STD01 – Ethical BioTrade Standard – 2012-04-11

Union for Ethical BioTrade (UEBT)

This document is the revised version of the 2007 Verification Framework for native natural ingredients.

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Ethical BioTrade Standard

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Background

The Ethical BioTrade Standard builds on the BioTrade Principles and Criteria that were developed by the UNCTAD BioTrade Initiative. The first version of the Ethical BioTrade standard was adopted in 2007 under the title 'Verification Framework for Native Natural Ingredients'. This is the second draft version of the Ethical BioTrade Standard. The revision was needed to take into account experiences with the application of the 2007 standard in different parts of the world, and at different stages of the supply chain.

The 2012 version of the Ethical BioTrade standard is the result of a comprehensive process of revision of the 2007 standard - Verification Framework for Native Natural Ingredients.

The revision process followed an inclusive and participative development process, involving economic, environmental and social interest groups. Stakeholders from around the world and from all parts of the supply chain were offered the possibility to take part in a consultation process. As a standard-setting organisation and ISEAL member, the process by which the Ethical BioTrade standard is developed/revised follows the Code of Good Practice for Setting Social and Environmental Standards of the International Social and Environmental Accreditation and Labeling Alliance (ISEAL). This process is reflected in the UEBT standardization procedure (i.e. UEBT PRO06 – Standardization process).

In particular, the revision process included two public consultation phases, in which UEBT invited comments from different stakeholder groups. The first consultation phase took place between May 2009 and January 2011. During the last six months of this period, comments were proactively sought. In early 2011, the comments received were considered and addressed in a new Draft (STD01 – D1 – Ethical BioTrade Standard_2011-05-04), which was approved by the UEBT Standard Committee. This draft was the basis of a second public consultation phase, which took place between July and December 2011. In early 2012, the comments were considered and addressed in a second draft version, approved by the UEBT Standard Committee on 14 February 2012. Following the approval phase of the standardization process, the UEBT Board of Directors approved this version on 11 April 2012.

When reading the Ethical BioTrade Standard, it is important to consider that UEBT expanded the scope of its verification system in 2011. The Ethical BioTrade Standard is now applicable to all natural ingredients of the organisation's portfolio. For the purpose of the UEBT Membership, natural ingredient is an ingredient that comes from plants or animals or that includes plant or animal inputs, even if these inputs have been significantly processed. The expansion in scope aims to increase the positive environmental and social impacts that result from implementing Ethical BioTrade Principles and Criteria. UEBT Trading Members remain committed to promoting the use of native biodiversity.

Introduction

A growing number of private-sector organisations are looking to make a positive contribution to sustainable development through ethical sourcing and corporate social responsibility policies and practices. Biodiversity is becoming an increasingly important notion, and private-sector organisations are starting to align their operations with **the objectives of the Convention on Biological Diversity** (CBD).

The **Union for Ethical BioTrade** (UEBT) is a non-profit association that promotes the 'Sourcing with Respect' of ingredients that come from biodiversity. Trading Members commit to gradually ensuring that their sourcing practices promote the conservation of biodiversity, respect traditional knowledge and assure the equitable sharing of benefits all along the

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supply chain. This commitment is measured through the implementation of the Ethical BioTrade Standard in their business practices.

UEBT Trading Members use the Ethical BioTrade Standard to shape their biodiversity sourcing practices. They develop biodiversity management systems that further the implementation of the Ethical BioTrade standard in their own operations as well as throughout their supply chains. Trading Members prepare work-plans and report annually on their implementation. This commitment of Trading Members is externally verified with periodic audits of the biodiversity management systems and their effective implementation in supply chains.

I. Scope

1. The Ethical BioTrade Standard applies to all natural ingredients of the organisation's portfolio

The UEBT Ethical BioTrade Standard applies to **all natural ingredients of the organisation's portfolio**. For the purpose of the UEBT Membership, natural ingredient is an ingredient that comes from plants or animals or that includes plant or animal inputs, even if these inputs have been significantly processed. These natural ingredients may come from wild collection and/or cultivation practices. The Ethical BioTrade Standard is particularly meant to apply to natural ingredients used in the cosmetics, food and pharmaceutical sectors, but might also be relevant for other sectors that use natural ingredients.

As noted by the UEBT Membership Conditions and Obligations, UEBT members commit to applying the Ethical BioTrade Standard to their entire natural ingredient portfolio in the long-term. In order to achieve such conformity, Trading Members adopt a **risk-based, stepwise approach**. Ingredients are prioritised according to the level of knowledge Trading Members have about their supply chains on Ethical BioTrade-related topics. To help UEBT Trading Members to establish this risk-based and stepwise approach, the UEBT Secretariat developed a tool that helps in the prioritisation of their natural ingredient portfolio, called the Ingredient Portfolio Assessment. After undertaking this prioritisation, Trading Members define **mid-to long-term Ethical BioTrade Sourcing targets**, which are made publicly available, and which set tangible and measurable goals regarding the progress they plan to make on their supply chains with respect to Ethical BioTrade.

