

CONFERENCE REPORT



*The Beauty of
Sourcing with Respect*

Biodiversity for Sustainable
Development for Beauty, Health
and Food

Conference
25 June, 2015
Etoile Saint Honoré,
Paris VIII

2015 BEAUTY OF SOURCING WITH RESPECT CONFERENCE

BIODIVERSITY FOR SUSTAINABLE DEVELOPMENT

UEBT held the seventh edition of its annual 'Beauty of Sourcing with Respect' conference on 25 June 2015. More than 160 participants, representing companies, governments, international organizations and other associations and actors, gathered in Paris to explore and highlight the important contribution that biodiversity makes to the daily lives of people around the world. Participants highlighted the value of meeting and exchanging with other companies, engaging in interactive discussions during roundtables, and obtaining practical information, cases and insights on biodiversity-related issues.

Biodiversity for Sustainable Development

The 2015 'Beauty of Sourcing with Respect' conference adopted the 2015 UN theme 'Biodiversity for Sustainable Development.' In welcoming participants, **Rik Kutsch Lojenga**, UEBT Executive Director, explained how biodiversity is increasingly central in companies' sustainability and business strategies. Growing consumer awareness and expectations, evolving legal requirements on biodiversity-based R&D, and business recognition of biodiversity as a key sustainability issue are factors driving the development of corporate policies on biodiversity, as well as mainstreaming of biodiversity considerations in broader business strategies and systems.

David Ainsworth, Information Officer at the UN Convention on Biological Diversity (CBD), emphasized the role of biodiversity in the UN Sustainable Development Goals, which constitute the new global agenda for poverty eradication, economic development and a healthy environment. Biodiversity and the ecosystem services that it underpins are essential for continued human development, yet sustainable pathways for human development are needed. The active engagement of both public and private sectors are critical in this regard. The United Nations supports national regulatory and policy frameworks that enable business to advance sustainable development initiatives, and call on the private sector to engage in ethical and responsible business practices.



Biodiversity awareness: Implications for beauty, health and food companies

This session explored the marketing implications of growing biodiversity awareness among consumers for various sectors working with natural ingredients.

Agnieszka Saintemarie, Project Manager at Kline, called attention to several relevant trends in the global natural and organic cosmetics market. This market is currently worth 33 billion US dollars and is expected to reach 50 billion US dollars in 2019. Brazil was highlighted as the fastest growing market, followed closely by Asia, where demand for herbal-based beauty products is a longstanding tradition. In response to these trends, brands are reformulating products to make them more natural.

Thibaut Nguyen, Director of Trends and Insights at IPSOS, presented the results research conducted for the 2015 edition of the UEBT Biodiversity Barometer. This edition included surveys in nine countries, including newcomers Ecuador, Mexico and The Netherlands – this makes 16 countries surveyed since the launch of



the UEBT Biodiversity Barometer in 2009. Mr. Nguyen discussed trends in biodiversity awareness, which continues to grow globally, with 90% of respondents from Brazil, France and China having heard of biodiversity. Notably, rising awareness also leads to increased expectations: over 80% of respondents indicated that they expect companies to have sourcing policies in place that respect biodiversity. This is an opportunity because most brands are still not taking full advantage of growing consumer interest in biodiversity. Consumers generally did not identify companies engaged in ethical sourcing practices. Moreover, there is interest among consumers in gaining more understanding of the notion and implications of biodiversity. To complement the information from the Biodiversity Barometer, UEBT also presented a video with snippets of consumer interviews from around the world.



Have you heard of biodiversity? 2015 UEBT Biodiversity Barometer

The opportunities and challenges of growing biodiversity awareness were discussed in a roundtable that included **Xavier Ormancey**, Head of Research and Development at Yves Rocher, **Mark Davis**, International Sourcing Director at The Body Shop, **Fanny Marouani**, the Founding Director of Pomarium, and **Béatrice de Reynal**, the creator of NutriMarketing. Panelists discussed the importance of biodiversity to their companies and sectors. Ms. de Reynal, for example, noted companies in the food sector are increasingly looking at biodiversity as a source of innovative products, particularly with health benefits. Mr. Davis explained that, though natural ingredients have always been at the core of The Body Shop products, there is a constant drive to source new ingredients that are relevant to consumers. Indeed, panelists highlighted a variety of factors for interest in natural ingredients, including corporate strategies, consumer demand and product performance. At the same time, natural ingredients pose some technical and sourcing challenges. Panelists noted that consumers are interested in ingredients derived from local biodiversity.

