

## CHAPTER 19

### TRADE AND SUSTAINABLE DEVELOPMENT

#### ARTICLE 19.1

##### Context and objectives

1. The Parties recall Agenda 21 and the Rio Declaration on Environment and Development, adopted at Rio de Janeiro on 14 June 1992, the Plan of Implementation of the World Summit on Sustainable Development of 2002, the ILO Declaration on Social Justice for a Fair Globalization, adopted at Geneva on 10 June 2008 by the International Labour Conference at its 97<sup>th</sup> Session (hereinafter referred to as the "ILO Declaration on Social Justice for a Fair Globalization"), the Outcome document of the United Nations Conference on Sustainable Development entitled "The Future We Want" endorsed by United Nations General Assembly Resolution A/RES/66/288, adopted on 27 July 2012, and the United Nations Agenda "Transforming our world: the 2030 Agenda for Sustainable Development", adopted on 25 September 2015 by United Nations General Assembly Resolution A/RES/70/1 (hereinafter referred to as "2030 Agenda for Sustainable Development") and its Sustainable Development Goals.
2. The Parties recognise that sustainable development encompasses economic development, social development and environmental protection, all three being interdependent and mutually reinforcing.

3. The Parties affirm their commitment to promote the development of international trade and investment in a way that contributes to the objective of sustainable development.

4. The Parties recognise the urgent need to address climate change, as outlined in the Special Report on Global Warming of 1.5 °C of the Intergovernmental Panel on Climate Change, as a contribution to the economic, social and environmental objectives of sustainable development.

5. The objective of this Chapter is to enhance the integration of sustainable development, notably its environmental and social dimensions (in particular the labour aspects), in the trade and investment relationship between the Parties, including through strengthening dialogue and cooperation.

## ARTICLE 19.2

### Right to regulate and levels of protection

1. The Parties recognise the right of each Party to:

- (a) determine its sustainable development policies and priorities;
- (b) establish the levels of domestic environmental and labour protection, including social protection, that it deems appropriate; and

(c) adopt or modify its relevant law and policies.

Such levels, law and policies shall be consistent with each Party's commitment to the agreements and internationally recognised standards referred to in this Chapter.

3. Each Party shall strive to ensure that its relevant law and policies provide for, and encourage, high levels of environmental and labour protection, and shall strive to improve such levels, law and policies.

4. A Party shall not weaken or reduce the levels of protection afforded in its environmental or labour law in order to encourage trade or investment.

5. A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its environmental or labour law in order to encourage trade or investment.

6. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental or labour law in a manner affecting trade or investment.

7. A Party shall not establish or use its environmental or labour law or other environmental or labour measures in a manner that would constitute a disguised restriction on trade or investment.

## ARTICLE 19.3

### Multilateral labour standards and agreements

1. The Parties affirm their commitment to promote the development of international trade in a way that is conducive to decent work for all, as expressed in the ILO Declaration on Social Justice for a Fair Globalization.
2. Recalling the ILO Declaration on Social Justice for a Fair Globalization, the Parties note that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes.
3. In accordance with the ILO Constitution and the ILO Declaration on Fundamental Principles and Rights at Work adopted at Geneva on 18 June 1998 by the International Labour Conference at its 86th Session and its Follow-up, each Party shall respect, promote and realise the principles concerning the fundamental rights at work which are the subject of the fundamental conventions of the ILO, 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;<sup>1</sup>

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<sup>1</sup> The Parties affirm the importance of ratification of the Protocol of 2014 to the Forced Labour Convention, 1930, adopted at Geneva on 11 June 2014 by the International Labour Conference at its 103<sup>rd</sup> Session.

(c) the effective abolition of child labour; and

(d) the elimination of discrimination in respect of employment and occupation.

4. The Parties welcome the decision of the 110<sup>th</sup> International Labour Conference by which a safe and healthy working environment is added to the fundamental principles and rights at work. No later than at its first meeting the Trade Committee may adopt a decision to amend paragraph 3 accordingly to reflect this addition.

5. Each Party shall make continued and sustained efforts to ratify the fundamental conventions of the ILO if they have not yet done so.<sup>2</sup>

6. The Parties shall periodically exchange information in an appropriate way on their respective progress with regard to the ratification of ILO conventions or protocols.

