

Trade and the Environment

Friends of the Earth written evidence

27 February 2022

About us

1. Friends of the Earth England, Wales and Northern Ireland was established in 1971. We have local groups in around 130 neighbourhoods, and support more than 260 Climate Action groups. We are part of an international network of 73 national groups, counting over 2 million members and supporters globally. Friends of the Earth supports strong environmental standards and alternative approaches to trade, which put the needs of local communities and our environment at the forefront.

Summary

2. There is poor alignment between the government's environmental and trade agendas, and progress on integrating environment and trade policies has been slow and uneven. The government should publish an overarching UK trade strategy to fill this gap, urgently carry out full Sustainability Impact Assessments for FTAs with New Zealand and Australia, and commit to further joint-departmental analysis of the cumulative environmental impacts of UK trade agreements. Impacts of existing agreements should be jointly reviewed to identify potential mitigations.
3. The government is unambitious in its overall approach to environment and climate issues within trade negotiations, and should take action to ensure such chapters are binding, enforceable and ambitious in content. Appropriate climate action, as committed to via the Paris Agreement, should be an essential element of all deals, and support for partners to achieve shared environmental aims should be built in where relevant.
4. The UK could be doing more at a multilateral level to challenge mechanisms that hinder climate action. This should include reviewing and terminating all current ISDS arrangements, including by exiting the Energy Charter Treaty (and calling on other nations to follow suit), championing an end to fossil fuel subsidies, and through championing a climate waiver at the WTO.
5. Progress on the UK's international biodiversity and climate goals and the global Sustainable Development Goals is undermined by trade that exports our environmental footprint. The UK must take domestic action on supply chains, and develop and improve mechanisms to monitor outsourced emissions. The government must adopt a significant share of the responsibility for cutting these outsourced emissions, and ensure that land and ecosystems used to produce goods for import into the UK are not degraded.

How well are the Government's free trade agenda and its environmental policies aligned? And is the Government ambitious enough in its approach?

6. There is poor alignment between the government's environmental and trade agendas. This year, The Department for Environment, Food and Rural Affairs (DEFRA) will set out targets to improve UK nature under the Environment Act 2021, and bring forward Due Diligence legislation. The department for Business, Energy and Industrial Strategy (BEIS) continues to champion domestic net-zero commitments and coordinates the UK's leadership of COP. The Foreign, Commonwealth and Development Office (FCDO) has set supporting sustainable development as a priority outcome. Yet the Department for International Trade (DIT) continues to negotiate trade agreements which are forecast to lead to cumulative impacts in carbon emissions and potential increases in environmental destruction, and which continue to outsource UK responsibility for the impacts of liberalised supply chains on people and nature.

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- Written evidence submission from Friends of the Earth England, Wales and Northern Ireland (TEN0026)
7. In the UK, advancing these aims should begin with creating an enabling environment for trade negotiations. This should include publication of a trade strategy that formally aligns UK trade policy with the achievement of international commitments relating to climate, biodiversity and international development. As Carolyn Deere Birkbeck notes, the predictability and transparency of a consistent trade policy framework that clearly intersected with climate aims would likely be welcomed by business.¹
 8. The current ‘deal-by-deal’ approach does not ensure that the overarching effect of trade agreements deliver for UK’s goals in all policy areas, including FCDO aims and Paris Agreement commitments. It means that Impact Assessments fail to consider the cumulative impact of multiple trade agreements, or to adequately consider how they might undermine UK environment commitments – even if not directly requiring the legislative amendment of UK protections. And it weakens the hand of UK negotiators by leaving them unable to point to clear, domestic red lines. Conversely, it is common practice for US negotiators² to refer to legislation passed under the Trade Promotion Authority which sets out the limits for what can be done in trade deals during negotiations.
 9. Environmental aims should shape the process of determining trade partners, the remit of negotiations, and the core elements of the final agreement. FTAs themselves should be aligned with environmental policy, which may mean rethinking specific provisions across agreements to bring them in line with achieving climate and environmental goals. The scope of individual FTAs should be limited to ensure trade does not impinge on domestic environmental regulation, and international cooperation around climate and the environment should take place in non-trade dominated forums.
 10. The government is not ambitious enough in its overall approach to trade negotiations. While the EU-UK Trade and Cooperation Agreement contains provisions specifying climate action as an ‘essential element’ of the deal, the UK has not sought to replicate this in negotiations with other partners. It is notable that direct references to a limit of 1.5 degrees warming were absent from the UK-Australia FTA, and despite featuring in the New Zealand FTA, action to meet this limit is ‘affirmed’, rather than guaranteed.