In this regard, Ms Marouani gave the example of Naturis cosmetics, an Indian company has begun to use local biodiversity as a supply of its natural ingredients. In conclusion, panelists highlighted the “incredible opportunity” for companies to address consumer expectations to further raise awareness, and contribute to biodiversity conservation. Collaboration and exchange among companies are critical: Mr. Ormancey underlined that working together is the way to build, inspire and be more impactful, noting UEBT can play an important role in this regard. The roundtable was moderated by **Nina Haase**, Head of Advocacy and Policy of the Market Transformation Initiative at WWF.



Partnerships for sustainable sourcing

Following up on the idea of collaboration, this session showcased examples of partnerships for the sustainable sourcing of ingredients from biodiversity. **Rodrigo Brea**, Distribution and Customer Service Director at Natura Cosmetics, and **Eder Ramos**, Global President of the Cosmetic Ingredients Division at Symrise, outlined the vision and progress of the Ecoparque initiative.



Ecoparque is an industrial and ecological park, bringing together companies that share a desire to promote sustainable businesses in the Brazilian Amazon. Ecoparque started as a way for Natura to increase investment and strengthen its relationships with suppliers in the region. Nevertheless, it became clear that getting other companies to participate was a way to increase the positive impact of the initiative. Symrise became the first partner to join the Ecoparque, where it will be locating its production of oils and butters, active cosmetics for ingredients and fragrances for the Symrise Amazon line. The aim is not just to source ingredients from the Amazon, but to bring innovation, transfer technology and add value in the region. For the companies, Messrs. Brea and Ramos highlighted, this is truly a partnership in biodiversity innovation.

Rachel Barré, Biodiversity Project Manager at L'Oréal Research & Innovation, presented the case of quinoa husk extract as an example of partnerships for the sustainable sourcing of biodiversity. L'Oréal is sourcing quinoa husk from Bolivia, given the interest and support in the country for initiatives that valorize quinoa co-products. Also critical is the existence of local partners that are committed to sustainable sourcing, from the local processor to the companies importing the husk to Europe and producing the extract, as well as local partners providing support on sustainability issues. In particular, the partnership will provide support to farmers for sustainable production, share scientific knowledge and technologies, and enhance local biodiversity, addressing existing challenges in the region with the intensification of agriculture. Ms. Barré added that this partnership is part of broader commitments on sourcing of biodiversity: L'Oréal has announced that, by 2020, 100% of products must demonstrate environmental & social benefits. Sustainable innovation, she noted, is a way to respond to consumer demands.

During the conference, several videos with additional examples of partnerships for sustainable sourcing were presented. These partnerships included the UEBT/UTZ Herbal Tea Partnership and the strategic partnership on ABS between UEBT, PhytoTrade Africa and the ABS Capacity Development Initiative.



Biodiversi-tea: UEBT/UTZ Herbal Tea Partnership

Update on ABS: rules for biodiversity-based R&D

Given the importance of biodiversity-based innovation, the evolving legal framework on access and benefit sharing (ABS) is increasingly relevant to companies working with natural ingredients in the food, pharmaceutical and cosmetics sectors. This session provided an update on various ABS laws and regulations, as well as an insight into how governments are moving to address these issues in Europe. **María Julia Oliva**, Senior Coordinator for Policy and Technical Support at UEBT, provided a “bird’s eye view” of recent developments on ABS around the world. She referred to regulatory developments, including countries that are developing or revising rules for biodiversity-based innovation, highlighting the most significant implications for companies. Important developments taking place within the business sector were also mentioned, with examples of how companies are introducing ABS principles and risk management in their policies, systems and procedures linked to natural ingredients. The challenge, Ms. Oliva said, was “making ABS count;” that is, ensuring that it becomes not an administrative hurdle but an effective tool for local development and the sustainable use of biodiversity.

