



# UEBT

## Annual Report

2016

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## WHEN

- ... we realize how we affect our living planet by growing, collecting and using natural resources...
- ... we commit to sourcing with respect for biodiversity and the people who benefit from it...
- ... we act according to ethical principles and meet strict standards throughout our supply chains...
- ... we accelerate biodiversity-based innovation and sourcing by investing in local capacities and good practices.



## THEN

- ... we improve the incredible richness of our ecosystems and let animals, plants and people thrive and survive...
- ... we conserve our natural resources for future generations and make our business blossom in the long run...
- ... we validate our products and practices and gain recognition for our efforts...
- ... we transform the way business is done and make a difference on a global scale.

SO WHETHER YOU'RE IN FOOD, COSMETICS, PHARMA OR ANY OTHER SECTOR  
Join the Union for Ethical BioTrade and lead the way!

UEBT,  
sourcing with respect.

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# UEBT in brief



## Union for Ethical BioTrade

The Union for Ethical BioTrade (UEBT) is a member-based non-profit association that promotes the 'Sourcing with Respect' of ingredients that come from biodiversity. Members adopt sourcing practices that advance sustainable business growth, local development and biodiversity conservation. UEBT was created in 2007 as a spin off from the United Nations to promote business engagement in BioTrade.

## Mission

To promote Ethical BioTrade practices by offering UEBT members independent verification, technical support, and networking opportunities for biodiversity-based innovation and sourcing.

## Vision

To be the leading association of companies that are involved in biodiversity-based innovation and sourcing, driving sustainable business growth, local development and biodiversity conservation.

## Priorities UEBT Strategic Plan 2014-2016

- A. To grow UEBT membership through proactive member acquisition, particularly in the food and cosmetics sector;
- B. To offer increased market recognition for Ethical BioTrade efforts of UEBT members;
- C. To support members in the implementation of Ethical BioTrade practices;
- D. To measure the up-take of Ethical BioTrade practices and their impact on local sustainable development.



Since 2009 UEBT is full member of ISEAL. The ISEAL Alliance is the backbone of the sustainability standards and certification movement, and global leader in defining and communicating what good practice looks like for them. Its membership is open to all multistakeholder sustainability standards and accreditation bodies that demonstrate their ability to meet the ISEAL Codes of Good Practice. UEBT membership to the ISEAL Alliance speaks to the credibility of UEBT as a leading sustainability standard system.

See also: [www.isealalliance.org](http://www.isealalliance.org)

# Words from the President of the UEBT Board of Directors (BoD)



## Bas Schneiders

Head of International Strategic Sourcing & Corporate Sustainability, Weleda AG - Group

### What did the UEBT BoD focus on in 2016?

As the current strategic plan draws to an end in mid 2017, we have been working on a new strategy. This is a key role for the UEBT BoD, which provides general oversight to the operations of UEBT. This includes approval of annual work plans, budgets and key policies, as well as providing strategic direction. In terms of strategic direction, we plan to build on the achievements of the last 3 years, while breaking new ground.

### What would you say are some key achievements of the past few years?

Over the last years, UEBT membership has grown, which is the result of growing recognition of UEBT. The annual UEBT conference, the Biodiversity Barometer, our work on the Nagoya Protocol, and, last but not least, the newly introduced ingredient certification, have all contributed to this. There are plenty of examples in this report of the excellent work of the UEBT team on these issues.

Another key point is the improvement to the UEBT business model, a center of attention of the UEBT BoD over the last years. We diversified the UEBT's revenue streams, reducing our dependency on donor grants, and increasing advisory revenues and certification fees. This is important as it lays the fundamentals for future growth of the organization.

### How is membership evolving?

UEBT membership composition is changing, as various leading companies joined over the last years. Take, for example, Centroflora, Firmenich Grasse, Martin Bauer, Naturex Cosmetics, Symrise Madagascar, Worlée, and Wollenhaupt; all established names in the cosmetics and food sector. But we are also very pleased that various, perhaps less known, companies joined, including Extravit, Mexialoe, Indfrag Biosciences, and EcoTerra. All have in common that they source numerous plants from around the world, and are committed to conducting sourcing activities with respect for people and biodiversity. And it is in such a wide range of companies coming together that we make a real difference.

### What does the new strategy hold in store?

We are still in the process of defining the strategy, but our objective until 2020 is to significantly increase the positive impact of companies' natural ingredient innovation and sourcing practices on people and biodiversity. We have identified three priorities:

- First, we aim to improve UEBT's branding to tailor it for the increasing number of consumers exposed to UEBT through our certification. We will also work hard to further increase UEBT's recognition in B2B markets.
- Second, we will further develop credible and innovative models to validate ethical sourcing of biodiversity. We are, for instance, looking to offer certification of members' ethical sourcing approaches, or deepen the partnership with UTZ on food specialties like vanilla.
- Third, we will work on better tools for our members, to facilitate their ethical sourcing commitments. Think about issues in which we all have common challenges like risk assessment, access and benefit sharing (ABS), and supplier evaluation against ethical sourcing criteria.

We are confident that this strategy will deliver on UEBT's overall vision that companies' innovation and sourcing of natural ingredients contribute to a world in which people and biodiversity thrive.

# Words from the Executive Director



**Rik Kutsch Lojenga**

UEBT Executive Director

2016 has been an exciting year! We are starting to reap the benefits of prior strategic decisions, such as updating UEBT membership obligations, focusing on certification, and partnering with other standard systems.

Today, UEBT member companies have prioritised more than 500 natural ingredients, thus promoting ethical sourcing practices around the world. Around 20% of these ingredients are certified, which provides additional validation that they are processed, cultivated or collected by suppliers and local communities following Ethical BioTrade principles.

The UEBT/UTZ herbal tea program has become an important driver of certification of Ethical BioTrade. The market is responding positively to this program, which is rapidly shaping the sourcing practices in the herbal tea sector. This year, building on this momentum, UEBT and UTZ decided to expand their collaboration to vanilla.

Another area that has continued receiving much of our attention is Access and Benefit Sharing (ABS). Evolving laws and regulations around the world are forcing companies to gain better understanding of the relevance of ABS for their operations and implement good practices. UEBT is uniquely positioned to support these processes, and its expertise has been in high demand.

