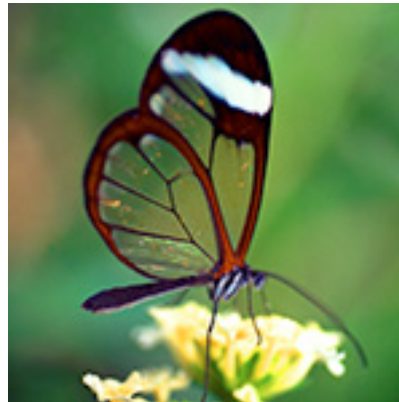


The drive for ethical sourcing of biodiversity

Rik Kutsch Lojenga

Executive Director, Union for Ethical BioTrade





Union for Ethical BioTrade (UEBT)



- Created in 2007 as part of UN efforts to promote business engagement in Ethical BioTrade.
- UEBT is a non-profit association that promotes the 'Sourcing with Respect' of ingredients that come from biodiversity.
- Members include companies working in food, cosmetics, and pharmaceutical sectors.
- Commit to gradually bringing relevant practices in line with the Ethical BioTrade standard.
- CBD and UEBT collaborate under MoU

UEBT approaches and activities

UEBT as an association

- Exchange, learning and networking among members.
- Training and technical support.

UEBT as an agent of change

- Outreach and communication (e.g. cosmetics sector).
- Dialogue with governments on private sector needs, especially ABS.

UEBT as a standard system

- Ethical BioTrade Standard
- Independent verification & certification.



Biodiversity & Business: Trends



Growing biodiversity awareness among consumers

- Global issue (high awareness in emerging economies)
- UN target: by 2020 all people should be aware of biodiversity
- Consumer expectations towards companies on biodiversity
- Opportunity: consumers want to personally contribute , but don't know how

What do companies say about biodiversity	Beauty companies Top 100			
	2009	2014	Variation	Top 20
Companies reporting on sustainable development	44	60	+16	19
Companies reporting on biodiversity	13	31	+18	16
Companies reporting on biodiversity sourcing practices in supply chains	9	27	+18	16

Growing business recognition of biodiversity as key sustainability issue

- Biodiversity increasingly part of sustainability strategies
- Increased reporting on biodiversity in sustainability reports



Evolving regulatory framework on biodiversity based innovation

- Naturals tend -> biodiversity based innovation
- UN Nagoya Protocol on Access and Benefit Sharing entered into force in 2014
- EU ABS regulation entered into force in 2014
- National legislation in sourcing countries (Brazil, South Africa , India)

Biodiversity trends: business implications



Innovation

- Natural / biodiversity-based innovation
- Companies set-up Access and Benefit Sharing (ABS) due diligence systems
- Apply national ABS regulations



Sourcing

- Assure ethical sourcing of biodiversity
- Traceability
- Credible verification & impact measurement
- Partnerships with clients & competitors



Marketing

- Increasing marketing of naturals
- Storytelling & communication on biodiversity
- Suppliers to provide stories





*Generating
Biodiversity!*



Few companies associated with biodiversity by consumers



YVES ROCHER

	2013	2014	2015
	23	30	17
	6	8	5



	2013	2014	2015
	23	42	22



WELEDA

	2013	2014	2015
	4	11	8



natura

	2013	2014	2015
	49	58	44

Q9. What are the 3 brands you consider are making the most efforts to respect biodiversity?

Basis : Respondents

Ethical sourcing of biodiversity in practice: company examples



The Symrise Biodiversity Agenda



Vision

Symrise's commitment to biodiversity offers its clients innovative and ethically sourced solutions that contribute to local biodiversity conservation and social inclusiveness.

2020 biodiversity targets

Symrise has developed new innovative raw materials from biodiversity through the centers of excellence established for this purpose in Madagascar and Brazil;

Biodiversity considerations are fully integrated in Symrise's R&D procedures, in line with evolving international regulations on biodiversity-based innovation;

All local growers directly supplying to Symrise are assessed with regard to their practices on ethical sourcing of biodiversity and action plans are in place;

Strategic supply chains are increasingly assessed with respect to the ethical sourcing of biodiversity, and action plans are in place for these supply chains;

Symrise staff is aware of biodiversity and its value for Symrise's business;

Biodiversity conservation measures are implemented at Symrise's main premises.

