

7. Chapter Thirteen (Trade and Sustainable Development) is hereby replaced with the following:

“CHAPTER THIRTEEN

TRADE AND SUSTAINABLE DEVELOPMENT

ARTICLE 13.1

Context and Objectives

1. Recalling *Agenda 21 on Environment and Development of 1992*, the *Johannesburg Plan of Implementation on Sustainable Development of 2002* and the *Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work of 2006* (hereinafter referred to as the “2006 Ministerial Declaration on Full Employment and Decent Work”), the Parties reaffirm their commitments to promoting the development of international trade in such a way as to contribute to the objective of sustainable development and will strive to ensure that this objective is integrated and reflected at every level of the Parties’ trade relationship.

2. The Parties recognise that economic development, social development, and environmental protection are interdependent and mutually reinforcing components of sustainable development. The Parties underline the benefit of cooperation on trade related social and environmental issues as part of a global approach to trade and sustainable development.

3. The Parties recognise that it is not their intention in this Chapter to harmonise the labour or environment standards of the Parties, but to strengthen their trade relations and cooperation in ways that promote sustainable development in the context of paragraphs 1 and 2.

ARTICLE 13.2

Scope

1. Except as otherwise provided in this Chapter, this Chapter applies to measures adopted or maintained by the Parties affecting trade-related aspects of labour¹ and environmental issues in the context of Articles 13.1.1 and 13.1.2.

2. The Parties stress that environmental and labour standards should not be used for protectionist trade purposes. The Parties note that their comparative advantage should in no way be called into question.

¹ When “labour” is referred to in this Chapter, it includes the issues relevant to the *Decent Work Agenda* as agreed on in the *International Labour Organization* (hereinafter referred to as the “ILO”) and in the *2006 Ministerial Declaration on Full Employment and Decent Work* (hereinafter referred to as the “Decent Work Agenda”).

ARTICLE 13.3

Right to Regulate and Levels of Protection

Recognising the right of each Party to establish its own levels of environmental and labour protection, and to adopt or modify accordingly its relevant laws and policies, each Party shall seek to ensure that those laws and policies provide for and encourage high levels of environmental and labour protection, consistent with the internationally recognised standards or agreements referred to in Articles 13.4 and 13.5, and shall strive to continue to improve those laws and policies.

ARTICLE 13.4

Multilateral Labour Standards and Agreements

1. The Parties recognise the value of international cooperation and agreements on employment and labour affairs as a response of the international community to economic, employment, and social challenges and opportunities resulting from globalisation. The Parties commit to consulting and cooperating, as appropriate, on trade-related labour and employment issues of mutual interest.

2. The Parties reaffirm the commitment, under the *2006 Ministerial Declaration on Full Employment and Decent Work*, to recognising full and productive employment and decent work for all as a key element of sustainable development for all countries and as a priority objective of international cooperation, and to promoting the development of international trade in a way that is conducive to full and productive employment and decent work for all, including men, women, and young people.

3. The Parties, in accordance with the obligations deriving from membership of the ILO and 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, as amended in 2022, commit to respecting, promoting, and realising, in their laws and practices, the principles concerning the fundamental rights, namely:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour;
- (d) the elimination of discrimination in respect of employment and occupation; and
- (e) a safe and healthy working environment.

4. The Parties reaffirm their commitment to effectively implementing the ILO Conventions that Korea and the United Kingdom have ratified respectively. The Parties will make continued and sustained efforts towards ratifying the fundamental ILO Conventions as well as the other Conventions that are classified as “up-to-date” by the ILO.

ARTICLE 13.5

Multilateral Environmental Agreements

1. The Parties recognise the value of international environmental governance and agreements as a response of the international community to global or regional environmental problems and they commit to consulting and cooperating as appropriate with respect to negotiations on trade-related environmental issues of mutual interest.

2. The Parties reaffirm their commitments to the effective implementation in their laws and practices of the multilateral environmental agreements to which they are party.

3. The Parties reaffirm their commitment to reaching the ultimate objective of the *United Nations Framework Convention on Climate Change* (hereinafter referred to as the “UNFCCC”) and its *Kyoto Protocol*.