We have been able to develop our services with a small but efficient team of outstanding professionals. Since 2016, UEBT now has a representative in Madagascar, leading work on various sourcing projects in the country. This expansion of UEBT presence in Madagascar nicely complements the activities of our offices in Brazil and the Netherlands.

This annual report provides a snapshot of some of the activities that UEBT and its members have taken forth in 2016, as a way of realizing our joint vision: A world in which people and biodiversity thrive. Enjoy the read.



UEBT's work in Madagascar with *Centella asiatica* (left) and with vanilla (right)

# UEBT membership on the rise

In 2016 UEBT concentrated its efforts on three areas: growing the UEBT/UTZ herbal tea program, strengthening its presence in the beauty sector, and working on a new program for vanilla.

## UEBT/UTZ herbal tea program

After the launch of the UEBT/UTZ herbal tea program in January 2015, the program grew rapidly in 2016. Well-known brands like Meßmer, Twining and Aldi, sell UEBT/UTZ certified herbal teas, while other brands are preparing market introductions. Various respected herbal tea processing companies joined UEBT in 2016, including Wollenhaupt Herbal Tea and Worlée NaturProdukte.



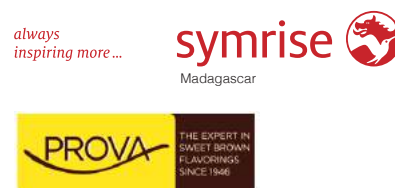
## Ethical sourcing of biodiversity in the beauty sector

Various new companies that service the cosmetics sector joined UEBT in 2016. This includes companies like A. Fakhry & Co which offers ingredients for fragrances from Egypt, Mexialoe Laboratorios S.A. which supplies Aloe Vera to leading beauty companies, Laboratoires Prod'Hyg et LETICC, specialized in oleochemistry develops, produces and markets original and effective ingredients and Cosmo International Ingredients the Research and Innovation centre for Cosmo International Fragrances, which uses natural raw material for the art of perfume creation.



## Venturing into vanilla

Vanilla is one of the world's most valued and valuable spices. Most of our world's vanilla is grown in Madagascar, a country known for its unique and rich biodiversity. In 2016, Symrise Madagascar and Prova Vanille Durable joined UEBT. Both companies are leaders in vanilla flavors and extracts, and have extensive support programs in place for the smallholders that grow vanilla.



Left to right: Ralph Heinisch (CEO), Dr. Gunther Pfeifer (Board President), Bettina Wyciok (Head of Sustainability), Michael Brenner (CFO)

## Weleda gains German CSR award for UEBT commitments

Weleda AG is the winner of the 2017 CSR Award of the German Federal Government in the special category of «Responsible Supply Chain Management». This annual CSR Prize is awarding outstanding examples of social responsibility and responsible corporate management. This year, a key factor in the jury's decision was Weleda's work to align their supply chains for natural raw materials with the Ethical BioTrade standard. At Weleda, the UEBT standard is the guiding principle for sustainability management, which ensures compliance with ecological and social standards in supply chains.



# UEBT member view: Cosmo International Ingredients



**Léa Mazzina,**

Sourcing and Purchasing, Manager at Cosmo International Ingredients

Cosmo International Ingredients has joined UEBT in 2016. We spoke to Léa Mazzina, Sourcing and Purchasing Manager at Cosmo International Ingredients, to learn more about the company's commitment and approach to biodiversity.

**The work of Cosmo International Ingredients focuses on natural ingredients for fragrances.**

**What is the significance of biodiversity in such activities?**

Cosmo International Ingredients is the Research and Innovation centre for Cosmo International Fragrances, which uses natural raw materials for the art of perfume creation. Our work is dedicated to developing unique and exceptional natural ingredients for fragrances based on biodiversity, partnerships and innovation.

Natural resources are our primary source of raw materials and the long-term safeguard of our activity, driving us to work for the protection and promotion of biodiversity. Each and every one of our employees considers biodiversity as an irreplaceable source of inspiration and innovation without which nothing would be possible. Our company has set up ethical sourcing practices to increase positive environmental impact in the field and ensure better traceability and more transparency along our supply chains.

Our partners are key to our success and we take great care in establishing strong long-term relationships with them based on transparent dialogue, trust and respect for their culture and regional diversity, and multiplying initiatives that favour local economic development. The creation of fair and ethical partnerships has enabled us to build a core list of high-capability natural ingredient suppliers aligned with our sustainability goals.

We explore local biodiversity to offer our perfumers the most innovative natural ingredients developed through advanced science and technology. We carefully plan our industrial processes to manage the environmental impact of our activities and are fully committed to improving the eco-conception of our products. To ensure that innovation remains at the forefront of our success, we systematically integrate biodiversity into our R&D operations e.g. by following legal requirements and best practices from the Nagoya Protocol. We also conduct innovative R&D programs in France and abroad working closely with universities and research centres to share scientific knowledge.

**How would you say the values of Cosmo International Ingredients are reflected or strengthened through UEBT membership?**

Joining UEBT is another step towards furthering our commitment to biodiversity. As a UEBT member, Cosmo International Ingredients is gradually working to ensure that its sourcing practices contribute to biodiversity conservation, local sustainable development and fair and equitable benefit sharing. We have already begun developing a biodiversity management system to further the implementation of the Ethical BioTrade Standard in all our operations and supply chains involving natural ingredients.

UEBT has helped us to work better on issues such as traceability and access and benefit sharing (ABS), with guidance provided by internationally recognised standards. Moreover, thanks to the practical tools provided by UEBT, Cosmo International Ingredients is gradually transforming each of its biological resource supply chains into a sustainable model. UEBT mechanisms have allowed us to structure our sustainability approach to fit into our on-going improvement process and Cosmo International Ingredients is now able to guarantee its customers transparency, credibility and reliability through the UEBT verification system.





# Certifying sourcing with respect

## UEBT certification of company programs

In 2015, UEBT introduced the possibility to certify natural ingredients that are sourced in compliance with the UEBT standard. Innovative certification approaches were prioritized, leading to the joint UEBT/UTZ herbal program, as well as the possibility to certify company programs. The latter combines the requirements from the company and Ethical BioTrade in company's own certification standard, which guides and assures good practices in local supply chains. Martin Bauer and Natura Cosmetics are among the first companies that have developed such UEBT certified company programs. Through these programs, hundreds of ingredients grown or collected by over 80 suppliers around the world were certified in 2016 as compliant with the UEBT standard.