To what extent have the Department for International Trade and UK Export Finance changed their working practices in order to bring together the Government’s environment and trade policies?

11. **DIT:** While DIT has taken a number of actions to bring specific environmental considerations to bear on trade policy, progress as been patchy and slow. For example, despite establishing the original Trade and Agriculture Commission (TAC), which reported in March 2021, and a Board of Trade, which published a report into green trade in July 2021, DIT was slow to respond to the TAC and appears to have taken no specific action to further the environmental recommendations of either advisory body.
12. DIT have also established a range of stakeholder consultation mechanisms, including a Strategic Trade Advisory Group (STAG) and Thematic Working Groups (TWGs). However, we note that the STAG was initially set up without an environment and climate representative – an omission not rectified until October 2020 – and requirements for strict confidentiality agreements have limited participation in TWGs. Updates provided at quarterly stakeholder roundtables and in Parliament have been extremely high level, and provide little opportunity to engage in the detail of possible environmental impacts.
13. **UKEF:** In December 2020, Prime Minister Boris Johnson announced an end to support for overseas fossil fuel projects via UKEF³. However, this commitment does not directly cover support provided via other government departments or institutions including the Private Infrastructure Development Group (PIDG) or the CDC Group, nor projects already in the development phase. And it provides exemptions for continued support of gas power and infrastructure. This means the \$1 billion already pledged by the UK to support a liquefied natural gas project in Mozambique is unaffected, and these loopholes will allow for future investment in other,

¹ [Greening International Trade](#), Carolyn Deere Birkbeck, 2021

² <https://greenallianceblog.org.uk/2021/06/10/how-can-the-uk-be-a-credible-trading-nation-without-a-trade-policy/>

³ Press release: [PM announces the UK will end support for fossil fuel sector overseas](#)

Written evidence submission from Friends of the Earth England, Wales and Northern Ireland (TEN0026) similar projects. Up to 94% of CDC's investments in fossil fuels would not be excluded due to exemptions within the policy, and together, the CDC Group and PIDG would be able to maintain existing investments currently totalling well over US\$1 billion – with no bar on future investments. The UK government must urgently end all forms of funding for fossil fuels overseas, and close identified loopholes in this commitment.

What might be the impacts of measures introduced by the UK's trading partners designed to reduce reliance on carbon-intensive fossil fuels – for example carbon border adjustment mechanisms – on UK trade? And what could a UK carbon border adjustment mechanism mean for its imports and exports?