7. Each Party shall effectively implement the ILO conventions that New Zealand and the Member States have respectively ratified and which have entered into force.

8. Each Party shall, with due regard to national conditions and circumstances, promote through its laws and practices the strategic objectives of the ILO through which the Decent Work Agenda is expressed, set out in the ILO Declaration on Social Justice for a Fair Globalization, in particular with regard to:

(a) decent working conditions for all, with regard to, *inter alia*, wages and earnings, working hours, other conditions of work and social protection; and

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<sup>2</sup> The Parties note that all Member States have ratified the fundamental conventions of the ILO.

(b) social dialogue on labour matters between social partners and relevant government authorities.

9. Each Party shall:

(a) adopt and implement measures and policies regarding occupational health and safety, including compensation in the event of occupational injury or illness; and

(b) maintain an effective labour inspection system.

10. Each Party recalls its obligations under paragraph 7, where it has ratified relevant ILO conventions relating to point (a) or (b) of paragraph 9.

11. The Parties shall work together to strengthen their cooperation on trade-related aspects of labour measures and policies, bilaterally, regionally and in international fora, as appropriate, including in the ILO. Such cooperation may cover *inter alia*:

(a) implementation of fundamental, priority and other up-to-date ILO conventions;

(b) decent work, including the interlinkages between trade and full and productive employment, labour market adjustment, core labour standards, decent work in global supply chains, social protection and social inclusion, social dialogue and gender equality;

(c) strengthening protection of the labour rights of each Party's vulnerable groups; and

- (d) the impact of labour law and standards on trade and investment, or the impact of trade and investment law on labour.

## ARTICLE 19.4

### Trade and gender equality

1. The Parties recognise the need to advance gender equality and women's economic empowerment and to promote a gender perspective in the Parties' trade and investment relationship. Moreover, they acknowledge the important current and future contribution by women to economic growth through their participation in economic activity, including international trade. Accordingly, the Parties emphasise their intention to implement this Agreement in a manner that promotes and enhances gender equality.
2. The Parties recognise that inclusive trade policies can contribute to advancing women's economic empowerment and gender equality, in line with United Nations Sustainable Development Goals Target 5 and the objectives of the Joint Declaration on Trade and Women's Economic Empowerment adopted at the WTO Ministerial Conference in Buenos Aires on 12 December 2017.
3. The Parties emphasise the importance of incorporating a gender perspective into the promotion of inclusive economic growth, and the key role that gender-responsive policies and gender mainstreaming can play in this regard. Gender-responsive policies and gender mainstreaming include advancing women's participation in the economy and international trade, including by providing equal rights and access to opportunities for the participation of women in the labour market.

4. Each Party shall promote public awareness and transparency of its gender equality laws, regulations and policies, including their impact on and relevance for inclusive economic growth and trade policy.

5. The Parties reiterate their commitments under Article 19.2 (Right to regulate and levels of protection) in relation to their respective laws aimed at ensuring gender equality and equal opportunities for women and men.

6. Each Party shall effectively implement its obligations under the United Nations conventions to which it is a party that address gender equality or women's rights, including the Convention on the Elimination of All Forms of Discrimination against Women, adopted by the United Nations General Assembly on 18 December 1979, noting in particular its provisions related to eliminating discrimination against women in economic life and in the field of employment. In this respect, the Parties reiterate their respective commitments under Article 19.3 (Multilateral labour standards and agreements), including those regarding effective implementation of the ILO conventions related to gender equality and the elimination of discrimination in respect of employment and occupation.

7. The Parties shall work together on trade-related aspects of gender equality policies and measures, including activities for women, including workers, businesswomen and entrepreneurs, to access and benefit from the opportunities created by this Agreement. To this end, the Parties shall facilitate cooperation between relevant stakeholders, including wāhine Māori<sup>3</sup> in the case of New Zealand.

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<sup>3</sup> The term "wāhine Māori" refers to indigenous women of New Zealand.



