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## CHAPTER 16

### TRADE AND SUSTAINABLE DEVELOPMENT

#### ARTICLE 16.1

##### Context and objectives

1. The Parties recall the Agenda 21 and the Rio Declaration on Environment and Development, adopted by the United Nations (UN) Conference on Environment and Development in 1992, the Johannesburg Plan of Implementation of the World Summit on Sustainable Development of 2002, the International Labour Organization (ILO) Declaration on Social Justice for a Fair Globalization of 2008, as amended in 2022, the Outcome Document of the UN Conference on Sustainable Development of 2012 entitled "The Future We Want" endorsed by the UN General Assembly Resolution 66/288 adopted on 27 July 2012, the UN 2030 Agenda for Sustainable Development, adopted by the UN General Assembly Resolution 70/1 on 25 September 2015 and its Sustainable Development Goals, and the ILO Centenary Declaration for the Future of Work, adopted in June 2019.

2. The Parties recognise that sustainable development encompasses economic development, social development and environmental protection, all three being interdependent and mutually reinforcing and affirm their commitment to promote the development of international trade in a way that contributes to the objective of sustainable development.

3. The Parties recognise the urgent threat of and urgent need to address climate change, as outlined in the relevant IPCC Reports, as a contribution to the economic, social and environmental objectives of sustainable development reflecting the principles of the UNFCCC and the Paris Agreement, including equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

4. In light of the above, 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 Parties' trade relationship, including through strengthening dialogue and cooperation. Further, it is not the Parties' intention in this Chapter to harmonise the labour or environment standards of the Parties.

5. Recognising the difference in the levels of development between the Parties, the Parties affirm their commitments on support under the multilateral environmental agreements to which they are party and agree to cooperate in accordance with Article 16.15, including, as appropriate, through mobilising financial tools and instruments, promoting voluntary sharing of know-how, technological innovation, technology development, technical assistance and capacity building, in order to support the objectives of this Chapter.

6. For the purposes of this Chapter, for India, "laws and regulations" mean an Act of the Parliament of India or delegated legislation framed pursuant to an Act of the Parliament of India, which is enforceable by action of the Central or Union level of Government.

## ARTICLE 16.2

### Right to regulate and levels of protection

1. The Parties recognise the right of each Party to determine its sustainable development policies and priorities, to establish the levels of domestic environmental and labour protection, including social protection, it deems appropriate and to adopt, maintain or modify its relevant law and policies. Such levels, law and policies shall endeavour to be consistent with each Party's commitments to the internationally recognised standards and agreements referred to in this Chapter.

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

3. A Party shall make efforts towards ensuring that it does not weaken or reduce the levels of protection afforded in its environmental or labour laws and regulations in order to encourage trade or investment between the Parties.

4. A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its environmental or labour laws and regulations in a manner that weakens or reduces the protection afforded in those laws and regulations, in order to encourage trade or investment between the Parties.

5. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental or labour laws and regulations in order to encourage trade or investment between the Parties.

6. Recalling Principle 12 of the Rio Declaration on Environment and Development, the Parties should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, to better address the problems of environmental degradation. Trade policy measures for environmental and labour purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. The Parties agree to promote their economic relations and the development of trade in a manner that contributes to achieving the Parties' respective Sustainable Development Goals, while taking a cooperative approach recognising their different levels of development as well as common values and interests.

## ARTICLE 16.3

### 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 of 2008, as amended in 2022.

2. In accordance with the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 86th Session in 1998 and as amended at its 110th Session in 2022, each Party shall respect, promote and realise, in good faith and in accordance with the ILO Constitution, the principles concerning the fundamental rights at work, as defined in the fundamental ILO Conventions, 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>;
- (c) the effective abolition of child labour;
- (d) the elimination of discrimination in respect of employment and occupation; and
- (e) a safe and healthy working environment.

3. Each Party shall make efforts, in good faith, towards the ratification of the fundamental ILO Conventions to which they are not yet party, in a promotional, flexible manner and in accordance with domestic laws, and according to the ILO Declaration on Social Justice for a Fair Globalisation of 2008 and the ILO Centenary Declaration for the future of work adopted in June 2019.