ARTICLE 13.6

Trade Favouring Sustainable Development and Environmental Goods and Services

1. The Parties reconfirm that trade should promote sustainable development in all its dimensions. The Parties recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and they highlight the value of greater policy coherence between trade policies, on the one hand, and employment and labour policies on the other.

2. The Parties shall strive to facilitate and promote trade and investment in environmental goods and services, including environmental and low-emission technologies, sustainable renewable energy and enabling infrastructure, energy efficient products and services, and eco-labelled goods, including through addressing related non-tariff barriers. The Parties shall strive to facilitate and promote trade in goods that contribute to sustainable development, including goods that are the subject of schemes such as fair and ethical trade and those involving corporate social responsibility and accountability.

ARTICLE 13.7

Upholding Levels of Protection in the Application and Enforcement of Laws, Regulations or Standards

1. A Party shall not fail to effectively enforce its environmental and labour laws, through a sustained or recurring course of action or inaction, in a manner affecting trade or investment between the Parties.
2. A Party shall not weaken or reduce the environmental or labour protections afforded in its laws to encourage trade or investment, by waiving or otherwise derogating from, or offering to waive or otherwise derogate from, its laws, regulations, or standards, in a manner affecting trade or investment between the Parties.

ARTICLE 13.8

Climate Change and the Transition to Clean Energy

1. The Parties recognise the importance of achieving the ultimate objective of the UNFCCC and the *Paris Agreement* in order to address the urgent threat of climate change, and the role of trade and investment in pursuing this objective.
2. The Parties also recognise the immediate need for enhanced action to cut greenhouse gas emissions, and the urgency of enhancing ambition and action to implement the goals of the *Paris Agreement*.
3. The Parties recognise the need to reduce the use of fossil fuels and to support the global transition to clean energy in order to further the implementation of the objectives of the UNFCCC and the *Paris Agreement*.
4. Each Party affirms:
 - (a) its commitment to implement the *Paris Agreement* and to take part and cooperate in global action to reduce greenhouse gas emissions with the aim of strengthening the global response to climate change by holding the increase in global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels; and
 - (b) its commitment to achieve its domestic net zero emissions target by 2050.
5. The Parties shall endeavour, within their respective circumstances, to transition to a low-carbon economy and climate-resilient society, including through the expansion of clean energy, in order to respond to climate change.
6. Further to paragraph 5, each Party shall:

- (a) endeavour to phase down unabated coal-fired electricity generation in its territory as part of a clean energy transition aligned with the goals of the *Paris Agreement*;
- (b) support and encourage collective efforts towards increasing renewable energy capacity globally and improving energy efficiency; and
- (c) maintain carbon pricing as an effective policy tool for reducing greenhouse gas emissions efficiently.

ARTICLE 13.9

Ozone Depleting Substances and Hydrofluorocarbons

1. The Parties recognise that emissions of ozone depleting substances can significantly deplete and otherwise modify the ozone layer in a manner that is likely to result in adverse effects on human health and the environment. The Parties further recognise the importance of avoiding the use of ozone depleting substances and hydrofluorocarbons, as part of their efforts to address climate change.
2. Accordingly, each Party shall take measures to control the production and consumption of, and trade in, substances controlled by the *Montreal Protocol on Substances that Deplete the Ozone Layer* (hereinafter referred to as the “Montreal Protocol”)² and the *Kigali Amendment to the Montreal Protocol*;³ and may implement a more ambitious phase-down of hydrofluorocarbons.
3. The Parties also recognise the importance of public participation and consultation, in accordance with their respective law or policy, in the development and implementation of measures concerning the protection of the ozone layer, including measures related to ozone depleting substances and hydrofluorocarbons.

ARTICLE 13.10

Air Quality

1. The Parties recognise that air pollution is a serious threat to public health, ecosystem integrity, and sustainable development and that production, consumption, and transport can be major contributors to air pollution, leading to other environmental problems. Noting the potential for air pollution to travel long distances and for its reduction to provide multiple benefits, the Parties emphasise the importance of international cooperation to improve air quality and to reduce transboundary air pollution.

² For greater certainty, this provision pertains to substances controlled by the Montreal Protocol and any existing or future amendments or adjustments to which the Parties are party.

³ For greater certainty, this provision pertains to any existing or future amendments or adjustments to which the Parties are party.