8. The cooperation referred to in paragraph 7 shall cover matters of joint interest *inter alia*:

- (a) exchange of information and best practices related to collection of sex-disaggregated data and gender-based analysis of trade policies;
- (b) sharing experiences and best practices related to the design, implementation, monitoring, evaluation and strengthening of policies and programmes aimed at enhancing women's participation in economic activity, including international trade;
- (c) promoting women's participation, leadership and education, in particular in fields in which women are traditionally underrepresented such as science, technology, engineering, mathematics (STEM), as well as innovation, e-commerce and any other field related to trade;
- (d) promoting financial inclusion, financial literacy and access to trade finance and education; and
- (e) exchange of information and experiences with regard to measures relating to licensing requirements and procedures, qualification requirements and procedures, or technical standards relating to authorisation for the supply of a service that do not discriminate based on gender.

9. Acknowledging the importance of the work on trade and gender being carried out at the multilateral level, the Parties shall cooperate in international and multilateral fora, including at the WTO and OECD, to advance trade and gender issues and understanding, including, as appropriate, through voluntary reporting as part of their national reports during their WTO Trade Policy Reviews.

## ARTICLE 19.5

### Multilateral environmental agreements and international environmental governance

1. The Parties recognise the importance of international environmental governance, in particular the role of the United Nations Environment Programme (hereinafter referred to as "UNEP") and its highest governing body, the United Nations Environment Assembly (hereinafter referred to as "UNEA"), as well as multilateral environmental agreements (hereinafter referred to as "MEAs"), 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. In light of paragraph 1, each Party shall effectively implement the MEAs, their protocols and amendments that it has ratified and which have entered into force.

3. The Parties shall periodically, and in an appropriate manner, exchange information on their respective situations as regards becoming a party to MEAs, their protocols and amendments.

4. The Parties affirm the right of each Party to adopt or maintain measures to further the objectives of MEAs to which it is a party. The Parties recall that measures adopted or enforced to implement such MEAs may be justified under Article 25.1 (General exceptions).

5. The Parties shall work together to strengthen their cooperation on trade-related aspects of environmental policies and measures, bilaterally, regionally and in international fora, as appropriate, including in the United Nations High-Level Political Forum for Sustainable Development, UNEP, UNEA, MEAs, OECD, Food and Agriculture Organization of the United Nations (hereinafter referred to as "FAO"), and the WTO. Such cooperation may cover *inter alia*:

- (a) policies and measures promoting mutual supportiveness of trade and environment including:
  - (i) sharing information on policies and practices to encourage the shift to a circular economy; and
  - (ii) promoting, including by removing obstacles to trade and investment, initiatives that contribute to a circular economy;
- (b) initiatives on sustainable production and consumption, including initiatives aimed at promoting green growth and pollution abatement;
- (c) initiatives to encourage trade and investment in environmental goods and services, including by addressing related tariff and non-tariff barriers;

- (d) the impact of environmental law and standards on trade and investment, or the impact of trade and investment law on the environment; and
- (e) other trade-related aspects of MEAs, including implementation.

## ARTICLE 19.6

### Trade and climate change

1. The Parties recognise the importance of taking urgent action to combat climate change and its impacts, and the role of trade in pursuing this objective, consistent with the United Nations Framework Convention on Climate Change done at New York on 9 May 1992 (hereinafter referred to as the "UNFCCC"), the purpose and goals of the Paris Agreement, and with other MEAs and multilateral instruments in the area of climate change.
2. In light of paragraph 1, each Party shall effectively implement the UNFCCC and the Paris Agreement, including commitments with regard to nationally determined contributions.
3. A Party's commitment to effectively implement the Paris Agreement under paragraph 2 includes the obligation to refrain from any action or omission that materially defeats the object and purpose of the Paris Agreement.

4. In light of paragraph 1, each Party shall:
- (a) promote the mutual supportiveness of trade and climate policies and measures, thereby contributing to the transition to a low greenhouse gas emission, resource-efficient and circular economy and to climate-resilient development;
  - (b) facilitate the removal of obstacles to trade and investment in goods and services of particular relevance for climate change mitigation and adaptation, such as renewable energy and energy efficient products and services, for instance through addressing tariff and non-tariff barriers or through the adoption of policy frameworks conducive to the deployment of best available technologies; and
  - (c) promote emissions trading as an effective policy tool for reducing greenhouse gas emissions efficiently, and promote environmental integrity in the development of international carbon markets.

