour market, equal rights and opportunities and address unlawful discrimination in relation to trade and the workplace;
 - (b) implement policies and measures to protect workers against employment discrimination on the basis of sex or gender, pregnancy, or sexual orientation;
 - (c) provide for job-protected leave for parents following birth or adoption of a child;
 - (d) work towards the elimination of gender wage gaps by promoting equal pay laws and policies with the aim to achieve equal pay; and
 - (e) promote policies that aim to eliminate all forms of gender-based violence and sexual harassment in the workplace.

ARTICLE 13.15

Access to Remedies and Procedural Guarantees

Pursuant to Article 13.4 (Upholding Levels of Protection) each Party shall promote compliance with and shall effectively enforce its labour law, including by:

- (a) maintaining a system of labour enforcement in accordance with its international obligations aimed at securing the enforcement of legal provisions relating to working conditions and the protection of workers; and
- (b) ensuring that administrative and judicial proceedings are available to persons with a legally recognised interest in a particular matter who maintain that a right is infringed under its law, in order to permit effective action against infringements of its labour law, including appropriate remedies for violations of such law.

SECTION 13.3

WOMEN'S ECONOMIC EMPOWERMENT AND TRADE

ARTICLE 13.16

Objectives

1. The Parties acknowledge the importance of incorporating a gender perspective in the promotion of inclusive economic development and that gender-responsive policies are key elements to ensure more equitable participation of all in the domestic, regional and global economy and international trade, in order to achieve sustainable economic growth.
2. The Parties recognise that women's participation in international trade can contribute to advancing women's economic empowerment and economic independence. As such, the Parties agree to advance women's economic empowerment across this Agreement, and incorporate a gender perspective in their trade and investment relationship.
3. The Parties further recognise the importance of enhancing opportunities for women, including in their roles as workers, business owners and entrepreneurs, and appreciate the benefits of sharing their different experiences in and best practices for addressing the systemic barriers which may exist for women in international trade.

ARTICLE 13.17

International Commitments

1. The Parties recognise the importance of international agreements relating to inclusive economic development, gender equality and women's economic empowerment
2. Each Party affirms its commitments to effectively implement in its laws, policies and practices the international agreements pertaining to inclusive economic development, gender equality and women's economic empowerment to which it is a party.
3. The Parties recognise the commitments made in the Joint Declaration on Trade and Women's Economic Empowerment on the occasion of the WTO Ministerial Conference in Buenos Aires in December 2017, including acknowledgement of the need to develop evidence-based interventions to address the barriers that limit opportunities for women in the economy.

ARTICLE 13.18

Cooperative Activities

The Parties may carry out cooperative activities to support the achievement of the objectives in Article 13.16 (Objectives) on issues of mutual interest. Cooperative activities shall be carried out with the inclusive participation of women. Areas of cooperation may include sharing experiences and best practices relating to:

- (a) improving access to trade for women including in their roles as workers, business owners and entrepreneurs through addressing specific barriers, including access to skills, technology and leadership or business networks, and addressing discrimination;
- (b) promoting labour practices that facilitate the integration, retention and progression of women in the labour market, as well as capacity-building and skill enhancement;
- (c) advancing and implementing policies and programmes which ensure equal pay for work of equal value;
- (d) recognising unpaid care work including parenting and other family co-responsibilities, and promoting access to work-life balance and flexible working arrangements, leave, and affordable childcare;
- (e) promoting financial inclusion as well as access to loans, financing and financial assistance;
- (f) increasing women's access to, participation and leadership in science, technology and innovation, including education in science, technology, engineering, mathematics and business insofar as they are related to trade;
- (g) conducting gender-based analysis, both quantitative and qualitative, of trade policies and for the monitoring of their effects on women as workers, entrepreneurs and business-owners;
- (h) improving methods and procedures for the development of sex or gender disaggregated data, the use of indicators, monitoring and evaluation methodologies, and the analysis of gender-focused statistics related to trade; and
- (i) promoting gender balance in trade missions and developing programmes which support women entrepreneurs to access markets.

ARTICLE 13.19

Dispute Settlement

No Party shall have recourse to dispute settlement under Articles 13.32 (Implementation and Dispute Resolution), 13.33 (Consultations) and 13.34 (Panel of Experts) of this Chapter or Chapter 16 (Dispute Settlement) for any matter arising under this Section.