2. To this end, each Party shall endeavour to reduce domestic and transboundary air pollution through coordinated actions at local, regional and global levels.

ARTICLE 13.11

Marine Litter and Protection of the Marine Environment from Ship Pollution

1. The Parties recognise the importance of taking action to prevent and reduce marine litter, including plastics and microplastics. Accordingly, each Party shall endeavour to take measures to prevent and reduce marine litter.

2. The Parties recognise the importance of protecting and preserving the marine environment and the impact of pollution from ships on climate change. Accordingly, each Party shall endeavour to take measures to prevent the pollution of the marine environment from ships.⁴

ARTICLE 13.12

Article 13.12: Sustainable Forest Management

1. The Parties recognise their role as consumers, producers, and traders of forest products and of commodities that can generally be associated with deforestation. The Parties also recognise the importance of taking measures that aim to halt and reverse forest loss and land degradation by 2030, and of promoting sustainable production and sustainable supply chains.

2. Accordingly, each Party shall endeavour to combat illegal logging, illegal deforestation, and associated trade.

ARTICLE 13.13

Conservation of Biological Diversity

1. The Parties recognise that threats to biological diversity and conservation efforts include climate change, the movement of terrestrial and aquatic invasive alien species across borders, illegal take of and illegal trade in wild flora and fauna, habitat degradation and destruction, pollution, and unsustainable use.

2. Each Party recognises the importance of acting in accordance with relevant international agreements to which it is party, notably the *Convention on Biological Diversity* and its protocols, and the *Convention on International Trade in Endangered Species of Wild Fauna and Flora*.

⁴ A Party shall be deemed in compliance with this provision if it maintains the measure or measures implementing its obligations under the *International Convention for the Prevention of Pollution from Ships* (for Korea, the *Marine Environment Management Act* and regulations made under the Act; for the UK, the *Merchant Shipping Act 1995* and regulations made under the Act) or any subsequent measure or measures that provide an equivalent or higher level of environmental protection as the measure or measures listed.

3. Each Party shall endeavour to:

- (a) take measures to combat the illegal trade in wild fauna and flora, including by non-parties as appropriate;
- (b) take appropriate measures to protect and conserve native wild fauna and flora that it has identified to be at risk within its territory, including by taking measures to conserve the ecological integrity of protected natural areas; and
- (c) promote and encourage the conservation and sustainable use of biodiversity, and promote the conservation of marine ecosystems and species.

ARTICLE 13.14

Sustainable Agriculture

1. The Parties recognise the importance of sustainable agricultural systems, including in protecting and conserving land and water resources, biodiversity, and mitigating climate change.

2. Accordingly, each Party shall endeavour to:

- (a) promote sustainable agriculture and associated trade; and
- (b) take measures to reduce greenhouse gas emissions from agricultural production.

ARTICLE 13.15

Resource Efficient and Circular Economy

1. The Parties recognise the importance of a transition towards a circular economy and the role that waste avoidance and greater resource efficiency can play in reducing pressure on the natural environment, enhancing resource security, and mitigating other associated negative environmental effects arising from the use of materials throughout their lifecycle. The Parties further recognise that trade can play an important role to drive resource efficiency and circular economy initiatives.

2. The Parties recognise that policy objectives to facilitate the transition to a resource efficient and circular economy include:

- (a) efficiently utilising resources throughout product lifetimes including production, distribution, and consumption;
- (b) reducing waste throughout supply chains;

- (c) promoting circular use of products and waste; and
 - (d) increasing the proportion of materials and products that are reused and recycled.
3. Accordingly, each Party shall:
- (a) encourage the designing of products to be easier to reuse or recycle at end of life;
 - (b) encourage transparency of supply chains to make it easier for consumers to make more sustainable choices; and
 - (c) endeavour to avoid the generation of waste by encouraging reuse, repair, and remanufacture as well as the recycling of waste where it does occur, and strive to reduce the amount of waste sent to landfill.

ARTICLE 13.16

Scientific Information

The Parties recognise the importance, when preparing and implementing measures aimed at protecting the environment and social conditions that affect trade between the Parties, of taking account of scientific and technical information, and relevant international standards, guidelines, or recommendations.

