

## **Engaging business in biodiversity conservation**

Rik Kutsch Lojenga, Executive Director, Union for Ethical BioTrade, Switzerland.

### *Summary:*

Consumer awareness on biodiversity needs to be raised to promote business engagement. Ethical BioTrade may be a useful model to promote integration of biodiversity in business models and production chains. An interesting trend can be seen in the personal care and cosmetics industry where biodiversity starts to become a factor of growing importance.

### *Biodiversity: do we really care?*

The signatory parties to the CBD have come to realize that business needs to be involved in the sustainable use and conservation of biodiversity if the Convention is to reach its objectives. Special decisions on private sector (VII/17 and IX/26) therefore call upon parties to engage private sector.

However, in times of global financial crisis and attention to climate change, biodiversity may unfortunately be pushed aside. During the IUCN World Conservation Congress that was held in Barcelona last week, it was announced that the financial losses related to natural losses are much bigger than the evaporating billions on the financial markets right now<sup>1</sup>. Yet, this information has not made the headlines and has certainly not resulted in emergency injections of billions of dollars to halt loss of biodiversity.

This clearly illustrates one of the main challenges that we face when promoting integration of biodiversity into business strategies. Biodiversity is not seen as priority number one, and consumer awareness or even understanding of the very concept of biodiversity is still limited. Biodiversity simply does not sell as well as the images of islands disappearing because of rising sea levels, or the loss of individual iconic species like polar bears because of melting ice caps.

Raising consumer awareness on biodiversity and on the impact that business can have on biodiversity, both positive and negative, would be an important step forward to engaging the private sector.

### *Integrating biodiversity in business models?*

There are various ways in which biodiversity can be integrated in business strategies. During session 1 of this E-conference, the issue of biodiversity offsets and payments for eco-system services was already discussed as a way of compensating the biodiversity impacts of business. Another important avenue is enticing businesses to integrate good biodiversity practices into their very business models. This is particularly relevant for those business sectors that are directly based on biodiversity. In his intervention on 15 October, Joel Houdet already asked if it would be possible to make biodiversity a management/production standard, so that business activity would actively promote diversity instead of the current homogenization promoted by crop selection processes and the subsequent single crop agricultural systems.

An approach that the BioTrade Initiative (bio standing for biodiversity) of the United Nations Conference on Trade and Development (UNCTAD) has championed is that of encouraging businesses to use native species (instead of introduced or alien species)<sup>2</sup>. Native species are often well adapted to their local ecosystems and climates, and often require less external inputs. Use of native species contributes to the valuation of local biodiversity and associated local knowledge, and often increases the resilience of such ecosystems to more extreme weather conditions that are likely to come with climate change.

Introduced in 1996, the BioTrade concept is slowly gaining recognition. The work of the UNCTAD BioTrade Initiative has now been recognized by various decisions of the CBD, including the ones on business. A number of developing country governments have included the concept in their national biodiversity strategies and national development plans.

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<sup>1</sup> Nature loss dwarfs banking crisis. See <http://news.bbc.co.uk/2/hi/science/nature/7662565.stm>

<sup>2</sup> See [www.biotrade.org](http://www.biotrade.org) or [http://www.ethicalbiotrade.org/dl/UNCTAD-BT-Principles-criteria\(en\).pdf](http://www.ethicalbiotrade.org/dl/UNCTAD-BT-Principles-criteria(en).pdf)

In 2007, a group of companies and non-private actors from all over the world created the Union for Ethical BioTrade, a non-profit association based in Geneva<sup>3</sup>. Companies that are members aspire to source species from the areas to which they are native, and commit to implementing a standard developed by the Union for Ethical BioTrade<sup>4</sup>. The standard's core principles are taken from the BioTrade Principle and Criteria defined by UNCTAD and are modeled on the three main objectives of the CBD (conservation, sustainable use, benefit sharing). Recognizing the importance of a sectoral approach, the Union for Ethical BioTrade has started off in the personal care and cosmetics industry, although other areas may follow suit.

Businesses from both developed and developing countries and from all stages of the supply chain are members of the Union for Ethical BioTrade and commit to the same principles and criteria. This illustrates the production chain perspective that Stefan van Esch advocated in his intervention in this E-conference on 9 October. Businesses at the end of the production chain will need to have a management system in place to take into account CBD provisions in their R&D activities and/or biodiversity considerations in their purchasing decisions. Businesses/producers at the beginning of the production chain will need to have good biodiversity sourcing practices in place. Realizing that putting such systems in place throughout entire production chains takes time, members of the Union for Ethical BioTrade have 5 years to complete the process. A number of companies has recently embarked on this journey, and over the next few years many experiences and best-practices will certainly come to light.

#### *Integrating biodiversity in personal care and cosmetics industry*

Those that watch the personal care and cosmetics industry will have noted an interesting trend with regard to biodiversity. Driven by consumer interest in novel, natural, organic and fair trade, and cautious because of public scrutiny of cases of possible misappropriation of traditional knowledge or genetic resources, companies are actively turning towards ethical sourcing practices. Market leaders like L'Oreal are making explicit reference to biodiversity and the CBD in their sustainable development reports explaining which strategies they are following to make their sourcing more sustainable<sup>5</sup>. Interest is growing in voluntary approaches and standards and in industry best-practices. With this, questions regarding biodiversity and the CBD are arising, and a need for guidance on biodiversity related issues is becoming apparent.

Trend watchers predict that biodiversity will become more important in this sector in the future. To illustrate the point, during Beyond Beauty, an industry trade show in Paris in mid October, Aïny, a newly established brand received the 'coup couer award' for a range of skin care products produced from active extracts sourced in the rainforests of Peru and Ecuador<sup>6</sup>.

With relatively small volumes, luxury goods, and strong brand names, the cosmetics industry may not be fully representative for other sectors. However, the lessons learned will certainly be of great use.

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<sup>3</sup> Members include among others: IUCN, International Finance Corporation, United Nations Foundation, the Exports and Investment Corporations of Ecuador and Peru, Natura Cosmetics SA, Serdex (Division of Bayer Santé Familiale), PhytoTrade Africa. See [www.ethicalbiotrade.org](http://www.ethicalbiotrade.org) for more information.

<sup>4</sup> Note: the Union for Ethical BioTrade is not a labelling scheme. For more information see also CBD business newsletter: <http://www.ethicalbiotrade.org/dl/news-biz-2008-04-low-en.pdf>

<sup>5</sup> See for example: [http://www.loreal.com/\\_en/\\_ww/dev\\_dur/realisation.aspx](http://www.loreal.com/_en/_ww/dev_dur/realisation.aspx)

<sup>6</sup> <http://www.cosmeticsdesign.com/Products-Markets/Beauty-challenger-awards-highlight-industry-trends>