

# Integrating credible sustainability standards into trade policy

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N'vy Hotel, Geneva

Interactive workshop



ISEAL and the International Institute for Sustainable Development (IISD) organised an interactive workshop to foster dialogue and mutual learning on trade and sustainability, specifically on pathways for policymakers and stakeholders to leverage credible sustainability standards in trade policy. This one-day interactive workshop brought together policymakers from developed and developing countries, trade experts, multilateral agencies, NGOs, and representatives from voluntary sustainability standards (VSS) organisations. This report covers the main findings and discussion points of this interactive workshop.

## Session 1: The Use of VSSs in Trade Policy – State of play

### 1. Setting the Scene:

- Joshua Wickerham, Senior Advisor, Outreach and Engagement, ISEAL
- Florencia Sarmiento, Policy Advisor, IISD

In the session discussing the role of Voluntary Sustainability Standards (VSS) in trade policy, Joshua Wickerham emphasized the collaborative nature of VSS, which helps improve sustainability across supply chains. He noted that VSS influence trade policies by integrating sustainability criteria into market access regulations and free trade agreements. Through more engagement with policymakers, VSS can help establish conditions that support sustainable trade and compliance with environmental and social standards. However, the effectiveness and credibility of VSS can vary due to different requirements and assurance processes. Consistent and transparent practices are crucial for building trust in these standards, highlighting the importance of robust systems and stakeholder engagement.

Florencia Sarmiento added that policymakers are increasingly incorporating VSS into trade policies such as free trade agreements and public procurement. She pointed out that integrating VSS into trade policy varies significantly across different contexts and requires tailored approaches. She emphasised that there is a need for establishing credibility criteria to ensure that VSS effectively meet sustainability objectives. Florencia outlined five trade policy measures that incorporate VSS: market access regulations, free trade agreements,

due diligence measures, public procurement policies, and export promotion. Such integration can be either mandatory or encouraged, offering flexibility in implementation. The variability in VSS integration is often due to differences in national priorities, regulatory frameworks, and the capacity of stakeholders to meet sustainability criteria.

Overall, the session highlighted the critical role of VSS in shaping sustainable trade policies and the need for consistent and credible implementation practices.

## 2. Roundtable on Country Experiences:

- Paulo Mortara Batistic, Associate Economics Affairs Officer, United Nations Forum on Sustainability Standards (UNFSS)

Paulo Mortara Batistic made an introductory presentation to the roundtable discussion. He highlighted the rapid growth and widespread adoption of VSS, emphasizing their benefits in improving market access, boosting sustainability practices, and building consumer trust. He noted that certification often helps producers access international markets and benefit from capacity-building initiatives, although challenges such as high compliance costs, limited resources for small producers, and the complexity of managing multiple standards create barriers. These issues can lead to certification fatigue and confusion among producers and consumers, especially in developing regions, hindering the effective implementation of standards across sectors.

He also discussed the benefits of integrating VSS into due diligence requirements to enhance transparency and accountability within supply chains, with many standards aligning with international conventions like ILO. While certifications tend to improve producers' land rights and access to support, they often come with higher costs and resource demands, potentially excluding vulnerable smallholders. To promote inclusivity, Paulo advocated for harmonizing regulations to reduce certification fatigue, providing financial support for small producers, and ensuring fair value distribution along global supply chains—measures crucial for enabling wider adoption and ensuring that sustainability efforts benefit all actors involved.

- Dominik Ledergerber, Advisor, Free Trade Agreements/European Free Trade Association (EFTA) Division, Switzerland's State Secretariat for Economic Affairs (SECO)
- Jack Xin Yao, Secretary General, Organisation pour le Développement du Commerce et la Coopération en matière de Normes (ODCCN)
- Cameron Plese, Head of North America/Head of Government Affairs (North America & Europe), Roundtable Initiative on Sustainable Palm Oil (RSPO)
- Corin Wood-Jones, Director, Special Projects, Better Cotton Initiative
- Leslie Sajous, Associate Manager, Policy & Engagement, ISEAL (moderator)

The above speakers from national trade ministries, international organisations, and sustainability standards practitioners reflected on different use cases of VSSs in trade policy. They explored the benefits, challenges, and lessons learnt from integrating VSSs in trade policy across various settings. Below is a summary of their interventions in the roundtable discussion.