5. The Parties shall work together to strengthen their cooperation on trade-related aspects of climate change policies and measures bilaterally and regionally, including with third countries and in international fora, as appropriate, including in the UNFCCC, the Paris Agreement, the WTO, the Montreal Protocol on Substances that Deplete the Ozone Layer, done at Montreal on 16 September 1987 (hereinafter referred to as the "Montreal Protocol"), the International Civil Aviation Organization (ICAO) and the International Maritime Organization (hereinafter referred to as the "IMO"). Such cooperation may cover *inter alia*:

- (a) policy dialogue and cooperation regarding implementation of the Paris Agreement, including with respect to means to promote climate resilience, renewable energy, low-carbon technologies, energy efficiency, sustainable transport, sustainable and climate-resilient infrastructure development, emissions monitoring, and emissions action in relation to third countries as appropriate;
- (b) policy and technical exchanges regarding the development and implementation of domestic and international carbon pricing, including emissions trading and the promotion of effective standards of environmental integrity in their implementation;
- (c) supporting the development and adoption of ambitious and effective greenhouse gas emissions reduction measures by the IMO to be implemented by and for ships engaged in international trade; and

- (d) supporting an ambitious phasing out of ozone depleting substances and phasing down of hydrofluorocarbons under the Montreal Protocol through measures to control their production, consumption and trade, the introduction of environmentally friendly alternatives to them, the updating of safety and other relevant standards, and combating the illegal trade of substances regulated by the Montreal Protocol.

## ARTICLE 19.7

### Trade and fossil fuel subsidy reform

1. The Parties recall the United Nations Sustainable Development Goals Target 12.C to rationalise inefficient fossil fuel subsidies that encourage wasteful consumption, including by phasing out harmful fossil fuel subsidies, the Glasgow Climate Pact, adopted at Glasgow on 13 November 2021, and the WTO Ministerial Statement on Fossil Fuel Subsidies, adopted at Geneva on 14 December 2021, that encourage efforts towards meeting that Target.
2. The Parties recognise that fossil fuel subsidies can distort markets, disadvantage renewable and clean energy, and be inconsistent with the goals of the Paris Agreement.
3. In light of paragraphs 1 and 2, the Parties share the goal of reforming and progressively reducing fossil fuel subsidies and reaffirm their commitment to work to meet that goal in accordance with national circumstances, while taking fully into account the specific needs of populations affected.

4. The Parties shall strengthen their cooperation on trade-related aspects of fossil fuel subsidy policies and measures bilaterally and in international fora. Recognising that the WTO can play a central role in the fossil fuel reform agenda, the Parties shall work together and encourage the other WTO Members to advance reform and pursue new fossil fuel subsidy disciplines in the WTO, including through enhanced transparency and reporting that will enable the evaluation of the trade, economic, and environment effects of fossil fuel subsidy programmes.

## ARTICLE 19.8

### Trade and biological diversity

1. The Parties recognise the importance of conserving and sustainably using biological diversity and the role of trade in pursuing these objectives, consistent with relevant MEAs to which they are a party, including the Convention on Biological Diversity, done at Rio de Janeiro on 5 June 1992 (hereinafter referred to as the "Convention on Biological Diversity") and its Protocols, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, done at Washington on 3 March 1973 (hereinafter referred to as "CITES"), and the decisions adopted thereunder.

2. In light of paragraph 1, each Party shall:

- (a) implement measures to combat illegal wildlife trade, including with respect to third countries as appropriate;



- (b) promote the long-term conservation and sustainable use of CITES-listed species and the inclusion of animal and plant species in the Appendices to the CITES where they meet the criteria for listing, and conduct periodic reviews, which may result in a recommendation to amend the Appendices to the CITES, in order to ensure that they properly reflect the conservation needs of species subject to international trade;
- (c) promote trade in products derived from the sustainable use of biological resources in order to contribute to the conservation of biodiversity; and
- (d) take appropriate action to conserve biological diversity when it is subject to pressures linked to trade and investment, in particular to prevent the spread of invasive alien species.

3. The Parties recognise the importance of respecting, protecting, preserving and maintaining knowledge, innovations and practices of indigenous peoples and local communities embodying traditional lifestyles that contribute to the conservation and sustainable use of biological diversity, and the role of international trade in supporting this.