2. The Ethical BioTrade Standard provides the basis for the UEBT Membership Conditions and Obligations

The UEBT Ethical BioTrade Standard is used as the principal reference point in defining the UEBT Membership Conditions and Obligations. UEBT Trading Members are asked to design a **Biodiversity Management System** to achieve the Ethical BioTrade Sourcing targets. Just like a Quality Assurance system or a GMP (Good Manufacturing Practices) system, this is a set of procedures that when followed will ensure that biodiversity is used in a way that promotes conservation, sustainable use and the equitable sharing of benefits, as defined in the Ethical BioTrade Standard.

In order to become a **UEBT Provisional Trading Member**, an organisation must prove externally verified compliance with the identified *Entry Indicators*, in addition to complying with the UEBT Membership Conditions and Obligations and the relevant UEBT procedures (e.g. PRO10 – Membership application process for Trading Member).

UEBT uses a combination of self-assessment and external verification by third party

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verification bodies against the Ethical BioTrade Standard to **assess compliance with the UEBT Membership Conditions and Obligations**. The independent third party audits occur every three years and will primarily focus on whether the required procedures are in place and are being applied and whether or not they are translated into Ethical BioTrade practices at the field level.

3. The Ethical BioTrade Standards applies at different stages of the supply chain

The Ethical BioTrade Standard is applicable to different stages of the supply chain, including finished product manufacturers, processing companies, and producers. The criteria and indicators in the standard are written in a way that ensures their relevance and usefulness to different kinds of organisations. Interpretation guides are developed to direct UEBT Trading Members and independent auditors in applying the Ethical BioTrade Standard according to the nature and work of the organisation.

The UEBT Trading Member is responsible for the good implementation of the Ethical BioTrade Standard through its Biodiversity Management System and throughout its supply chains. This implementation should take place with the support and collaboration of the actors (i.e. suppliers and clients) involved in its supply chains.

Though a UEBT Trading Member may outsource part of the production phases linked to the use of natural ingredients, the UEBT Trading Member remains responsible for ensuring the implementation of the relevant indicators, according to the specific outsourced activity.

4. Additional aspects

The following points are also important in understanding the Ethical BioTrade Standard:

- The **Principles** of the Ethical BioTrade Standard describe the main issues that must be considered in Ethical BioTrade practices.
- The **Criteria** reflect the objectives that the UEBT Trading member must reach, while the **Indicators** define the means or steps that the UEBT Trading Member must take to reach these objectives.
- When an indicator is only applicable to one specific situation, e.g. wild collection, or R&D activities, etc., this is expressly mentioned in the indicator. If there is no such mention, the indicator is applicable to all operations.

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II. Normative references

The following referenced documents are indispensable for the application of the Ethical BioTrade Standard.

Convention on Biological Diversity (CBD)
http://www.cbd.int/

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
http://www.cites.org/

International Labour Organisation Core Conventions:
http://www.ilo.org/ilolex/english/convdisp1.htm

- *ILO C26 Minimum Wage-Fixing Machinery Convention, 1928*
- *ILO C29 Convention on Forced Labour, 1930*
- *ILO C87 Freedom of Association and Protection of the Right to Organize, 1948*
- *ILO C95 Protection of Wages Convention, 1949*
- *ILO C98 Right to Organize and Collective Bargaining, 1949*
- *ILO C100 Equal Remuneration 1951*
- *ILO C105 Abolition of Forced Labour Convention, 1957*
- *ILO C111 Discrimination (Employment and Occupation), 1958*
- *ILO C131 Minimum Wage Fixing Convention, 1970*
- *ILO C138 Minimum Age Convention, 1973*
- *ILO C155 Occupational Safety and Health Convention, 1981*
- *ILO C169 Indigenous and Tribal Peoples Convention, 1989*
- *ILO C182 Worst Forms of Child Labour, 1999*

IUCN Redlist
http://www.iucnredlist.org/

Nagoya Protocol, Conventions on Biological Diversity, 2010
http://www.cbd.int/abs/

OECD Guidelines for Multinational Enterprises, 2000
http://www.oecd.org/dataoecd/56/36/1922428.pdf

Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, 2004
http://www.pic.int

Stockholm Convention on Persistent Organic Pollutants, 2001
http://www.pops.int

UN Convention on Contracts for the International Sale of Goods, 1980
http://www.uncitral.org/pdf/english/texts/sales/cisg/CISG.pdf