Jack Xin Yao highlighted China's growing recognition of VSS within its trade and development strategies. The BRICS Action Plan emphasizes the importance of VSS, and recent initiatives like the Chinese version of the ISEAL Code have helped stakeholders better understand these standards. China has made significant

progress integrating VSS into its trade policies through soft measures, encouraging enterprises to adopt international eco-friendly standards, especially in sectors like agriculture and textiles. Industry associations actively promote VSS adoption through capacity building and benchmarking, which has improved market access, product credibility, and operational efficiencies for Chinese producers. Regional cooperation platforms like RCEP and BRICS facilitate knowledge sharing and joint regulatory efforts, although challenges remain, including the proliferation of standards, high compliance costs, and limited capacity among small businesses. Moving forward, China aims to deepen cross-ministry collaboration and advocate for institutionalizing VSS within the WTO and regional trade agreements to strengthen green trade efforts.



Corin Wood-Jones focused on Better Cotton’s initiatives to promote sustainable cotton farming globally through partnerships with policymakers, industry groups, and multistakeholder platforms. He illustrated that in Pakistan, a new collaborative platform was launched to improve data transparency and supply chain traceability, while in Africa, Better Cotton works with the WTO to support smallholder needs through sustainability assessments

and interventions. In Europe, a recognition agreement with Spain allows cotton grown under local standards to be sold as Better Cotton, enhancing market access and sustainability credentials. These efforts emphasize building local ownership and fostering long-term relationships with trade policymakers in developing regions. Better Cotton has recently transitioned to third-party certification, investing in capacity building, traceability solutions, and tailored support for farmers to ensure sustainable supply chains are scalable and impactful. Their work demonstrates how practical standards, meaningful partnerships, and local leadership can drive sustainable cotton production across diverse contexts.

Dominik Ledergerber discussed Switzerland’s approach to integrating sustainability into trade agreements, using palm oil as a case study. Due to the sensitive political and environmental issues surrounding palm oil production—such as deforestation and biodiversity loss—Switzerland negotiated tariff concessions with Indonesia, linking market access to sustainability criteria within the trade agreement. While the agreement does not explicitly reference VSSs, EFTA employs the WWF Certification Assessment tool to benchmark and assess existing standards, identifying those most aligned with international sustainability commitments. Emphasizing credibility, the assessment relies on independent third-party verification and traceability measures to ensure trustworthiness of sustainability claims, reinforcing the importance of credible certification systems for tackling complex supply chain issues.

Cameron Plese highlighted the role of the Roundtable on Sustainable Palm Oil (RSPO) in promoting sustainable practices through international trade and stakeholder collaboration. RSPO works with local

governments, producers, manufacturers, and NGOs to align standards with national policies, aiming to expand certification coverage and incentivize more producers to adopt sustainable practices. Recognizing the complexity and opacity of the palm oil supply chain, Cameron emphasized the need to increase transparency, traceability, and consumer awareness of palm oil in various products. He noted that certification systems like RSPO are crucial frameworks, but their reach remains limited, covering only a portion of global production. Moving forward, the focus is on incentivizing producers, fostering multi-stakeholder engagement, and creating unified frameworks that support sustainable palm oil trade, particularly in the Global South.

