



**PRO24 –Independent Verification of UEBT Trading
Members
2014-11-15**

Union for Ethical BioTrade

THE 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.

PRO24 –Independent Verification of UEBT Trading Members		
New	Part on audits and non-conformities of GOV25 – Membership conditions and obligations for Trading members – 2009-12-22 and additions. Adapted in view of the ISEAL Assurance Code.	
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1 SCOPE

This document details the scope and the process of periodic independent verification of a Trading Member's compliance with the UEBT Membership Conditions and Obligations and the Ethical BioTrade Standard.

2 REFERENCES

The following reference documents are essentials for the application of this document. For undated references, the latest edition of the document (including any amendment) applies. Please make sure you have the latest version contacting the UEBT Secretariat.

UEBT STD01 – Ethical BioTrade Standard

UEBT GOV25 – Membership Conditions and Obligations for Trading Members

UEBT ADM03 – Audit Report Template

UEBT ADM08 – Annual Report Template

UEBT ADM16 – Indicative List of Documents for Audits

UEBT ADM17 – Ingredient Portfolio Assessment

UEBT ADM20 – Sampling Methodology

UEBT PRO01 – Requirements and Obligations of Qualified Verification Bodies

UEBT PRO10 – Membership Application Process for Trading Members

UEBT PRO11 – Ethical BioTrade Sourcing Targets

UEBT PRO12 – Biodiversity Management System

UEBT PRO13 – Reporting Requirements for Trading Members

UEBT PRO14 – Membership Non-Compliance for Trading Members

UEBT PRO25 – Ethical BioTrade Work-Plans

UEBT PRO26 – Ingredient Portfolio Assessment Procedure

3 DEFINITIONS

Biodiversity management system: a set of policies, procedures, and practices designed to implement the Ethical BioTrade Standard and UEBT Membership Obligations at the level of the member organisation and its natural ingredient supply chains. (UEBT, 2012)

Ethical BioTrade Sourcing Targets: specific targets aiming to gradually align the biodiversity sourcing practices of a UEBT Trading Member with the UEBT Membership Conditions and Obligations. (UEBT, 2012)

Independent verification: External verification, also called third-party audit, carried out by trained auditor(s) of a UEBT qualified Verification Body.

Natural ingredient: for the purpose of the UEBT Membership Conditions and Obligations, ingredient that comes directly from plants or animals or that includes plant or animal inputs, even if these inputs have been significantly processed.

Organisation: entity responsible for the gradual application of the Ethical BioTrade standard through its management system and supply chains.

UEBT Trading member: member that is directly involved in the supply chain of Ethical BioTrade goods and services (e.g. producer/collector organisations, processing companies, traders, manufacturing companies, brands, consortia of trading companies, research institutions, etc.).

Verification Body: Legal or administrative entity that has the specific tasks to operate verification (adapted from ISO/IEC Guide 2:1996) that is duly qualified by UEBT.

