



Theory of Change
Union for Ethical BioTrade
UEBT-TOC-23.08.2016

The Union for Ethical BioTrade (UEBT) is a non-profit association that promotes the sourcing of natural ingredients with respect for people and biodiversity. Through its members, companies sourcing natural ingredients in the food, cosmetics and pharmaceutical sectors, UEBT advances practices for biodiversity innovation and sourcing that promote sustainable business growth, local development and biodiversity conservation. This document describes the UEBT vision; the strategies it applies to promote change and advance its vision; and how it monitors and evaluates change.

Conceptual framework

The work of UEBT is based on internationally-recognized principles and commitments linked to biodiversity and sustainable development. Since the 1992 Earth Summit, sustainable development is a guiding concept for global efforts towards economic development, social equity and environmental protection. In 2015, moreover, over 190 countries adopted the Sustainable Development Goals (SDGs), as a roadmap for sustainable development till 2030. An essential and crosscutting consideration in the SDGs is the conservation and sustainable use of biodiversity.

Biodiversity encompasses the diversity of all living things, from human beings to microorganisms, including the variety of ecosystems. The UN Convention on Biological Diversity (CBD), adopted in 1992, promotes biodiversity conservation and sustainable use, as well as the sharing of benefits derived from the use of genetic resources. It recognises the global and local importance of biodiversity conservation for the functioning of our planet, and acknowledges biodiversity as a pillar for sustainable development. In 2014, the Nagoya Protocol was adopted under the CBD to set further development principles for biodiversity-based for research and development, and how benefits derived from such utilization should be shared. National rules implementing the Nagoya Protocol establish, for example, procedures to access genetic resources for research and development and how benefits derived from such activities should be shared.

Promoting change

UEBT aims to contribute to a process of market transformation in the cosmetics, food and natural pharmaceutical sectors. Through Ethical BioTrade concepts and tools, it provides a model and platform for businesses to contribute to local development and biodiversity conservation, in support of the implementation of the SDGs and CBD objectives.

<i>UEBT Vision:</i>	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.
<i>UEBT Mission:</i>	To promote Ethical BioTrade practices by offering UEBT members independent verification, technical support and networking opportunities for biodiversity-based innovation and sourcing

Indeed, the private sector is recognized as a critical partner in advancing sustainable development and the objectives of the CBD. Through biodiversity-based innovation and the ethical sourcing of natural ingredients, businesses can contribute to recognizing and increasing the value of biodiversity, as well as to local development and the conservation and restoration of the biological resources on which their activities depend. Companies committed to sourcing with respect for people and biodiversity are thus able to grow economically while generating positive impacts along their supply chains. Such commitment also responds to growing consumer demand, and helps to manage sourcing risks and secure supply chains.

Achieving this potential requires the adoption of business models that take account of environmental, social, and economic impacts in an integrated manner. Individual businesses, and eventually whole sectors, need to change the way they operate to generate such positive impacts. At the same time governments need to develop legal and policy environments that are conducive for biodiversity based innovation efforts and for natural ingredient sectors to develop sustainably.

UEBT approach and activities

UEBT promotes private sector engagement in the sourcing of natural ingredients with respect for people and of biodiversity. It was created in 2007, with the support of the UNCTAD BioTrade Initiative, and brings together companies and non-private sector organisations committed to Ethical BioTrade. UEBT member companies are active in the cosmetics, food and pharmaceutical sectors. They may collect or grow plant material (for example, through wild collection, agroforestry or agriculture), produce plant-based ingredients such as extracts, vegetable and essential oils, tinctures, and active ingredients, or conduct research and development on new ingredients and products. For all these activities, the Ethical BioTrade standard, managed by UEBT, guides company practices and drives sustainable business growth, local development and biodiversity conservation.

The Ethical BioTrade standard

The Ethical BioTrade standard defines practices that advance sustainable business growth, local development and biodiversity conservation. It encapsulates:

- Practices that promote biodiversity conservation by maintaining and restoring ecosystems and by using biological resources sustainably. This includes measures that contribute positively and proactively to biodiversity conservation in sourcing areas, as well as measures that actively reduce any potentially negative impacts raised by sourcing activities.
- Practices that aim to contribute to local development by equitably sharing the benefits generated through the use of biodiversity. This takes place through equitable trade practices, and through the sharing of benefits derived from innovation based on biodiversity and associated traditional knowledge.
- Practices that seek to respect human rights, the rights of workers and local and indigenous communities, and other rights linked to natural resources.
- Practices that address sourcing risks and improve the economic viability of companies and their products, so that Ethical BioTrade companies and their supply chains are sustainable in socio-economic terms.