UN Convention against Transnational Organized Crime and its Protocols, 2000
http://www.unodc.org/pdf/crime/a_res_55/res5525e.pdf

UNDRIP – United Nations Declaration on the Rights of Indigenous Peoples, 2007
http://www.un.org/esa/socdev/unpfii/en/declaration.html

WHO Recommended classification of pesticides by hazard & guidelines for classification, 2009

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http://www.who.int/ipcs/publications/pesticides_hazard/en/

III. Other references

The following referenced documents could help the application of the Ethical BioTrade Standard:

Bonn Guidelines on access to Genetic resources and Fair and Equitable Sharing of the Benefits Arising out of their Utilization, Convention on Biological Diversity, 2000
http://www.cbd.int/doc/publications/cbd-bonn-gdls-en.pdf

Cartagena Protocol on Biosafety, Convention on Biological Diversity, 2000
http://bch.cbd.int/protocol/

ISO 14001
http://www.iso.org/iso/iso_14000_essentials

ISO 26000
http://www.iso.org/iso/social_responsibility

United Nation Global compact
http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html

UEBT GOV25 – Conditions and Obligations for Trading Member
http://www.ethicalbiotrade.org/resources/

UEBT POL14 – UEBT principles on patents and biodiversity
http://www.ethicalbiotrade.org/resources/

UEBT PRO10 – Membership Application process for Trading Member
http://www.ethicalbiotrade.org/resources/

UEBT PRO30 – Procedure for addressing claims of conduct inconsistent with ethical sourcing practices

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IV. Terms and definitions

For the purposes of the Ethical BioTrade Standard, the following definitions apply.

Please note that the following words are not highlighted in the standard itself, so read this section carefully in order to have the meaning the UEBT uses.

Actors: people or organisations that are involved in Ethical BioTrade supply chains, i.e. collectors, producers, buyers, farmers, consumers, etc.

Access and Benefit Sharing: In the Convention on Biological Diversity (CBD), it is the system for access to genetic resources and the fair and equitable sharing of benefits arising out of the utilization of genetic resources, on the basis of prior informed consent and mutually agreed terms. In many of the laws and regulations implementing the CBD, as well as in the Ethical BioTrade standard, access and benefit sharing requirements extend more broadly to biodiversity-based research and development, as well as subsequent applications and commercialization activities.

Adaptive management: systematic process for continually improving policies and practices by learning from the outcomes of previously employed policies and practices.

Agrochemicals: chemicals used in agriculture such as fertilizers, insecticides, herbicides, fungicides, hormones and other inputs. (Oxford dictionary)

Alien species: a species, subspecies or lower taxon, introduced outside its natural past or present distribution; includes any part, gametes, seeds, eggs, or propagates of such species that might survive and subsequently reproduce (Convention on Biological Diversity, 1992).

Buyer: organisations buying Ethical BioTrade products along the supply chain at the exclusion of producing organisations (according to the definition of producer below). (UEBT 2007)

Biodiversity: see Biological diversity definition

Biodiversity Management System: a set of policies, procedures, and practices designed to implement the Ethical BioTrade Standard and UEBT Membership Obligations at the level of the member organisation and its natural ingredient supply chains. (UEBT, 2012)

Biological diversity: variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems. (Convention on Biological Diversity, 1992).

Biological interaction: interactions between organisms in a community. In the natural world no organism exists in absolute isolation, and thus every organism must interact with the environment and other organisms.

Biological resources: resources, including genetic resources, organisms or parts thereof, populations, or any other biotic component of ecosystems with actual or potential use or value for humanity. (Convention on Biological Diversity, 1992).

Collectors: persons who collect plants/animals or part of them, professionally or as part of a commercial relationship with a buyer.

Criterion (pl. Criteria): means of judging whether or not a Principle has been fulfilled. (FSC Principles and Criteria for Forest Stewardship, 1996).

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Customary law: locally recognized principles or systems that internally govern or guide aspects of the lives and activities of indigenous and local communities. In general, they define rights and responsibilities of community members on aspects such as use of and access to natural resources, rights and obligations relating to land, inheritance and property, maintenance of cultural heritage and knowledge systems. (Adapted from WIPO – World Intellectual Property Organisation)

Ecosystem: dynamic complex of components (i.e. plant, animal and microorganism communities) and their non-living environment interacting as a functional unit. (Adapted from Convention on Biological Diversity, 1992)

Endangered species: species facing a very high risk of extinction in the wild and is listed in either IUCN redlist, national legislation and/or CITES.

