



Joint Report of the 2nd New Zealand – UK Environment and Climate Change Sub-Committee

6 May 2025

New Zealand and the United Kingdom held the second meeting of the Environment and Climate Change Sub-Committee under the New Zealand-United Kingdom Free Trade Agreement (FTA) virtually on 6 May 2025. New Zealand chaired the meeting.

1. Greetings and opening remarks

New Zealand and the UK shared opening remarks acknowledging the importance of the relationship and the FTA, the high-quality environment and climate change provisions and the meaningful cooperation work that has commenced. Both Parties agreed to building on the strong foundation established in the first year.

2. 2024 recap / 2025 focus

New Zealand, as chair, reviewed the last year of cooperation, including how the first Environment and Climate Change Sub-Committee set the benchmark for sharing policy and identifying cooperation activities. The Parties acknowledged the establishment of their respective Domestic Advisory Groups (DAG) and the successful hosting of the first Joint Public Session on 30 April 2025. The Parties agreed to continue to cooperate on areas of mutual interest.

3. Institutional Mechanisms

The Parties adopted the agenda without revisions and the Rules of Procedure for the Sub Committee. New Zealand and the UK acknowledged the corrections to the textual errors in the Agreement that would be rectified at the Joint Committee on 13 May 2025.

4. Bilateral Implementation and Cooperation Priorities

4.1 Overview of Annex A

New Zealand reviewed the Annex from the Joint Report of the 1st UK-New Zealand Environment and Climate Change Sub-Committee. New Zealand and the UK noted the activities that had been completed, including discussions on: the Agreement on Climate Change Trade and Sustainability (ACCTS); biodiversity at and in the run-up to the 16th Conference of Parties of the Convention on Biological Diversity; and sustainable finance and eco-labelling cooperation work. The Parties discussed continuing these exchanges into the third year of the FTA. The Parties also agreed to explore whether further discussions around responsible business conduct would be of use.

4.2 New Zealand Offshore Wind Energy Delegation

The UK noted the successful Offshore Wind Energy delegation that had visited the UK from New Zealand. Both Parties expressed a desire to strengthen collaboration in clean energy, including through the Clean Energy Partnership that had recently been announced ([link](#)) by the Prime Ministers of New Zealand and the UK.

4.3 Sustainable Finance

New Zealand expressed its thanks to the UK for the useful discussions on respective green gilts and green bonds programmes, green taxonomies, and work on constructing Green Finance strategies. Both

Parties noted areas of future cooperation and information sharing and noted that there would be a further meeting of experts on 8 May 2025.

4.4 Green Hydrogen

New Zealand and the UK shared their interest in green hydrogen, including the policies, regulatory frameworks and programmes that are being implemented. The UK shared its comprehensive sectoral approach to green hydrogen and the announcement of the Second Hydrogen Allocation Round's (HAR2) shortlist of green hydrogen production projects in the UK invited to the next stage of the funding scheme, which will include further due diligence and cost assurance.

4.5 Environmental Goods and Services

Building on the last Sub-Committee meeting discussion about environmental goods and services, the UK shared its analysis of the trade of environmental goods prior to, and since the FTA entered into force. New Zealand and the UK discussed the possibility of further information exchanges in this area and in the transposition of the Harmonised System list.

5. Cooperation in other fora

Overview

New Zealand and the UK shared views on key areas of environment and climate change policy such as the Agreement on Climate Change, Trade and Sustainability (ACCTS), carbon border adjustment mechanism (CBAM), agriculture, forestry, biodiversity and invasive non-native species (INNS). Both Parties acknowledged New Zealand's request for regular engagement with the UK Department for Environment, Food and Rural Affairs on agriculture issues.

5.1 Summary of ACCTS discussion

New Zealand noted that the Agreement on Climate Change, Trade and Sustainability (ACCTS) is a trade agreement that addresses climate change and broader sustainable development objectives. New Zealand shared notable streams of work under the agreement, such as work to create a shared definition of fossil fuel subsidies, defining standards for eco-labelling and an innovative categorisation of environmental goods and services. Both Parties noted New Zealand's helpful engagement on the agreement, and New Zealand emphasised that questions on the agreement from the UK were welcome.

