
Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget By: GS1 Canada

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Recommendation: To implement global supply chain standards and related registries in Canada's healthcare system that would enable Canada-wide visibility and create end-to-end traceability capabilities, starting with Personal Protective Equipment (PPE). The area of PPE touches many areas beyond healthcare, including grocery, foodservice and pharmacy (both for personal and professional use). This ability will create a transferable model for any sector, with greater traceability innovations and capabilities.

Introduction

Well-deserved recognition must be provided to governments for their hard work to keep Canadians safe throughout the COVID-19 pandemic. It has been challenging and we now need to work together to rebuild and come out of COVID-19 stronger and empowered.

This submission is championed by the [Board of Governors of GS1 Canada](#), made up of leaders from Canada's largest companies across multiple sectors including grocery, foodservice, general merchandise and hardlines, pharmacy, and healthcare. Throughout the pandemic, GS1 Canada supply chain standards were - and continue to be - the backbone in our ability to keep shelves stocked with essential products for consumers, and access to medication for patients, whether bought in-store or on-line. As an [essential service](#), GS1 Canada allowed us to manage and pivot our inventory practices to meet the needs of Canadians during one of our most vulnerable times in Canadian history.

GS1 Canada is a neutral and not-for-profit association that creates and maintains global supply chain standards for its 24,000 subscribers. GS1 is often known for the barcode that captures essential information to enable a standard way to identify product as it flows through the supply chain. There are GS1 Member Organizations in 114 countries. The global standards are used in over 150 countries around the world where over 6 billion barcodes are scanned every day. The standards ensure that everyone throughout the supply chain is electronically identifying a product the same and a location the same, no matter where a product is sourced, manufactured, shipped, stored, and utilized/consumed. There are no other global supply chain standards that cover all areas of healthcare (pharmaceuticals, medical devices, and food).

Today in Canada, over 7,000 companies such as Loblaw Companies Ltd., McKesson, Walmart, Sysco, and Unilever are seamlessly sharing product information for over 750,000 products, that enable us to have traceability and visibility in the supply chain, including recalling product when required. Our businesses depend on this proven system where standards-based, bi-lingual product and location information is kept, updated and perpetually cleansed in GS1 Canada registries. They are established based on non-competitive business needs and delivered on a not-for-profit, cost-recovery basis. The combination of standards and accurate data allows businesses to manage inventory including knowing when items are about to expire, when to rotate stock, and where there may be product shortages looming. It allows trading partners to optimally work together in a digital reality to meet the needs of consumer and patients, keeping them safe.

We are extremely fortunate that global supply chain standards exist. Our world would not look the same if we were not able to have visibility within the supply chain and a standard way to share product and location information in over 150 countries. However, in Canada, end-to-end traceability does not exist. When the standards are not utilized, the gaps and vulnerabilities are exposed, and this is what we saw in Canada's healthcare system, particularly with PPE during

the COVID-19 crisis. We do not have system-wide implementation of global supply chain standards in Canada's healthcare system, including government stockpiles, and it hurt us during the pandemic. Never again should we be left in this situation, and GS1 Canada can help.

PPE in Canada without Supply Chain Standards

Canada had to do its best with managing PPE for its front-line workers, patients and consumers without traceability and visibility in the supply chain and while managing an overwhelming increase in procurement volumes and the diversification of sourcing product, on- and off-shore. During the pandemic, it was evident that each province and territory, along with the federal government, were siloed in its PPE inventory visibility. The lack of global supply chain standards resulted in extreme limitations of how quickly it could bring in - and authenticate - product as well as manage product being manufactured in the country. The government and healthcare leaders had to work extremely hard as Canada was at a disadvantage. It can now turn things around with the support of global supply chain standards.

How will GS1 Standards support PPE visibility?

