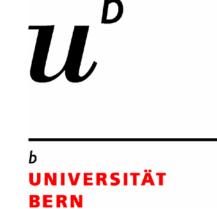
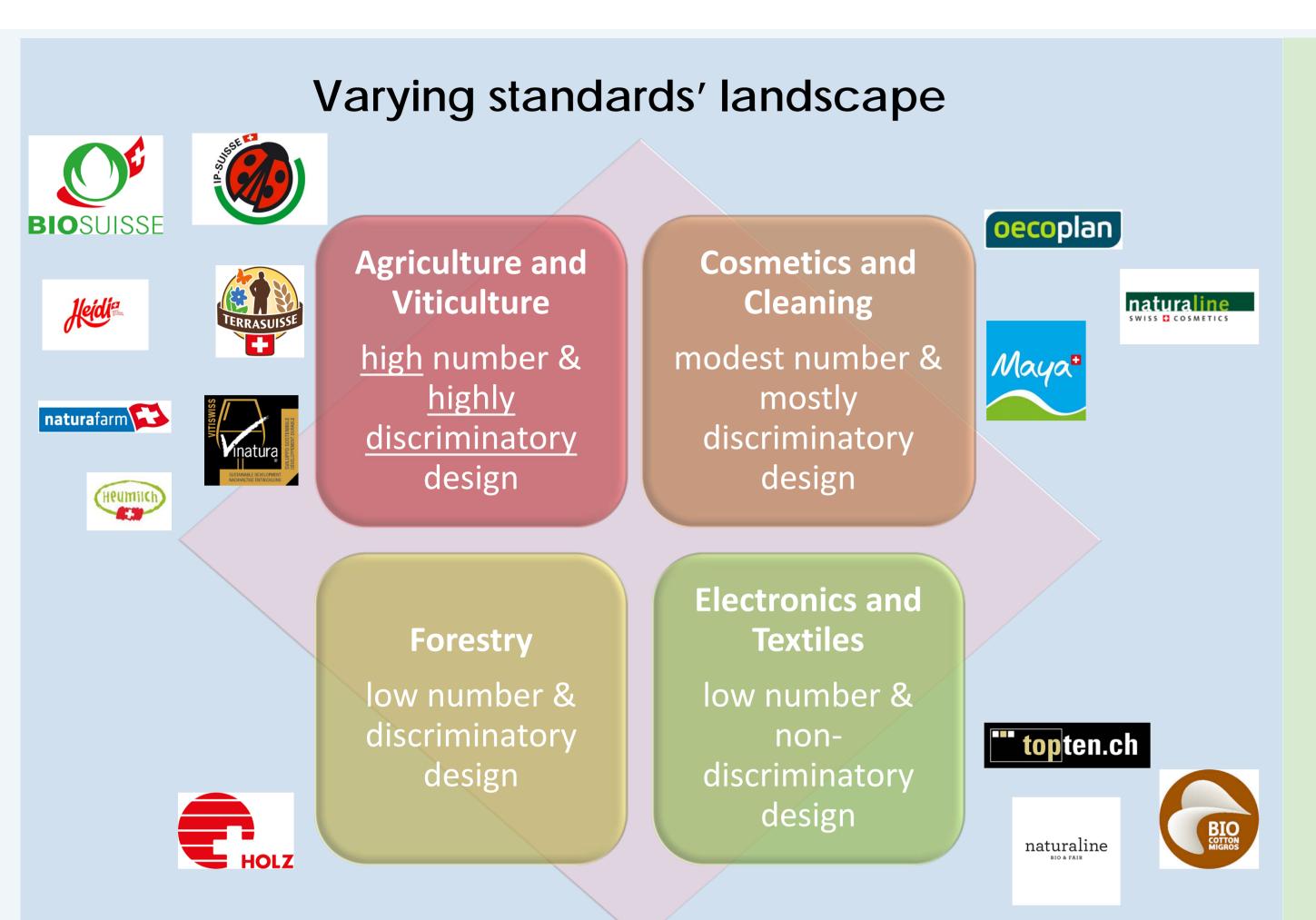
## SWITZERLAND'S SUSTAINABILITY FOOTPRINT





### Swiss-based private sustainability standards: Questions of WTO law compatibility



#### Nexus for attribution

- Explicit reference by Bio Suisse to limited in-quota tariff contingents & discrimination against imports along the border protection's lines; incentives for distributors to establish long-term domestic supply contracts to the detriment of imports.
- Government participation in the development and implementation of the discriminating IP-SUISSE and Vinatura standards.
- **Explicit reference** to the "Swissness legislation" in various discriminating private standards.