ARTICLE 13.17

Transparency

The Parties, in accordance with their respective domestic law, agree to develop, introduce, and implement any measures aimed at protecting the environment and labour conditions that affect trade between the Parties in a transparent manner, with due notice and public consultation, and with appropriate and timely communication to and consultation of non-state actors including the private sector.

ARTICLE 13.18

Review of Sustainability Impacts

The Parties commit to reviewing, monitoring, and assessing the impact of the implementation of this Agreement on sustainable development, including the promotion of decent work, through their respective participative processes and institutions, as well as those set up under this Agreement, for instance through trade-related sustainability impact assessments.

ARTICLE 13.19

Cooperation

Recognising the importance of cooperating on trade-related aspects of social and environmental policies in order to achieve the objectives of this Agreement, the Parties commit to initiating cooperative activities as set out in Annex 13-A.

ARTICLE 13.20

Institutional Mechanism

1. Each Party shall designate an office within its administration which shall serve as a contact point with the other Party for the purpose of implementing this Chapter.
2. The Committee on Trade and Sustainable Development established pursuant to Article 15.2 (Specialised Committees) shall comprise senior officials from within the administrations of the Parties.
3. The Committee shall meet within the first year of the entry into force of this Agreement, and thereafter as necessary, to oversee the implementation of this Chapter, including cooperative activities undertaken under Annex 13-A.
4. Each Party shall establish a Domestic Advisory Group(s) on sustainable development (environment and labour) with the task of advising on the implementation of this Chapter.
5. The Domestic Advisory Group(s) will comprise(s) independent representative organisations of civil society in a balanced representation of environment, labour, and business organisations as well as other relevant stakeholders.

ARTICLE 13.21

Civil Society Dialogue Mechanism

1. Members of the Domestic Advisory Group(s) of each Party will meet at a Civil Society Forum in order to conduct a dialogue encompassing sustainable development aspects of trade relations between the Parties. The Civil Society Forum will meet once a year unless otherwise agreed by the Parties. The Parties shall agree by decision of the Committee on Trade and Sustainable Development on the operation of the Civil Society Forum no later than one year after the entry into force of this Agreement.
2. The Domestic Advisory Group(s) will select the representatives from its members in a balanced representation of relevant stakeholders as set out in Article 13.20.5.
3. The Parties can present an update on the implementation of this Chapter to the Civil Society Forum. The views, opinions, or findings of the Civil Society Forum can be submitted to the Parties directly or through the Domestic Advisory Group(s).

ARTICLE 13.22

Government Consultations

1. A Party may request consultations with the other Party regarding any matter of mutual interest arising under this Chapter, including the communications of the Domestic Advisory Group(s) referred to in Article 13.20, by delivering a written request to the contact point of the other Party. Consultations shall commence promptly after a Party delivers a request for consultations.
2. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter. The Parties shall ensure that the resolution reflects the activities of the ILO or relevant multilateral environmental organisations or bodies so as to promote greater cooperation and coherence between the work of the Parties and these organisations. Where relevant, subject to the agreement of the Parties, they can seek the advice of these organisations or bodies.
3. If a Party considers that the matter needs further discussion, that Party may request that the Committee on Trade and Sustainable Development be convened to consider the matter by delivering a written request to the contact point of the other Party. The Committee shall convene promptly and endeavour to agree on a resolution of the matter. The resolution of the Committee shall be made public unless the Committee otherwise decides.
4. The Committee may seek the advice of either or both Domestic Advisory Group(s) and each Party may seek the advice of its own Domestic Advisory Group(s). A Domestic Advisory Group of a Party may also submit communications on its own initiative to that Party or to the Committee.

ARTICLE 13.23

Panel of Experts

1. Unless the Parties otherwise agree, a Party may, 90 days after the delivery of a request for consultations pursuant to Article 13.22.1, request that a Panel of Experts be convened to examine the matter that has not been satisfactorily addressed through government consultations. The Parties can make submissions to the Panel of Experts. The Panel of Experts should seek information and advice from either Party, the Domestic Advisory Group(s) or international organisations as set out in Article 13.22, as it deems appropriate. The Panel of Experts shall be convened within two months of a Party's request.
2. The Panel of Experts that is selected in accordance with the procedures set out in paragraph 3 shall provide its expertise in implementing this Chapter. Unless the Parties otherwise agree, the Panel of Experts shall, within 90 days of the last expert being selected, present to the Parties a report. The Parties shall make their best efforts to accommodate advice or recommendations of the Panel of Experts on the implementation of this Chapter. The implementation of the recommendations of the Panel of Experts shall be monitored by the

Committee on Trade and Sustainable Development. The report of the Panel of Experts shall be made available to the Domestic Advisory Group(s) of the Parties. As regards confidential information, the principles in Annex 14-B (Rules of Procedure for Arbitration) apply.