Environmental impact: any change to the environment, whether adverse or beneficial, wholly or partially resulting from an ***organisation***'s activities, products or services. (ISO 14001:2004)

Ethical BioTrade Sourcing targets: specific targets aiming to gradually align the biodiversity sourcing practices of a UEBT Trading Member with the UEBT Membership Conditions and Obligations. (UEBT, 2012)

Fair and equitable benefit sharing: refers to measures taken to ensure that benefits arising from the utilization of biodiversity and associated traditional knowledge, as well as subsequent applications and commercialization, are shared in a fair and equitable way with all those organisations or communities identified as having contributed to resource management, research and development, and commercialization. (Reference to criterion 3.2)

Food security: when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. (Adapted from 1996 World Food Summit)

Genetic resources: genetic material of actual or potential value. (Convention on Biological Diversity, 1992)

Genetically modified organisms: an organism that has been transformed by the insertion of one or more transgenes. (FAO – Food and Agriculture Organisation, Biotechnology in Food and Agriculture[1])

Habitat: place or type of site where an organism or population naturally occurs. (Convention on Biological Diversity, 1992)

Indicator: quantitative or qualitative parameter, which can be assessed in relation to a criterion. (The Tropenbos Foundation, 1996 - Hierarchical framework)

Indigenous communities: peoples who are tribal or are regarded as indigenous on account to their descendant from original populations whose social, cultural and economic conditions distinguish them from other sections of the national community and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations. (Adapted from ILO 169)

Indigenous lands and territories: lands, territories and resources, which indigenous peoples have traditionally owned, occupied or otherwise used or acquired. (UN Declaration

[1] http://www.fao.org/biotech/

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on the Rights of Indigenous Peoples: Article 26, 2007)

Introduction: means the movement, by human agency, of a species, subspecies, or lower taxon (including any part, gametes or propagule that might survive and subsequently reproduce) outside its natural range (past or present). This movement can be either within a country or between countries. (IUCN – International Union for the Conservation of Nature)

Invasive Alien species: alien species, which becomes established in natural or semi-natural ecosystems or habitat, is an agent of change, and threatens native biological diversity. (IUCN)

Land tenure: rules, whether legislation or customarily defined, that determine how property rights to land are allocated within societies. They define how access is granted to rights to use, control, and transfer land, as well as associated responsibilities and restraints. (Adapted from FAO[2])

Living wage: hourly wage paid (when calculated as a function of a standard working month) meets basic needs of workers and their families and to provide some discretionary income. (Adapted from Fair Wear Foundation)

Local communities: human population in a distinct ecological area that depends directly on its biodiversity and ecosystem goods and services for all or part of their livelihoods and who have developed or acquired traditional knowledge as a result of this dependence, including farmers, fisherfolk, pastoralists, forest dwellers and others. (Adapted from Protection of traditional Knowledge and Cultural Heritage – the concept of "Collective Bio-Cultural Heritage"[3])

Lodging: safe and locally acceptable accommodation, access to food and beverages.

Management system: system that contains a set of policies, procedures, and good practices to reach objectives defined by the organisation.

Mutually agreed terms: conditions for access to biological resources and associated traditional knowledge, and the sharing of resulting benefits, established between the user and the providers these resources, including government agencies, groups, indigenous and local communities or individuals with relevant and recognized rights.

Native species: species, subspecies, or lower taxon, occurring within its natural range (past or present) and dispersal potential (i.e. within the range it occupies naturally or could occupy without direct or indirect introduction or care by humans). (IUCN Guidelines for the prevention of biodiversity loss caused by alien invasive species)

Natural cycles: nutrient and mineral cycles resulting from the interactions between soils, water, plants and animals and their taxa in natural ecosystems that affect the ecological productivity of a given site. (Adapted from FSC Principles and Criteria for Forest Stewardship Council, 1996)

Natural ingredient: for the purpose of the UEBT Membership Conditions and Obligations, ingredient that comes directly from plants or animals or that includes plant or animal inputs, even if these inputs have been significantly processed.

Natural ingredient portfolio: portfolio of natural ingredients that the organisation sources and works with.

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[2] http://www.fao.org/docrep/005/y4307e/y4307e05.htm

[3] IIED (International Institute for Environment and Development): http://pubs.iied.org/pdfs/G01067.pdf

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Organisation: entity responsible for the gradual application of the Ethical BioTrade standard through its management system and supply chains.

Pre-financing: financial advance on contracts by buyers. (FLO standard)

Prior informed consent: consent of the providers of biological resources and associated traditional knowledge, including government agencies, groups, indigenous and local communities or individuals with relevant and recognized rights, for access for research and development, granted without coercion, prior to the start of activities, and on the basis of an understanding of the full range of issues and potential impacts. (Adapted from CBD principles).

Principle: essential rule or element. (FSC Principles and Criteria for Forest Stewardship, 1996)

Pristine ecosystem: ecosystem in its original condition, not disturbed by human beings.