14. If UK trading partners implement carbon border adjustment mechanisms (CBAM) and the UK does not follow suit, the UK could become a destination for high-carbon exports. Importing such goods would not only increase the carbon footprint of UK consumption but would also undercut UK producers and manufacturers who are subject to the UK Energy Trading Scheme (ETS). Additionally, given the UK ETS, UK exports would not become any more economically competitive in comparison to goods from countries with a CBAM in place unless government actively reversed or restricted UK decarbonisation. This would threaten UK climate commitments while increasing the costs of trading with markets operating a CBAM.
15. However, CBAMs are not a silver bullet, and more work will need to be done to identify approaches that combine equity, feasibility and improved environmental outcomes prior to the UK determining the most appropriate path. In her 2021 report, *Greening International Trade*, Carolyn Deere Birkbeck concludes: “While several proposals exist on ways to design border carbon adjustments (BCAs) that are effective, fair, transparent and compatible with WTO rules, key political tasks are to avoid unnecessary discrimination between domestic producers and importers, support trading partners in the transition to decarbonization, and acknowledge BCAs as just one item of a broader agenda for aligning trade policy with climate goals”⁴.
16. It would also be counterproductive to limit focus to the UK's global carbon footprint without considering global ecological footprint, or apply a blanket CBAM. While the carbon footprint of agri-food imports is higher than the average, and food and farming are estimated to be responsible for around 30% of global greenhouse gas emissions⁵, the sector also has wider impacts on the environment and biodiversity, including soil quality and water scarcity⁶. Accounting for GHG emissions but not these impacts could lead to perverse outcomes, as it would incentivise industrial farming, with associated impacts on the environment, animal welfare and public health. A conventional CBAM would therefore be inappropriate for application to the food and farming sector.
17. If the UK government is to consider a CBAM, it should first conduct a full scoping project to inform proposals which would:
 - a. Act as part of a package of measures to prevent the UK offshoring emissions or ecological impacts to help reach domestic net zero
 - b. Be paired with the systemic transformation needed to erase north-south inequality and support a just transition
 - c. Prevent or mitigate impacts on developing countries, and focus responsibility on the UK, as the importing (developed) country
 - d. Include transitional support, cooperation, and funding to help LEDCs develop in a decarbonised way, with CBAM funds used to support climate finance

What are the benefits and costs of the UK's approach to environmental and climate change commitments in free trade negotiations to date? And to what extent might the inclusion of Investor-State Dispute Settlement clauses in free trade agreements affect the UK's climate change policies?

⁴ [Greening International Trade](#), Carolyn Deere Birkbeck, 2021

⁵ <https://news.un.org/en/story/2021/03/1086822>

⁶ https://wwf.panda.org/wwf_news/?2660466/nature-finance-risk-and-agriculture

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18. **Overall approach:** The UK's approach to environmental commitments in negotiations to date has been unambitious, and, as outlined above, hindered by the lack of an overarching government trade policy. Firstly, during the 'rollover' of existing EU trade agreements, no efforts were made to increase cohesion with environmental aims, establish discussion on new sustainability provisions or increase the effectiveness and enforceability of existing clauses. This means that opportunities to better support trade partners to meet environmental objectives, or to challenge unsustainable practices, were missed.
 19. Secondly, where new agreements have been negotiated, levels of ambition have been disappointing and shaped by the priorities of trade partners. For example, Australia's poor track record on environmental issues appears to have influenced UK government aims within the UK-Australia FTA. Ahead of negotiations with New Zealand, the UK government set a headline objective to "seek sustainability provisions, including on environment and climate change, that meet the shared high ambition of both parties on these issues". The version of this objective published in regard of the Australia negotiations omitted the word 'high' from this sentence. If replicated, this unambitious approach will undermine UK climate and international biodiversity aims.
 20. Thirdly, in removing tariffs and quotas on agri-food products, without setting in place UK standards or mechanisms to prevent the import of goods produced to lower standards, the UK's first full FTA with Australia set a worrying precedent for future negotiations. It suggests that the UK will disregard the climate record of potential trade partners and the environmental impacts of their imports, while simultaneously allowing the undermining of domestic standards. Brazil and the US, both of whom have lower standards than the UK, will likely demand similar terms to this deal. This could lead to the undermining of UK domestic standards and future threats to import standards.
 21. Finally, even where partners are publicly committed to a progressive approach to the trade-environment nexus, as in the case of New Zealand, commitments within the environment chapter remain focused on the reaffirmation of existing agreements and are couched in non-binding language. Neither the Australia nor the New Zealand deal replicate the approach of the EU-UK Trade and Cooperation Agreement (TCA) in making climate change an 'essential element' of the deal. While the New Zealand text does include a helpful article on climate change (22.6⁷), affirming commitment to the Paris Agreement and a 1.5 degree warming target, it does not go as far as to commit each party to appropriate action in a way that would be enforceable. This failure to hold partners to account for their international climate and environment commitments undermines other, welcome, moves to increase the applicability of Dispute Settlement Mechanisms to cover commitments made under trade and sustainability chapters.
 22. **ISDS:** The inclusion of Investor-State Dispute Settlement (ISDS) clauses in trade agreements seriously undermines the UK's ability to affect policy and regulatory change to support the fight against climate change.
 23. Investment chapters in FTAs, alongside Bilateral Investment Treaties and the WTO's Trade Related Investment Measures agreement, offer significant protections to international investors. These provisions directly conflict with efforts to phase out fossil fuels and improve environmental standards. UK companies are currently taking action under Investor State Dispute Settlement (ISDS) mechanisms against both the Slovenian and the Italian governments for making decisions in line with domestic environmental priorities that were seen to impact negatively on investors⁸. ISDS has been used by businesses to challenge water pollution controls in Germany, a ban on fracking in Canada, and various regulations on mining in East Asia and South America⁹.
 24. In 2021, the Sabin Center, Grantham Research Institute and Hasselt University collaborated to identify climate-related ISDS cases, finding 13 filed between 2012 and the present. They noted that while these cases