4 INDEPENDENT VERIFICATION PREPARATION

4.1 General preparation

- 4.1.1 UEBT Trading Member or Approved candidate shall be well prepared before the independent verification and therefore shall:
- i. understand and adopt the Membership Conditions and Obligations as defined in GOV25 – Membership Conditions and Obligations for Trading Members;
 - ii. Understand and implement the scope of the Ethical BioTrade Standard (STD01 – Ethical BioTrade Standard);
 - iii. ensure it has all the relevant information to be ready for this process, e.g. on the Ethical BioTrade Sourcing targets (PRO11 – Ethical BioTrade Sourcing Targets), the Biodiversity Management System (PRO12 – Biodiversity Management System), etc.;
 - iv. understand the use and purpose of the natural Ingredient Portfolio Assessment – IPA (ADM17 – Ingredient Portfolio Assessment);
 - v. understand the use and purpose of the sampling methodology (ADM20 – Sampling Methodology);
 - vi. know the existence of the indicative list of documents for the independent verification (ADM16 – Indicative List of Documents for the Independent Verification);
 - vii. have basic knowledge about the requirements and obligations of the qualified Verification Bodies detailed in PRO01 – Requirements and Obligations of Qualified Verification Bodies;
 - viii. understand the present procedure.
- 4.1.2 In case of doubt, the UEBT Trading Member or Approved candidate shall seek up-to-date information and ask for support from the UEBT Secretariat.
- 4.1.3 UEBT Trading Member or Approved candidate shall undertake the Ingredient Portfolio Assessment (IPA), at least one (1) week before the audit takes place, as detailed in PRO26 – Ingredient Portfolio Assessment Procedure, using the Template ADM17 – Ingredient Portfolio Assessment.
- 4.1.4 UEBT Trading Member or Approved candidate shall share with the selected qualified Verification Body the results of their Ingredient Portfolio Assessment or pre-assessment, for preparatory work purposes. The organisation shall only share the results summary worksheet in a PDF format in order to avoid sharing the full tool with the selected Verification Body.
- 4.1.5 When an independent verification is foreseen, the UEBT Trading Member or Approved candidate shall:
- i. inform the UEBT Secretariat about the selected qualified Verification Body;
 - ii. inform the UEBT Secretariat of the agreed dates;
 - iii. keep the UEBT Secretariat posted during the exchanges with the selected qualified Verification Body for the independent verification preparatory work;
- 4.1.6 If the UEBT Trading Member changes qualified Verification Body between independent verifications, UEBT Trading Member shall disclose to the selected qualified Verification Body its previous enrollment with another qualified Verification Body. In such cases, the new selected qualified Verification Body should communicate with the UEBT Secretariat and the previous qualified Verification Body to ensure that outstanding issues with the UEBT Trading Member are taken into account.

4.2 Stakeholders consultation

- 4.2.1 UEBT Trading Member or Approved candidate shall inform key stakeholders about the upcoming UEBT independent verification at least two (2) weeks prior to the independent verification. The information shall include the elements listed below.
- 4.2.2 When communicating to stakeholders the following information shall be provided:

- i. short introduction on UEBT – the qualified Verification Body/audited organisation may ask the UEBT Secretariat for relevant documents or look at the UEBT website where short introductory documents are available¹;
- ii. the fact that an independent verification against the Ethical BioTrade Standard and the Membership conditions and obligations is due to take place;
- iii. the start date of the independent verification;
- iv. the organisation's name and the location of the organisation/production area to be audited;
- v. how to obtain a copy of the Ethical BioTrade Standard²;
- vi. that the qualified Verification Body is looking for the views and opinions of the organisation's stakeholders regarding the organisation commitment towards ethical sourcing of biodiversity ;
- vii. how stakeholders may contact the qualified Verification Body confidentially to let them know about their views and opinions;
- viii. that the lead auditor can make arrangements to allow stakeholders to meet with them during the independent verification, if needs be;
- ix. of the existence of the qualified Verification Body's mechanisms for resolution of complaints or disputes (ref. ISO 17021 and 17065);
- x. that the source of any information is kept confidential on request.

Note 1: The UEBT Secretariat will develop a template for this communication.

5 INDEPENDENT VERIFICATION SCOPE

- 5.1 Every three (3) years, UEBT Trading Members shall undergo an independent verification of their compliance with the UEBT Membership Conditions and Obligations (GOV25 – UEBT Membership Conditions and Obligations for Trading Members).
- 5.2 The independent verification shall be carried out by a Verification Body that is duly qualified by UEBT, respecting its obligations (PRO01 – Requirements and Obligations of Qualified Verification Bodies) and following the present document. An up-to-date list of qualified Verification Bodies is available in the UEBT website³.
- 5.3 Costs associated to any independent verification are at the expense of the Trading Member, unless explicitly agreed otherwise.
- 5.4 The independent verification shall allow to:
 - i. assess the compliance with the membership conditions and obligations;
 - ii. assess the functioning of the Biodiversity Management System of the organisation;
 - iii. assess the progress made in the sampled supply chains with the implementation of the Ethical BioTrade Standard according to the Ethical BioTrade Sourcing targets set.
- 5.5 The first independent verification audit shall take place no later than six (6) months after the Approved Candidate status is granted as described in PRO10 – Membership Application Process for Trading Members.
- 5.6 The first UEBT independent verification shall verify:
 - i. Compliance with the UEBT Entry Indicators at the level of the Trading Member and any collection or harvesting sites it owns or controls – see **Annex 1** with the UEBT Entry Indicators;
 - ii. Existence of Ethical BioTrade Sourcing Targets as defined in PRO11 – Ethical BioTrade Sourcing Targets (not compulsory for the 1st third party audit);
 - iii. Functioning of the current Management System on how it integrates Ethical BioTrade related issues, including the assessment of the organisation's internal monitoring system