The GS1 system is straightforward, it works, and can immediately help. No matter where a product is sourced, manufactured, shipped, stored, and utilized/consumed, everyone throughout the supply chain is calling a product the same through a global identifier (a barcode number). As the product reaches the various players of the supply chain, their locations are identifiable through a global location identifier. The information about the product and location are kept, updated, and perpetually cleansed in GS1 registries and/or databases. Information is then shared seamlessly by the trading partners that help identify who is manufacturing PPE, availability, and expiry dates.

As an important tool to support Canadian manufacturers and boost Canada's economy, the GS1 system will provide exposure of Canadian PPE manufacturers to retailers, supporting new and retooled Canadian companies that have started manufacturing PPE as an outcome of the COVID-19 crisis, to continue manufacturing PPE for the long-term. Governments, hospitals, long-term care facilities along with retailers, pharmacies and foodservice operators can have visibility to PPE that are available for purchase. For exporting purposes, Canadian-made PPE will be more attractive as importing countries would have accessibility to data that would demonstrate Canadian PPE manufacturers are legitimate.

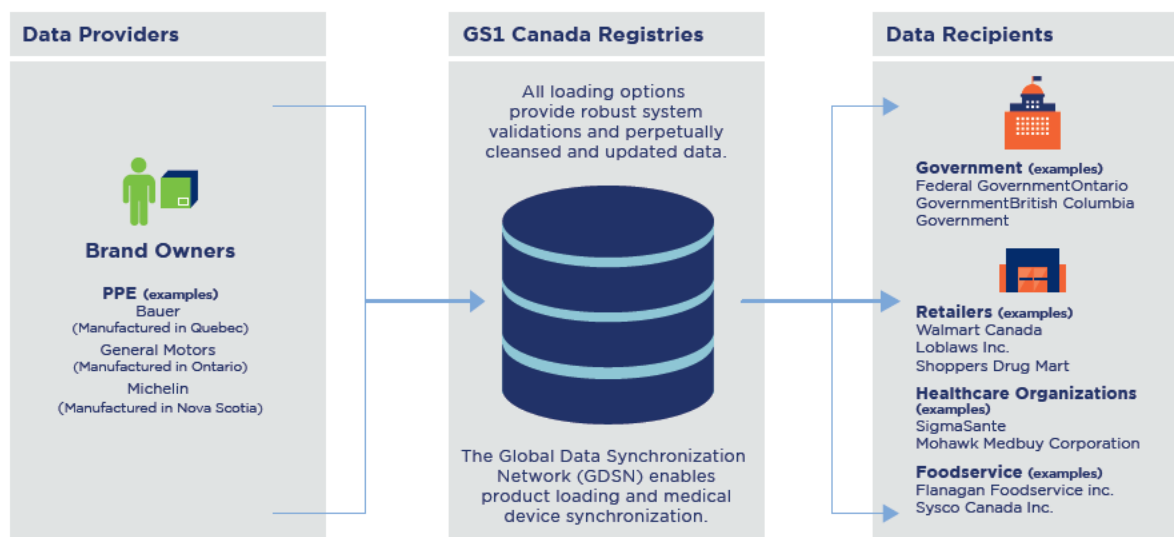
Adopting global supply chain standards will allow Canada to track where products have gone throughout the supply chain, to protect our people. We have already heard too many stories where PPE has been recalled. Poor quality or faulty PPE is a danger to Canadians and needs to be removed from circulation immediately. Additionally, the data that will be produced from everyone using common standards for identification, will allow for Canada to produce stronger analytics and measurement for future needs.

A Canadian System based on Global Standards

While provinces and territories implement and execute healthcare policies, Canadians will benefit the most through a Canadian-wide, interprovincial capability so every jurisdiction has visibility to essential products. The GS1 system means product and location information goes into one central location and can be accessed by many. If you are a small-town hospital or a large provincial government who may be managing PPE at a provincial level, or a grocery,

pharmacy or restaurant, the information can be made available to all players. The standards would support each entity to manage PPE by knowing what product is in their inventory, when it is set to expire and/or rotated, and when it is time to re-order. Not only is this ensuring product is always available, it prevents significant waste in products and dollars that are lost every year in unused PPE.