4. On the request of the other Party, a Party shall provide information, as appropriate and feasible, on its situation regarding the ratification of ILO Conventions or protocols classified as up-to-date by the ILO.

5. Each Party shall implement the ILO Conventions that India and the Member States of the European Union have respectively ratified, in good faith, as per its domestic law and procedure.

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<sup>1</sup> In this context, the Parties recognise the importance of ratification of the 2014 Protocol to the Forced Labour Convention.

6. Recalling the ILO Declaration on Social Justice for a Fair Globalization of 2008, as amended in 2022, the Parties recognise that violation of fundamental principles and rights at work cannot be invoked or otherwise used as legitimate comparative advantage. The Parties also affirm that labour standards should not be used for protectionist trade purposes. In this context, the Parties underline that their respective legitimate comparative advantages should in no way be put into question.

7. Each Party shall promote, through its laws and practices and with due regard to national conditions and circumstances, the ILO Decent Work Agenda as set out in the Declaration on Social Justice for a Fair Globalization of 2008 adopted by the International Labour Conference at its 97<sup>th</sup> Session, and as amended in 2022, 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
- (b) social dialogue on labour matters among workers and employers and their respective organisations, and with relevant government authorities.

8. Consistent with its commitments under the ILO, each Party shall maintain an effective labour inspection system.

9. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, including in the ILO, among others through the exchange of information, best practices and outreach initiatives. Such cooperation may cover, among others:

- (a) implementation of fundamental, priority and other up-to-date ILO Conventions;
- (b) decent work, including on the inter-linkages 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) information sharing: exchanging of information and sharing of best practices on issues of common interest and relevant events, activities, and initiatives organised in their respective territories;
- (d) human resources development through skills development, skills intelligence, including on skills availabilities and gaps, and qualification frameworks, life-long learning, vocational education and training, also in view of facilitating a just transition and decent work in accordance with the ILO Guidelines on a Just Transition and the ILO Decent Work Agenda;
- (e) labour administration and enforcement: institutional capacity of labour administrations, and enforcement capacity of quasi-judicial and judicial bodies;
- (f) labour relations: forms of cooperation to ensure productive labour relations among workers, employers, and governments;
- (g) sharing information, in particular as regards to employment statistics and regulation of working conditions with respect to workers employed with digital labour platforms and online employers;
- (h) referencing of occupations by skills and qualifications requirements, and promoting transparency in this regard, which may facilitate mutual recognition as appropriate;
- (i) sharing information on the labour market impact of international trade, or vice-versa;
- (j) promotion of green jobs and green entrepreneurship to support communities affected by the green transition; and
- (k) sharing information on matters related to social security, labour conditions and the promotion of decent work for migrant workers, such as on occupational safety and health and on social protection.

#### ARTICLE 16.4

## Trade and gender equality

1. The Parties recognise that inclusive trade policies contribute to advancing women's economic empowerment and gender equality, in line with Sustainable Development Goal 5 of the UN 2030 Agenda on Sustainable Development. They acknowledge the important contribution by women to economic growth through their participation in economic activity, including international trade. The Parties agree to promote and enhance gender equality and the empowerment of women in the implementation of the provisions of this Agreement.
2. The Parties aim to strengthen their trade relations and cooperation in ways that provide equal opportunities and treatment for women and men to benefit from the provisions of this Agreement, including in matters of employment and occupation, in accordance with their international commitments.
3. Each Party shall implement, in good faith, as per its domestic law and procedure, its obligations under international agreements addressing gender equality and women's rights to which it is a party, including the Convention on the Elimination of all Forms of Discrimination Against Women, adopted by the United Nations General Assembly on December 18, 1979 noting in particular its provisions related to eliminating discrimination against women in economic life and in the field of employment, as well as the relevant ILO Conventions that it has ratified.
4. Each Party shall strive to ensure that its relevant law and policies provide for, and encourage, equal rights, treatment and opportunities between men and women. Each Party shall strive to improve such law and policies, without prejudice to the right of each Party to establish its own scope and levels of protection for equal opportunities for men and women. Such law and policies shall be consistent with the agreements on gender equality or women's rights that each Party has respectively ratified, and with each Party's commitments to internationally recognised standards.
5. The Parties shall work together bilaterally or in other relevant fora as appropriate to strengthen their cooperation on trade-related aspects of gender equality policies and measures, including activities designed to improve the capacity and conditions for women, including workers, businesswomen and entrepreneurs, to access and benefit from the opportunities created by this