4. The Parties shall work together to strengthen their cooperation on trade-related aspects of biodiversity policies and measures bilaterally, regionally and in international fora, as appropriate, including in the Convention on Biological Diversity and CITES. Such cooperation may cover *inter alia*:

- (a) initiatives and good practices concerning trade in products and services derived from the sustainable use of biological resources with the aim of conserving biological diversity;

- (b) trade and the conservation and sustainable use of biological diversity, including the development and application of natural capital and ecosystem accounting methods, the valuation of ecosystems and their services and related economic instruments;
- (c) combatting illegal wildlife trade, including through initiatives to reduce demand for illegal wildlife products and initiatives to enhance information sharing and cooperation;
- (d) access to genetic resources, and the fair and equitable sharing of benefits from their utilisation consistent with the objectives of the Convention on Biological Diversity; and
- (e) sharing of information and management experience on the movement, prevention, detection, control and eradication of invasive alien species, with a view to enhancing efforts to assess and address the risks and adverse impacts of invasive alien species.

## ARTICLE 19.9

### Trade and forests

1. The Parties recognise the importance of the conservation and sustainable management of forests for providing environmental functions and economic and social opportunities for present and future generations, and the role of trade in pursuing this objective.

2. In light of paragraph 1, each Party shall:

- (a) combat illegal logging and related trade, including with respect to third countries, by legislative or other action;
- (b) promote the conservation and sustainable management of forests and trade in forest products harvested in accordance with the law of the country of harvest and from sustainably managed forests; and
- (c) exchange information with the other Party on trade-related initiatives regarding sustainable forest management, forest conservation, forest governance, initiatives designed to combat illegal logging, and other relevant policies of mutual interest.

3. Recognising that deforestation is a major driver of global warming and biodiversity loss, the Parties shall exchange knowledge and experience on ways to encourage the consumption and trade in products from deforestation-free supply chains, in order to minimise the risk that goods associated with deforestation or forest degradation are placed on the market.

4. The Parties shall work together to strengthen their cooperation on trade-related aspects of sustainable forest management, minimising deforestation and forest degradation, forest conservation, illegal logging, and the role of forests and wood-based products in climate change mitigation and the circular and bioeconomies, bilaterally, regionally and in international fora as appropriate.

## ARTICLE 19.10

### Trade and sustainable management of fisheries and aquaculture

1. The Parties recognise the importance of conserving and sustainably managing marine biological resources and marine ecosystems as well as promoting responsible and sustainable aquaculture, and the role of trade in pursuing these objectives.
2. The Parties acknowledge that inadequate fisheries management, forms of fisheries subsidies that contribute to overcapacity and overfishing, and IUU fishing threaten fish stocks, the livelihood of persons engaged in responsible fishing practices and the sustainability of trade in fishery products, and confirm the need for action to end such practices.

3. In light of paragraphs 1 and 2, each Party shall:
- (a) implement long-term conservation and management measures to ensure sustainable use of marine living resources based on the best scientific evidence available, the application of the precautionary approach and internationally recognised best practices consistent with relevant United Nations and FAO agreements<sup>4</sup>, in order to:
    - (i) prevent overfishing and overcapacity;
    - (ii) minimise by-catch of non-target species and juveniles; and
    - (iii) promote the recovery of overfished stocks;
  - (b) participate constructively in the work of the regional fisheries management organisations (hereinafter referred to as "RFMOs") of which they are members, observers or cooperating non-contracting parties, with the aim of achieving good fisheries governance and sustainable fisheries, such as through the promotion of scientific research and the adoption of conservation measures based on best available science, the strengthening of compliance mechanisms, the undertaking of periodic performance reviews and the adoption of effective control, monitoring and enforcement of the RFMOs' management; and

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<sup>4</sup> Relevant United Nations and FAO agreements include the UNCLOS, the FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, done at Rome on 24 November 1993, the United Nations Agreement on the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, adopted on 4 August 1995, the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, done at Rome on 22 November 2009, and the FAO Code of Conduct for Responsible Fisheries, adopted by means of Resolution 4/95 of the FAO Conference on 31 October 1995, (hereinafter referred to as "FAO Code of Conduct for Responsible Fisheries").

- (c) implement an ecosystem-based approach to fisheries management so as to ensure that negative impacts of fishing activities on the marine ecosystem are minimised, and promote the long-term conservation of marine turtles, seabirds, marine mammals and other species recognised as threatened in relevant international agreements to which it is a party.

