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FOR GOOD

# Sustainability Map and Voluntary Standards for Sustainable Electronics

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Value Chains, ITC



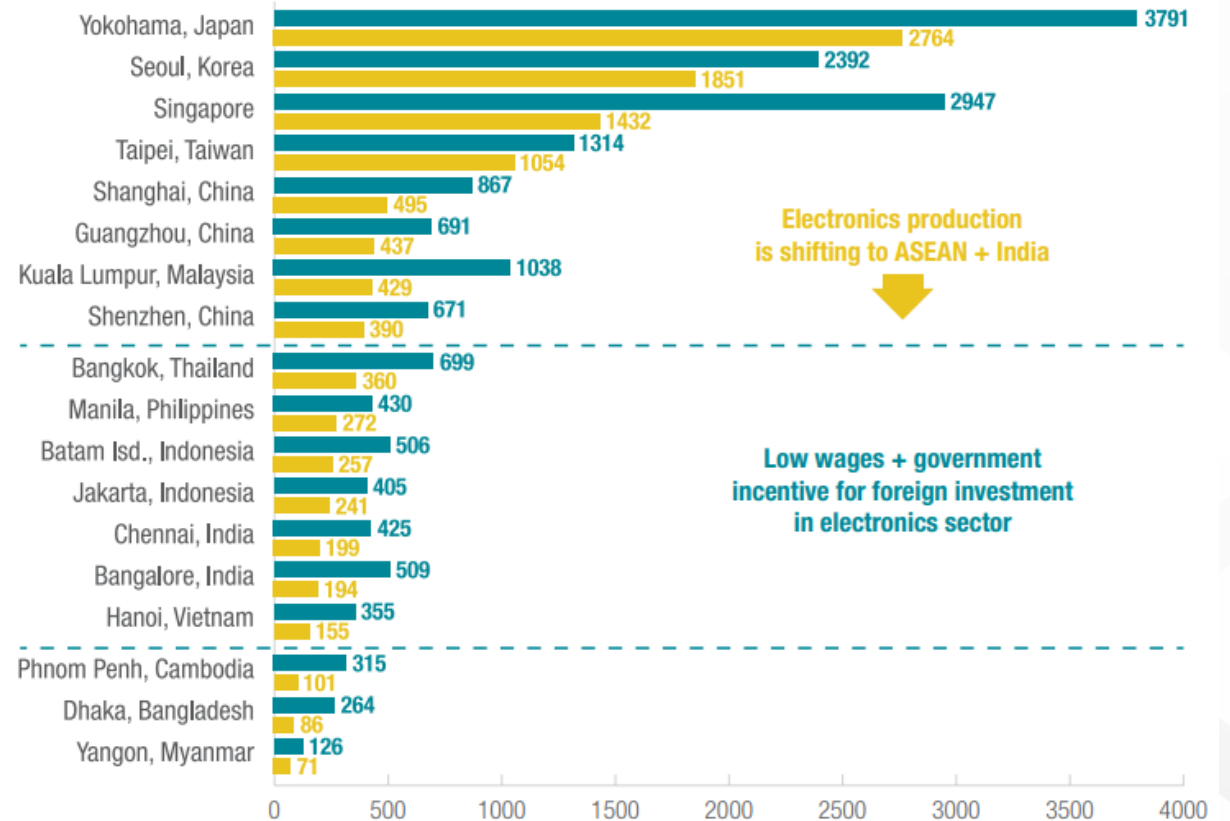
# Electronics: Facts and Figures

- According to industry forecasts, the global electronics industry should be worth approximately \$1.21 trillion by 2017.
- Assuming the global economy has an estimated total gross domestic product, or GDP, of \$80 trillion, the electronics sector makes up roughly 1.5% of global GDP.
- During the 21st century, the global electronics sector has typically grown by about 3% per year.
- Much of that growth has come from Asia; China, Japan and South Korea are all major consumer and industrial electronics producers.
- It is estimated that the electronics industry employs 18 million workers worldwide. (ILO)
- In the ASEAN region 30% of workers are women

# Social Impact in Electronics Industry

- Low wages
- Excessive working hours
- Social security obligations (especially when it comes to sub-contractors and outsourced labour)
- Lack of collective bargaining mechanisms to bargain on the terms and conditions of employment and salaries (the world's five highest earning electronics companies originate from countries where the ILO conventions on freedom of association (ILO convention No.87) and the right to collective bargaining (ILO convention No.98) are not ratified.
- Workers (women) harassment
- Low occupational health and safety

**Table 1: Standard wages of manufacturing workers in Asia**  
(2013, in US dollar/month. Green: engineer. Yellow: production workers)



Source: Selected data from Japan External Trade Organization (JETRO).