Léontine Crisson, from the Netherlands Ministry of Economic Affairs, and until recently responsible officer of ABS, shared her experience in addressing ABS implementation. Ms. Crisson presented the motivations, approaches, opportunities and challenges of ABS development in the Netherlands. She also highlighted the challenges and opportunities facing companies in that country, as important users as well as providers of biodiversity resources especially in the plant-breeding sector. This session was chaired by **David Vivas Eugui**, Legal Affairs Officer at the United Nations Conference on Trade and Development (UNCTAD).



Making ABS work: Strategic partnership between UEBT, PhytoTrade Africa and ABS Capacity Development Initiative.

Afternoon parallel sessions

Millennials: the biodiversity generation?

Understanding Millennials is important to comprehend the attitudes of future consumers to biodiversity. They will also be the entrepreneurs of the future, shaping how business is done in times ahead. Millennials interviewed for the UEBT Biodiversity Barometer are better informed about biodiversity than other generations said Thibaut Nguyen, IPSOS. Millennials will act to conserve biodiversity if they feel ownership over the issue, explained **Eric Briones**, co-author of the book 'Generation Y et le Luxe'. Although Millennials don't have strong ideals, sustainability is deeply engrained in their thinking.

A panel, engaged in a lively discussion with the audience, noted that Millennials are pragmatic, looking to act while benefitting themselves. Be stylish and safe the planet! Being disillusioned in governments, they use their purchasing power to influence the world. This also holds true in emerging markets, like China, where Millennials are a factor to reckon with. The challenge is how to engage Millennials on biodiversity. They are strongly focused on storytelling and technology, which offers ways for them to discover biodiversity. **Leila Rochet Podvin**, CEO of Cosmetics Inspiration & Creation, moderated this session. Panellists included Eric Briones, Thibaut Nguyen, Fanny Marouani and Béatrice de Reynal.

Experiences with ABS rules and regulations

ABS laws and regulations have been in place for years in countries such as Brazil, India and South Africa. This session tapped into lessons learnt and insights into ways forward.

- **Tiago Luz Farani**, Environmental Analyst at the Ministry of the Environment of Brazil, gave a step-by-step overview of recently revised procedures for ABS. He explains how changes respond to and build on experiences with the prior legal framework.



- **Balakrishna Pisupati**, senior adjunct fellow in Research Information Systems for Developing Countries at Ministry of External Affairs of India, explained how ABS rules are being put in practice, including in relation to scope, benefit sharing, and the various competent authorities.
- **Cyril Lombard**, CEO of PhytoTrade Africa, shared experiences with navigating ABS rules in South Africa. Using a real case as an example, he walked through various issues and their practical implications.

This session, moderated by María Julia Oliva, featured active discussions on the need of clear definitions and the practical consequences of various benefit-sharing approaches.

Practical examples of ABS negotiations

This session explored in detail the procedures and considerations for negotiating ABS permits and agreements. **Pierre du Plessis**, Expert at the Centre for Research Information Action in Africa (CRIAA), described the "pipeline approach" taken in Namibia. This approach, which focuses on identifying and developing biodiversity-based market opportunities, has allowed for successful ABS cases even prior to an ABS legal framework. **Suhel al-Janabi**, Co-Manager of the ABS Capacity Development Initiative, related the experience of the *Echinops giganteus* agreement. This 2015 agreement covers the commercialization of an essential oil for fragrance and was signed by the French company V. Mane Fils, the government of Cameroon and traditional authorities. Mr. al-Janabi provided a comprehensive overview of the negotiation process, the content of the agreement and lessons learnt.

During discussions, **Michel Mane** of V. Mane Fils emphasized the importance of partnering with the right institutions and keeping it simple. **William Lemnyuy**, the ABS Focal Point in Cameroon, highlighted how much a pilot case increased interest and understanding of the complexities in putting ABS rules in practice. **Kavaka Watai Mukonyi**, Head of Bioprospecting at the Kenya Wildlife Service, highlighted that countries such as Kenya are building platforms for ABS partnerships: "We are open for business!"