## Natura Brasil introduces products with UEBT certified ingredients in the USA

Natura Brasil, a leading direct-sales cosmetics company opened a store in New York in 2016, as a precursor to the brand's official USA launch in spring 2017. The store conveys Natura Brasil's philosophy of well-being, transparency and sustainability. In March 2016 the brand gained UEBT certification for 40 supply chains in the Amazon forest, including açai, castanha, maracujá, cacau, andiroba. These ingredients are the basis of the products on sale in New York, such as body scrubs, butters, mousses, oils and fragrances. «We are proud to deliver to new markets the intrinsic value that comes with our products when partnering with communities in the Amazon. It supports traditional knowledge, values the richness of Brazilian biodiversity and promotes its conservation through sustainable management and extractive practices carried out by traditional communities with whom we have longstanding partnerships.» Andrea Alvares, Marketing, Innovation and Sustainability Vice President of Natura.



Unilever introduces UEBT certified Allanblackia seed oil onto the European market



German tea brand Meßmer switched its whole range of 50 herbal and fruit teas to UEBT/UTZ certified. Meßmer was the first brand to carry the UTZ label for herbal teas.



Twinings offers a wide range of herbal teas, using ingredients from 50 different plants, including camomile, hibiscus, and rosehip. Twinings has decided to start buying UTZ/UEBT certified fruits and herbs to achieve full traceability in their herbal portfolio.



Aldi, as biggest food retailer in Germany, is committed to sustainable tea cultivation. Considering the popularity of herb and fruit teas in Germany, Aldi Süd has started buying UEBT/UTZ certified herbal and fruit tea for its Westcliff brand.

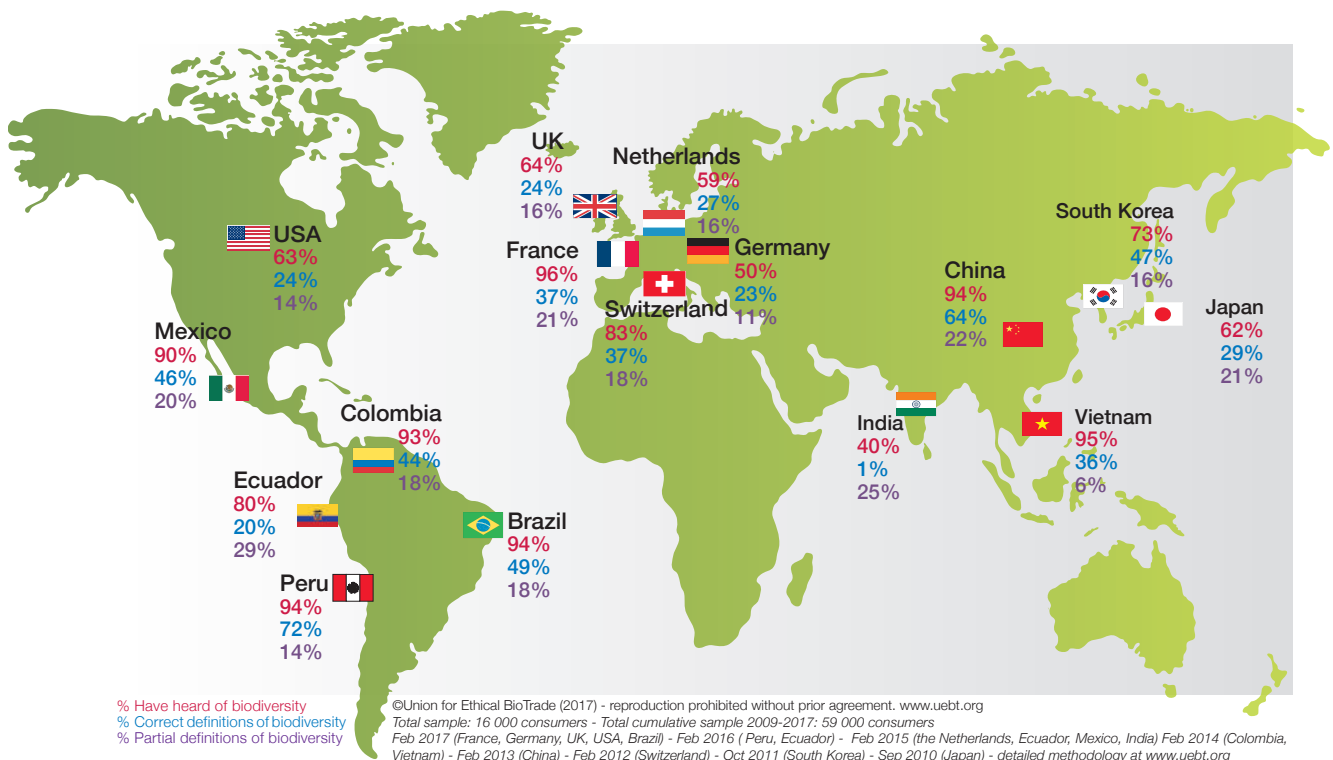
# Biodiversity Barometer 2016

## UEBT shares insights from 8 years of consumer research

Since 2009 UEBT assessed awareness of biodiversity, and interest in ethical sourcing, in 16 different countries. Eight years of research, 54'000 people and hundreds of leading companies have provided valuable insights into the implications of increasing awareness of biodiversity among consumers and business that may guide people, companies and governments in their approaches towards people and biodiversity.

### 10 Takeaways, taking stock of eight years of UEBT Biodiversity Barometer

1. The understanding of biodiversity is rising significantly around the world.
2. Biodiversity is a global concept, with high awareness in emerging markets in Latin America and Asia.
3. People want to personally contribute to biodiversity conservation, but they don't know how to do it.
4. Consumers expect companies to respect biodiversity, but there is little confidence that they currently do.
5. Transparency is important. Consumers want to know whether sourcing practices respect people and biodiversity. They would like more, externally validated information.
6. Consumers are convinced of companies' respect for people and biodiversity mainly through brand reputation, as well as through authentic stories and images in brands' communication.
7. Millennials have the highest awareness of biodiversity and can identify brands that respect biodiversity. They value companies taking concrete actions for people and biodiversity.
8. Few international brands have positioned themselves around sourcing practices with respect for people and biodiversity. Natura Cosmetics leads the way in Latin America.
9. Corporate communication on biodiversity by beauty, food, and beverage companies is on the rise, but still falls short of expectations.
10. References to access and benefit sharing (ABS) are rising in corporate communications



# Communicating the barometer results



## David Ainsworth,

UN Convention on Biological Diversity.