Facts

- Symrise turn-over: 2.1 billion Euro
- Flavors and Fragrance company
- Biodiversity Agenda developed in partnership with UEBT and GNF

Weleda & Biodiversity



- Turn-over: 365 million Euro
- Natural cosmetics company
- UEBT member since 2011



Ecological Sourcing, Biodiversity & Fair Trade

What?

Full implementation of a Biodiversity management system

How?

- Established Biodiversity Fair Trade & Biodiversity Standard & Verification program
 - ✓ Management approach based on UEBT Standard
- Implemented guidelines:
 - ✓ E.g. endangered species, sustainable wild collection, organic ingredients, sustainable palm oil, animal testing, contaminants
- Implemented a strict supplier evaluation and release system
 - ✓ Risk based approach
- Supplier release
 - ✓ Based on self assessments, rating, and for some suppliers: audits & support to implement ethical sourcing practices

Courtesy of Weleda

Ecological Sourcing, Biodiversity & Fair Trade



The Good News for Weleda:

- A management based approach is effective and efficient. We work on continuous improvements with our partners
- The UEBT Standard generates a high recognition (B2B) to all parties involved
- A verification system for us has the advantage that Supplier development is in focus, not a mere certification process
 - reduction of (reputational) risks
 - security of supply, stable prices and quality improvements
 - relationships and Trust