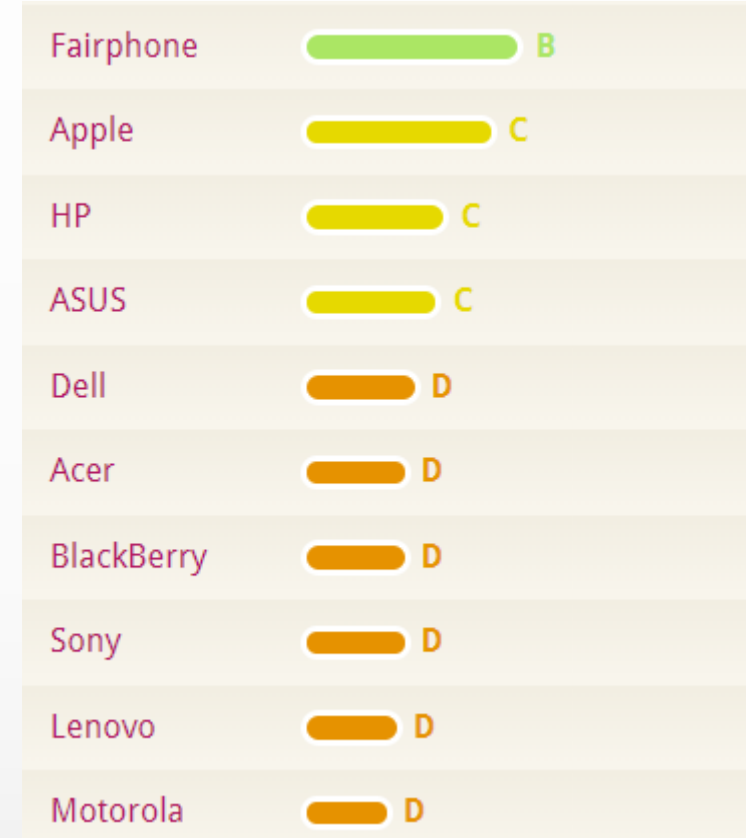
# Environmental Impact in Electronics Industry

- High energy consumption
- Hazardous chemicals that are known to cause issues with human health
- No proper recycling systems – creates toxic residues in water streams, soil and air (lot of e-waste is exported to third world countries such as China and India, where the waste is put in a landfill and the chemicals are allowed to seep into the environment)
- Carbon emissions during production

# Sustainable Electronics – what is it?

- Products made with no toxic chemicals, recyclable parts and reduced carbon emissions during productions
- Process of production in accordance with basic rules on employment conditions, working conditions and social protection

Rank a Brand initiative ranks electronics brands based on the green requirements, none of the brands, met all the requirements.