According to target 1 of the Aichi biodiversity targets: «By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably». For David Ainsworth: "It is obvious that if we are going to achieve a much higher level of awareness of the importance of biodiversity, of its values, of what we can do to protect it, we need to take additional efforts."



## UEBT launches Biodiversity Barometer website

In 2016, UEBT launched a new website for the Biodiversity Barometer, offering a dynamic insight into the results from consumer research, street interviews, and assessment of corporate reporting: [www.biodiversitybarometer.org](http://www.biodiversitybarometer.org)

## UEBT Biodiversity Barometer launch in Peru



Left to right: Cristiane De Moraes (UEBT), Carlos Posada (Institute of Research and Development of Foreign Trade) Vanessa Ingar (MINAM), Gastón Vizcarra (Candela)

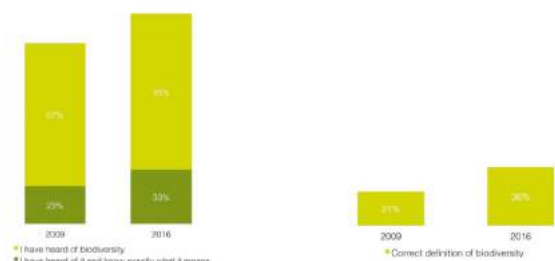
On 28 June 2016, UEBT presented the 2016 Biodiversity Barometer at the Lima offices of the Development Bank of Latin America (CAF). The results were discussed with General Director of Biological Diversity of the Ministry of Environment (MINAM), the Director of the Institute of Research and Development of Foreign Trade (Lima Chambers of Commerce), and the President of Candela, a company member of UEBT.

The panel acknowledged the interest in biodiversity and the desire of young Peruvians to contribute to its conservation. It underlined sustainable use of biodiversity as an important source of income and as a support for local development, and called on enterprises to take responsibility on ethical sourcing. The event brought together 50 participants from enterprises, academics, government representatives and journalists.



### UNDERSTANDING OF BIODIVERSITY IN FRANCE

While most people have heard about biodiversity, only one third is able to define it. The street videos below illustrate this nicely. People are asked how they heard about biodiversity and give their own interpretation of the word. Although, people have difficulties giving a correct definition of what is biodiversity, both awareness and understanding are increasing in France.



### 2016 SPONSORS



# Beraca founder becomes UN SDG pioneer on biodiversity



**Ulisses Sabará,**  
President of Sabará Group

“For me, biodiversity goes beyond its technical definition as the variety and interrelationship of species and ecosystems,” says Ulisses Sabará, President of Sabará Group, which owns the brand Beraca Ingredientes Naturais, one of the

leading Brazilian manufacturers of natural ingredients and a UEBT member since 2010. “As a lover of nature and people, I define biodiversity as an inexhaustible source of innovation and input for my business, as the interrelationship between species and the person who care for them and use them. Biodiversity is intrinsic to relationships throughout our lives “.

At the UN Global Compact Leaders Summit 2016, Mr. Sabará was honored for his commitment to the protection of biodiversity. In this interview, he shared more about his views and work on biodiversity with UEBT.

## What do you think is the trend towards biodiversity?

When I attended a Global Compact meeting on biodiversity in 2015, prior to the launch of the Sustainable Development Goals (SDGs), I was struck that there were only about 20 participants. It made me think about how great the difficulty is to talk about biodiversity in the business world.

However, with the launch of SDGs, a positive change is occurring. We are at a critical moment where everyone must engage in the conservation and sustainable use of biodiversity. This is not even thinking about preserving it for future generations, but rather immediately for our own subsistence. This is the challenge!

## How do SDGs contribute to bringing biodiversity to the foreground?

For me, the SDGs provide greater clarity on what sustainability requires. It updates the notion of sustainability. It also provides the basis for reflection on the sustainable use of natural resources and the livelihoods of people involved in these supply chains. At Beraca, we are already aligning our initiatives and reports with the SDGs. There are a great

number of opportunities to be explored, such as improving respect for human rights and measuring these impacts. For example, we are working with the University of São Paulo in evaluating the impact generated by our business on local communities and we can already observe positive changes. I believe that companies aligning themselves with the SDGs can transform many realities.

## UEBT promotes respect for people and biodiversity in supply chain activities.

## Do you believe that people are important in the conservation and sustainable use of biodiversity?

Absolutely! The notion of biodiversity of course includes people, but this is actually unclear to most. People came to believe that talking about biodiversity is talking only about plants and forests. Yet, people are critical in conserving biodiversity. Indeed, UEBT plays a big role in promoting awareness of this and calling for actions that reflect this along supply chains.

## What is the impact that UEBT has had on a company like Beraca?

UEBT has helped to get Beraca to where we are, it has been like a compass. Thanks to UEBT, we have created guidelines that systematize and simplify management and communication within our business. It is important to highlight that sharing a vision and securing validation from an external body, such as UEBT, brings us the guarantee that we are on the right track.



# Supporting Sourcing with Respect

UEBT supports the implementation of Ethical BioTrade practices in supply chains, promotes sector transformation, and encourages regulatory frameworks that enable Ethical BioTrade. Some examples of support provided in 2016 can be found on this page.

## UEBT supports creation of the Malagasy Collective for Centella Asiatica

Centella asiatica is a small, herbaceous, annual shrub used for its healing properties in cosmetics and pharmaceutical products. It is one of the most important medicinal plants exported from Madagascar. The plant is wild collected by thousands of mostly very poor Malagasy pickers during a few months per year. Increased demand has put pressure on the quality of the collected material. UEBT and its members are looking for ways to safeguard the quality and availability of the plant, as well as improve the livelihoods of the people involved in the supply chain.