### Swiss-based private sustainability standards and WTO law Attribution

Existence of a **nexus** between the adoption and application of a standard and government measures required by WTO law

- Government provides incentives for a WTO-inconsistent standard's adoption and application
- Government participates in a WTO-inconsistent standard's adoption and application

#### WTO Law Applicability

Potential violation of the nondiscrimination principle

- national treatment --> discrimination against foreign products
- most-favoured-nation (MFN) --> discrimination amongst foreign products

General **exceptions** may apply

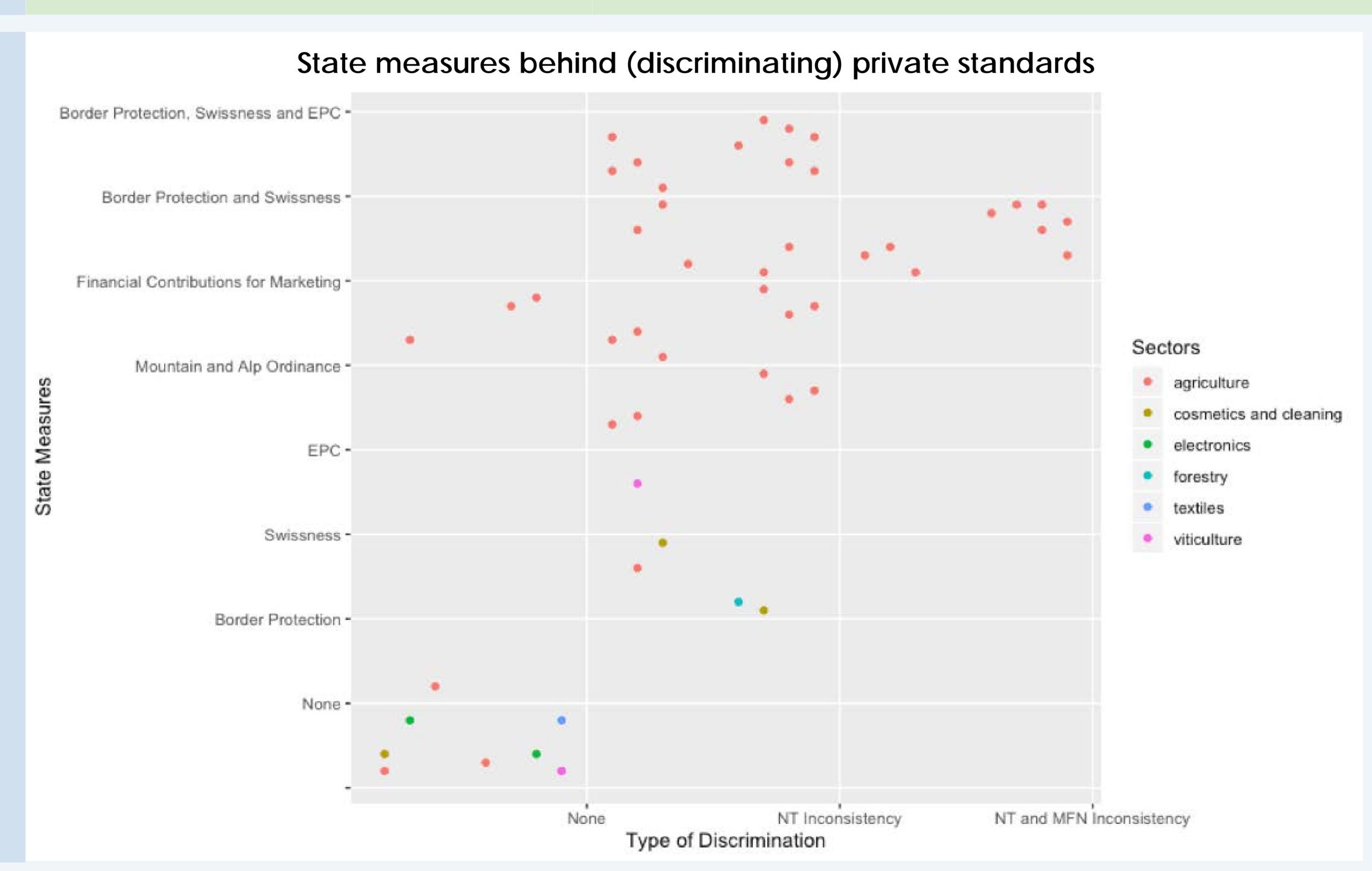
Switzerland's Responsibility

Potential **challenges** under WTO dispute settlement

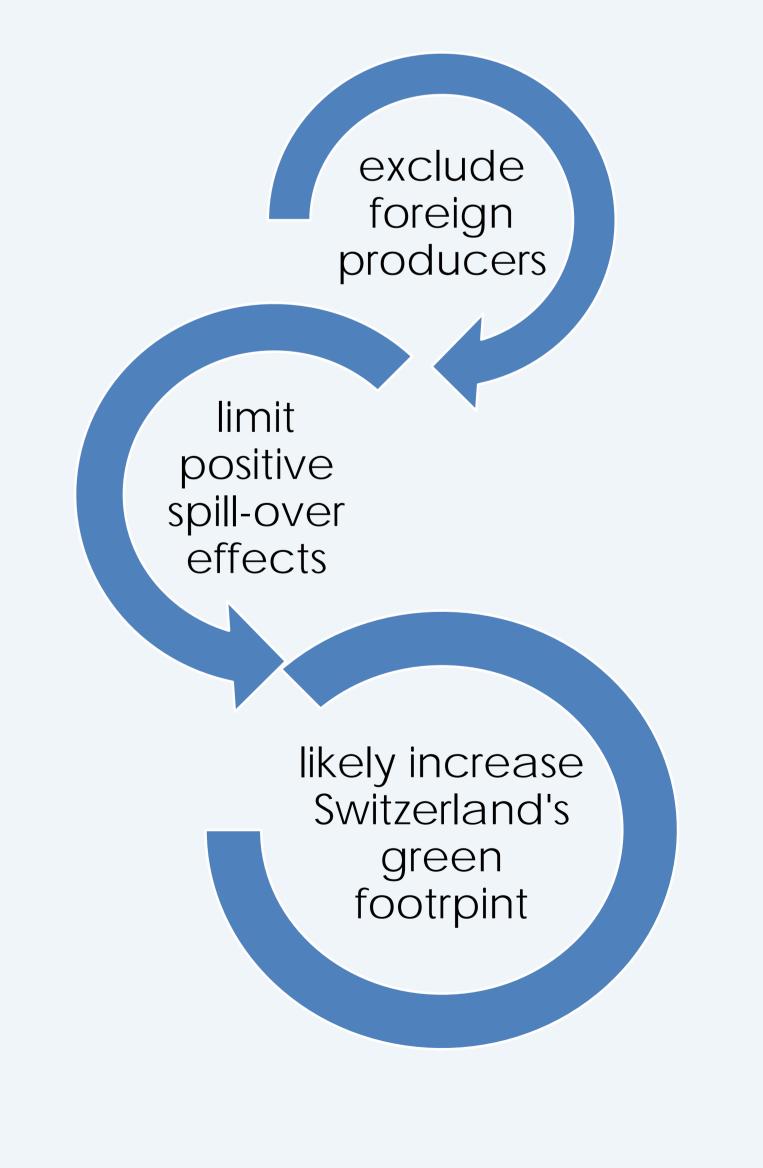
Potential **risk of incompatibility** with WTO law

#### Zoom-in on selected state measures

- "Border Protection" for agricultural products: Import quotas for fresh vegetables and meat products with a lower "in-quota" rate are opened up to the extent domestic supply cannot cover the estimated demand → Importation feasible only to the extent domestic products are not available.
- The Environmental Performance Criteria (EPC) is a minimum standard for eco-friendly agricultural production in Switzerland & a prerequisite for direct payments. IP-SUISSE and Vinatura are based on the EPC and were mandated by / cooperate with the government in developing the standards.
- The "Swissness legislation" defines criteria for labeling a product as "Swiss". It requires that essential processing takes place in Switzerland (connected to Bio Suisse's ban on processed products) and sets minimum domestic raw material/production cost thresholds. But from these thresholds it exempts foreign inputs i.e. if those products are not sufficiently available in Switzerland. This questions the consistency of information (required for justification under the general exceptions) delivered to consumers.



# Sustainability impacts reach beyond Swiss borders







**SWISS NATIONAL SCIENCE FOUNDATION**