## Session 2: Identifying and leveraging credible VSS: tools and frameworks

### 1. Setting the Scene:

- Cemre Balaban, Trade Policy Analyst, Organization for Economic Cooperation and Development (OECD)
- Shemina Amarsy, Advisor on Sustainability Standards & Value Chains, International Trade Centre (ITC)
- Leslie Sajous, Associate Manager, Policy and Engagement, ISEAL
- Rupal Verma, Policy Analyst, IISD (moderator)

Cemre Balaban presented a comprehensive framework developed jointly by OECD and ITC, in partnership with IISD, ISEAL, and others. to understand and compare sustainability initiatives, emphasizing the



importance of multistakeholder collaboration and a common language to navigate the complex landscape of VSSs. The Typology Framework aims to serve as a tool for policymakers, developers, and stakeholders to classify and benchmark sustainability initiatives based on governance, scope, and verification processes. Its primary goals are to increase awareness, support climate and sustainability efforts, and promote capacity-building by providing a neutral and transparent way to evaluate the credibility and depth of different initiatives, ultimately fostering higher trust and impact across diverse sustainability schemes.

Shemina Amarsy introduced the Revised ITC Standards Map, designed to improve transparency and facilitate navigation within the growing volume of sustainability standards. The tool allows users to identify, compare, and analyze standards according to sector, region, and themes like social or environmental compliance, supporting trade

policy and capacity-building. The Standards Map has practical applications in benchmarking, guiding public procurement, and legislative development, emphasizing the need for neutrality and precise information to advance sustainability agendas. It helps stakeholders—including SMEs, policymakers, and businesses—make informed decisions, strengthen sustainable sourcing strategies, and leverage standards effectively within trade and policy frameworks.

Leslie Sajous from ISEAL discussed the importance of credibility in VSS to drive sustainability impact. She introduced the ISEAL Credibility Principles and the Code of Good Practices, which guide how credibility can be implemented in practice. These tools, which combine standard setting, assurance, and monitoring & evaluation-related aspects, help VSS enhance transparency, trust, and impact. Credibility is essential as governments increasingly legislate on issues like due diligence and deforestation, positioning VSS as crucial resources for implementing these regulations. Key principles—transparency, trustworthiness, reliability, and continual improvement—outline the core values for credible and effective VSS, emphasizing open governance, robust compliance verification, and ongoing system enhancement. The ISEAL Code of Good Practice translates these principles into actionable requirements for VSS, ensuring their credibility through structured frameworks and independent assessments. Implementing this Code in trade policies could mean recognizing sustainability systems that align with ISEAL standards, favoring certified products in procurement, and providing support to developing countries for meeting sustainability requirements. Addressing concerns about competition among frameworks, Leslie highlighted the importance of complementarities between tools like those from OECD and ITC, advocating for cross-referencing and collaboration to enhance mutual support and recognition across different sustainability standards systems.

## 2. Interactive discussion on the integration of credible VSS in trade policy:

- Ana Lizano, Minister Counsellor, Costa Rica Mission to the WTO
- Cathleen Mölling, Assurance and Meta-label approach, Green Button
- Norma Tregurtha, Director of Engagement and Markets, Bonsucro
- Serra Ayrál, Counsellor, Trade and Environment Division, WTO
- Alice Tipping, Director, Trade and Sustainable Development, IISD (moderator)

The interactive discussion on integrating credible Voluntary Sustainability Standards (VSS) into trade policy provided a rich source of insights from various perspectives. Rupal Verma from IISD introduced the most common credibility criteria for VSS currently referenced in trade policy . She pointed out that governance criteria assess a VSS's management through transparency in governance structures, audit summaries, and stakeholder engagement. Operational criteria evaluate the practical effectiveness of VSSs, focusing on the verifiability of sustainability claims and alignment with international standards. The presence of independent third-party assurance mechanisms is also critical for these frameworks. She pointed out the need to have a set of harmonized credibility criteria for VSS to be included in trade policies.



Ana from Costa Rica discussed the country's involvement in the Agreement on Climate Change, Trade and Sustainability (ACCTS). This agreement, involving Switzerland, New Zealand, and Iceland, focuses on leveraging trade policy to promote sustainability and decarbonization. A

significant component is the chapter on ecolabeling, which sets guidelines for voluntary environmental labelling to aid consumers in making informed choices while avoiding unintentional trade barriers. This initiative aims to enhance transparency and reduce greenwashing by ensuring environmental labels are based on reliable scientific information and international standards, promoting sustainability across the supply chain.

