



International
Trade
Centre



GS1 Excellence Days

June 8, 2022

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What is ITC?





The UN body for design of policy recommendations to achieve economic and social development through trade and investment.



WTO OMC
The forum to negotiate multilateral trade rules, monitor their implementation and handle trade disputes

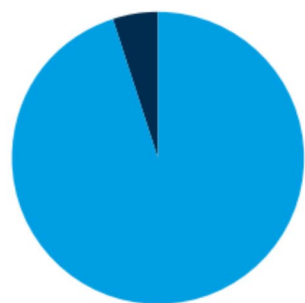


ITC works with local and regional institutions and business people to build trade capacity.

Our mission

To foster inclusive and sustainable growth and development through trade and international business development.

SMEs are the backbone of the global economy



**SMEs represent
95% of FIRMS
in the world**



Put **small firms**
at the heart of
the **green recovery**.

Small firms
generate more than **50%**
of jobs and greenhouse gas emissions*

Climate change matters for small firms

Small firms in developing countries are more worried about climate change, but less likely to act.



Who views environmental risks
as significant for their business?

68%

in sub-Saharan Africa

54%

in developed countries*



Who acts to reduce environmental risk?

38%

of small firms

60%

of large firms

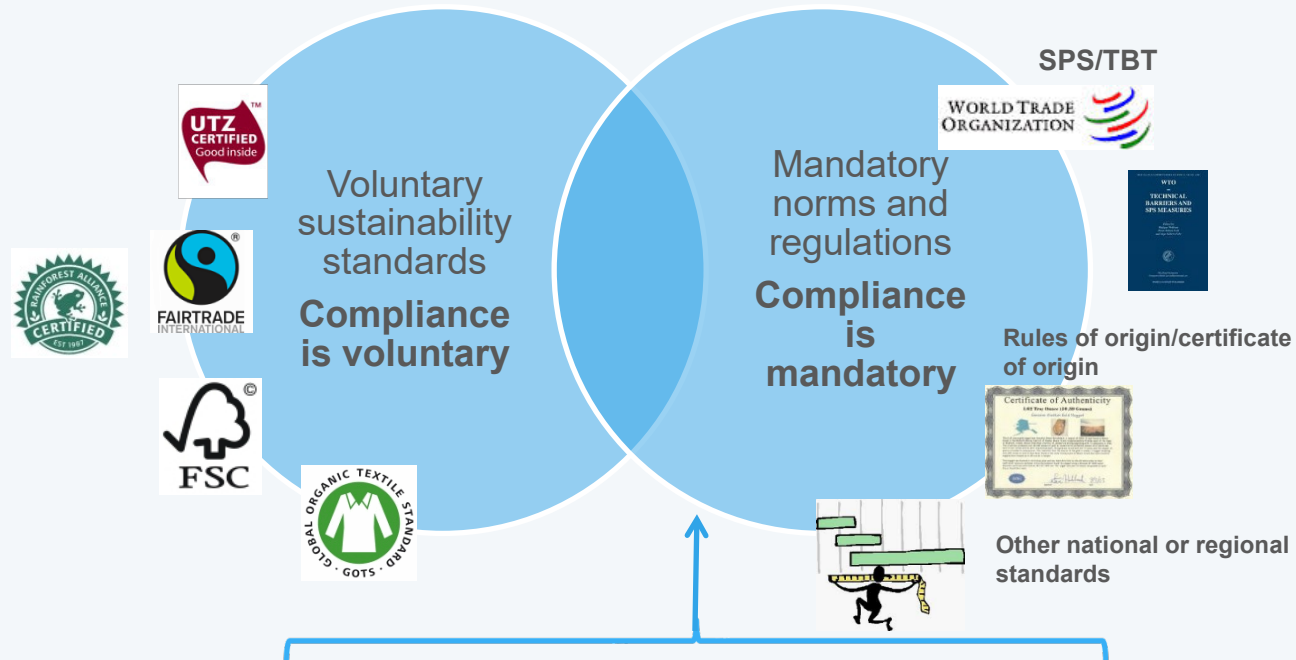


What they do?

Reduce waste, **invest** in renewable energy,
make green products and services,
gain green certification and **go** digital



Women-owned
and youth-led companies
lag behind in adaptation.



- Regulation increasingly includes principles and provisions developed by VSS or directly refer to voluntary standards.
- VSS require compliance with local laws and regulations, e.g. labor or environmental laws
- Buyers ask suppliers for compliance with voluntary standards.