The product and location registries are already part of the mainstream supply chain for many sectors. PPE must integrate and traceability must be expanded in these sectors with advanced supply chain capabilities. The following demonstrates how PPE would be integrated into GS1 Canada registries that holds data information of over 750,000 products:



Finally, it allows Canada to prevent poor quality or even fraudulent product from entering our supply chains.

How do we implement?

ACTION ONE: Adopt and integrate the global barcode number (Global Trade Item Number) used on existing products and require it for new products coming into the country to help manage the virus, as well as for new domestic products that are being manufactured by facilities who have retooled to manage the crisis.

ACTION TWO: Assign Global Location Numbers (GLNs) to all organizations and delivery points aligned with Canada's supply chain. While the Global Trade Item Number provides the "what" in the visibility of products within the supply chain, the GLN is the "where".

ACTION THREE: Adopt Electronic Data Interchange (EDI) standards to allow computer-to-computer business transactions such as purchase orders, invoices and advance shipping notices (ASN). A fundamental transactional starting point of what went where.

ACTION FOUR: Take a standards-based approach to product data management and exchange.

Sectors including grocery, foodservices, and pharmacy, openly work together and have established GS1 Canada's national product and location registry, ECCnet. The data is only accepted through a data validation system based on global attributes serving Canadian market needs. For the medical device category, the GS1 Global Data Synchronization Network (GDSN)

is utilized to access and exchange product data. Manufacturers and suppliers support the ability to submit their product data in one place for distribution to their trading partners and government.

These measures, as we have seen in other sectors in Canada, will:

- **Enable inventory visibility:** Hospitals, long-term care facilities, buying groups, etc. will be able to have a common, interoperable supply chain with a consolidated view on inventory of products and assets.
- **Support efficient inventory tracking** – Submissions of PPE inventory from all provincially funded healthcare agencies would no longer need to rely on manual entries often prone to errors.
- **Authenticate supply chain** – GS1 standards support authentication of global PPE manufacturers and provide credibility to Canadian PPE manufacturers who wish to manufacture domestically and internationally, for the long-term.
- **Enable traceability** – Knowing where product has come from and where it is going is critical for ensuring frontline workers and consumers have access to PPE needed for treating patients and minimizing the spread of a virus.
- **Reduce resource waste** – The standards help to identify when to rotate inventory resulting in millions of dollars in savings. It will allow for our healthcare system to know where product is, when it is set to expire, how to have it in circulation before expiry and when to replenish.
- **Enable recall capabilities of defective product** – The standards will help to recall and identify products immediately.

What will the standards do for the broader healthcare system and other sectors?

By creating a Canada-wide, interprovincial system to manage PPE and other essential products, the Government of Canada will not only be protecting its people, it will be creating the foundation that will enable traceability in Canada. Imagine a world where a substance is sourced halfway across the world can be traced right down to the patient record or on a store shelf. This is achievable by Canada's healthcare system tapping into a global infrastructure that is used in over 150 countries.

GS1 Canada's Board of Governors, in addition to its [Sector Boards](#), is providing its commitment to the government to implement a country-wide system to manage PPE. It will set the foundation in supporting traceability in Canada's healthcare system and strengthening traceability in other sectors that would embark on an initiative to transform Canada's supply chain, making it the strongest in the world.

Looking at our healthcare system, it's time. Initial implementation costs for provincial and territorial healthcare systems are minimal and will be recouped quickly as the perpetual savings from global standards are significant, based on [real-world evidence](#). We cannot afford for each jurisdiction to move towards propriety systems and therefore, time cannot be wasted. During this time of austerity and recovery, we are passionate to work with the government on this important initiative as we know how much it will empower our healthcare heroes and benefit Canadians immediately, and for generations to come.