Serra Ayrál from the WTO explained the potential for VSS to provide mutually beneficial outcomes when integrated into trade policies. She highlighted the WTO's role in providing guidelines for transparency and non-discrimination, with the Technical Barriers to Trade (TBT) committee facilitating discussions on the implementation of standards, including traceability and decarbonization. Although VSSs are not directly regulated by the WTO, there is an emphasis on recognizing credible standards to promote fair trade practices.

Cathleen, representing the Green Button certification, shared insights into how their approach focuses on brand-level accountability and aligns with the ISEAL Code to ensure credibility. She stressed that only credible VSS should be promoted to prevent further fragmentation of standards, highlighting the importance of shared costs between brands and consumers and advocating for international cooperation to establish a uniform definition of credibility.

Norma from Bonsucro added that recognizing VSS in public policy can drive market demand by providing legitimacy and credibility. She emphasized the need for policies to adapt and innovate continually to maintain relevance, highlighting how different phases of policy—such as establishment, implementation, and revision—prioritize credibility aspects differently. The discussion concluded with a call for increased collaboration among governments to harmonize expectations and support sustainable trade practices, emphasizing the importance of integrating credible VSS into trade regulations to enhance global sustainability efforts.

In the Q&A session, participants explored the importance of greater collaboration and coordination among governments, standard-setting organizations, and other stakeholders to promote credible VSS integration in trade policies. From the Green Button perspective, there was a strong emphasis on harmonization to prevent a patchwork of inconsistent rules and standards that could hinder international trade. For example, aligning criteria across different regulations like the Corporate Sustainability Due Diligence Directive was seen as vital

to ensure a common basis for evaluating sustainability initiatives and avoid confusion or inefficiencies. Participants also underscored the need for clear differentiation between due diligence approaches, which focus on duty of care, and traditional standard compliance, emphasizing tailored approaches for different sectors and supply chains.

The discussion also touched on the role of the WTO, highlighting that while existing rules promote transparency and the use of international standards, there is a need for a global framework or guidance similar to the Codex Alimentarius in food safety, to support fair and effective implementation of sustainability standards. The challenge remains in balancing national regulatory sovereignty with the push for harmonized, credible standards, especially for developing countries. Overall, there was clear consensus on the importance of international cooperation to strengthen the credibility, relevance, and uptake of VSSs, ensuring they effectively contribute to sustainable and fair global trade.

### Session 3: Interactive Session: World Café

Session 3 structured conversational process meant to foster open dialogue and exchange of ideas among participants in an informal, café-like setting with multiple discussion rounds. Participants rotate between tables, sharing insights and developing collective intelligence, which is later summarised and shared with the entire group.

- Round 1: Understanding VSSs –Identifying main knowledge gaps
- Round 2: Credible VSSs and Trade Policy Design – Mapping key opportunities and challenges
- Round 3: Leveraging VSSs in Trade Policy – blockages towards successful implementation

Below are the main findings from this interactive session:

Several misconceptions about VSSs persist, which can hinder their effective integration and recognition in trade and policy frameworks. A common perception is that VSSs are primarily tools developed in and suited for high-income countries or luxury brands, which might make their implementation disconnected from the realities of developing regions. Many believe VSSs are uniformly complex, costly, or overly bureaucratic, ignoring the diversity of standards and their adaptability to different local contexts. There is also a misconception that any instance of non-compliance undermines the system entirely, portraying VSSs as either too weak to bring about real change or excessively stringent, thus excluding smallholders and vulnerable producers. Furthermore, some critics view VSSs as greenwashing tools exploited by companies to appear sustainable without making genuine impacts. These perception may not always be true but can often fuel resistance, making it necessary to



communicate more clearly how VSSs can be relevant, adaptable, and valuable drivers of sustainable development when properly designed and implemented.