Producer: organisation that controls entirely one of its supply chains up to the field area and has the responsibility to implement a management system at the ground level that ensures compliance of production methods with the requirements of the Ethical BioTrade standard. (UEBT, 2011)

Note: a producer can be only producer or it can be also a buyer of other raw material. Its management system will need to be adapted accordingly, to reach compliance.

Protected area: a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values (IUCN – World Heritage definition[4])

Production area: site being utilized by the organisation for the collection or cultivation of natural ingredients. (UEBT 2007)

Regeneration rate: rate at which a species can regrow.

Research and development: series of analyses, tests and other investigative activities conducted with the intention of identifying new and useful properties of the plant/animal parts and/or plant/animal extracts, when such findings can be deemed to be novel, involve an inventive step and be subject to industrial application.

Sourced species: species that are cultivated and/or collected for sourcing purposes.

Sourcing: process of buying, cultivating and/or collecting natural ingredients and the species from which they are derived.

Sourcing activities: all activities along the supply chain related to sourcing.

Sourcing areas: areas from which the sourced species are cultivated and/or collected.

Supplier: organisation, person, etc. that provides things that people want or need, especially over a long period of time.

Species: a group of organisms capable of interbreeding freely with each other but not with members of other species. (WCMC – World Conservation Monitoring Centre)

Stepwise, risk-based approach: a gradual approach towards reaching compliance with the Ethical BioTrade Standard giving priority to those ingredients that pose the biggest risk

[4] http://data.iucn.org/dbtw-wpd/edocs/PAPS-016.pdf

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to ethical sourcing of biodiversity as defined by this standard. (UEBT, 2012)

Supply chain: system of organisations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer. Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer.

Technology transfer: process of the transfer of skills, knowledge, technologies, methods of manufacturing, samples of manufacturing and facilities to ensure that scientific and technological developments are accessible to a wider range of users who can then further develop and exploit the technology into new products, processes, applications, materials or services.

Traceability: ability to identify and trace the history, distribution, location, and application of products, parts, and materials. A traceability system records and follows the trail as products, parts, and materials come from suppliers and are processed and ultimately distributed as end products. (ISO – International Organisation for Standardization)

Traditional knowledge: knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity. (Convention on Biological Diversity)

UEBT Trading Member: member that is directly involved in the supply chain of Ethical BioTrade goods and services (e.g. producer/collector organisations, processing companies, traders, manufacturing companies, brands, consortia of trading companies, research institutions, etc.).

UEBT Provisional Trading Member: organisation that is in the process of becoming Trading Member and which complies with the Entry Indicators as one of the first steps of the process.

Wild species: organisms captive or living in the wild that have not been subject to breeding to alter them from their native state. (WCMC)

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V. Revised Ethical BioTrade Standard – v.2012

1 Conservation of biodiversity

1.1 Characteristics of ecosystems in which sourcing activities take place shall be maintained or restored.

1.1.1 The organisation has identified these ecosystems.

1.1.2 The organisation has identified threats to the conservation of biodiversity in these ecosystems, related or not to its sourcing activities.

1.1.3 The organisation has identified initiatives (local, national and/or international) that address the threats identified in 1.1.2.

1.1.4 The organisation contributes to addressing these threats either through own initiatives or participating in the initiatives identified in 1.1.3.

1.2 Sourcing activities shall conserve and restore biodiversity.

1.2.1 *Entry indicator:* The organisation does not undertake activities that convert pristine ecosystems.

1.2.2 The organisation identifies the impacts of its sourcing activities on the biodiversity in sourcing areas.

1.2.3 The organisation takes measures to avoid or mitigate the identified impacts in 1.2.2.

1.2.4 The organisation's sourcing activities do not introduce or cause the introduction of invasive alien species.

1.2.5 The organisation's sourcing activities do not introduce or cause the introduction of GMOs (Genetically Modified Organisms).

1.2.6 Measures are in place for the conservation and/or the restoration of the habitats of endangered species in sourcing areas.

1.2.7 The organisation, through its sourcing activities, actively promotes biodiversity restoration practices in sourcing areas.

1.2.8 The organisation endeavors to source natural ingredients from their native distribution areas.

1.3 Sourcing activities shall be aligned with strategies, plans or programmes for conservation and sustainable use of biodiversity applicable to sourcing areas.

1.3.1 The organisation has identified these strategies, plans or programmes.

1.3.2 The organisation's sourcing activities do not contravene, but rather contribute to the implementation of the relevant strategies, plans and programmes identified in 1.3.1.

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2 Sustainable use of biodiversity

2.1 The sourcing of the species shall be supported by management documents addressing, inter alia: harvest rates, monitoring systems, productivity indexes and regeneration rates.