SECTION 13.4
TRADE AND ENVIRONMENT

ARTICLE 13.20

Multilateral Environmental Agreements and Principles

1. The Parties recognise the importance of international environmental governance and agreements as a response of the international community to global or regional environmental challenges and stress the need to enhance the mutual supportiveness between trade and environment policies.
2. Each Party reaffirms its commitment to effectively implement in its law, policies and practices, the multilateral environmental agreements to which it is a party, and its adherence to environmental principles reflected in the international instruments referred to in Article 13.1 (Context and Objectives).
3. Action by the Parties relating to the environment shall be based on the following principles, as set out in the agreements referred to in paragraph 2, namely that environmental protection should be integrated into the making of policies, the principles that precautionary and preventive action should be taken, that environmental damage should as a priority be rectified at source, and that the polluter should pay.
4. The Parties commit to consult and cooperate as appropriate with respect to environmental issues of mutual interest related to multilateral environmental agreements, and in particular, trade-related issues. This includes exchanging information on:
 - (a) the implementation of multilateral environmental agreements to which a Party is party;
 - (b) on-going negotiations of new multilateral environmental agreements; and
 - (c) each Party's respective views on becoming a party to additional multilateral environmental agreements.

ARTICLE 13.21

Access to Remedies and Procedural Guarantees

Pursuant to the obligations in Article 13.4 (Upholding Standards of Protection) each Party shall promote compliance with its environmental law, including by ensuring that:

- (a) in accordance with its law, its authorities competent to enforce environmental law give due consideration to alleged violations of environmental law brought to their attention; and
- (b) administrative or judicial proceedings are available to persons with a legally recognised interest in a particular matter or who maintain that a right is infringed under its law, in order to permit effective action against infringements of its environmental law, including appropriate remedies for violations of such law.

ARTICLE 13.22

Trade and Climate Change

1. The Parties recognise the importance of achieving the ultimate objective of the United Nations Framework Convention on Climate Change done at New York on 9 May 1992 (UNFCCC) and the Paris Agreement done at Paris on 12 December 2015 (Paris Agreement) in order to address the urgent threat of climate change, and the role of trade and investment in pursuing this objective. The Parties affirm their understanding that actions taken to meet this ultimate objective are consistent with this Agreement, and commit to working together to take actions to address climate change.
2. Pursuant to paragraph 1, the Parties:
 - (a) affirm their commitment to effectively implement the Paris Agreement and to take action to reduce greenhouse gas emissions with the aim of strengthening the global response to climate change and holding the increase in global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels;
 - (b) shall promote and facilitate the contribution of trade and investment in goods and services that are of particular relevance for climate change mitigation and adaptation and to the transition to a low carbon economy; and
 - (c) reaffirm their respective climate change commitments under the Paris Agreement and their long-term climate objectives to achieve net zero emissions or to become a low-emission society in accordance with their law.
3. The Parties recognise that enhanced cooperation is an important element to advance the objectives of this Article, and shall cooperate on issues of mutual interest, including at the UNFCCC and at the WTO in areas such as:

- (a) trade and climate policies, rules and measures contributing to the purpose and goals of the Paris Agreement and the transition to low greenhouse gas emissions and climate-resilient development;
 - (b) trade-related aspects of the current and future international climate change regime, as well as domestic climate policies and programmes relating to mitigation and adaptation, including issues relating to carbon markets, ways to address the adverse effects of trade on climate as well as means to promote energy efficiency and the development and deployment of low-carbon and other climate-friendly technologies;
 - (c) trade and investment in renewable energy technologies and energy-efficient goods and services;
 - (d) the cost-effective deployment of renewable energy, including offshore energy and in particular offshore wind generation in the North Sea;
 - (e) the development of decarbonisation technologies, such as for hydrogen, including markets for hydrogen and the development and promotion of carbon capture, utilisation and storage, including but not limited to the North Sea;
 - (f) supporting the development and adoption of ambitious and effective greenhouse gas emissions reduction measures by the International Maritime Organization to be implemented by ships engaged in international trade;
 - (g) supporting the development and adoption of ambitious and effective greenhouse gas emissions reduction measures by the International Civil Aviation Organization; and
 - (h) the global phase-out of inefficient fossil fuel subsidies.
4. The Parties shall encourage cooperation between their respective regulatory authorities and other competent authorities on issues of mutual interest relating to the matters referred to in subparagraphs (d) and (e) of paragraph 3, including information exchange, sharing of expertise and other such measures.