In December 2015, UEBT and GIZ jointly organized a multistakeholder roundtable on the value chain of Centella asiatica in Moramanga, Madagascar. This event brought together international processing companies, local exporters, local authorities, collectors and NGOs to discuss good practices along the supply chain.

Following this roundtable, exporters of Centella asiatica came together to form the Malagasy Collective for Centella asiatica (CCAM), which aims to work together to maintain the high quality of Centella asiatica from Madagascar. The CCAM was formally constituted as a legal entity in October 2016. UEBT's representative in Madagascar actively supported the formation of the collective, and collaborates with the collective to promote Ethical BioTrade practices in the sector.

After its creation the CCAM has led work to set up a dialogue with the regional authorities on the need for good practices on Centella asiatica and to raise awareness among collectors (including through radio campaigns) on good collection practices and on the importance of ensuring quality and sustainability in the plant collection.



### UEBT representative in Madagascar

Rina Razanakolona is the new UEBT representative in Madagascar. We are pleased to welcome Rina, who brings to UEBT a wealth of experiences on value chain development, access and benefit sharing, certification and local project management. She has over 10 years experience in various national and international organizations. Rina will be take forward UEBT work on vanilla, Centella asiatica and other high-value species from Madagascar's rich biodiversity.

## Promoting dialogue in Aloe Vera supply chain of Mexialoe

In December 2016, UEBT and Mexialoe, UEBT member since 2016, organized a workshop facilitating a 'biocultural dialogue' between the company and its suppliers. Such a dialogue seeks to strengthen mutual understanding, respect and exchange on the social, economic, cultural and environmental considerations for the ethical sourcing of natural ingredients. Around 25 people, Aloe Vera producers and company representatives participated in the workshop, which was moderated by UEBT representatives. The workshop included an introduction to Ethical BioTrade and to the implications of working within the UEBT context, as well as interactive exercises to promote reflection on the context and good practices for ethical sourcing and the values that should characterize the relationship between the company and its suppliers.



*Aloe Vera producers and Mexialoe representatives attending UEBT workshop*

## Providing inputs to policy makers

### UEBT at the international summit on biodiversity (Cancun 2016)

Coming together in Cancun for the thirteenth international conference on biodiversity, governments from 167 countries committed to enhancing the role of biodiversity in economic sectors and in strategies for the Sustainable Development Goals.

UEBT and its members actively contributed to discussions on business and biodiversity at the Cancun summit. Angela Pinhati (Natura Cosmetics) was on the opening panel of the Business and Biodiversity Forum, discussing the importance of biodiversity in the well being of societies. Rik Kutsch Lojenga (UEBT) spoke in the opening of the second day of the forum, highlighting opportunities for businesses that take into account conservation and sustainable use of biodiversity. Eder Ramos (Symrise Brazil) and Annette Piperidis (Weleda) shared experiences on access and benefit sharing on a panel chaired by María Julia Oliva (UEBT). Finally, UEBT organized a business roundtable in the BioTrade Congress, organized by the UNCTAD BioTrade Initiative in celebration of twenty years of BioTrade.



Left to right: Gastón Vizcarra (IPPN), María Julia Oliva (UEBT), Rik Kutsch Lojenga (UEBT), Annette Piperidis (Weleda), Bas Schneiders (Weleda), Eder Ramos (Symrise), Pierre Charlier (Aldivia)



ABS dialogue organised by UEBT, UNESCO and the ABS Capacity Development Initiative in Paris, May 2016

### Public-private sector exchange in partnership with the ABS Capacity Development Initiative

In 2016, UEBT reinforced its partnership with the ABS Capacity Development Initiative (ABS CDI), a multi-donor initiative supporting the implementation of national regulations on access and benefit sharing (ABS), as well as cases that successfully put these rules and principles in practice. The aim of the strategic partnership between ABS CDI and UEBT is to contribute to fair and equitable ABS agreements and ABS-compliant value chains, by offering its ABS CDI stakeholders insights into perspectives, experiences and business models in sectors using biodiversity, as well as the opportunity to engage and exchange with users of genetic resources. For example, UEBT facilitated the active participation of African policy makers in the 2016 UEBT 'Beauty of Sourcing with Respect' Conference, organized a visit for policy makers to one of the L'Oréal R&D centers, and promoted an exchange between private sector and governments on ABS at the UNESCO headquarters in Paris.

### Workshops on Nagoya Protocol implementation in Morocco

Since 2015, UEBT is working with GOPA Consultants, a leading development consulting firm, to support the implementation of the GIZ «Program for Environmental Governance and Climate Pro (GEC)» in Morocco. Collaboration focuses on providing training workshops and materials for a range of actors on the practical and effective implementation of the Nagoya Protocol. Workshops in 2016, conducted at both national and local levels, touched upon issues such as basic concepts and key principles of the Nagoya Protocol, approaches and experiences in other countries, concrete examples of negotiations techniques and outcomes and ways to build trust and exchange between actors. Representatives from government, research, non-governmental and local entities also received guidance on training methodologies, with an emphasis on participatory approaches, to ensure the work to raise awareness and engage key stakeholders in Morocco on ABS issues continues.



UEBT workshop on ABS in Rabat, Morocco in April 2016

# On the forefront of ABS



## Maria Julia Oliva,

Senior Coordinator for Policy and Technical Support at UEBT

*María Julia Oliva is a leading expert on access and benefit sharing (ABS), a set of rules and best practices for biodiversity-based research and development.*

## What does UEBT work on ABS entail?

UEBT has been working on ABS since 2009. This work is at basically two levels. First, UEBT supports the adoption of practical and effective approaches in legal framework on ABS. Additionally, UEBT guides companies in setting up systems that provide legal certainty while connecting with ethical sourcing commitments.

In the past few years, with the Nagoya Protocol and new national requirements, these activities have become even more important. In this context, UEBT remains a forerunner on ABS, working with a range of actors and providing tailor-made training and technical support.

## ABS is often described as ‘complex’ and ‘abstract’. Can you remind us why it is relevant for business?

Actually, the basic principles of ABS are quite simple. Rules on ABS recognize the value of biodiversity for innovation – how genetic information or biological material can lead to new products. And they aim to ensure such activities take place with the agreement of countries or communities with rights over these resources.

The complexity comes from the different ways in which countries put in practice ABS principles. Companies working with natural ingredients have to set up traceability and tools to define how a range of ABS rules applies to their activities – sourcing, research, product development, intellectual property or marketing, for example.