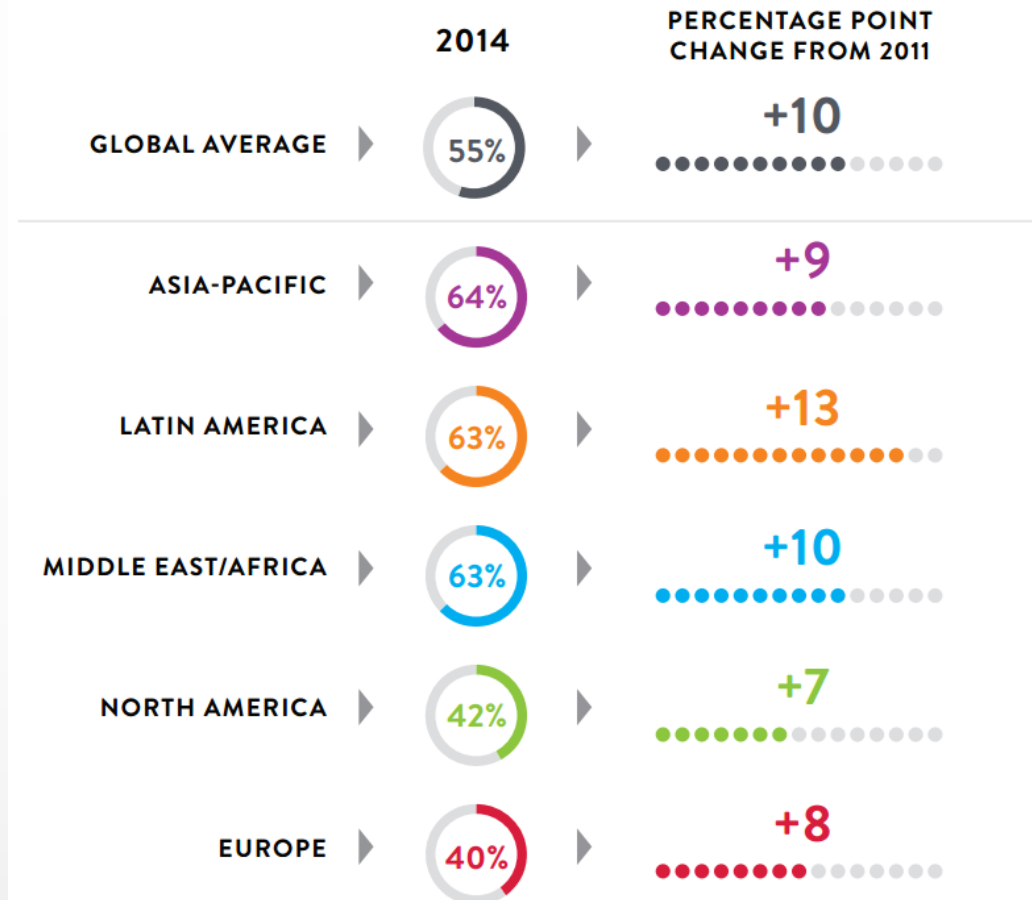


# Concept of VSS

***Voluntary sustainability standards***, or often called ***private standards***, are “specifying requirements that producers, traders, manufacturers, retailers or service providers may be asked to meet, relating to a wide range of sustainability metrics, including respect for basic human rights, worker health and safety, the environmental impacts of production, community relations, land use planning and others.”

# Consumers' perspective

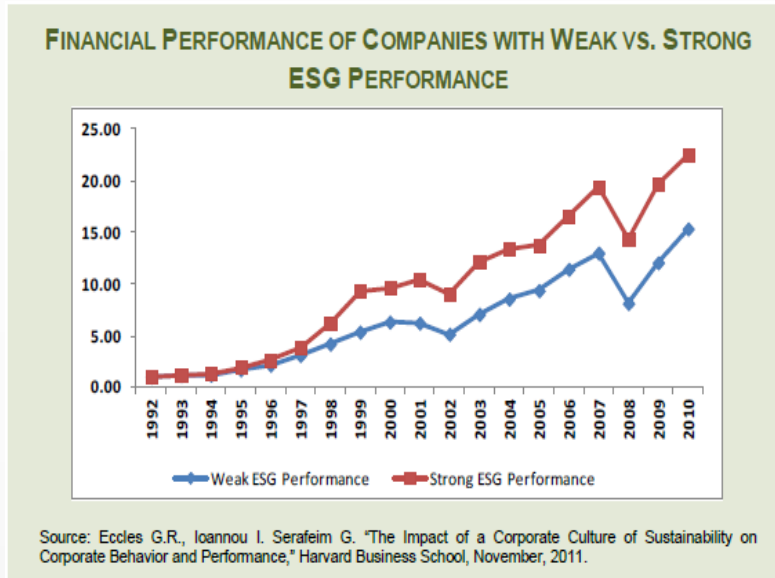
PERCENT WILLING TO PAY EXTRA FOR PRODUCTS AND SERVICES FROM COMPANIES COMMITTED TO POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT



Source: Nielsen «Doing well by doing good», 2014

# Global Brands & Retailers

- ❖ *Protecting brand value*
- ❖ *Risk management in global value/supply chains*
- ❖ *Using efficiencies to decrease costs*



Source: IFC – *The Business Case for Sustainability*

## Moving beyond reputation

% of respondents,<sup>1</sup> n = 2,956

	Company is currently taking action	Company is more effective than competitors
Reducing energy use in operations	63	47
Reducing waste from operations	61	44
Managing corporate reputation for sustainability	51	57
Responding to regulatory constraints or opportunities	46	50
Reducing emissions from operations	43	48
Managing portfolio to capture trends in sustainability	38	56
Reducing water use in operations	38	46
Committing R&D resources to sustainable products	31	59
Leveraging sustainability of existing products to reach new customers or markets	28	61
Managing impact of products throughout the value chain	28	50
Improving employee retention and/or motivation related to sustainability activities	26	48
Mitigating operational risk related to climate change	22	41
Achieving higher prices or greater market share from sustainable products	18	52

Source: McKinsey Global Survey Results – *The Business of Sustainability* (2011)



# Sustainability Map: [www.sustainabilitymap.org](http://www.sustainabilitymap.org)

The screenshot shows the homepage of the Sustainability Map website. At the top left is the ITC logo, followed by the text 'SUSTAINABILITY MAP' and the tagline 'YOUR ROADMAP TO SUSTAINABLE CONSUMPTION, PRODUCTION AND TRADE'. A navigation bar contains links for 'STANDARDS', 'NETWORK', 'TRENDS BETA', 'COMMUNITY', and 'ABOUT'. On the right of the navigation bar are 'EN', a globe icon, and 'LOGIN'. The main content area features a large heading: 'Your roadmap to sustainable consumption, production and trade', with a 'Get Started' button below it. To the right is a circular graphic of 17 Sustainable Development Goals (SDGs). Below this are four icons representing different user groups: 'Business' (hands holding a laptop), 'Public Sector' (hand holding a pen over documents), 'Consumers' (hand holding a smartphone), and 'Standard setting organizations' (hand holding a gear and a document).