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1057671/uk-new-zealand-free-trade-agreement-chapter-22-environment.pdf

⁸ [Ascent resources](#) issued notice of a move from arbitration to a formal dispute against the Slovenia government in March 2021. [Rockhopper](#) has been in a formal dispute with the Italian government since 2017

⁹ Trade Justice Movement, [Shaping future UK trade policy: Investment Protection Provisions](#), September 2020

Written evidence submission from Friends of the Earth England, Wales and Northern Ireland (TEN0026) do not always contain explicit references to climate change, they all relate directly to the introduction, withdrawal or amendment of a policy measure explicitly developed to meet a country's climate goals, and can be broken down into 3 categories – demands for states to compensate businesses for introducing climate measures, removing climate measures, or taking decisions relating to the giving of environmental permits. Compensation demands relating to the removal of climate measures appear to respond primarily to the phasing out of support originally designed to make renewable energy more competitive. Given this, the most likely areas for future claims in a world striving to limit warming to 1.5 degrees would be in opposing action taken to further climate and environmental goals. The report authors concluded: “Aligning national policies with climate needs will inevitably affect investments in the field of fossil fuel infrastructure right across the supply chain. Therefore, the more compelling the need to adopt ambitious and abrupt measures to pursue climate objectives, the higher the risk of ISDS cases being brought against host States.”¹⁰

25. ISDS has also been linked to a chilling effect on the development of new regulation driven by climate policy – even where formal cases are not launched or are dropped in the pre-action stage. While evidence about how the threat of ISDS action impacts policy development outside of the public domain is limited, a 2017 study focusing on investment treaties in Canada found that concerns relating to trade and investment agreements, particularly ISDS, featured highly in government decision-making processes relating to new regulation. Officials in environment-related ministries said possible investor litigation had a “huge impact” on decision-making. The report authors assert that their research suggest that following initial, public, ISDS cases, government may “adapt their decision-making to avoid ISDS risks by vetting proposals internally”.¹¹
26. There is now a real risk that ISDS will become a vehicle for challenging new regulations that are essential for fighting climate change. These could include action to discontinue fossil fuel subsidies, introduce stricter controls on emissions, enact policies which limit or deny permits for fossil fuel extraction or infrastructure, phase out specific energy sources, and implement decisions which lead to the ‘stranding’ of fossil fuel reserves. China and India have both proposed using such tools to pursue their international climate objectives.
27. The UK did not include ISDS in its recent trade agreements with Australia, Japan or New Zealand. However, the UK would have to seek explicit side-letters in CPTPP to be exempt, and the government has not yet committed to do so.¹² It is also unclear how ISDS will be approached in relation to India or the Gulf States – as initial headline objectives for the India deal include securing “sufficient protections [for] UK investors”¹³, and ISDS is not specifically ruled out in either. **The UK should adopt a no-ISDS position in all future trade negotiations. A full review of all current UK ISDS exposure should be carried out, and action taken to suspend provisions or terminate relevant agreements, including the Energy Charter Treaty.**

By what measures should the environmental impacts of new free trade agreements be assessed?