Agreement. Such cooperation may cover, *inter alia*, exchange of information and best practices related to trade-related aspects of:

- (a) collection of gender-disaggregated data and gender-based analysis of trade policies, giving due consideration to constraints of availability and feasibility;
- (b) enhancing women's full, equal and meaningful participation in international trade, business and the workplace, including through measures to support women's entrepreneurship, including for women-run MSMEs and agri-businesses;
- (c) supporting women-led MSMEs, businesses, cooperatives and collectives, and facilitating their access to international networks, markets and value chains;
- (d) promoting inclusive economic opportunities for women engaged in trade, including women with disabilities, and women in rural and remote areas;
- (e) promoting business development services for women, financial inclusion, education and vocational training for women as well as promoting access to financial assistance and financing, including export financing, venture capital and microfinance for women-led start-ups and businesses; and
- (f) strengthening the engagement of women in digital trade, by bridging the gender digital divide, including through opportunities to strengthen their digital skills.

6. The Parties agree on the importance of monitoring and reviewing, in accordance with their domestic procedures and policies, the impact of the implementation of this Agreement on gender equality and equal opportunities provided for women in relation to trade.

## ARTICLE 16.5

Multilateral environmental governance and agreements

1. The Parties recognise the importance of international environmental governance, in particular the role of the UN Environment Assembly (UNEA) of the UN Environment Programme (UNEP), as well as multilateral environmental agreements as a response of the international community to global or regional environmental challenges and underline the need to promote mutual supportiveness between trade and environment policies, rules and measures.
2. In light of paragraph 1, each Party shall strive to fulfil its obligations, as per national circumstances, under the multilateral environmental agreements (MEAs) and their protocols, to which it is party.
3. On the request of the other Party, a Party shall provide information, as appropriate and feasible, regarding the ratifications of multilateral environmental agreements, including their protocols.
4. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, including in the UN High-level Political Forum for Sustainable Development, the UN Environment Programme, the UN Environment Assembly (UNEA), and MEAs, among others through the exchange of information, best practices and outreach initiatives. Such cooperation may cover, among others:
  - (a) policies and measures promoting mutual supportiveness of trade and environment including, *inter alia*:
    - (i) sharing information on policies and practices and promoting initiatives to encourage the shift to a circular economy;
    - (ii) promoting initiatives on sustainable production and consumption, green growth and pollution abatement;
  - (b) promoting mutual understanding of how trade and environmental priorities interact; and
  - (c) other trade related aspects of MEAs, including their protocols and implementation.

## ARTICLE 16.6

### Trade and climate change

1. The Parties recognise the importance of taking urgent and enhanced action to combat climate change and its impacts, and the role of a supportive and open international economic system in pursuing this objective, which would lead to sustainable economic growth and development in the Parties, consistent with the UN Framework Convention on Climate Change (UNFCCC) and with the Paris Agreement adopted by the Conference of the Parties to the UNFCCC at its 21st session. The Parties also recognise the objective of UNFCCC to tackle climate change through the implementation of the Paris Agreement, reflecting equity and the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances. Accordingly, each Party shall implement the UNFCCC and the Paris Agreement.

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

- (a) promote mutually supportive trade and climate policies and measures contributing to respective Nationally Determined Contributions and to respective long term strategies for transitions with respect to low greenhouse gas/carbon emissions<sup>2</sup>, to a resource-efficient and circular economy, and to climate-resilient development;
- (b) facilitate climate change mitigation and adaptation, especially through addressing tariff and non-tariff barriers to trade in renewable energy and energy efficient products and services, among others, or through the adoption of policy frameworks encouraging the deployment of best available technologies; and
- (c) facilitate cooperation as provided in Article 16.15 on the mobilisation of financial resources with respect to both mitigation and adaptation, pursuant to UNFCCC and the Paris Agreement.