ARTICLE 13.23

Air Quality

1. The Parties recognise that air pollution is a serious threat to public health, ecosystem integrity, and sustainable development and note that reducing air pollution can help reduce emissions of greenhouse gases and contribute to addressing climate change and other environmental problems. Accordingly,

the Parties recognise the value of an integrated approach in addressing air pollution and climate change.

2. Noting that production, consumption and transport can cause air pollution and that air pollution can travel long distances, the Parties recognise the importance of reducing domestic and transboundary air pollution, and that cooperation can be beneficial in achieving these objectives. To that end, the Parties shall endeavour to reduce air pollution.
3. The Parties further recognise the importance of public participation and consultation in accordance with their respective law or policies in the development and implementation of measures to reduce air pollution and in ensuring access to air quality data. Accordingly, each Party shall make air quality data and information about its associated programmes and activities publicly available and shall seek to ensure that data and information are easily accessible and understandable to the public.
4. The Parties may cooperate on matters of mutual interest with respect to air quality, which may include:
 - (a) ambient air quality planning;
 - (b) modelling and monitoring, including spatial distribution of main sources of air pollution and their emissions;
 - (c) measurement and inventory methodologies for air quality and measurements for emissions; and
 - (d) reduction, control, and prevention technologies and practices.

ARTICLE 13.24

Ozone-Depleting Substances and their Alternatives

1. The Parties recognise that emissions of certain substances can significantly deplete and otherwise modify the ozone layer in a manner that is likely to result in adverse effects on human health and the environment. The Parties further recognise that the continued consumption and emission of certain substances can undermine efforts to address global environmental challenges including climate change. Accordingly, each Party shall take measures to control the production and consumption of, and trade in, substances controlled by the Montreal Protocol⁸⁴ and shall support an ambitious phase-down of hydrofluorocarbons according to the Kigali

⁸⁴ For greater certainty, this provision pertains to substances controlled by the *Montreal Protocol on Substances that Deplete the Ozone Layer*, done at Montreal, 16 September 1987 (Montreal Protocol) and any existing amendments or adjustments to the Montreal Protocol (including the *Kigali amendment*, done at Kigali, 15 October 2016) (the Kigali Amendment), and any future amendments or adjustments to which a Party is a party.

Amendment, including by reducing the use of pre-charged equipment containing hydrofluorocarbons.

2. The Parties also recognise the importance of public participation and consultation, in accordance with their respective law or policies, in the development and implementation of measures concerning the protection of the ozone layer. Each Party shall make publicly available relevant information about its programmes and activities, including cooperative programmes, that are related to ozone-depleting substances and their alternatives.
3. The Parties may cooperate on matters of mutual interest related to ozone-depleting substances and their alternatives including:
 - (a) promoting the production and trade of environmentally friendly alternatives to ozone-depleting substances and hydrofluorocarbons;
 - (b) refrigerant management practices, policies and programmes including life-cycle management of coolants and refrigerants;
 - (c) methodologies for stratospheric ozone measurements;
 - (d) combating illegal trade in ozone-depleting substances and hydrofluorocarbons;
 - (e) emerging technologies for sustainable, climate-friendly cooling, refrigeration and heat pumps; and
 - (f) barriers to trade in, and uptake of sustainable, climate-friendly cooling, refrigeration and heat pump technologies.

ARTICLE 13.25

Trade and Biological Diversity⁸⁵

1. The Parties recognise the importance of conserving and sustainably using biological diversity and the role of trade in pursuing these objectives, including by promoting sustainable trade or controlling or restricting trade in endangered species, in line with the relevant multilateral environmental agreements to which they are a party, and the decisions adopted thereunder, notably the Convention on Biological Diversity, done at Rio de Janeiro on 5 June 1992 (Convention on Biological Diversity), and its protocols, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora, done at Washington D.C. on 3 March 1973 (CITES). The Parties also recognise the importance of nature-based solutions and ecosystem services provided by biodiversity, that climate change can contribute to

⁸⁵ This Article shall apply to Liechtenstein to the extent of its competences under the Customs Treaty.

biodiversity loss, and that biologically diverse ecosystems can adapt better to the impacts of climate change and help to mitigate climate change through carbon sequestration and storage.