28. We find the government's current approach to impact modelling and assessment lacking. For example, whilst the impact assessment for the Australia deal recognises that agricultural activities, especially beef and dairy production, contribute to deforestation in Australia, it does not consider emissions due to deforestation and land use change, nor the wider impacts on biodiversity, water and air quality. Opportunities to prevent or mitigate impacts may have therefore been missed, and may be inadequately monitored in future.
29. The UK government also failed to conduct new full Sustainability Impact Assessments for FTAs ‘rolled over’ from membership of the EU. This is problematic, because many of these agreements have been in force for a long time, while approaches to sustainability and the tangible impacts of trade have evolved. EU impact

¹⁰ [Investor-State Dispute Settlement’ as a new avenue for climate change litigation](#) - Matteo Fermeglia, Catherine Higham, Korey Silverman-Roati and Joana Setzer, June 2021

¹¹ Gus van Harten and Dayna Nadine Scott, ‘[Investment Treaties and the Internal Vetting of Regulatory Proposals: A Case Study from Canada](#)’ (2016) 7 *Journal of International Dispute Settlement* 92..

¹² This is the option pursued by New Zealand, [which signed side-letters with five CPTPP members to exclude compulsory ISDS](#)

¹³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1046839/uk-india-free-trade-agreement-the-uks-strategic-approach.pdf (p13)

Written evidence submission from Friends of the Earth England, Wales and Northern Ireland (TEN0026) assessments, particularly for the oldest deals, were limited in scope and have proven unable to anticipate the ways in which shifts in international trade and investment patterns might influence the environmental impacts of specific deals.

30. Full environmental and sustainability impact assessments should be carried out for all new trade deals. These should assess the fit between FTA outcomes and domestic UK aims – hence the economic benefits of the trade deal should be analysed in the context of the UK’s commitment to achieve net zero by 2050, and the transition it is pursuing to reach that target.
31. In their current form impact assessments have little influence over trade agreements. They often occur whilst negotiations are ongoing, rather than in advance of negotiations, severely limiting their ability to influence the content of agreements. However, comprehensive and independent impact assessment, both prior to and following negotiations, will be essential for delivering climate-friendly trade. The EU model offers a good starting place for the UK model, which currently fails to comprehensively address climate issues at all.

How effective is the Government’s engagement with international forums to ensure that there is a broad consensus among its trading partners on how to align trade with environmental issues?

32. The level of government engagement with the international trade and environmental policy alignment debate is unclear. While the UK delegation has offered tacit support to a few initiatives, it feels like a follower than a leader at the moment. There are two clear areas where the UK could participate more actively in the debate and lead on action to develop new solutions.
33. **A climate waiver at the WTO:** Trade rules can shrink the range of policy options open to nations seeking to tackle climate change, by leaving environmental policies open to challenge on the grounds of discriminations and trade restrictiveness, even where their key aim is to support a fair transition towards a more sustainable economy and meet other international commitments.
34. Analysis commissioned by the International Chamber of Commerce suggests that a number of measures by nations taken to meet NDCs may conflict with restrictions contained within FTAs. Actions such as Venezuela’s decision to ban the import of incandescent bulbs and moves in India and South Africa to reduce taxes on energy-efficient appliances were identified as open to challenge¹⁴. As a result, the report compiled by the Economist Intelligence Unit concluded: “to truly align the global climate and trade architecture, we recommend discussing the introduction of a ‘climate waiver’ that would permit countries to impose trade-restrictive climate policy response measures that are in line with Paris Agreement obligations.”¹⁵
35. The UK has already committed to a number of measures to meet domestic net-zero commitments, including the phase-out of petrol and diesel vehicles by 2030, increased investment in wind power and infrastructure for electric vehicles, the incentivisation and installation of low-carbon heating, and the decarbonisation of industry. Implementation of these measures is likely to require subsidies. These would have to be notified at the WTO and could all be subject to challenge.
36. The UK government should therefore support reform of WTO rules and actively champion the introduction of a climate waiver, to ensure that countries are able to transition towards more sustainable economies and take action to meet NDCs and domestic goals.
37. **An end to all fossil fuel subsidies:** Despite G20 commitments to phase out “inefficient fossil-fuel subsidies that encourage wasteful consumption”, support for fossil fuels has remained nominally unchanged over the past decade - US\$159 billion in 2020 compared to US\$162 billion in 2010¹⁶.