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<sup>2</sup> For clarity, the referred strategies currently relate to greenhouse gas emissions for the EU and carbon emissions for India.

3. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, among others through the exchange of information, best practices and outreach initiatives. Such cooperation may cover, among others:

- (a) policy dialogue and cooperation on matters regarding the Paris Agreement, such as on means to promote climate resilience, renewable energy, low-carbon technologies, energy efficiency, sustainable transport, sustainable and climate-resilient infrastructure development;
- (b) matters related to the IMO process on greenhouse gas emissions reduction measures by ships engaged in international trade, while acting in accordance with the guiding principles of the IMO GHG Strategy referred in its paragraph 3.5<sup>3</sup>;
- (c) supporting the phase out of ozone-depleting substances (ODS), and the phase-down of hydrofluorocarbons (HFCs) under the Kigali amendment to the Montreal Protocol, such as by controlling their production, consumption and trade, by undertaking further research, design, development and introduction of suitable alternatives to ODS and HFCs and technologies with low global warming potential, including sustainable cooling and refrigerant management practices, by sharing of experiences on policies and programmes including lifecycle management of refrigerants, as well as by combatting the illegal trade of substances regulated by the Montreal Protocol, based on the Parties' respective national circumstances; and
- (d) enhancing the enabling environments, in accordance with the UNFCCC and the Paris Agreement, to facilitate the development and mobilisation of climate finance, including for strengthening cooperative action on technology development and transfer, and facilitating cooperation as provided in Article 16.15 in order to support, as appropriate, the objectives of this article.

#### ARTICLE 16.7

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<sup>3</sup> The principles guiding the 2023 IMO GHG Strategy include "the principle of Common and Differentiated Responsibility and Respective Capabilities (CBDR-RC) in light of different national circumstances, enshrined in UNFCCC, Kyoto Protocol and Paris Agreement".

## 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 (CBD) and its protocols, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the decisions adopted thereunder.
2. In light of paragraph 1, each Party shall, as per its domestic law and procedure:
  - (a) implement appropriate measures to combat illegal wildlife trade, in accordance with CITES; and
  - (b) take measures to conserve biological diversity, in particular to prevent the spread of invasive alien species by preventing the introduction of, and controlling, those alien species which threaten ecosystems, habitats or species.
3. In light of paragraph 1, each Party shall endeavour to
  - (a) promote the long-term conservation and sustainable use of CITES-listed species in accordance with the convention, including cooperating, as appropriate, towards coverage by the Convention of animal and plant species, whose conservation status is mutually considered at risk; and
  - (b) promote sustainable use and conservation of biological resources, including products derived from such use, in order to contribute to the conservation of biodiversity.
4. The Parties further recognise the importance of prior informed consent or approval to access genetic resources and traditional knowledge associated with genetic resources, and the fair and equitable sharing, between users and providers, of benefits arising from the utilisation of genetic resources and traditional knowledge associated with genetic resources, as well as subsequent application and commercialisation. Accordingly, the Parties affirm their commitment to implement

the Convention on Biological Diversity and its Nagoya Protocol on access to genetic resources and fair and equitable sharing of benefits arising from their utilisation done at Nagoya on 29 October 2010, in accordance with domestic legislations.

5. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, among others through the exchange of information, best practices and outreach initiatives. Such cooperation may cover, among others:

- (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; and
- (d) access, transfer and use of genetic resources; and traditional knowledge associated to genetic resources, and the fair and equitable sharing of benefits from their utilisation in line with the Convention on Biological Diversity and its Nagoya Protocol, as well as other international Access and Benefit sharing instruments to which the Parties are party.

## ARTICLE 16.8

### 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.

2. Recognising that deforestation is a major driver of global warming and biodiversity loss, each Party shall take appropriate measures to combat illegal logging and related trade, as well as to support the conservation and sustainable management of forests and to address the risk of deforestation or forest degradation.

3. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, among others through the exchange of information, best practices and outreach initiatives. Such areas of cooperation may cover, among others:

- (a) combatting illegal logging, and associated trade;
- (b) promoting the conservation and sustainable management of forests;
- (c) reducing deforestation and forest degradation;
- (d) exchange of knowledge and experience on trade-related initiatives regarding forest governance;
- (e) reducing biodiversity loss and promotion of circular economy;
- (f) work towards increasing mutual knowledge and understanding of existing practices and traceability, certification or other third party verified schemes and standards; and
- (g) encourage sustainable supply chains and production.

## ARTICLE 16.9

### Trade and sustainable management of marine biological resources and aquaculture

1. The Parties recognise the importance of conserving and sustainably managing marine biological resources and marine ecosystems as well as of promoting responsible and sustainable

aquaculture, and the role of trade in pursuing these objectives. The Parties acknowledge the importance of the marine fisheries sector to their development and to the livelihoods of their fishing communities, including artisanal or small-scale fishers, and the usefulness to encourage responsible fishing practices by such fishers that may enhance trade opportunities for them.

2. The Parties acknowledge that illegal, unreported and unregulated (IUU) fishing threatens fishery stocks, the livelihoods of persons engaged in responsible fishing practices and the sustainability of trade in fishery products and confirm the need for action to end IUU fishing in order to encourage sustainable utilisation of fisheries resources and their conservation, while recognising the need for capacity building and technical assistance to Parties.

3. In light of paragraphs 1 and 2, each Party shall endeavour to:

- (a) implement long-term conservation and management measures and sustainable use of marine living resources as defined in the main UN and FAO instruments relating to these issues<sup>4</sup> to which it is a party;
- (b) act consistently with the principles of the UN Convention on the Law of the Sea, the UN Agreement on the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, as well as, if it is a party, of the FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas and of the FAO Code of Conduct for Responsible Fisheries and the FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated (IUU) fishing, and to participate in FAO's initiative on the Global Record of Fishing Vessels, Refrigerated Transport Vessels and Supply Vessels;

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<sup>4</sup> The UN Convention on the Law of the Sea of 1982, the FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas of 1995, the UN Agreement for the Implementation of the Provisions of the UN 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 of 1995, the FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing of 2009.

- (c) participate and contribute in the work of the Regional Fisheries Management Organisations (RFMOs) to 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 periodical performance reviews and the adoption of effective control, monitoring and enforcement of the RFMOs' management measures and, where applicable, the adoption and implementation of Catch Documentation or Certification Schemes and port state measures;
- (d) implement effective measures to combat IUU fishing, including measures to exclude IUU products from trade flows<sup>5</sup>, and cooperate to this end; and
- (e) promote the development of sustainable and responsible aquaculture, taking into account its economic, social and environmental aspects, including with regard to the implementation of the objectives and principles contained in the FAO Code of Conduct for Responsible Fisheries.

4. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, among others through the exchange of information, best practices and outreach initiatives. Such areas of cooperation may cover, among others:

- (a) promotion of trade in sustainable fish and fishery products and aquaculture;
- (b) development of sustainable practices in deep sea fishing, including in relation to its infrastructure and value chain;
- (c) sharing of know-how and expertise in the field of sustainable fisheries management and aquaculture;

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<sup>5</sup> The EU recalls that the EU law does not permit importation of IUU products into the EU.

- (d) capacity building, skilling and training, sharing best practices and success stories in relation to sustainable fishing and aquaculture practices; and
- (e) research and development related to sustainable fisheries management and aquaculture.

## ARTICLE 16.10

### Trade supporting sustainable development

1. The Parties recognise that trade in environmental goods and services, and in goods and services that contribute to enhanced well-being and the creation of decent jobs, may meaningfully contribute to sustainable development. In this context, the Parties recognise the importance of facilitating trade in environmental goods and services, and the role of voluntary sharing of know-how and of technology on mutually agreed terms, and exchange of expertise, as a means of improving environmental and economic performance, and encouraging sustainable development.
2. In light of paragraph 1, each Party shall promote and facilitate trade in environmental goods and services, and in goods and services that contribute to enhanced well-being and the creation of decent jobs, and in goods subject to credible sustainability assurance schemes, including by working through the relevant committees established under this Agreement, as appropriate.
3. The promotion and facilitation of trade referred to in paragraph 2 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, as per the different national circumstances and capacities of each Party;
  - (c) encouraging credible sustainability schemes, especially in a manner that takes into account the specific needs and concerns of SMEs in their respective territories;
  - (d) addressing related non-tariff barriers; and

(e) reference to relevant international standards, such as the ILO Conventions and guidelines or Multilateral Environmental Agreements, as appropriate, in line with the Parties' respective international obligations and commitments.

4. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, among others through the exchange of information, best practices and outreach initiatives.

#### ARTICLE 16.11

##### Trade and responsible business conduct

1. The Parties recognise the importance of responsible business conduct/corporate social responsibility practices and the role of trade in pursuing this objective.
2. In light of paragraph 1, each Party shall, in accordance with its domestic procedures:
  - (a) promote responsible business conduct/corporate social responsibility, by providing supportive policy frameworks that encourage the uptake of relevant practices by businesses; and
  - (b) promote awareness and support the voluntary uptake and dissemination of relevant international instruments such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as well as other similar instruments as each party may consider appropriate.
3. The Parties recognise the utility of international sector-specific guidelines in the area of responsible business conduct/corporate social responsibility and shall promote joint work in this regard.

4. The Parties shall work together to strengthen their cooperation, including in accordance with Article 16.15, on trade-related matters of mutual interest covered by this article, bilaterally and in international fora, as appropriate, among others through the exchange of information, best practices and outreach initiatives.

#### ARTICLE 16.12

##### Scientific and technical information

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

#### ARTICLE 16.13

##### Public submissions

1. Each Party shall consider, as appropriate, and endeavour to respond, to submissions made by persons of that party on matters related to this Chapter, in accordance with its domestic procedures, including when identifying areas of cooperation and when carrying out cooperative activities under this Chapter.

2. Where the matter raises an issue directly relevant under Article 16.3 (Multilateral labour standards and agreements), the submission clearly identifies the person making the submission and explains, to the degree possible, how and to what extent the issue raised affects trade between the Parties, the Parties shall consider the submission and provide a timely response, including in writing, as appropriate.

#### ARTICLE 16.14

## Committee on Trade and Sustainable Development and contact points

1. The Parties hereby establish a Committee on Trade and Sustainable Development (hereafter "the TSD Committee"). The composition and operation of the TSD Committee is governed by Article X of Title X [*Trade Committee*] of this Agreement.
2. The functions of the TSD Committee are to:
  - (a) facilitate, monitor and review the implementation of this Chapter;
  - (b) contribute to the work of the Trade Committee on issues covered by this Chapter; and
  - (c) consider any other matter related to this Chapter as the Parties may agree.
3. Each Party shall, within one month after the entry into force of this Agreement, designate a contact point within its administration to facilitate communication and coordination between the Parties on any matter relating to this Chapter. Each Party shall notify the other Party of the contact detail so fits contact point. The Parties shall promptly notify each other of any change of those contact details.

## ARTICLE 16.15

### Cooperation

1. The Parties affirm the importance of sharing economic, technical and financial resources as a means to support implementation of the sustainable development objectives under this Chapter.
2. The Parties recognise cooperation as a means to support implementation, enhance the benefits of this Chapter and strengthen the Parties' joint and individual capacities to protect the environment, labour rights and gender equality, and to promote sustainable development and clean growth as they strengthen their trade relations.

3. The Parties also agree on the importance of taking into consideration their different levels of development and developmental priorities when determining the cooperation activities under this Chapter, as well as the forms of assistance and support needed for fulfilling the objectives of this Chapter.

4. Cooperation under this Chapter may include, among others:

- (a) policy dialogues;
- (b) technical assistance and capacity building;
- (c) mobilising financial tools and instruments, as appropriate;
- (d) promoting the voluntary sharing of know-how and technology development, and supporting technological innovation, in particular in line with the Parties' respective commitments under multilateral environmental agreements;
- (e) sharing of information, data and best practices on policies and procedures, including through joint analysis and the exchange of experts;
- (f) workshops, seminars, conferences, collaborative programmes and projects, including joint research projects on environmental technologies; and
- (g) other means, as the Parties may jointly decide.