¹ <http://www.ethicalbiotrade.org/resources/>

² <http://www.ethicalbiotrade.org/verification/standard.html>

³ <http://www.ethicalbiotrade.org/verification/verifiers.html>

- or equivalent system, which will be the basis for the development/adaptation to a Biodiversity Management System as detailed in PRO12 – Biodiversity Management System;
- iv. The pre-assessment of its natural Ingredient Portfolio that has been undertaken (complete assessment is not required for the 1st third party audit, however it shall be underway.) (PRO26 – Ingredient Portfolio Assessment Procedure and ADM17 – Ingredient Portfolio Assessment);
- Note 2:** UEBT ADM20 – Sampling Methodology includes a methodology to sample information from the Ingredient Portfolio Assessment in order to assess its reliability.
- v. Implementation of the practices defined in the Ethical BioTrade Standard (STD01 – Ethical BioTrade Standard) along sampled supply chains.
- Note 3:** the UEBT Secretariat developed an indicative list of documents that can help to understand the type of documents that might be requested during the independent verification (ADM16 – Indicative List of Document for Independent Verification).
- 5.7 Subsequent independent verification shall take place every three (3) years after the first independent verification. It shall verify:
- i. Continued compliance with the UEBT Entry Indicators at the level of the Trading Member and any collection or harvesting sites it owns or controls, see **Annex 1** with the UEBT Entry Indicators;
 - ii. Progress made in the implementation of the Ethical BioTrade Sourcing Targets as defined in PRO11 – Ethical BioTrade Sourcing Targets;
 - iii. Establishment and functioning of the Biodiversity Management System, including the assessment of the organisation’s internal monitoring system or equivalent system as defined in PRO12 – Biodiversity Management System;
- Note 4:** As stipulated in GOV25 – Conditions and Obligations for Trading Members, the Biodiversity Management System shall be established within three (3) years of becoming Member.
- iv. Completion and continuous use of the natural Ingredient Portfolio Assessment (PRO26 – Ingredient Portfolio Assessment Procedure and the ADM17 – Ingredient Portfolio Assessment);
- Note 5:** As stipulated in GOV25 – Conditions and Obligations for Trading Members, the natural Ingredient Portfolio Assessment shall be completed within three (3) years of becoming Member.
- Note 6:** UEBT ADM20 – Sampling Methodology includes a methodology to sample information from the Ingredient Portfolio Assessment in order to assess its reliability.
- v. Progress made in the implementation of the practices defined in the Ethical BioTrade Standard along sampled supply chains;
 - vi. Progress made in the implementation of the 3-years Ethical BioTrade work-plan developed after the last audit (PRO25 – Ethical BioTrade Work-Plans);
 - vii. Reporting of the Trading member to the UEBT Secretariat (PRO13 – Reporting Obligations).
- Note 7:** the UEBT Secretariat developed an indicative list of documents that can help to understand the type of documents that might be requested during the independent verification (ADM16 – Indicative List of Document for Independent Verifications).
- 5.8 The independent verification shall emphasize on the internal monitoring system in order to assess the capacity of the UEBT Trading Member or Approved candidate to monitor the work done at supply chains level and have the system including Ethical BioTrade indicators (see §6 of PRO12 – Biodiversity Management System).
- 5.9 During the independent verification, the UEBT Trading Member or Approved candidate shall present to the qualified Verification Body the list of the stakeholders that have been informed (§ 4.2), including the contact person, the date and means of communication, as well of the exact information sent. The Verification Body may request the company to include additional names, or may itself reach out directly to relevant stakeholders prior to, or during, the independent verification.