Afternoon parallel sessions

Opportunities in biodiversity awareness

The UN has set as target that by 2020 the world's citizens should be aware of biodiversity. In this session, David Ainsworth presented its plans to boost awareness through its 'Decade of Biodiversity Campaign'. IPSOS gave insight in UEBT Biodiversity Barometer results, showing that few brands are positioned around the biodiversity issue yet, and that advertising campaigns on sustainability issues easily affects which brands are associated to biodiversity by consumers.

An interactive discussion took place between panelists and the audience on opportunities of rising biodiversity awareness. Storytelling is important to make biodiversity a more tangible concept and touch people's hearts (for example, talking about bees, butterflies, or personal stories). This may be more difficult in Europe, but feasible in countries like Brazil, China or Mexico with higher awareness of biodiversity. It is important that companies align stories with actual sourcing efforts and overall sustainability policies. When asked if they could support the CBD in its awareness campaign, brand representatives responded: "we have never been asked." The discussion that followed showed that there might be possibilities to organize a business and biodiversity campaign in support of the 2020 targets.

This session was moderated by Rik Kutsch Lojenga. Panelists included representatives from Yves Rocher, Weleda, Kline, The Body Shop and the CBD.

Emerging rules on ABS

This panel discussion, moderated by **Jaime Cavalier**, Senior Biodiversity Officer at the Global Environmental Facility (GEF), explored how countries such as Madagascar, Mexico and Morocco are approaching ABS requirements. The panel included **Naritiana Rakotoniaina**, ABS Focal Point in Madagascar, **Elleli Huerta Ocampo**, Coordinator of biological and genetic resources at Conabio Mexico, **Khaled Lalami**, ABS focal point in Morocco, and **Pierre du Plessis**.

Panelists emphasized progress made in elaborating ABS laws and regulations, as well as the opportunities to move forward with ABS permits and agreements. For example, Ms. Huerta Ocampo mentioned that, though a regulatory instrument implementing the Nagoya Protocol is expected by the end of 2015, the existing legal framework is sufficient to address requests for access to genetic resources. Similarly, Morocco and Madagascar are working with existing laws until ABS rules are developed. All countries emphasized new rules will aim to have simpler, streamlined procedures for ABS. To do this, countries have started the process of discussion with business, in order to better understand approaches and activities.

In this context, Mr. du Plessis explained the importance of the African Union guidelines on the implementation of the Nagoya Protocol, both at the strategic and practical levels. The aim to set up rules that provide decision-makers with confidence to make decisions on ABS and users with the tools and incentives to "do the right thing."

Approaching due diligence on ABS

In October 2015, ABS requirements in EU regulation will become fully operational. Companies engaged in biodiversity-based research will be required to exercise due diligence; that is, take care to establish the origin and legal compliance of any genetic resources used. This session explored practical implications for companies working with natural ingredients.

- **Alicja Kozłowska**, Policy Officer at DG Environment in the European Commission, explained the rationale and main elements of the EU regulation on ABS. Ms. Kozłowska focused on the applicability of due diligence requirements to different types of companies and upcoming guidance and secondary legislation.

- **Daphne Yong-d'Hervé**, Head of Intellectual Property at the International Chamber of Commerce, described the company and sectoral implications of the due diligence obligation. Companies are beginning to address due diligence, but concerns remain on excessive bureaucracy.

- **Paulo Benevides**, R&D Manager at Solabia Biotecnologica, explained how companies such as Solabia have developed approaches to comply with ABS requirements in Brazil and communicate such compliance to European clients.

Discussions focused on the scope of the due diligence requirement in EU rules on ABS and on how ABS has been mainstreamed in company policies and procedures in Brazil.



Thank you for your participation

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Union for Ethical BioTrade
Secretariat
De Ruyterkade 6
1013 AA, Amsterdam, Netherlands
Phone + 31 20 22 34 567
info@ethicalbiotrade.org

Financial administration
p/a CR Gestion et Fiduciaire SA
Rte des Jeunes 9
1227 Carouge, Switzerland
Phone : + 41 22 5661585
info@ethicalbiotrade.org

Brazilian
Representation
Sao Paulo, Brazil
Phone: + 55 11 99431 1880
brazil@ethicalbiotrade.org

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