## What type of advisory services does UEBT offer companies?

Our portfolio of advisory services is broad, as we’ve developed tools to respond to companies with different sizes, areas of work and experience on ABS topics. Some companies request a comprehensive assessment of their operating system – evaluating activities that may fall under ABS and defining the gaps and opportunities for ABS compliance. Other companies need more specific support, whether to develop specific tools (e.g. procedures, databases or templates) or to address concrete cases (e.g. ABS compliance in a supply chain or engagement with governments or communities).

Finally, many companies request training on ABS, for management, technical staff and key suppliers.

## Why does UEBT work with international organisations and governments?

Again, the challenge for all actors – not just companies – is in how ABS principles translate into laws and regulations. Governments, charged with implementing the Nagoya Protocol, want to ensure that ABS requirements in their countries are truly meaningful. That is, ABS requirements that respond to the needs and expectations of actors, from indigenous peoples and local communities to researchers and companies, and advance broader policy goals.

Building on our technical expertise and practical experience, UEBT is able support that national implementation processes meet these goals. For example, in the past year we worked with Morocco in the context of the GIZ program on environmental and climate governance. We also contributed to the expert group drafting the guidelines for the cosmetic sector for the EU regulation on ABS. And we provided technical input to publications on ABS by the UN Conference on Trade and Development (UNCTAD) and the World Intellectual Property Organisation (WIPO).

## Will work on ABS continue in the years ahead?

Well, when I started to work at UEBT, every presentation began by explaining the ABS acronym. Nowadays, most people around the table have heard about the Nagoya Protocol. Perhaps I should retire?

In fact, as awareness of ABS increases, there is more work. Governments are taking innovative measures to make ABS work. The Brazilian electronic register should become operational soon and public consultations on a new Chinese law on ABS are ongoing. Companies across cosmetics, food and natural pharmaceutical sectors are mainstreaming ABS principles in their systems and activities. These trends are leading to more ABS agreements and thus, hopefully, to ways of working with natural ingredients that advance sustainability and local development.

That is what I hope to work towards in the next few years.

# Learning from stakeholder feedback

## UEBT ABS work highly valued

In 2016, UEBT conducted an assessment of its technical support on access and benefit sharing (ABS), as a way to monitor and improve its activities. A number of interviews were conducted with companies, governments and other partners involved in UEBT technical support on ABS, including training workshops, assessment of supply chains for ABS compliance, and development of ABS procedures and other tools. Their feedback on UEBT activities highlighted the value of technical support on ABS and called for building upon existing activities.

Points emphasized included:

### Offering a platform for exchange

UEBT awareness-raising activities on ABS are conveying the value of ethical sourcing of biodiversity to wide range of actors within cosmetics sector, though it is still important to reach out to new sectors and companies. UEBT offers a platform for open, constructive exchange between different stakeholders. It presents ABS in a simple, practical way, highlighting key points for business.

### Practical perspectives valued

UEBT technical support to governments is appreciated for relating not only the technical aspects of ABS but also its strategic aims. UEBT training workshops reduce gaps in understanding and promote the exchange between different actors linked to ABS at the national level (e.g. government, companies, communities). Participants in workshops emphasize the value of UEBT expertise, practical perspectives and interactive methodologies on ABS.



*UEBT presenting on the Nagoya Protocol, IFEAT conference, Dubai, September 2016*

## UEBT tools support companies to address ABS

UEBT technical support to companies offers information and tools that are pragmatic and easily incorporated into internal procedures and strategies on ABS. UEBT expertise and advice is comprehensive: it considers legal and reputational issues, risks as well as opportunities. It also provides an external perspective that can be useful for communicating to other stakeholders. There is a growing need for support on specific cases.



*ABS dialogue organised by UEBT, UNESCO and the ABS Capacity Development Initiative in Paris, May 2016*

### A trusted source of information

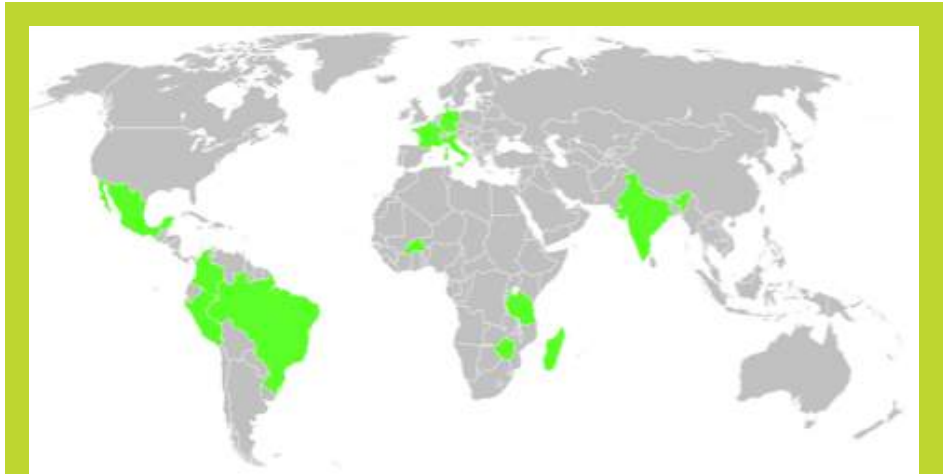
UEBT is trusted as the source of updates and advice on ABS issues and developments for its members. This is particularly important for smaller companies. Information and tools provided are seen as directly linked to companies' concerns and activities. Understanding of ABS allows UEBT members to position themselves in the market. It also gives companies confidence to move forward with new projects and activities.



# Ethical BioTrade practices across the globe



In 2016, UEBT had **34 Trading Members** located in 16 countries



*UEBT Trading Members around the world*  
In 2016, UEBT had 34 Trading Members located in 16 countries, with over two thirds in Latin America and Europe.