5.2 Carbon Border Adjustment Mechanism

The UK provided an update on its carbon border adjustment mechanisms policy development and its objective to tackle carbon leakage in emission intensive goods such as cement, aluminium, iron and steel. New Zealand expressed interest in the UK's policy development and move to implementation in 2027.

5.3 Updates on Nature and Environment Topics

New Zealand provided an update on its work to measure on-farm agricultural emissions and expressed interest in regular engagement with the UK Department for Environment, Food and Rural Affairs.

On sustainable forest management, the UK noted its commitment to environment and sustainability goals and working through multilateral fora. The UK provided an update on its timber regulations and timber procurement policy.

On biodiversity, the Parties noted their cooperation in the run up to, and during, the 16th Conference of Parties of the Convention on Biological Diversity (COP16) in Cali and Rome and looked forward to working together to follow up on decisions from COP16. New Zealand congratulated the UK on the development of its National Biodiversity Strategy and Action Plan. The UK provided an overview of its approach to monitor invasive non-native species (INNS) to enable reporting of its progress to reduce the rate of establishment of INNS in Great Britain.

6. Joint Public Session Engagement¹

Reflecting on the Joint Public Session, New Zealand and the UK expressed appreciation for the opportunity to hear from valued stakeholders. Both sides acknowledged the discussion and recognised the work of the New Zealand and UK chairs. The UK raised the New Zealand Fast-track Approvals Act 2024 and sought further information from New Zealand. The UK noted that it was keeping a watching brief on future legislation to replace the repealed Natural and Built Environment Act 2023. New Zealand sought further information about the UK DAG process. The Parties noted prior and ongoing engagement in other areas of interest to stakeholders, including standards and eco-labelling, sustainable forest management, emissions measurement and reduction, and subsidies.

7. Actions and Next Steps

New Zealand and the UK discussed the next Environment and Climate Change Sub-Committee and agreed to follow up on the date of the next meeting.

Both Parties agreed to follow up on areas of cooperation and follow up questions from the Sub-Committee discussion.

8. Closing Remarks

New Zealand and the UK exchanged thanks and noted the positive outcomes of the meeting. Both Parties thanked the experts for sharing about their policy areas. New Zealand and the UK noted the areas for cooperation and agreed to continue to work together bilaterally, regionally and multilaterally (outlined in Annex A).

¹ Joint Public Session minutes are published here: [MFAT link](#) and [UK Govt link](#)

ANNEX A – Summary of Outcomes

New Zealand and the UK will continue to cooperate and work together bilaterally, regionally and multilaterally. Leveraging this FTA, priority cooperation activities for 2025/26 include:

Institutional Mechanisms
<ul style="list-style-type: none"> • Parties to facilitate connection between each other's Domestic Advisory Groups. • Discuss and confirm preference for meeting frequency.
Sustainable Finance
<ul style="list-style-type: none"> • Parties to continue cooperation, information sharing and policy exchanges led by relevant agencies on both sides, to share learnings and encourage interoperability in sustainable finance frameworks, and to update on these activities at future meetings of the Sub-Committee.
Renewable Energy and Climate Change
<ul style="list-style-type: none"> • Parties to strengthen clean energy collaboration, including through the formation of the Clean Energy Partnership announced in April 2025 • Parties to continue discussions on green hydrogen policies, regulations and programmes. • Parties to continue discussions about CBAMs, particularly the UK's policy development and move to implementation in 2027.
Trade and Sustainable Development
<ul style="list-style-type: none"> • Parties to continue discussions on the Convention on Biological Diversity at COP17, including how to take related COP16 decisions forward. • Parties to continue discussions on their respective eco-labelling programmes
Other topics
<ul style="list-style-type: none"> • Parties to explore further information exchange on Environmental Goods and Services trade flows and in the transposition of the Harmonised System list
<ul style="list-style-type: none"> • Parties to explore further discussions on responsible business conduct • Parties to explore further discussions on sustainable resource management
<ul style="list-style-type: none"> • New Zealand to share further information on the Fast Track Approvals Act 2024 • New Zealand to share updates on the future legislation to replace the repealed Natural and Built Environment Act 2023.