2. Pursuant to paragraph 1, each Party shall:

- (a) implement effective measures, including, where appropriate, consideration of the use of criminal sanctions, to combat illegal wildlife trade, poaching and trafficking in wildlife and wildlife products (including timber), as appropriate;
- (b) continue efforts to combat the illegal trade in ivory, including through domestic restrictions on commercial activities concerning ivory and goods containing ivory;
- (c) promote the inclusion of animal and plant species in the appendices to CITES where a species is threatened with extinction or may become threatened with extinction because of international trade;
- (d) encourage trade in products derived from a sustainable use of biological resources and contributing to the conservation of biodiversity; and
- (e) continue to take measures to conserve biological diversity when it is subject to pressures linked to trade and investment, in particular through measures to prevent or control the introduction and spread of invasive alien species.

3. The Parties shall work together on trade-related matters of mutual interest relevant to this Article, including in multilateral fora, such as CITES, the Convention on Biological Diversity and the Food and Agriculture Organization (FAO), as appropriate. Such cooperation may cover inter alia:

- (a) tackling illegal wildlife trade, including initiatives to reduce demand for illegal wildlife products and initiatives to enhance information sharing and cooperation;
- (b) supporting third country efforts to close their domestic ivory markets;
- (c) trade in natural resource-based products;
- (d) the valuation and assessment of ecosystems and related services; and
- (e) access to genetic resources and the fair and equitable sharing of benefits arising from their utilisation consistent with the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity, adopted in Nagoya on 29 October 2010.

ARTICLE 13.26

Conservation of Marine Ecosystems and Species

1. The Parties recognise the important role played by marine ecosystems in the natural sequestration and storage of carbon and the adverse impact of climate change on those ecosystems.
2. The Parties shall promote the conservation and sustainable use of marine ecosystems and species, including those in the areas beyond national jurisdiction.
3. The Parties may cooperate on matters of mutual interest with respect to the conservation of marine ecosystems and species.

ARTICLE 13.27

Sustainable Forest Management and Associated Trade⁸⁶

1. The Parties recognise the importance of ensuring the conservation and sustainable management of forests and related ecosystems and the sustainable production of forest products and forest risk commodities in providing environmental, economic and social benefits for present and future generations, including by tackling climate change and reducing biodiversity loss resulting from deforestation and forest degradation, including from land use and land-use change for agricultural and mining activities.
2. The Parties acknowledge their role as major consumers, producers and traders of forest products and forest risk commodities. The Parties recognise the importance of sustainable supply chains in addressing greenhouse gas emissions, climate change and biodiversity loss and reducing the risk of the emergence of new diseases. The Parties further recognise the critical role of forests in providing numerous ecosystem services, including carbon storage, maintaining water quantity and quality, stabilising soils, and providing habitats for wild fauna and flora. Accordingly, and pursuant to paragraph 1, each Party shall:
 - (a) support effective forest law enforcement and governance, including by maintaining or strengthening government capacity and institutional frameworks in order to promote sustainable forest management and sustainable production of forest products and forest risk commodities;
 - (b) take measures to support the transition to sustainable production of forest products and forest risk commodities;

⁸⁶ This Article shall apply to Liechtenstein to the extent of its competences under the Customs Treaty.