2.1.1 Collection or cultivation areas are clearly identified.

2.1.2 Collection or cultivation is conducted on the basis of relevant permits.

2.1.3 The organisation has an up-to-date list of suppliers, producers and collectors.

2.1.4 Information is available on the regeneration rate of the sourced species and in case of wild collection, on the level of their populations in the sourcing areas.

2.1.5 The organisation's sourcing activities ensures that the harvest rates and regeneration rates are sustainable in the long-term.

2.1.6 A monitoring system is in place that allows continual adjustment of collection and/or cultivation practices (harvest rates, collection techniques, agricultural practices) with the aim of guaranteeing an adaptive management of the sourced species.

2.2 Employees, suppliers and collectors involved in sourcing activities shall be trained in the implementation of good collection, cultivation and quality assurance practices.

2.2.1. A training scheme for employees, suppliers and collectors exists.

2.2.2 Employees, suppliers and collectors are trained in the good practices mentioned in 2.2.

2.2.3 Employees, suppliers and collectors implement the good practices on which training was received.

2.3 Purchasing schedules shall be organised according to the supply of the sourced species or the harvesting seasons.

2.3.1 The purchasing schedules of the organisation recognizes the harvesting season, the harvest rates, phenological cycles of plants and other good practices as defined in the management documents (under 2.1).

2.4 Appropriate mechanisms shall be implemented to prevent or mitigate negative environmental impact.

2.4.1 The organisation's sourcing activities do not introduce or cause the introduction of agrochemicals in pristine ecosystems.

2.4.2 *Entry indicator:* The organisation does not use agrochemicals:

- banned under the Stockholm Convention on Persistent Organic Pollutants (POPs),
- that fall under WHO Categories I and II
- and/or are listed in the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
- and/or banned in the relevant countries of operations.

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2.4.3 The organisation respects maximum utilisation rates of agrochemicals recommended by WHO.

2.4.4 The organisation has a plan to reduce the use of agrochemicals and give priority to alternatives approved under organic agricultural practices.

2.4.5 A register is available on agrochemicals used in the sourcing areas. This register contains at least the name of the chemicals (i.e. not the commercial product name).

2.4.6 Negative impacts of sourcing activities on air quality are identified and specific practices to prevent or mitigate these are in place and implemented.

2.4.7 Negative impacts of sourcing activities on water resources are identified and the mechanism to prevent or mitigate these are in place and implemented.

2.4.8 Negative impacts of sourcing activities on soil quality are identified and mechanisms to prevent or mitigate these are in place and implemented.

2.4.9 Mechanisms are in place to avoid and minimize the waste of raw materials in different phases of production.

2.4.10 Measures are in place to manage the waste derived from productive practices, including reuse and recycling activities.

2.4.11 Final waste disposal ensures the reduction of contamination risks, paying a particular attention to water bodies, if necessary by means of an Environmental Impact Assessment.

3 Fair and equitable sharing of benefits derived from the use of biodiversity

3.1 Negotiations related to the sourcing of biodiversity shall be transparent and based on dialogue and trust.

3.1.1 Negotiations take into account relevant customary law and local practices.

3.1.2 The information used in negotiations is transparent, complete and accessible to the parties involved, so as to provide a good understanding of the issues.

3.1.3 Parties involved in the negotiations are empowered to actively engage in these negotiations.

3.1.4 The approach to and outcomes of negotiations are documented, taking into account local circumstances and practices.

3.2 The organisation shall pay equitable prices for the natural ingredients that it sources.

3.2.1 Price negotiations follow the approaches defined in criterion 3.1

3.2.2 Prices are based on cost calculations that consider the costs of implementing conservation, sustainable use, social and other requirements in this standard as well as a profit margin.

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3.2.3 Prices are periodically reviewed.

3.2.4 Price-setting is independent of the benefits considered under criterion 3.3.

3.2.5 If requested and justified, pre-financing is available at the producer level for part of the contract value.

3.3 The organisation shall contribute to local sustainable development goals in sourcing areas, as defined by producers and their local communities.

3.3.1 Producers and their local communities are consulted in order to understand their local sustainable development goals.

3.3.2 The organisation promotes employment in sourcing areas and gives priority to employing local people.

3.3.3 The organisation establishes and manages its activities to build long-term partnerships.

3.3.4 The organisation contributes to activities that promote sustainable development at the producer level.

3.3.5 The organisation works to build the capacities of producers and their local communities, in the context of its sourcing activities, on issues such as organisational structures, natural resource management, technical and commercial skills, as defined through 3.3.1.

