



Department for  
International Trade

# Environment, Climate Change, and Sustainability in the UK-New Zealand Free Trade Agreement



► The deal includes a ground-breaking environment chapter that re-affirms our commitments under the Paris Agreement and our ambition to meet net zero. It encourages trade and investment in low carbon goods, services and technology, with the most comprehensive list of environmental goods with liberalised tariffs in a trade deal to date.

## Low carbon economy

Trade and investment play a critical role in achieving clean growth aims by promoting 'clean' imports and exports and encouraging foreign direct investment into the low carbon economy (across a range of sectors from automotive to energy). This is in addition to facilitating international cooperation to accelerate the global transition to a low carbon economy, including on carbon markets and pricing.

The FTA promotes trade and investment in environmental goods and services. It sets a new precedent by including the most comprehensive list of environmental goods in an FTA to date, with tariffs liberalised on entry into force. This includes removing tariffs on products such as electric vehicles and wind turbine parts.

## Climate change

The deal commits the UK and New Zealand to work together on climate change, affirms both countries' commitments to implement the Paris Agreement, and preserves our right to regulate for environment and climate purposes.

Both countries have made precedent-setting FTA commitments to end electricity generation from unabated coal, take steps to eliminate fossil fuel subsidies where they exist, and pursue a more ambitious phase down of hydrofluorocarbons.

## Environmental commitments

The UK and New Zealand will work together on a range of environmental issues, including commitments to:

- Tackle illegal logging, illegal deforestation and forest degradation, and promote sustainable trade in commodities generally associated with deforestation.
- Tackle environmental challenges such as illegal wildlife trade (including in ivory), air pollution, marine pollution and litter, and promote biodiversity, sustainable agriculture, and the transition to a circular economy.
- Address inadequate fisheries management, illegal, unreported, and unregulated (IUU) fishing, and prohibit certain subsidies to combat overfishing.

These commitments will be enforceable through the trade deal's dispute settlement function, demonstrating our shared commitment to stand behind our high environmental standards.

## Embedding sustainability across the FTA

The deal contains provisions to embed sustainability across the FTA, including:

- Sustainable procurement – making clear that procuring entities can take into account environmental, social and labour considerations at any stage of a procurement, provided they are non-discriminatory.
- Sustainable finance – through recognising the importance of environmental, social and governance considerations including managing climate-related financial risks. Provisions also encourage the uptake of climate-related financial disclosures and facilitate our cooperation on sustainable finance, including through the development of global standards in international fora.
- Intellectual property – with a provision to cooperate on how intellectual property policy and law can support the development of environmental and clean growth technologies.