Buyer demand

Percentage of retailers by country that have sustainable sourcing strategies

Germany	99%
Spain	95%
France	99%
Italy	96%
Netherlands	91%

Percentage of retailers reporting increase in sales of sustainable products, by product group

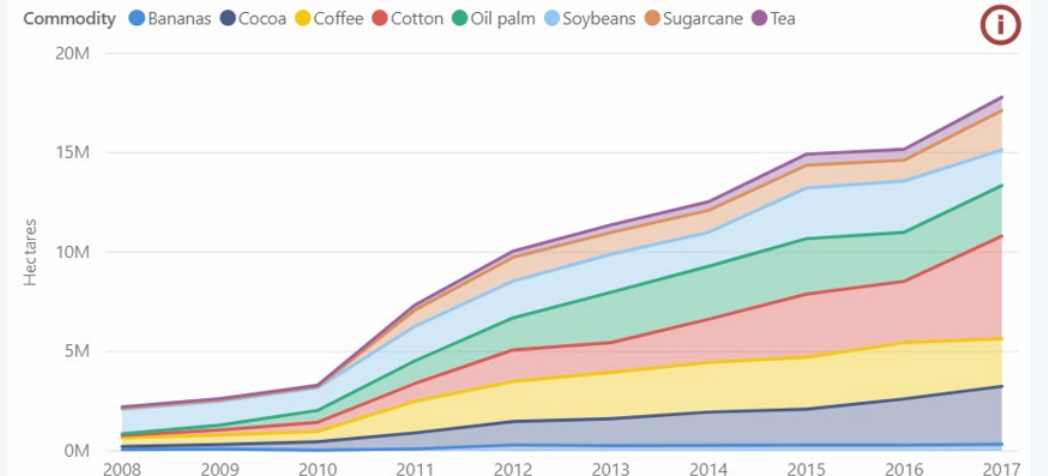
% Past 5 years **% Next 5 years**



Source: ITC (2019) *The EU Market for Sustainable Products*

The State of Sustainable Markets 2019: Statistics and Emerging Trends (ITC, FiBL, IISD)

Growing fast - Selected products certified by sustainability standards (minimum possible area)





Standards Map: Your roadmap to sustainable trade

Focusing on voluntary sustainability standards (VSS)

A **free tool**, providing access to information on **over 320 standards**

- Specifications to ensure that materials, products, processes and services meet sustainability requirements demanded from buyers, consumers, and the public sector
- Helping small producers overcome the knowledge gap to add value to their products and do business with buyers who increasingly require standards

Quick Statistics:

- Users from over 192 countries
- New user growth
 - 2011 – 2015: 119,000
 - 2016 – 2020: 373,000

Σ
All



Environment



Social



Management

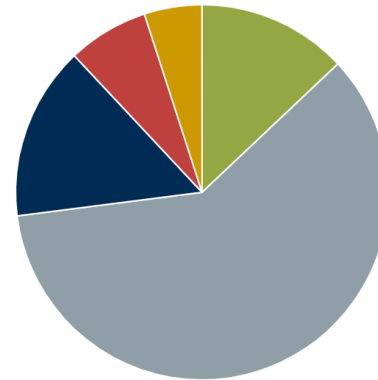


Quality



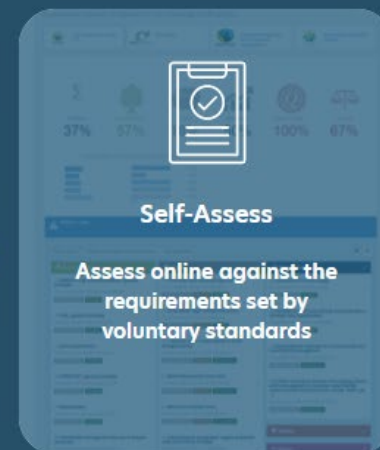
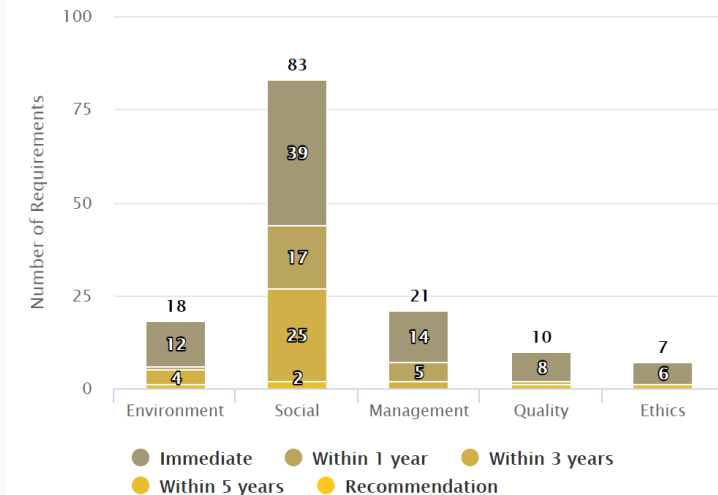
Ethics

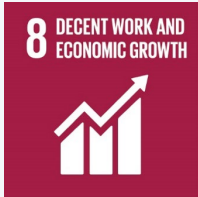
Proportion of requirements per sustainability area



Environment Social Management Quality Ethics

Number of requirements per sustainability area





Global level

- **UN 2030 Agenda** for Sustainable Development – UN Guiding Principles on Business and Human Rights
- **UN Global Compact**
- **ILO Declaration** on Fundamental Principles and Rights at Work and ILO Conventions on Labour Standards, Better Work
- **OECD Guidelines** for Multinational Enterprises

EU level

- **Green Deal**
- **Circular Economy Action Plan**
- Mandatory **Human Rights and Environmental Due Diligence** initiative
- Revision of **Non-Financial Reporting Directive**
- **European Economic and Social Committee (EESC)** Towards an EU Strategy for Sustainable Consumption

National level

- **France** Law on duty of vigilance by multinational companies
- **The Netherlands** Dutch Agreement on Sustainable Textiles
- **Germany** preparing/implementing due diligence legislation
- **UK** Modern Slavery Act
- **US** Textile Product Identification Act
- **Australia** Modern Slavery Act
- **India** Indian Companies Act
- **Switzerland** Human Rights Due Diligence Legislation

How can economic operators along the supply chain implement these policies practically & effectively?