**80%** of UEBT Trading Members are principally active in the cosmetic sector



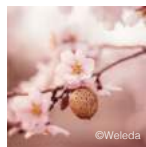
UEBT Trading Members represent **17.026 employees** 45% of whom are women



UEBT Trading Members used **3161 natural ingredients**



**4.721** supply chains provide the natural ingredients to UEBT Trading Members



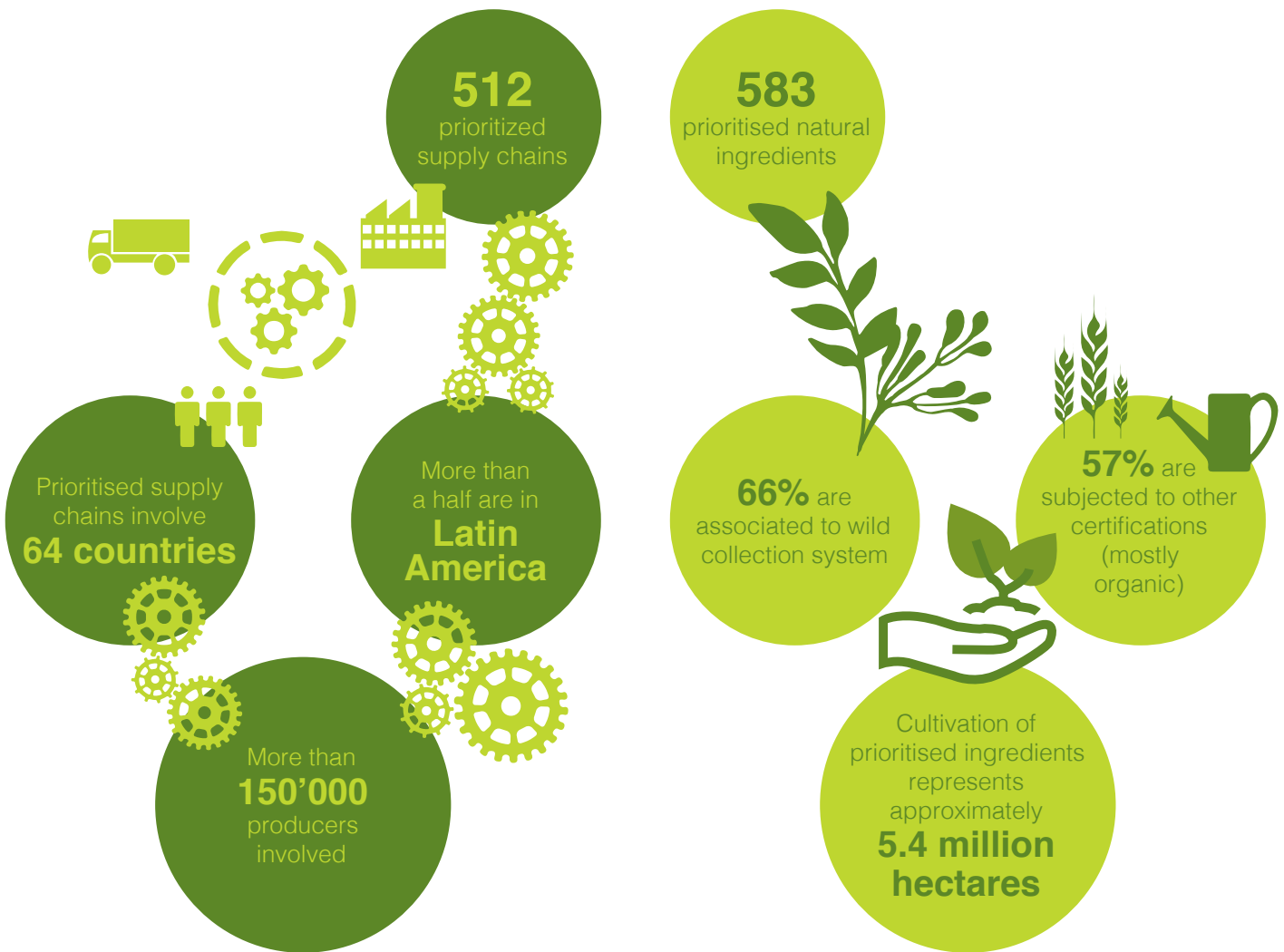
UEBT aims to drive sustainable business growth, local development and the conservation of biodiversity. To measure and improve progress towards these goals, UEBT monitors and evaluates its activities and those of its members. The UEBT monitoring and evaluation system (M&E system) collects information, gains insight in impacts in key areas, and seeks to continuously improve ways to measure work and impact.



# Ethical BioTrade practices across the globe

## Prioritised supply chains & ingredients

UEBT Trading Members prioritise supply chains for which the Ethical BioTrade Standard is implemented in an accelerated way.



## UEBT certification in numbers



# UEBT Board of Directors 2016



Bas Schneiders Weleda  
Board President



Gastón Vizcarra  
IPPN  
Board Vice President



Angela Pinhati  
Natura Cosmetics  
Board Treasurer



Gustavo Urrea Fondo  
Biocomercio



Pierre Charlier de Chily  
Aldivia



Cyril Lombard PhytoTrade  
Africa\*



René Gomez García  
Development Bank  
of Latin America



Eder Ramos  
Symrise Brazil



Christophe Godard OLVEA  
Burkina Faso

The UEBT Secretariat is based in Amsterdam, The Netherlands. UEBT has a Latin America office based in Brazil and a Madagascar representative.

\*Board member until November 2016

# External Auditors CR Gestion et Fiduciaire S.A.



## UEBT statement of financial position

| Financial Year                           | End 2016       | End 2015       |
|--|----------------|----------------|
| <b>Assets</b>                            | <b>EUR</b>     | <b>EUR</b>     |
| Cash and short-term deposits             | 75,749         | 83,989         |
| Project funds to be received             | 29,573         | 20,441         |
| Receivables                              | 49,121         | 26,527         |
| Fixed Assets                             | 1,780          | 3,561          |
| <b>Total</b>                             | <b>156,223</b> | <b>134,517</b> |
| <b>Liabilities and funds</b>             |                |                |
| Project funds & fees received in advance | 53,568         | 58,286         |
| Charges to be paid                       | 62,066         | 39,138         |
| Reserves and balances brought forward    | 40,588         | 37,092         |
| <b>Total</b>                             | <b>156,223</b> | <b>134,517</b> |