3.3.6 The organisation promotes increasing value addition at the local level, in the context of its sourcing activities.

3.3.7 The organisation documents the consultations and activities undertaken under this criterion.

3.4 Traditional practices linked to the sourcing of species and ingredients shall be recognized.

3.4.1 The organisation has information on traditional practices linked to the sourcing of species and ingredients.

3.4.2 The organisation takes measures to preserve and restore the traditional practices linked to the sourcing of species and ingredients that promote conservation and sustainable use of biodiversity.

3.4.3 The organisation utilizes or refers to these traditional practices in sourcing activities only with the approval and involvement of producers and their local communities, as well as adequate remuneration.

3.5 The organisation shall comply with legislative or regulatory requirements on access to biodiversity and associated traditional knowledge for research and development and the sharing of resulting benefits.

3.5.1 The organisation is aware of the concepts and principles of access and benefit sharing and the possible legal implications for its activities.

3.5.2 The organisation has information on legislative or regulatory requirements applicable to its activities, including research and de-

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velopment based on biodiversity and associated traditional knowledge.

3.5.3 The organisation takes measures towards meeting these legislative or regulatory requirements.

3.6 For research and development activities, even if there are no legislative or regulatory requirements on access to biodiversity and associated traditional knowledge, such access shall be subject to prior informed consent and based on mutually agreed terms.

3.6.1 Negotiations related to access to biodiversity and associated traditional knowledge are transparent and based on dialogue and trust, as defined by Criterion 3.1 of this standard.

3.6.2 The organisation has identified government agencies, groups, indigenous and local communities or individuals with recognized rights over the relevant biodiversity and associated traditional knowledge.

3.6.3 The organisation takes measures to engage these agencies, groups, communities or individuals, providing information and opportunities for their effective participation in negotiations.

3.6.4 Negotiations on prior informed consent and mutually agreed terms consider issues such as the intended and permitted uses of the biodiversity and associated traditional knowledge, recognition of their origin, possible use of intellectual property rights, safeguards in case of third party involvement, and commitments towards determining and sharing benefits.

3.6.5 If traditional knowledge is used in research and commercial activities, such uses respect the rights of traditional knowledge holders, takes into account their ethical and cultural concerns, and allows their continued customary use of the traditional knowledge.

3.6.6 The organisation identifies and addresses allegations regarding access to biodiversity and associated traditional knowledge without prior informed consent or mutually agreed terms, in line with PRO30 – Procedure for addressing claims of conduct inconsistent with ethical sourcing practices.

3.7 For research and development activities, even if there are no legislative or regulatory requirements on the sharing of benefits arising from the use of biodiversity and associated traditional knowledge, as well as subsequent application and commercialisation, benefits shall be shared in a fair and equitable way and based on mutually agreed terms.

3.7.1 Negotiations related to benefit sharing are transparent and based on dialogue and trust, as defined by Criterion 3.1 of this standard.

3.7.2 The organisation has identified government agencies, groups, indigenous and local communities or individuals having contributed to the research, development or commercialisation processes.

3.7.3 The organisation takes measures to share benefits in a fair and equitable way with these agencies, groups, communities or individu-

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als having contributed to research, development or commercialisation processes, on the basis of the mutually agreed terms.

3.7.4 In determining benefits to be shared, the organisation considers their contribution to local sustainable development goals, as defined by Criterion 3.3 of this standard.

3.7.5 Other benefits may include access fees; milestone payments; special fees to be paid to trust funds supporting conservation and sustainable use of biodiversity; sharing of research and development results; collaboration, cooperation and contribution in scientific research; and institutional and professional relationships.

3.7.6 The organisation identifies and addresses concerns on the sharing of benefits on the basis of mutually agreed terms.

3.8 Patents and other intellectual property rights shall be exploited and enforced in a manner that is supportive to the objectives of the CBD and the Ethical BioTrade standard.

3.8.1 The organisation is aware of the issues around the use of patent protection and research and development on biodiversity and associated traditional knowledge, and the possible legal implications for its activities.

3.8.2 If the organisation uses patent protection in relation to research and development based on biodiversity and associated traditional knowledge, it has in place patent and biodiversity policies aiming to ensure that these patent practices support the objectives and provisions of the CBD, and this standard.

3.8.3 If an organisation uses patent protection in relation to research and development based on biodiversity and associated traditional knowledge, the patent application and exploitation process takes into account its patent and biodiversity policy and the UEBT patent and biodiversity principles[5].

4 Socio-economic sustainability (productive, financial and market management)

4.1 The organisation shall demonstrate sound financial management.

4.1.1 The organisation has financial planning tools that allow tracking income, expenditures and profitability and ensures adequate financial reporting.

4.1.2 Financial reports are available and externally verified in line with national regulatory requirements.

4.1.3 The organisation undertakes periodic strategic and business planning to assure long-term financial sustainability.

4.2 The organisation shall integrate the requirements of the Ethical BioTrade Standard into its management system for its operations and supply chains.