5. With a view to support the cooperation and implementation activities in this Chapter, each Party shall, as appropriate:

- (a) share its priorities for cooperation with the other Party;
- (b) propose cooperation activities, including those related to the implementation of this Chapter; and

- (c) develop and participate in cooperation activities and programmes in accordance with priorities identified and agreed by the Parties.

## ARTICLE 16.16

### Consultations between the Parties

1. The Parties shall at all times endeavour to agree on the interpretation and application of this Chapter, and shall make every effort through cooperation, dialogue, consultations, and exchange of information to address any matter arising under this Chapter.
2. Subject to paragraph 3, a Party may request consultations with the other Party regarding any matter arising under this Chapter by delivering a written request to the responding Party's relevant contact point. The requesting Party shall set out the reasons for the request, including identification of the measure or other matter at issue and an indication of factual and the legal basis for the request.
3. Where the matter arising under this Chapter regards compliance with obligations under a multilateral environmental agreement to which the Parties are party, the responding Party may, where appropriate, request to address the matter through the consultative or other procedures under that multilateral environmental agreement. The requesting Party shall accordingly seek to address the matter under the relevant multilateral environmental agreements, unless the Parties agree otherwise.
4. The responding Party shall respond to the request in writing no later than 50 days after the date of delivery of the request.
5. Unless the Parties agree otherwise, they shall enter into consultations in the TSD Committee promptly and no later than 90 days after the date of delivery of the request by the requesting Party.

6. The Parties shall make every effort to arrive at a mutually agreed solution to the matter within the earliest possible time, which may include appropriate cooperative activities. The Parties may seek advice or assistance from any person or body they deem appropriate in order to examine the matter.

#### ARTICLE 16.17

##### Joint Committee consultations

1. If the Parties have failed to resolve the matter under Article 16.16 (Consultations between the Parties), either Party may request that the Joint Committee convene to consider the matter by delivering a written request to the relevant contact point of the other Party.

2. The Joint Committee shall promptly convene following the delivery of the request, and shall seek to resolve the matter including, if appropriate, by gathering relevant information from the ILO, relevant organisations or bodies established under Multilateral Environmental Agreements (MEAs), governmental agencies or sources, or other mutually agreed sources or agencies.

#### ARTICLE 16.18

##### Consultations at ministerial level

If the Parties have failed to resolve the matter under Article 16.17 (Joint Committee consultations), either Party may refer the matter to the relevant Minister-level representatives of the Parties who shall seek to promptly resolve the matter.

#### ARTICLE 16.19

##### Consultation procedures

1. Consultations pursuant to Article 16.16 (Consultations between the Parties), Article 16.17 (Joint Committee consultations) or Article 16.18 (Consultations at ministerial level) may be held in person or by any technological means available as agreed by the Parties.
2. Consultations pursuant to Article 16.16 (Consultations between the Parties), Article 16.17 (Joint Committee consultations), or Article 16.18 (Consultations at ministerial level), and in particular, the positions taken by the Parties during consultations, shall be confidential and without prejudice to the rights of a Party in any further or other proceedings.<sup>6</sup>
3. A Party may make public the outcome of consultations pursuant to Article 16.16 (Consultations between the Parties), Article 16.17 (Joint Committee consultations) or Article 16.18 (Consultations at ministerial level), unless the Parties agree otherwise, subject to the protection of confidential information. Where the outcome of consultations is published, this shall be through a jointly agreed report.
4. A Party shall treat as confidential any information exchanged in the consultations which the other Party has designated as confidential.

## ARTICLE 16.20

### Review

A Party may request the review of this Chapter at any time after the date of entry into force of this Agreement, which shall be initiated by mutual agreement of the Parties. Each Party may, as appropriate, take into account views expressed by its relevant stakeholders in relation to such review. Following such review, the Parties may jointly decide on future action, as appropriate.

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<sup>6</sup> For greater certainty, this does not prevent the Parties from consulting their relevant stakeholders.