¹⁴ [Climate Change and Trade Agreements](#) – Friends or Foes, 2019

¹⁵ [Climate Change and Trade Agreements](#) – Friends or Foes, 2019

¹⁶ [Update on recent progress in reform of inefficient fossil-fuel subsidies that encourage wasteful consumption](#), OECD 2021

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38. WTO rules which provide other nations with the option to retaliate if they believe that domestic subsidies adversely affect their own production or exports have been used regularly to challenge moves towards more sustainable economies. Forty-one unilateral trade remedy investigations in the renewable energy sector were initiated between 2008 and 2014 under these rules. However, during the same period none were used against fossil fuel production subsidies¹⁷. This imbalance is already a source of concern for nations including New Zealand, which has taken on a lead role in advocating for the reform of fossil fuel subsidies through the Friends of Fossil Fuel Subsidy Reform (FFSR) group and the Agreement on Climate Change, Trade and Sustainability (ACCTS).
 39. The UK government should speak out against the current focus on ‘inefficient’ subsidies, and champion moves to bring all fossil fuel subsidies to an end, while increasing policy space for the support of truly renewable energy. At the same time the government should seek to separate the debate on shifting fossil fuel subsidies towards renewable energy from that on liberalisation relating to green goods.

What can the UK learn from how other countries’ experiences of aligning trade and environmental policies? How have other countries innovated in this area? [and] What opportunities are there for the Government to innovate to create more opportunities for “green” goods and services to export, to decarbonise and green supply chains?

40. It will be key that any positive action is preceded and underpinned by elimination, limitation and mitigation of negative externalities. Without the steps outlined above to ensure that trade does not stand in the way of effective action nor reward regression in environmental standards, practical incentives can only drive piecemeal action, not the scale and urgency of change needed. Given that caveat, the following three practical steps – taken as part of an agreed, published, cross government trade strategy, and supported by improvements to the domestic trade scrutiny and stakeholder engagement process - could support and incentivise the development and exchange of greener goods and services:
41. **Binding and enforceable environmental commitments:** Environmental commitments in trade agreements are rarely binding in the same way as other clauses, both in terms of the language used and the ability of partners to raise formal disputes under dispute settlement mechanisms in cases of non-compliance. For example, in the environment chapter of the EU-Canada (and the transitioned UK-Canada) agreement, parties agree to: “promote”, “enhance coordination on”, and engage in “dialogue and cooperation on” environmental commitments, and “recognise” each other’s right to set environmental priorities. But this language is ineffective, if the aim is to ensure that trade agreements genuinely support these environmental commitments: the text provides no concrete commitments, no monitoring system through which non-compliance might be identified, no timeframes for completing required action, and no sanctions for failing to meet commitments. Parties cannot complain about non-compliance with even these nebulous aims via the dispute settlement mechanism, as the environment chapter is explicitly carved out.
42. All FTA texts should include a ‘climate clause’ – a binding provision committing all parties to progressing their commitments under the Paris Agreement. Such a clause could build upon the approach taken in the EU-UK Trade and Cooperation Agreement¹⁸ and should ensure that parties can take action under the FTA when the aims of the Paris Agreement are undermined by a partner nation. Any environmental commitments made within FTA texts should be expressed in enforceable language and subject to the full Dispute Settlement Mechanism.
43. **Support for trade partners to achieve shared environmental aims:** Where appropriate, preparations for trade negotiations should include support for countries to ratify and implement key environmental agreements and for domestic capacity to be built in areas such as the production of green technologies. In some