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4.2.1 The organisation has systematised the implementation of the Ethical BioTrade Standard, through policies, procedures and standard practices.

4.2.2 The organisation measures the impact of the implementation of the Ethical BioTrade Standard.

4.2.3 The organisation monitors progress and takes corrective actions if required.

4.3 The organisation shall have a quality management system in place, in line with market requirements.

4.3.1 The organisation has identified its target markets and related quality requirements.

4.3.2 The organisation keeps records and relevant documentation to meet the quality requirements set in its target markets.

4.3.3 Work is undertaken to improve the quality of the sourced natural ingredients.

4.4 A traceability system shall be in place allowing identifying the origin of the natural ingredients.

4.4.1 The organisation knows and documents the flow of natural ingredients it uses within its own operations.

4.4.2 The organisation sets critical control points to monitor traceability within its organisation and its supply chains.

5 Compliance with national and international legislation

5.1 The organisation shall respect international agreements related to biodiversity, particularly the CBD, the Nagoya Protocol and CITES.

5.1.1 The organisation demonstrates working knowledge of the principles of these agreements.

5.1.2 There is no substantiated evidence of non-compliance with the principles of these international agreements.

5.2 The organisation shall respect national and local regulatory requirements related to the use and trade of natural ingredients.

5.2.1 The organisation demonstrates working knowledge of relevant regulatory requirements related to the use and trade of natural ingredients.

5.2.2 There is no substantiated evidence of non-compliance with relevant regulatory requirements for the use and trade of natural ingredients.

5.3 The organisation shall pay legally required fees, taxes and other charges.

5.3.1 The organisation maintains records of these fees, taxes and other charges.

5.3.2 Records show that the organisation pays such charges.

6 Respect for the rights of actors involved in BioTrade activities

6.1 The organisation shall respect human rights.

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6.1.1 *Entry Indicator*: The organisation takes measures to ensure the respect for human rights and there is no evidence of violation of such rights or of discriminatory policies or practices.

6.1.2 *Entry Indicator:* The organisation protects child through at least the respect of the ILO Conventions on the Minimum Age Convention (138) and on the Elimination of the Worst Forms of Child Labour (182).

6.1.3 The organisation respects workers rights by at least respecting ILO Conventions on Freedom of Association and Protection of the Right to Organize (87) and on the Right to Organize and Collective Bargaining (98).

6.1.4 *Entry Indicator*: The organisation avoids immoral transactions in business operations according to the UN Convention against TransNational Organized Crime, Protocol on Trafficking and Smuggling, the OECD guidelines for Multinational Enterprises and the UN Convention on contracts for Sale of Goods.

6.2 The organisation shall respect the rights of indigenous and local communities, as defined by UNDRIP, ILO 169 and national laws, in its sourcing activities.

6.2.1 The organisation respects the rights of indigenous and local communities to own, use, and control lands, territories and resources in its sourcing activities.

6.2.2 The organisation respects the rights of indigenous and local communities to maintain, protect, and have access in privacy to their religious and cultural sites in its sourcing activities.

6.2.3 The organisation respects the rights of indigenous and local communities to maintain, control, protect, and develop their cultural heritage, including traditional knowledge associated to biodiversity, in its sourcing activities.

6.3 The organisation shall provide adequate working conditions for its employees.

6.3.1 The organisation pays wages in line with national regulations and ILO conventions 95 (Protection of wages), 26 (Minimum wage-Fixing machinery) and 131 (Minimum wage fixing), ILO 100 (Equal remuneration) and seeks to pay living wages.

6.3.2 The organisation ensures adequate physical working conditions for its employees, including according to ILO 155 (Occupational Safety and Health convention).

6.3.3 The organisation ensures adequate social security for its employees

6.3.4 Where possible and relevant, the organization issues long-term contracts to its employees.

6.3.5 The organisation offers training programmes and career development opportunities to its employees.

6.3.6 When their duties require overnight stays outside their home, the organisation provides lodging to its employees.

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6.4 The organisation shall not threaten local food security.

6.4.1 The organisation identifies impacts on local food security caused by sourcing activities.

6.4.2 The organisation undertakes measures to eliminate its negative impacts on local food security.

7 Clarity about land tenure, right of use and access to natural resources

7.1 The organisation shall use land for its sourcing activities with respect of established rights.

7.1.1 The organisation has the right to use the land and the natural resources.

7.1.2 Conflict resolution mechanisms need to be adopted in case of disputes over rights to use lands.

7.2 The organisation shall take measures to minimize the illegal use of the sourcing areas it manages by others.

7.2.1 The organisation reports on the illegal use of the sourcing areas.

7.2.2 Measures are taken towards preventing the illegal use of the sourcing areas it manages.

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