3. Upon the entry into force of this Agreement, the Parties shall agree on a list of at least 15 persons with expertise on the issues covered by this Chapter, of whom at least five shall be non-nationals of either Party who will serve as chair of the Panel of Experts. The experts shall be independent of, and not be affiliated with or take instructions from, either Party or organisations represented in the Domestic Advisory Group(s). Each Party shall select one expert from the list of experts within 30 days of the receipt of the request for the establishment of a Panel of Experts. If a Party fails to select its expert within such period, the other Party shall select from the list of experts a national of the Party that has failed to select an expert. The two selected experts shall decide on the chair who shall not be a national of either Party.

ARTICLE 13.24

Dispute Settlement

Neither Party may have recourse to Chapter Fourteen (Dispute Settlement) for any matter arising under this Chapter.

ANNEX 13-A

COOPERATION ON TRADE AND SUSTAINABLE DEVELOPMENT

1. In order to promote the achievement of the objectives of Chapter Thirteen, and to assist in the fulfilment of their obligations pursuant to it, the Parties have established the following indicative list of areas of cooperation:

- (a) exchange of views on the positive and negative impacts of this Agreement on sustainable development and ways to enhance, prevent, or mitigate them, taking into account sustainability impact assessments carried out by the Parties;
- (b) cooperation in international fora responsible for social or environmental aspects of trade and sustainable development, including in particular the WTO, the ILO, the United Nations Environment Programme and multilateral environmental agreements;
- (c) cooperation with a view to promoting the ratification of fundamental and other ILO Conventions and multilateral environmental agreements with an impact on trade;
- (d) exchange of information and cooperation on corporate social responsibility and accountability, including on the effective implementation and follow-up of internationally agreed guidelines, fair and ethical trade, private and public certification, and labelling schemes including eco-labelling and green public procurement;
- (e) exchange of views on the trade impact of environmental regulations, norms and standards;
- (f) cooperation on ways to enhance trade in environmental goods and services, including bilaterally and in international fora;
- (g) cooperation on the current and future international climate change regime, including resilience issues relating to global carbon markets, ways to address adverse effects of trade on climate, and means to promote low-carbon technologies and energy efficiency such as renewable and low-carbon energy and clean transport including electric vehicles;
- (h) cooperation on matters of mutual interest related to ozone-depleting substances, hydrofluorocarbons, and air quality;
- (i) cooperation on matters of mutual interest with respect to pollution of the marine environment from ships and combatting marine litter;

- (j) cooperation on matters of mutual interest with respect to the conservation of biological diversity, including protection of terrestrial and marine ecosystems and ecosystem services, and in relation to biofuels;
- (k) cooperation on trade-related measures to promote sustainable fishing practices;
- (l) cooperation on trade-related measures to tackle deforestation and land degradation, including by promoting the conservation and sustainable management of forests, the sustainable production of forest products, the sustainable production of commodities that are associated with deforestation; and by addressing problems regarding illegal logging, illegal deforestation and associated trade;
- (m) cooperation on the development and the implementation of policies that promote sustainable agriculture;
- (n) cooperation on ways to encourage a transition towards a resource efficient and circular economy, including policies and practices to reduce waste and to promote reuse and recycling;
- (o) cooperation on trade-related aspects of multilateral environmental agreements, including customs cooperation;
- (p) cooperation on trade-related aspects of the Decent Work Agenda, including on the interlinkages between trade and full and productive employment, labour market adjustment, core labour standards, labour statistics, human resources development and life-long learning, social protection and social inclusion, social dialogue, and gender equality;
- (q) exchange of views on the relationship between multilateral environmental agreements and international trade rules; or
- (r) other forms of environmental or labour cooperation as the Parties may deem appropriate.

2. The Parties agree that it would be desirable if cooperative activities developed by them could have as broad an application and benefit as possible.”