To demonstrate the impact of VSSs convincingly, credible evidence from impartial, independent, and empirically robust studies is essential. Stakeholders emphasize the importance of ex-post and longitudinal data that track environmental, social, economic, and policy impacts over time, ideally with sector-specific insights. Comparing certified and non-certified operations can clarify added value, while understanding the systemic implications requires comprehensive analysis that considers local, national, and global contexts. Transparency in data collection, such as audit reports, traceability tools, and digital platforms, is vital for building trust and verifying progress. Moreover, assessing trade impacts—both positive benefits like market access and competitiveness, as well as potential barriers like increased costs or exclusion risks—should be integral to impact studies, along with evaluating each pillar of a VSS independently and over the long term.

Effective communication of VSS use and impact to trade policymakers can significantly enhance understanding and support. To do this, technical data



must be translated into compelling narratives, incorporating stories from the ground and measuring tangible human, environmental, and market outcomes. Simplifying language—avoiding jargon and complex terminology—is critical for making information accessible. Utilizing open-access dashboards, frameworks, and communication platforms enables more transparent and widespread dissemination. Organizing multi-stakeholder events and including VSS representatives in international forums like WTO committees can facilitate dialogue and knowledge sharing. Pilot projects that demonstrate clear, tangible benefits serve to build trust and foster wider adoption. Recognizing the importance of mutual recognition of standards, aligned with national regulations, also helps mainstream VSS impact and legitimacy. To avoid perpetuating misunderstandings, creating a common vocabulary and maintaining neutrality in messaging are essential steps for bridging gaps between practitioners and policymakers.

A key issue is to also define credibility as it can vary with contexts. VSSs continually need to evolve to maintain credibility and align with public policy requirements. Regularly updating standards ensures relevance amid changing global trends and national policy landscapes. Ensuring robust assurance systems and transparent reporting frameworks is critical in fostering trust. VSSs should demonstrate how they support or even exceed regulatory ambitions, thereby strengthening their role as complements rather than competitors to public policies. Involving diverse stakeholders—including local communities, governments, and private sectors—in standard-setting enhances relevance and inclusivity, especially in developing countries. Establishing shared digital infrastructure, common metrics, and compatibility with government systems improves traceability,

interoperability, and ease of use across sectors and regions. Exploring new sectors such as e-services, and engaging financial institutions and development banks, can help scale and mainstream VSS practices. Creating opportunities for the exchange of experience and knowledge, coupled with an accessible language that counters misconceptions, is vital for building trust and ensuring the continuous improvement and wider acceptance of VSSs within the evolving landscape of sustainable trade.

## Closing remarks

In his closing remarks, Martin Peter from SECO emphasized the importance of using clear, shared language when discussing VSS and their role in public policy, including on trade. While many presentations and speakers highlighted valuable examples, some insights remain anecdotal due to existing challenges such as costs, capacity, and misconceptions. He noted that VSS are unlikely to disappear but must find ways to complement evolving regulations. Effective communication of VSS benefits in understandable terms is crucial, especially to trade negotiators who often see them as trade barriers. Martin reiterated that ongoing collaboration among organizations like ISEAL, ITC, IISD, and UNFSS is vital to strengthen the dialogue and develop shared frameworks, with the Swiss government continuing to raise VSS issues at WTO.

Joe Wozniak from ITC pointed out how trade policies are increasingly including non-economic, sustainability-focused measures, which VSS can help support rather than hinder. He stressed that VSS have achieved significant progress and should be more widely promoted to policymakers to boost awareness. Establishing a common baseline, similar to Codex for food safety, could improve recognition and credibility.

Florencia Sarmiento acknowledged the event's success, thanking ISEAL for the partnership and SECO for the support. She noted that the key takeaway from the event was that while a shared language still needs development, the collective learning helps move the conversation forward.

Karin Kreider finally added that the worlds of VSS and trade policy remain somewhat separate, but recent regulatory shifts show promise for integrating credible voluntary standards and expanding their use globally, especially in emerging markets—highlighting the need for accessible language and stronger stakeholder trust.