4. The Parties acknowledge that IUU fishing threatens fishery stocks and the livelihoods of responsible fishers, and recognise the importance of concerted national, regional and international action to address IUU fishing in accordance with regional and international instruments<sup>5</sup> and by using relevant bilateral and international frameworks.

5. In support of efforts to combat IUU fishing and to help prevent, deter and eliminate trade in products from species harvested from IUU fishing, each Party shall support monitoring, control, surveillance, compliance and enforcement systems, including by adopting, reviewing or revising, as appropriate, effective measures to:

- (a) deter vessels that are flying their flags and their nationals from supporting or engaging in IUU fishing, and respond to IUU fishing when it occurs or is being supported; and

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<sup>5</sup> Regional and international instruments include, as they may apply, the 2001 International Plan of Action to Prevent Deter and Eliminate Illegal, Unreported and Unregulated Fishing, the 2005 Rome Declaration on Illegal, Unreported and Unregulated Fishing, adopted at Rome on 12 March 2005, the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, done at Rome, 22 November 2009, the FAO Global Record of Fishing Vessels, Refrigerated Transport Vessels and Supply Vessels, as well as instruments establishing and adopted by RFMOs, which are defined as intergovernmental fisheries organisations or arrangements, as appropriate, that have the competence to establish conservation and management measures.

(b) encourage traceability, facilitate electronic traceability and certification to exclude products from IUU fishing from trade flows, and encourage cooperation and information exchange.

6. The Parties shall promote the development of sustainable and responsible aquaculture, taking into account its economic, social, cultural and environmental aspects, including with regard to the implementation of the objectives and principles contained in the FAO Code of Conduct for Responsible Fisheries.

7. The Parties shall work together to strengthen their cooperation on trade-related aspects of fishery and aquaculture policies and measures, bilaterally, regionally and in international fora, as appropriate, including in the WTO, FAO, OECD, United Nations General Assembly, RFMOs and other multilateral instruments in this field, with the aim of promoting sustainable fishing practices and trade in fish products from sustainably managed fisheries.

#### ARTICLE 19.11

##### Trade and investment supporting sustainable development

1. The Parties recognise that the following can meaningfully contribute to sustainable development:

(a) trade and investment in goods and services that are related to the protection of the environment or that contribute to enhancing social conditions; and

(b) the use of transparent, factual and non-misleading sustainability schemes or other voluntary initiatives.

2. To that end, the Parties recall their commitment under Article 2.5 (Elimination of customs duties) to eliminate customs duties on environmental goods originating in the other Party. Such environmental goods contribute to achieving environmental and climate goals by preventing, limiting, minimising or remediating environmental damage to water, air and soil and by contributing to the dissemination of technologies that serve to mitigate climate change. An illustrative list of such environmental goods<sup>6</sup> is provided in List A of Annex 19 (Environmental goods and services).

3. Further, the Parties recall their commitments on environmental services and manufacturing activities under Chapter 10 (Trade in services and investment), including the Annexes to that Chapter. Those environmental services and manufacturing activities contribute to achieving environmental and climate goals by preventing, limiting, minimising or remediating environmental damage to water, air and soil and by assisting the transition to a circular economy. An illustrative list of such environmental services and manufacturing activities<sup>7</sup> is provided in List B of Annex 19 (Environmental goods and services).

4. In light of paragraph 1, each Party shall promote and facilitate trade and investment in:

(a) environmental goods and services;

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<sup>6</sup> The list of environmental goods in Annex 19 (Environmental goods and services) is non-exhaustive and is without prejudice to the approach to the listing of environmental goods that either New Zealand or the Union may take in other negotiations.

<sup>7</sup> The list of environmental services and manufacturing activities is non-exhaustive and is without prejudice to the approach to the listing of environmental services and manufacturing activities that either New Zealand or the Union may take in other negotiations.



- (b) goods that contribute to enhanced social conditions; and
- (c) goods subject to transparent, factual and non-misleading sustainability assurance schemes such as fair and ethical trade schemes and ecolabels.