- (c) promote trade in forest products that have been legally harvested, and trade in forest risk commodities that have been produced on legally owned and used land, including promoting such trade with respect to third countries as appropriate;
 - (d) implement measures to prevent and combat illegal logging, illegal deforestation and forest degradation, and associated trade, throughout the entire value chain;
 - (e) promote the development and use of timber legality assurance instruments, also in third countries as appropriate, to ensure that only legally sourced timber and products thereof is traded between the Parties;
 - (f) promote or support initiatives to reduce demand for products resulting from illegal logging, illegal deforestation and forest degradation, and associated trade, as well as information sharing and cross-border cooperation;
 - (g) promote the effective use of CITES with particular regard to timber species; and
 - (h) cooperate on issues pertaining to conservation and sustainable management of forests, mangroves and peatlands where relevant through existing bilateral arrangements if applicable and in the relevant multilateral fora in which they participate, in particular through the UN collaborative initiative on Reducing Emissions from Deforestation and Forest Degradation (REDD+) as encouraged by the Paris Agreement.
3. The Parties shall cooperate and exchange information on issues of mutual interest, such as on ways to promote sustainable forest management and land use practices in support of the UN Sustainable Development Goals, including through:
- (a) initiatives designed to combat illegal logging, illegal deforestation and forest degradation, and associated trade, including third country assurance schemes;
 - (b) the encouragement of sustainable supply chains for forest products and forest risk commodities;
 - (c) methodologies for the assessment and monitoring of supply chains for forest products and forest risk commodities; and
 - (d) policy coherence on sustainable supply chains. This includes the development, introduction and implementation of consistent laws and regulations, including due diligence requirements for forest products

and forest risk commodities and through exchange of information and engagement in international fora, as appropriate.

ARTICLE 13.28

Trade and Sustainable Management of Fisheries and Aquaculture

1. The Parties recognise the importance of ensuring the conservation and sustainable management of living marine resources and marine ecosystems and the role of trade in pursuing these objectives.
2. Pursuant to paragraph 1, the Parties commit to:
 - (a) implement comprehensive, effective and transparent policies and measures to combat illegal, unreported and unregulated (IUU) fishing and aim to exclude IUU products from trade flows;
 - (b) implement in its law and policies their obligations under the international agreements to which they are a party;
 - (c) promote the use of relevant international guidelines including the FAO Voluntary Guidelines for Catch Documentation Schemes;
 - (d) cooperate bilaterally and in relevant international fora in the fight against IUU fishing by, *inter alia*, facilitating the exchange of information on IUU fishing activities;
 - (e) continue to pursue the objectives set out in the UN 2030 Agenda for Sustainable Development regarding fisheries subsidies; and
 - (f) promote the development of sustainable and responsible aquaculture.

ARTICLE 13.29

Trade in Waste and Chemicals and Prevention of Pollution

The Parties shall cooperate on issues of mutual interest on trade-related aspects of resource use, waste, chemicals and pollution policies and measures bilaterally, regionally and in international fora, as appropriate and support a transition to a more circular economy. Such cooperation may cover *inter alia*:

- (a) promoting the environmentally-sound management of all types of waste;
- (b) reducing waste generation for example through reuse, repair, remanufacture, and recycling and encouraging the use of waste as a resource and as a result reducing land and sea-based sources of marine litter and microplastics;

- (c) promoting the sound management of chemicals;
- (d) combatting the illegal trade in waste and chemicals, in particular the illegal trade in electronic and plastic wastes in accordance with the Basel Convention on Control of Transboundary Movements of Hazardous Wastes and Their Disposal, done at Basel on 22 March 1989;
- (e) combatting illegal shipments of all types of waste; and
- (f) preventing and controlling pollution, including pollution of a transboundary nature.

ARTICLE 13.30

Trade and Sustainable Agriculture and Food Systems

1. The Parties recognise the importance of sustainable agriculture and food systems and the role of trade in achieving this objective. The Parties reiterate their shared commitment to achieve the UN 2030 Agenda for Sustainable Development and its Sustainable Development Goals.
2. Pursuant to paragraph 1, the Parties commit to:
 - (a) promote sustainable agriculture and associated trade;
 - (b) promote sustainable food systems; and
 - (c) cooperate, as appropriate, on issues concerning trade and sustainable agriculture and food systems, including through exchanging information, experience and good practices, conducting a dialogue on their respective priorities, and reporting on progress made in achieving sustainable agriculture and food systems.