## UEBT income & expenditure statement

| Financial Year ending 31st of December         | 2016           | 2015           |
|--|----------------|----------------|
| <b>Income</b>                                  | <b>EUR</b>     | <b>EUR</b>     |
| Membership fees                                | 153,623        | 137,338        |
| Certification fees                             | 68,000         | 60,000         |
| Conference fees & Sponsorships                 | 113,369        | 168,611        |
| Advisory services                              | 115,613        | 72,263         |
| Projects Grants                                | 165,147        | 318,756        |
| <b>Total</b>                                   | <b>615,751</b> | <b>756,968</b> |
| <b>Expenses</b>                                | <b>EUR</b>     | <b>EUR</b>     |
| Board / Governance                             | 8,110          | 10,014         |
| Staff costs                                    | 351,299        | 382,012        |
| Operational expenses                           | 78,693         | 84,434         |
| BSR conference & Barometer                     | 112,319        | 156,076        |
| Project and other direct expenses <sup>1</sup> | 61,834         | 95,032         |
| <b>Total</b>                                   | <b>612,256</b> | <b>727,567</b> |
| <b>Operational result</b>                      | <b>3,496</b>   | <b>29,401</b>  |
| Reserves brought forward                       | 37,092         | 7,692          |
| <b>Reserves carried forward</b>                | <b>40,588</b>  | <b>37,092</b>  |

### Notes

1) Mainly travel and local consultant expenses related to projects

# Letter from the auditors



**Francesco A. ZAGATO**  
Expert fédéral diplômé en finance et en controlling  
Expert-réviseur agréé

**Eric KNUCHEL**  
Expert fédéral diplômé en finance et en controlling

## **Report of the statutory auditor on the limited statutory examination to the Board of Directors and the Ordinary General Assembly of Union for Ethical Biotrade, Geneva**

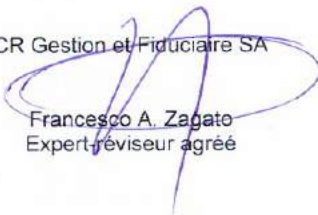
As statutory auditor, we have examined the financial statements (balance sheet and income statement) of Union for Ethical Biotrade for the year ended December 31st, 2016.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

CR Gestion et Fiduciaire SA



Francesco A. Zagato  
Expert-réviseur agréé

Geneva, February 28th, 2017

### Enclosures

Financial statements (statement of income and statement of financial position and notes)

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info@crgf.ch  
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Membre FIDUCIAIRE SUISSE

# UEBT Trading Members



## Brazil

Centroflora Group - \*05/2011  
Beraca, Health and Personal Division - \*11/2010  
Natura Cosmetics - \*05/2007  
Symrise, Aromas & Fragâncias Ltda - \*10/2012  
Usina São Francisco/Native Produtos Orgânicos - \*09/2013



## Burkina Faso

OLVEA Burkina Faso - \*03/2013



## Colombia

Ecoflora - \*12/2009  
Labfarve - \*05/2007



## Czech Republic

Extravit s.r.o. - \*\*11/2016



## Egypt

A. Fakhry & Co - \*\*12/2016



## France

Aldivia - \*05/2007  
Cosmo International Ingredients - \*09/2016  
Firmenich Grasse - \*03/2014  
Laboratoires Expanscience - \*12/2011  
Laboratoires Prod'Hyg & LETICC- \* 09/2016  
Latitudes 23 - \*09/2013  
Prova Vanille Durable - \*\*11/2016  
Naturex BU Cosmetic - \*06/2014  
Serdex - SEPPIC - \*09/2008



## Germany

Ecoterra - \*03/2014  
Martin Bauer GmbH & Co. KG. - \*10/2014  
Wollenhaupt Herbal Tea - \*\*11/2016  
Worlée NaturProdukte - \*\*12/2016



## India

Indfrag - \*03/2014



## Italy

Cilione - \*08/2015



## Madagascar

Sotramex Sarl - \*03/2013  
Symrise Madagascar - \*09/2016



## Mexico

Mexialoe Laboratorios S.A. - \*\* 09/2016



## Mozambique

Bio Oleos de Maxixe (BOM) - \*11/2010



## Peru

Agroindustrias Osho S.A.C. - \*10/2014  
Candela - \*05/2007  
Villa Andina - \*03/2010



## Switzerland

Weleda - \*10/2011



## Tanzania

Novel Development Tanzania Ltd - \*12/2011



## United Kingdom

Blue Sky Botanics - \*05/2010



## Vietnam

Traphaco SaPa - \*03/2015  
Vietroselle - \*03/2015



## Zimbabwe

Organic Africa - \*05/2010

\* Date the company became full Trading member

\*\* Date the company became Provisional member

# UEBT Affiliate Members



## Angola

BioDivSourcing - \* 01/2014



## Bolivia

Fundación amigos de la naturaleza (Friends of Nature foundation – FAN) - \*05/2008



## Brazil

Imaflora - Instituto de Manejo e de Certificação Florestal e Agricola - \*10/2012

Movimento Empresarial Brasileiro pela Biodiversidade (MEBB) - \*10/2012

Tozzini Freire Advogados - Environmental Practice Group - \*03/2013



## Colombia

Fondo Biocomercio - \*05/2008

Biointropic - \*09/2015



## France

Cruchon Développement - \*09/2012

Rongead - \*07/2012

## Latin America

Development Bank of Latin America (CAF) - \*10/2013



## Peru

Instituto Peruano de Productos Naturales (IPPN) - \*03/2013

Promperú - \*05/2007



## U.S.A.

International Finance Corporation (IFC) - \*05/2007



## Vietnam

Vimames - \*02/2014



## Zimbabwe

Bio-Innovation Zimbabwe - \*10/2011

PhytoTrade Africa - \*05/2007

\* Date the company became Affiliate member

## Members that left in 2016

### Trading Members

Productos Alimentarios Misky SAC

Palmplan Agroindustrial Ltda

### Suspended members

Solabia Biotecnologica Ltda - Unidade II

## Contact UEBT

UEBT is a membership-based, non profit organisation [www.ethicalbiotrade.org](http://www.ethicalbiotrade.org) or [www.uebt.org](http://www.uebt.org).

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1204 Geneva  
Switzerland  
Phone: +41 22 566 1585

Brazilian  
Representation  
Sao Paulo  
Phone: +55 11 9431 1880  
Email: [brazil@uebt.org](mailto:brazil@uebt.org)