Minimizing risks and costs, complying to voluntary and regulatory requirements, in particular SMEs



T4SD collaborations and private sector partnerships



Agriculture

Promoting farming in sustainable ways, providing direct inputs to support MSME suppliers as well as supply chain solutions, linking from big brands to producers



Textiles

Fostering change to fashion products and international garment and footwear value chains towards increased transparency, greater ecological integrity, and improved working conditions



Other Sectors

Expanding our reach across other sectors, which include natural ingredients, fisheries, forestry, tourism, and mining, among others.





T4SD private sector partnerships

SOCIAL & LABOR CONVERGENCE

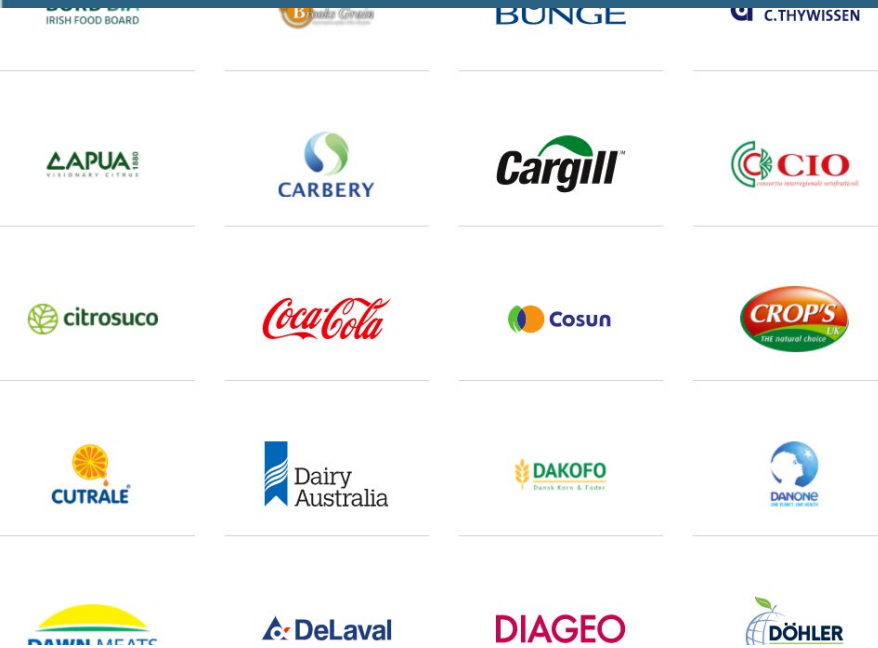
Pre-competitive consortium of 262 signatories, including manufacturers associations and many of the largest fashion brands



- Over 8,000 factories utilizing the Gateway system and over 8,000 assessments finalized
- The SLCP system avoids audit duplications by providing a converged S&L assessment framework to be used by all participating stakeholders.
- Over 10,000 USD savings generated in by 2021, which can be redirected towards the improvement of social and labour conditions
- Nearly 25,000 projected garment facilities by 2023



T4SD private sector partnerships



Background

2002 - Nestlé, Unilever and Danone established the Sustainable Agriculture Initiative (SAI) Platform

2020 - Developed by the now 100+ SAI Platform members, their suppliers, farmers and external stakeholders, the Farm Sustainability Assessment (FSA) offers a unique framework used by leading food and drink companies to source sustainably produced agricultural materials.

Collaboration

Leveraging the IT infrastructure of Standards Map, T4SD has developed an online tool for SAI Platform for the Farm Sustainability Assessment.

The online tool saves time and resources for SAI Platform member companies and their suppliers by sharing one reference – FSA – and not having to duplicate assessments across value chain entities using different codes, schemes and frameworks.

Benefits

The tool offers an easy scoring mechanism for farmers that perform an FSA, together with a visual overview of their results and offers the ability to submit their report for review by their customers.

Positive shift towards sustainability and green growth

- Market demand:** Rise in **consumer expectations** and **company requirements** for transparency and due diligence in supply chains
- Policy frameworks:** Greater environmental and social issues coverage in **Free Trade Agreements** and government policy proposals for supply chain laws
- MSME impact:** Compliance with standards and regulations have a **decisive impact on MSME competitiveness**, moving from niche to the mainstream

However, this presents a challenges to MSMEs

- Standards and sustainable production practices can be complex and compliance is costly, especially for MSMEs in agricultural and textiles/apparel value chains

To respond, MSMEs need:

- Data that is accessible and comprehensive
- Sustainability requirements information
- Support for compliance to ensure relevance and market access