SECTION 13.5
INSTITUTIONAL MECHANISMS

ARTICLE 13.31

Sub-Committee on Trade and Sustainable Development

1. The Parties hereby establish a Sub-Committee on Trade and Sustainable Development (Sub-Committee) comprising government representatives of the Parties. Each Party shall ensure that its representatives in the Sub-Committee have the appropriate expertise with respect to the issues to be discussed.
2. Meetings of the Sub-Committee shall be chaired jointly by one of the EEA EFTA States and the United Kingdom.
3. The Sub-Committee shall meet within one year of the entry into force of this Agreement. Thereafter, the Sub-Committee shall convene directly before or after the meetings of the Joint Committee unless the Parties decide otherwise. Meetings may take place physically or by any means of communication agreed by the Parties.
4. Each Party shall establish new, or convene existing, domestic groups, to seek views and advice on issues relating to this Chapter. Those groups shall include relevant independent representative organisations of civil society. Through such consultative mechanisms, stakeholders may submit opinions and make recommendations on any matter related to this Chapter on their own initiative.
5. The Sub-Committee may consider any matter arising under this Chapter. Its functions shall include;
 - (a) overseeing the implementation of this Chapter, including cooperative activities;
 - (b) taking stock of the progress achieved under this Chapter, including its operation and effectiveness;
 - (c) addressing in an integrated manner any matter of common interest relating to the interface between economic development, social development including gender equality, and environmental protection;
 - (d) exchanging information, discussing best practices and sharing implementation experience; and
 - (e) establishing and reviewing priorities for cooperation undertaken pursuant to this Chapter.

6. The Parties shall take into account the activities of relevant international organisations or bodies so as to promote greater cooperation and coherence between the work of the Parties and these organisations or bodies, and cooperate with any other subcommittee or body established under this Agreement on any matter related to this Chapter.
7. The Sub-Committee shall prepare a report on the results of each meeting. Reports of the Sub-Committee shall be made public, unless the Parties concerned decide otherwise.
8. Each regular meeting or dedicated session of the Sub-Committee may include a session with the public to discuss matters relating to the implementation of this Chapter.

ARTICLE 13.32

Implementation and Dispute Resolution

1. The Parties shall designate contact points for the implementation of this Chapter. Parties shall inform each other of their respective contact point in writing. The contact points are responsible for the communication between the United Kingdom and each of the EEA EFTA States regarding the scheduling and the organisation of the Sub-Committee meetings described in Article 13.31 (Sub-Committee on Trade and Sustainable Development), and the cooperative activities under the Chapter.
2. The Parties shall designate women's economic empowerment and trade contact points. The women's economic empowerment and trade contact points shall be responsible for communication between each of the EEA EFTA States and the United Kingdom on matters relating to the objectives of Section 13.3 (Women's Economic Empowerment and Trade). The Parties shall inform each other in writing of their respective contact points for women's economic empowerment and trade.
3. The Parties shall at all times endeavour to agree on the interpretation and application of this Chapter. Should any dispute or other matter arise under this Chapter, the Parties concerned shall make every attempt to reach a mutually satisfactory resolution of the matter.
4. For any dispute or other matter that arises under this Chapter, the Parties shall only have recourse to the rules and procedures provided in this Chapter. The Parties concerned may nevertheless and if they so agree, have access to good offices, conciliation and mediation procedures. Such procedures may begin and be terminated at any time and shall be confidential and without prejudice to the rights of the parties concerned in any other proceedings. They may continue while proceedings of a panel of experts established in accordance with this Chapter are in progress.

5. The Parties shall provide their stakeholders with the opportunity to share comments and make recommendations regarding the implementation of this Chapter.

ARTICLE 13.33

Consultations

1. A Party may through the contact points referred to in Article 13.32 (Implementation and Dispute Resolution) request consultations with another Party regarding any matter arising under this Chapter by delivering a written request to the contact point of the other Party. The Party requesting consultations shall at the same time notify in writing the other Parties of the request.
2. The Party to which the request is made shall reply within ten days from the receipt of the request. Consultations shall take place in the Sub-Committee on Trade and Sustainable Development, unless the Parties making and receiving the request for consultations agree otherwise.
3. The requesting Party shall present the matter clearly in its request, identify the question or specific measure at issue and provide a brief summary of the legal and factual basis of the complaint.
4. The Parties concerned shall provide sufficient information to enable a full examination of whether the measure is inconsistent with this Agreement or not and treat any confidential information exchanged in the course of consultations in the same manner as the Party providing the information.
5. If both the requesting Party and the responding Party consent, the Parties may seek advice from relevant international organisations, bodies or experts.
6. If relevant, the Parties concerned may seek the advice of their stakeholders.
7. The Parties concerned shall enter into consultations no later than 30 days after the date of receipt of the request. Consultations shall be deemed to be concluded no later than 60 days after the date of receipt of the request unless the Parties concerned agree otherwise.
8. Consultations may be held in person or by any other means of communication agreed by the Parties concerned.
9. The Parties concerned shall inform the other Parties of any mutually agreed resolution of the matter.
10. Any solution or decision reached by the Parties concerned shall be made publicly available.