Courtesy of Weleda

Martin Bauer Group & Biodiversity

- HQ: Germany.
- Turn-over: 470 million Euro
- Member of UEBT since 2014



□ Botanicals



□ *Fruit and Herbal
Infusions*



□ Medicinal Teas



□ Leaf Tea



□ Decaffeinated Black and
Green Teas



□ Flavoured Black and
Green Teas



□ Herbal and Fruit Extracts



□ Tea Extracts



□ Natural Tea Flavours



□ Phytopharmaceutical
Ingredients



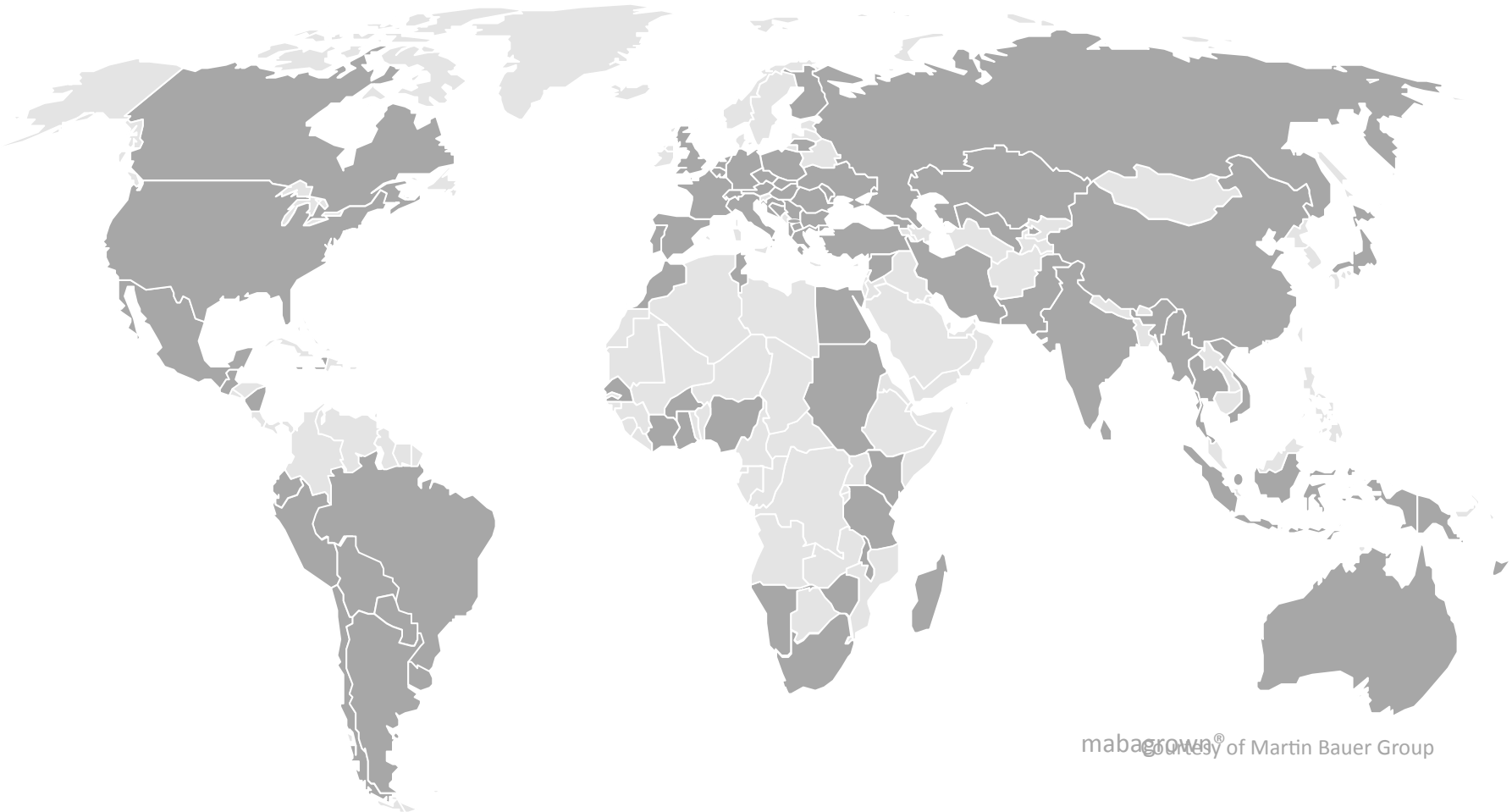
□ Nutritional Supplements



□ Olive Leaf Tanning Agent

Worldwide Raw Material sourcing

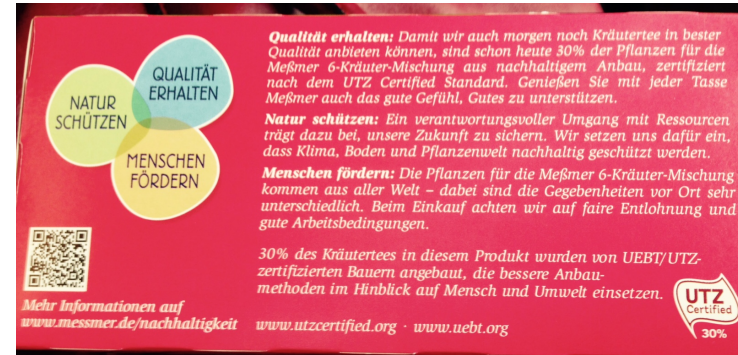
- Annual sourced raw material quantity Martin Bauer Group: ca. 65.000 tn
- Sourcing from more than 200 different plants
- Estimated number of people being involved in supply chains: 250.000



Martin Bauer Group

Martin Bauer Group & Biodiversity

- Integrated Ethical BioTrade/UTZ standard in MB sustainability approach
- Currently approximately 50 selected suppliers implement standard, e.g.
 - ✓ Develop biodiversity actions
 - ✓ Adopt sustainable use practices
 - ✓ Assure compliance with social aspects (e.g. pricing, ILO requirements)
- MB system externally audited and certified by UEBT
- Selected herbal teas of MB can be sold as certified UEBT/UTZ
- Herbal tea sold with UTZ label in Germany



Conclusions

- Biodiversity is getting more important for businesses and their clients
- Companies are starting to address biodiversity in operations (sourcing & R&D)
- Challenges are manifold:
 - Staff awareness
 - Integrate ABS in R&D processes: where to start?
 - How to integrate biodiversity in supplier assessments?
 - Capacity development of suppliers
 - Standard approaches and metrics still missing
 - Business case? (who pays for the investment?)
 - Sector transformation: going beyond pioneers...