5. Activities to promote and facilitate trade and investment as referred to in paragraph 4 may include:

- (a) awareness-raising actions and information and public education campaigns;
- (b) adoption of policy frameworks conducive to the deployment of best available technologies;
- (c) encouraging the uptake of transparent, factual and non-misleading sustainability schemes, especially for SMEs;
- (d) addressing related non-tariff barriers; and
- (e) reference to relevant international standards, such as the ILO conventions and guidelines or MEAs.

6. The Parties shall work together to strengthen their cooperation on trade-related aspects of issues covered by this Article bilaterally, regionally and in international and multilateral fora as appropriate, including through the exchange of information, best practices and outreach initiatives.

## ARTICLE 19.12

### Trade and responsible business conduct and supply chain management

1. The Parties recognise the importance of responsible business conduct and corporate social responsibility practices, including responsible supply chain management, and the role of trade in pursuing this objective.
2. In light of paragraph 1, each Party shall:
  - (a) promote, including by supporting their dissemination and use, relevant international instruments, such as the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights "Implementing the United Nations "Protect, Respect and Remedy" Framework", endorsed by the United Nations Human Rights Council in its Resolution A/HRC/RES/17/4 on 16 June 2011, (hereinafter referred to as "United Nations Guiding Principles on Business and Human Rights"); and
  - (b) promote corporate social responsibility, responsible business conduct, including responsible supply chain management, by providing supportive policy frameworks that encourage the uptake of relevant practices by businesses.

3. The Parties recognise the utility of international sector-specific guidelines in the areas of corporate social responsibility and responsible business conduct, and shall promote joint work in that regard. In respect of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its supplements, each Party shall implement measures to promote the uptake of that OECD Due Diligence Guidance. As members of the FAO Committee on World Food Security, the Parties shall also promote awareness for the "Principles for Responsible Investment in Agriculture and Food Systems" and the "Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security".

4. The Parties shall work together to strengthen their cooperation on trade-related aspects of issues covered by this Article bilaterally, regionally and in international fora as appropriate, including through the exchange of information, best practices and outreach initiatives.

#### ARTICLE 19.13

##### Scientific and technical information

1. When establishing or implementing measures aimed at protecting the environment or labour conditions that may affect trade or investment, each Party shall take into account available scientific and technical information, relevant international standards, guidelines or recommendations.

2. In accordance with the precautionary approach<sup>8</sup>, where there are risks of serious or irreversible damage to the environment or to occupational safety and health, the lack of full scientific certainty shall not be used as a reason for preventing a Party from adopting appropriate measures to prevent such damage.

3. The measures referred to in paragraph 2 shall not be applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

#### ARTICLE 19.14

##### Transparency

In order to inform the development and implementation of such measures, each Party shall, to the extent possible and appropriate, provide interested persons and stakeholders with a reasonable opportunity to comment on:

- (a) measures aimed at protecting the environment or labour conditions that may affect trade or investment; and
- (b) trade or investment measures that may affect the protection of the environment or labour conditions.

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<sup>8</sup> For greater certainty, in relation to the implementation of this Agreement in the territory of the Union, the term "precautionary approach" means the precautionary principle.

## ARTICLE 19.15

### Committee on Trade and Sustainable Development

1. This Article complements and further specifies Article 24.4 (Specialised committees).
2. The Committee on Trade and Sustainable Development shall, with respect to this Chapter, have the following functions:
  - (a) carry out the tasks referred to in point (b) of Article 26.13(3) (Compliance measures);
  - (b) contribute to the work of the Trade Committee on issues covered by this Chapter, including with regard to topics for discussion with the domestic advisory groups referred to in Article 24.6 (Domestic advisory groups); and
  - (c) consider any other matter related to this Chapter as agreed between the Parties.
3. The Committee on Trade and Sustainable Development shall publish a report after each of its meetings.
4. Each Party shall give due consideration to communications and opinions from the public on matters related to this Chapter. A Party may inform where appropriate, the domestic advisory groups established under Article 24.6 (Domestic advisory groups) as well as the contact point of the other Party, designated pursuant to Article 19.16 (Contact points), of such communications and opinions.

## ARTICLE 19.16

### Contact points

Upon the entry into force of this Agreement, each Party shall designate a contact point to facilitate communication and coordination between the Parties on matters covered by this Chapter and shall notify the other Party of the contact details for the contact point. Each Party shall promptly notify the other Party of any change of those contact details.