ARTICLE 13.34

Panel of Experts

1. If the Parties concerned fail to reach a mutually satisfactory resolution of a matter arising under this Chapter through consultations under Article 13.33 (Consultations), a Party concerned may 90 days after the receipt of a request for consultations under Article 13.33 (Consultations) request that a panel of experts be convened to examine the matter by delivering a written request to the contact point of the other Party concerned. Articles 16.6 (Establishment of a Panel), 16.7 (Composition of a Panel), 16.11 (Panel Proceedings)⁸⁷, 16.21 (Mutually Agreed Solution), 16.23 (Time Period) and 16.24 (Expenses) of Chapter 16 (Dispute Settlement) shall apply *mutatis mutandis*, except as otherwise provided for in this Article.
2. Subject to the provisions of this Chapter, the Parties shall apply the Rules of Procedure and Code of Conduct set out in Article 16.25 (Rules of Procedure and Code of Conduct) of Chapter 16 (Dispute Settlement), unless the Parties decide otherwise.
3. The panellists shall have relevant expertise, including in international trade law and international labour law or international environmental law. They shall be independent, serve in their individual capacities and shall not take instructions from any organisation or government with regard to issues related to the disagreement, or be affiliated with the government of a Party. They must comply with the Rules of Procedures and Code of Conduct referred to in paragraph 2.
4. Unless the Parties concerned decide otherwise, within ten days of the date of the selection of the panellists, the terms of reference of the panel of experts are: to examine, in the light of the relevant provisions of this Chapter, the matter or matters referred to in the request for the establishment of the panel of experts, to make findings on the conformity of the measure with the relevant provisions, together with the reasons, as well as recommendations, if any, for the resolution of the matter and to issue a report, in accordance with this Article.
5. The panel of experts should seek information or advice from relevant international organisations or bodies including any pertinent applicable interpretative guidance, findings or decisions adopted by those international organisations or bodies. Any information obtained shall be submitted to the Parties concerned for their comments.
6. The panel of experts may request written submissions or any other information from persons with specialised knowledge of the matter. Any

⁸⁷ For greater certainty paragraph 9 of Article 16.11 (Panel Proceedings) of Chapter 16 (Dispute Settlement) does not apply to the report of the panel of experts, including any recommendations in the report.

information obtained shall be submitted to the Parties concerned for their comments.

7. The panel of experts shall submit an interim report containing its findings and recommendations to the Parties concerned within 90 days from the date of establishment of the panel of experts. A Party concerned may submit written comments to the panel of experts on its interim report within 45 days from the date of the issuance of the interim report. After considering any such written comments, the panel of experts may modify the interim report and make any further examination it considers appropriate. The panel of experts shall present to the Parties concerned a final report within 60 days after the date of issuance of the interim report. The Parties concerned shall make the final report publicly available within 30 days of its delivery.
8. If the final report of the panel of experts determines that a Party has not conformed with its obligations under this Chapter, the Parties concerned shall discuss appropriate measures or, if appropriate, to decide upon a mutually satisfactory action plan to implement the final report of the panel of experts. Such measures shall be communicated to the other Parties within three months from the date of issuance of the final report and shall be monitored by the Sub-Committee on Trade and Sustainable Development.
9. The responding Party shall inform in a timely manner the requesting Party of its decision on any actions or measure to be implemented. Furthermore the requesting party shall inform the responding Party in a timely manner of any other action or measure it may decide to take, as a follow-up to the final report, to encourage the resolution of the matter in a manner consistent with this Agreement.
10. Each Party concerned shall in a timely manner inform the stakeholders it deems relevant of its decisions on any actions or measures to be implemented. This shall be done in accordance with existing mechanisms or through other mechanisms deemed appropriate by each Party.
11. Where a procedural question arises, the panel of experts may, after consultation with the Parties concerned, adopt an appropriate procedure.