UEBT member companies' commitments to Ethical BioTrade

In the work of UEBT, most of the change is achieved through its member companies. UEBT members commit to mainstream Ethical BioTrade principles in their operations, including in research, innovation, product development, and sourcing strategies for natural ingredient supply chains. Companies thus implement Ethical BioTrade principles at two levels: within the company itself and along their supply chains.

Within UEBT member companies, Ethical BioTrade practices are systematically incorporated in relevant policies and procedures with regards to natural ingredients sourced. To this end, companies develop a Biodiversity Management System, which ensures that the Ethical BioTrade standard is gradually implemented throughout its operations and along their supply chains, including through R&D policies, supply chain risk assessments, and supplier assessments.

Moreover, as part of the UEBT membership requirements, companies set public targets on their Ethical BioTrade commitments, and annually report on their progress. Companies must develop a Biodiversity Management System within three years of joining UEBT, but otherwise define their own speed and scope for implementing the Ethical BioTrade standard in their operations. Claims made about UEBT membership must of course be proportional to the scope and level of progress. Finally, companies undergo audits, through which auditors trained in the Ethical BioTrade standard verify the functioning and level of implementation of the Biodiversity Management System. These audits take place every three years.

At the level of supply chains, UEBT member companies also decide where to focus their efforts. Companies select supply chains in which the Ethical BioTrade standard is implemented in an accelerated way. Such selection takes place in view of strategic priorities and/or sourcing risks.

Gradual improvement & certification of compliance

In order to acknowledge compliance with the Ethical BioTrade standard and/or provide additional market recognition for specific supply chains, UEBT offers its member companies the possibility of

certification. UEBT certification means that companies can certify compliance of selected supply chains against the Ethical BioTrade standard. Independent and qualified certification bodies annually audit UEBT certificate holders to assess the Internal Monitoring System used for selected supply chains, and check the implementation of this system by suppliers in sourcing areas, on the basis of a sample.

Additional efforts towards market transformation

To contribute to market transformation, UEBT not only supports member companies with the implementation of Ethical BioTrade practices. It also seeks to enrol additional member companies; to promote and create awareness on ethical sourcing of biodiversity beyond its membership; and to contribute to an enabling regulatory environment for ethical sourcing of biodiversity, by providing practical expert inputs to governments and international organisations.

In particular, UEBT deploys strategies aimed at:

- Increased awareness on the importance of biodiversity-based innovation and ethical sourcing of biodiversity among companies in UEBT target markets;
- Regulatory and policy frameworks that, where relevant, consider and enable Ethical BioTrade practices;
- A growing number of companies adopting Ethical BioTrade practices;
- Recognition for UEBT member companies for their efforts to respect for people and biodiversity;
- UEBT membership being seen as an effective contribution to companies' sustainability business strategies;
- UEBT certification being valued by relevant stakeholders, including clients; and
- UEBT being regarded as an international centre of excellence on ethical sourcing of biodiversity and as a credible organization promoting measurable impacts.

UEBT strategic clusters

In summary, UEBT strategies can be grouped in three clusters:

1. UEBT as a leading association of companies involved in biodiversity-based innovation and sourcing. As such, UEBT:
 - Supports members to lead by example, through technical support and training for the implementation of Ethical BioTrade commitments;
 - Promotes exchange of experiences, and generates business networking opportunities, with actors from different parts of the supply chain encouraged to join; and
 - Provides, together with affiliate members and partner organisations, access to tools and approaches that facilitate implementation of Ethical BioTrade practices.
2. UEBT as an agent of change. As such, UEBT:
 - Carries out sector-specific outreach and communication to raise awareness on Ethical BioTrade and enrolls companies as members;
 - Provides advisory services to member and non-member companies on Ethical BioTrade;
 - Provides inputs to governments and other organisations involved in developing regulatory and policy frameworks, in order to promote and facilitate Ethical BioTrade;
 - Develops guidance materials, information, and good practices that can be used by the private sector, international organisations, and governments.
3. UEBT as a credible and effective standard system. As such, UEBT:
 - Provides a credible back-up of the Ethical BioTrade commitments and practices of UEBT member companies towards their clients and stakeholders;
 - Periodically revises the Ethical BioTrade standard, as to ensure it remains good practice to orient business operations on ethical sourcing of biodiversity;
 - Manages a verification system that reviews members' progress in implementing the Ethical BioTrade standard;
 - Manages an optional Ethical BioTrade certification program for selected supply chains of UEBT members;

- Assures a credible and inclusive system by promoting multi-stakeholder inputs in its governance structures.

Finally, UEBT manages a Monitoring and Evaluation system that assesses whether the work of UEBT and its members is implemented as intended and is having the desired result. In this way, UEBT and its members continue to understand, learn, and improve their work, results and impacts.

A graphic illustration of UEBT's Theory of Change can be found in an annex to this document.

