



**GOV25 – Membership Conditions and Obligations for Trading
Members**

2009-12-22

Union for Ethical BioTrade

The Union for Ethical BioTrade

The Union for Ethical BioTrade is a non-profit association that promotes the "Sourcing with Respect" of ingredients that come from native biodiversity. 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 their supply chains.

Continuous compliance with the Ethical BioTrade minimum indicators, actual implementation of the work plan and continuous compliance with the Verification Framework after the completion of the work plan are regularly monitored by 3rd party audits.

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GOV25 – Membership Conditions and Obligations for Trading Members		
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1. REFERENCES

UEBT STD01 – BioTrade Verification Framework for Native Natural Ingredients - 2007-09-20

UEBT GOV01 - Article of Association

UEBT GOV27 – Membership fees for Affiliate Members and Trading Members

UEBT ADM06 – Application Form for Trading Member

UEBT ADM08 – Annual report format

UEBT PRO10 – Membership Application Process for Trading Members – 2009-12-10

UEBT POL01 – Communication & Claims Policy for Trading Members – 2009-03-03

UEBT PRO30 – D – Procedure for addressing claims of alleged “biopiracy” – 2009-12-11

UEBT PRO22 – D – Checklist for the Impact measurement method

UEBT PRO23 – Method to assess the Impact of the BioTrade concept applied by the UEBT

2. DEFINITIONS

Trading Members: members that are directly involved in the supply chain of BioTrade goods and services (e.g. producer/collector organizations, processing companies, traders, manufacturing companies, brands, consortia of trading companies).

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).

Note: This definition is part of the UEBT’s Verification Framework and adopted from IUCN (IUCN Guidelines for the prevention of biodiversity loss caused by alien invasive species).

3. MEMBERSHIP CONDITIONS

3.1 The entity that obtains membership shall be legally established.

3.1.1 In exceptional circumstances the UEBT may grant membership, upon the UEBT’s discretion, to entities that have no independent legal personality. Such entities shall be well defined, have a clear scope of action and have an external visibility as one entity.

3.2 If the Applicant forms part of a larger organization, the whole organization should have the profile of a responsible company that does not contradict what the UEBT stands for.

3.2.1 The UEBT’s Membership Committee shall evaluate this condition when deciding to grant the status of Approved Candidate.

3.2.2 The Applicant shall supply any supporting document on this matter, if so required by the Membership Committee.

- 3.3 The Applicant shall comply with the Ethical BioTrade minimum indicators as defined in the UEBT's Verification Framework (STD01 – BioTrade Verification Framework for Native Natural Ingredients – 2007-09-20).

Note: The Prospective Trading Member shall refer to the PRO10 – Membership Application Process for Trading Members for information on the application process.

- 3.4 Trading Members shall adhere to the Articles of Association of the Union for Ethical BioTrade (GOV01 – Articles of Association) and abide by all membership conditions and obligations set out in the present document.

4. OBLIGATIONS OF MEMBERS

4.1 *Sourcing of Native Species*

- 4.1.2 Trading Members of the UEBT shall aspire to source species from the area from which these species are native.

4.2 *Applicability of the Verification Framework*

- 4.2.1 Trading Members shall apply the entire UEBT's Verification Framework to those species (including those that are part of ingredients, formulations, etc) sourced from the areas from which they are native. The entire Verification Framework shall be also applied if national governments require ABS agreements for species that Trading Members use, regardless if they are native or not to the region from which they are sourced.

- 4.2.2 Trading Members shall source species from the area from which they are native, if their dispersion outside their native range, either in the wild or by domestication, occurred after 5 June 1992.

Note: This does not mean Trading Members cannot work with non-native species, along with natives ones.

- 4.2.3 UEBT Trading Members shall apply CBD best-practices regarding Access and Benefit Sharing (ABS) and Intellectual Property Rights (IPRs), or the relevant national legislation, whichever is most stringent, to species to which the Verification Framework applies.

- 4.2.4 Buying Trading Members shall gradually implement a supply chain management system for their native species supplies, that ensures the requirements of the Verification Framework are implemented along the entire supply chains. They have a maximum of five years for the effective implementation of such a management system.

- 4.2.5 Producing Trading Members shall gradually comply with the Verification Framework. They have a maximum of five years to reach full compliance.

4.3 *Applicability of the Minimum Indicators*

- 4.3.1 The minimum indicators that are part of the UEBT's Verification Framework apply to **all native and non-native species** (including those that are part of ingredients, formulations, etc) used as raw materials by the member.

- 4.3.2 Trading Members' own activities shall comply with the minimum indicators from the onset of the application to the UEBT, including any supply chain that it fully owns/controls.

4.3.3 Trading Members shall also gradually implement a supply chain management system that ensures the minimum indicators are complied with, along the entire supply chains.

4.3.1.1 For native species, as defined in 4.2.1, this shall be implemented within two (2) years after Provisional Membership was granted.

4.3.1.2 For non-native natural raw materials, this shall be implemented within five (5) years after Provisional Membership was granted.

4.4 Auditing and Work-plans

4.4.1 Trading Members shall undergo independent audits carried out by Qualified Verification Bodies at the latest:

4.4.1.1 Within six (6) months after the Approved Candidate status is granted as described in PRO10 – Membership Application process for Trading Members.

4.4.1.2 Three (3) years after being granted Membership, to check the progress made in the implementation of the work-plan.