¹⁷ [Climate Change and Energy Subsidies: Is There a Role for the WTO?](#) - Linklaters

¹⁸ See articles Title II - COMPROV.12, Title III - INST.35.4, and Title XI – article 8.5

Written evidence submission from Friends of the Earth England, Wales and Northern Ireland (TEN0026) circumstances, for example where there are significant disparities in wealth, countries should be offered access to UK markets without negotiating a trade agreement, so that there is no requirement for reciprocity.

44. Widespread access to green technologies is crucial to meet the Paris Agreement goal of limiting the increase in global temperatures to well below 2 degrees Celsius. This will require considerable technology transfer from North to South because 90% of the increase in global carbon emissions until 2050 is expected to occur in the developing world, while the vast majority of low-carbon technologies are still invented in developed countries. Japan, the US, Germany, South Korea, and France together account for 75% of the low-carbon inventions patented globally from 2005 to 2015. 21 international trade rules contain provisions ostensibly aimed at preventing what is seen as ‘protectionist’ behaviour. However, in recent years, it has become apparent that in practice these provisions are often at odds with the measures needed to promote and disseminate green technologies. The UK should therefore support the development of a climate waiver at the WTO to provide the policy space for nations to develop such technologies.
45. **Action on supply chains:** Provisions on due diligence obligations should be included in FTAs to ensure that businesses must assess, address and report the environmental, climate and human rights impacts of their operations.
46. The UK should enact due diligence legislation to ensure the UK’s commodity supply chains are responsible for zero deforestation and introduce stronger regulations to protect ecosystems domestically and overseas. This legislation should be broadened over time to address all key environmental and human rights risks, and its scope increased beyond key commodities to cover all goods, investments and impacts, to catalyse action to support the required reduction in our global footprint.
47. Green ‘solutions’ to the emissions crisis are likely to reinforce the current imbalance of power globally, because access to and benefit from greener goods is unevenly distributed. A UK trade policy incorporating climate justice would attempt to embed equity into trade and investment relationships, ensuring that the most vulnerable shouldn’t bear the burden of trade regimes and the needs of richer nations any longer. It would aim to address, rather than exacerbate economic imbalances, increase global capacity and resilience to respond to climate change, and support trade partners to achieve their NDCs in ways that benefit their populations.

To what extent is the UK’s trade policy keeping up with demands from consumers on issues such as sustainability, deforestation, eco-labelling and greener supply chains?

48. Progress on the UK’s international biodiversity and climate aims and the global Sustainable Development Goals is undermined by trade that exports our environmental footprint. Currently, 46% of UK consumption emissions are estimated to occur overseas – and these are increasing as a proportion of the UK’s contribution to global greenhouse gas emissions¹⁹. The overseas land footprint required to meet UK demand for just 7 key commodities (including beef, timber, soy and palm oil) is equal to 88% of the UK’s total land area²⁰. However, action to measure these impacts throughout UK supply chains is lagging.
49. UK trade currently goes against the wishes of UK consumers by allowing increased imports of products that do not meet domestic high environmental, food, animal welfare and public health standards, such as via the Australia-UK trade deal. These wishes of the public were expressed in the 1 million signatures to the NFU’s petition in 2020, and in the National Trade Conversation surveys organised by Which?. According to the survey conducted by Which?, 84% of consumers think that the UK should make sure that environmental standards applicable in the UK also apply to imported food. This shows a widespread support for the agreement of core UK domestic environmental standards.
50. **The UK must develop and improve mechanisms to monitor outsourced emissions, and lay out how UK standards will be protected. The government must adopt a significant share of the responsibility for**

¹⁹ [Thriving within planetary means](#), WWF, 2021

²⁰ [Thriving within planetary means](#), WWF, 2021

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cutting these outsourced emissions, and ensure land and ecosystems used to produce goods for import into the UK are not degraded.

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