ITC | SUSTAINABILITY MAP  
YOUR ROADMAP TO SUSTAINABLE CONSUMPTION, PRODUCTION AND TRADE

STANDARDS NETWORK TRENDS BETA COMMUNITY ABOUT EN LOGIN

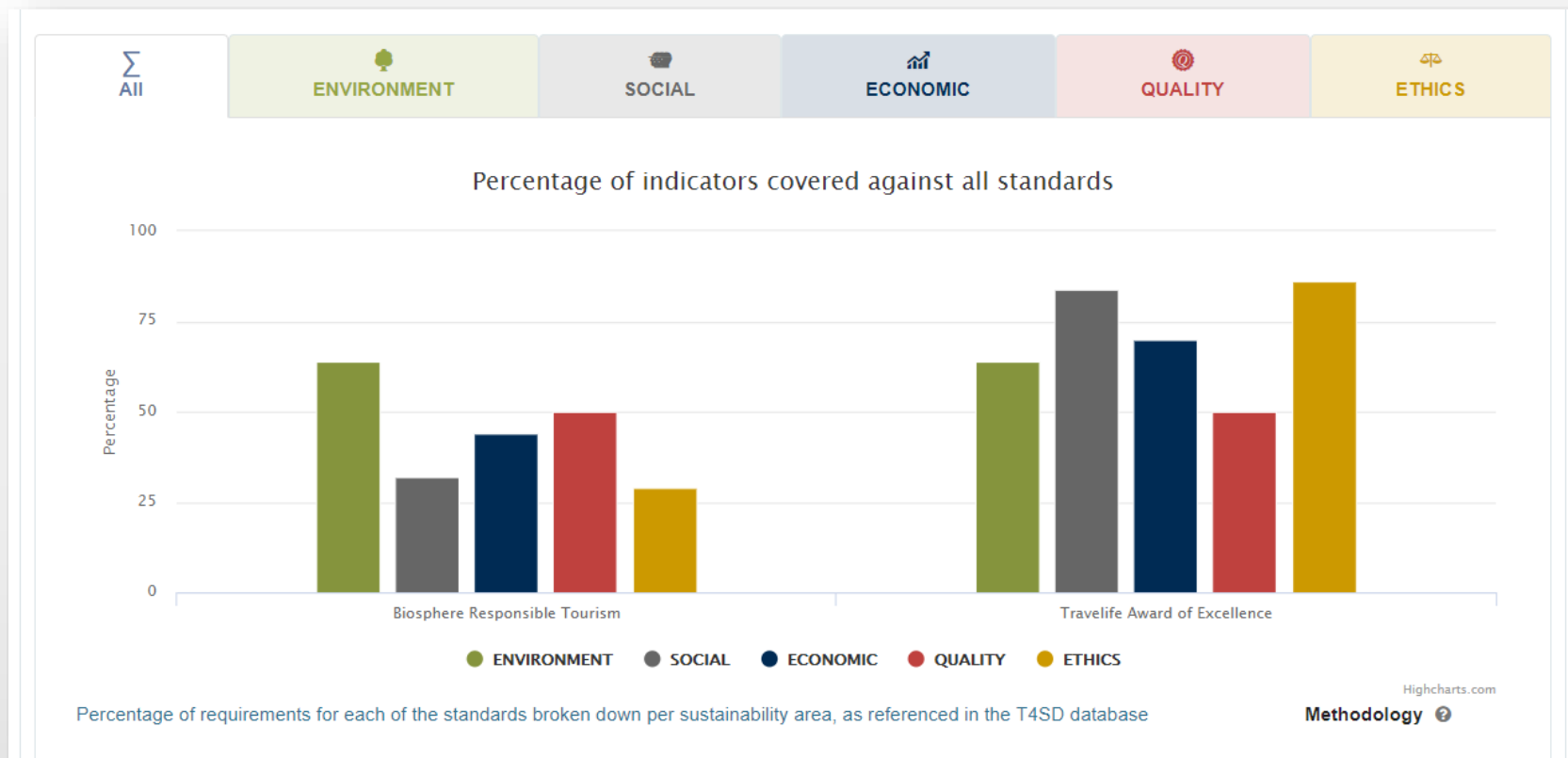
Your roadmap to sustainable consumption, production and trade

Get Started

1 NO POVERTY  
2 ZERO HUNGER  
5 GENDER EQUALITY  
8 DECENT WORK AND ECONOMIC GROWTH  
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  
10 REDUCED INEQUALITIES  
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  
16 PEACE, JUSTICE AND STRONG INSTITUTIONS  
17 PARTNERSHIPS FOR THE GOALS

Business Public Sector Consumers Standard setting organizations

# Standards Module – information on requirements and processes of standards



# Network Module – gain visibility and connect to potential clients

The screenshot displays the ITC Sustainability Map interface. At the top left is the ITC logo. The main header reads "SUSTAINABILITY MAP" with the subtitle "YOUR ROADMAP TO SUSTAINABLE CONSUMPTION, PRODUCTION AND TRADE". A navigation bar below the header includes "STANDARDS", "NETWORK" (highlighted), "TRENDS BETA", "COMMUNITY", and "ABOUT". On the right of the navigation bar are "EN" and a globe icon. The main content area features the heading "Access the global sustainability network and get connected with companies" and the subtext "Connecting businesses along sustainable value chains". Two buttons are present: "Join the network" (purple) and "Create your network" (green). Below this is a Google Map of the world with several location markers: a blue circle with '3' in Europe, a red pin in North America, a red pin in South America with '457', a red pin in Africa, a red pin in the Middle East, a red circle with '38,342' in Asia, a yellow circle with '95' in East Asia, and a yellow circle with '37' in Southeast Asia. The Google logo and map data copyright information are visible at the bottom of the map.

# Sustainability Map demo: [www.sustainabilitymap.org](http://www.sustainabilitymap.org)

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# Thank you!

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