4.4.1.3 Five (5) years after being granted Membership, to check the compliance with the Verification Framework.

Note: If the work-plan for compliance covers a period that is up to 3 years, the intermediary audit can be waived. In any case, the end of the work-plan shall be revised by an independent audit carried out by a Qualified Verification Body.

4.4.1.4 Subsequently every three (3) years to confirm continued compliance with the UEBT Verification Framework.

4.4.2 Costs associated to any third party audit are at the expense of the Trading Member, unless explicitly agreed otherwise.

4.4.3 In the years when no independent audit is carried out by a Qualified Verification Body, Trading Members shall undertake internal audits, in proportion to their size and complexity of activities.

Note: Second and third parties that are not Qualified Verification Bodies can also undertake these audits.

4.4.4 At each audit leading to the production level, be it first or third party, the auditors shall fill in a UEBT impact assessment form (PRO22 – D – Checklist for the Impact measurement method and PRO23 – Method to Assess the Impact of the BioTrade concept applied by the UEBT).

Note: The audit of a buying organization may include a sample along various entire supply chains. One form per supply chains should be filled in.

4.5 Reporting

4.5.1 Upon reception of reports from independent audits, Trading Members or Approved Candidates shall (as stipulated in PRO10 – Membership Application Process for Trading Members):

4.5.1.1 Check they have received one full and one public version of the reports.

Note: Qualified Verification Bodies are required to provide both versions to the Provisional Member.

4.5.1.2 Check the content of the public version for the potential confidential information, and upon satisfaction sign it for approval.

4.5.1.3 Submit both versions to the UEBT Secretariat. The full version will be treated confidentially and the public version made available to the Membership Committee and the public.

Note: Trading Members and Approved Candidates are encouraged to ask the Verification Body to directly transmit the report to the UEBT Secretariat in order to simplify procedures. It is however their prerogative to do so. In any case they should provide a signed copy of the public summary

4.5.2 Trading Members shall provide annually up-dates on the implementation of the work-plan - or continued compliance after completion of the work-plan, based on internal or external audits, as relevant,

4.5.2.1 The updates shall be provided year after year no later than one (1) month after the end of the month that Provisional Membership was granted.

Note: For reports issued before the 1st of June, the UEBT Secretariat may ask Trading Members to provide a short update at the end of the year, in order to provide a more accurate image of the status of membership for its own annual report.

4.5.2.2 Annual reports shall be submitted following a template (ADM08 – Annual report format).

4.5.2.3 Annual reports shall include a summary that will be made publicly available.

4.5.3 Trading Members shall submit to the UEBT Secretariat each impact measurement form it has filled in as part of its internal auditing procedures (see 4.4.6).

Note: These forms can be submitted along with the annual report.

4.6 Non-conformities and un-announced audits

4.6.1 In their annual reports, Trading Members shall report to the UEBT Secretariat any non-conformities with their work-plan - or the Verification Framework once the work-plan is completed, that they have identified through their internal audits. They should also report on measure taken to address non-conformities.

4.6.2 Upon information of non-conformities as per 4.6.1 or identified through the periodic audits of Qualified Verification Bodies, the UEBT may require the Trading Member to take additional corrective actions if those proposed by the Trading Member are deemed not to be sufficient.

4.6.2.1 In case of doubt, the UEBT shall refer to the Qualified Verification Body to assess the relevance of the corrective actions proposed by the Trading Member.

4.6.3 Unjustifiable major non-conformities with the work-plan, identification of voluntarily misleading reports, non-conformities with Minimum Indicators and major non-conformities with the Verification Framework after the completion of the work-plan shall be reported to the Membership Committee and may lead to exclusion from the UEBT.

4.6.4 Trading Members shall allow the UEBT to undertake unannounced audits at any time. Such audits shall be undertaken at the expense of the UEBT.

4.7 Membership fees

- 4.7.1 Trading Members shall pay an annual membership fees based on the turnover of the entity that has obtained membership (GOV27 – Membership fees for Affiliate Members and Trading Members).

Note: Turnover is defined as the annual sales volume net of all discounts and sales taxes.

- 4.7.2 The membership fees are defined by the Board and revised periodically; any change in fees will be communicated to the Members. Fees are due at the beginning of each calendar year.

4.8 Claims

- 4.8.1 Trading Members shall respect the UEBT’s claims policy (POL01 – Communication & Claims Policy for Trading Members – 2009-03-03).
- 4.8.2 Claims shall be restricted to the entity that obtained membership.

4.9 Ethical behaviour

- 4.9.1 To protect the image of the UEBT, Trading Members shall always have a commercial behaviour that is in line with the spirit of UEBT.
- 4.6.2. Trading Members shall inform the UEBT when public controversy arises around Ethical BioTrade practices of the member or its providers.
- 4.6.2.1 In case of controversy related to biopiracy, the Trading Members shall refer to the relevant UEBT procedure (PRO30 – D – Procedure for addressing claims of alleged “biopiracy” – 2009-12-11).

4.10 Non compliance with these membership conditions

- 4.10.1 Members who are not in compliance with these membership obligations automatically lose their statutory voting rights in the General Assembly or any other governance body of the UEBT.
- 4.10.2 Membership may be revoked by the UEBT’s Board of Director, if a Trading Member is in serious breach with any of these membership conditions.