- 5.10 The qualified Verification Body should ensure that any stakeholders that has relevant information on the conformity of the UEBT Trading Member or Approved candidate with the requirements of the Ethical BioTrade Standard and the Membership Conditions and Obligations for Trading Members, has the opportunity to bring such information to the attention of the qualified Verification Body.

The qualified Verification Body should contact 1 or 2 stakeholders from the list provided by the UEBT Trading Member or Approved candidate and ask them questions to objectively ensure that the consultation phase took place and that they had the opportunity to bring comments to the qualified Verification Body. This could be done during or just after the audit took place (e.g. the following week).

- 5.11 The qualified Verification Body, will use the UEBT Audit report template (ADM03 – Audit Report Template) to ensure that all the points mentioned above are correctly and sufficiently assessed.
- 5.12 In some cases, the independent verification could have a broader scope (e.g. in relation to projects between the member and the UEBT Secretariat). In such cases, specific Terms of Reference shall be developed by the UEBT Secretariat and shared with the selected qualified Verification Body and the member in a timely manner.
- 5.13 In addition to the above, UEBT Trading Member can request independent verifications of specific supply chains with the aim of receiving an attestation of verification or certificate of compliance.

Note 8: The compliance of a specific supply chain does not necessarily mean compliance of the organisation itself.

- 5.14 When conducting field visits, UEBT Trading Members shall facilitate the collection of data for the UEBT Monitoring and Evaluation System as defined in ADM08 – Annual Report Template.

6 SAMPLING

- 6.1 As explained in the UEBT sampling methodology (ADM20 – Sampling Methodology), every independent verification shall include a sample of supply chains in order to:
- i. assess the quality of the ingredient portfolio assessment;
 - ii. assess the biodiversity management system and implementation of Ethical BioTrade Standard in prioritized supply chains.
- 6.2 The lead auditor shall strive to use the following types of documentation as evidence during the audit, in addition to the indicative list of documents for independent verification (ADM16 – Indicative List of Documents for Independent Verification):
- i. internal audit reports,
 - ii. project reports,
 - iii. other third-party audit reports,
 - iv. field inspection reports,
 - v. suppliers' questionnaire,
 - vi. field suppliers' attestation,
 - vii. etc.

Note 9: The UEBT Secretariat is developing guidance to assess/report on field evidence.

- 6.3 Special attention shall be given to the Ingredient Portfolio Assessment in the above sampling, as the result of this assessment defines the priorities that Trading Member follows in their Ethical BioTrade Work-Plans. The sampling methodology includes a methodology to assess the reliability of the natural Ingredient Portfolio Assessment information and its results.
- 6.4 During the independent verification, the qualified Verification Body shall define a sample of supply chains as detailed in ADM20 – Sampling Methodology.

7 INDEPENDENT VERIFICATION RESULTS

7.1 No later than seven (7) days after the end of the independent verification, the UEBT Trading Member or Approved candidate shall receive the completed and signed The Attestation of Conformity with Entry Indicators (included in ADM03 – Audit Report Template).

7.2 Two (2) months after the independent verification, the UEBT Trading Member shall receive the final audit report from the qualified Verification Body, with copy to the UEBT Secretariat, to start developing its 3-year Ethical BioTrade work-plan as detailed in PRO25 – Ethical BioTrade Work-Plans.

Note 10: Trading Members may be asked by the Membership Committee and/or the UEBT Board of Directors to incorporate issues of special concern into its Ethical BioTrade work-plan. Such a request should be based on legitimate concerns that relate to the objectives of UEBT.

7.3 Thanks to the audit report, the UEBT Trading Member has two (2) months to develop its 3-years Ethical BioTrade work-plan following the guidelines detailed in PRO25 – Ethical BioTrade Work-Plan.

7.4 Four (4) months after the independent verification, the UEBT Trading Member shall:

- i. Assure they have received one full and one public version of the audit report, as defined by the UEBT audit report template (ADM03 – Audit Report Template).

Note 11: Qualified Verification Bodies are required to provide both versions to the Provisional Trading Member.

- ii. Check the content of the public version for the potential confidential information, and upon satisfaction sign it for approval.
- iii. UEBT Trading member with a turnover over 700'000 EUR shall provide a public summary of the audit report in English to the UEBT Secretariat, where appropriate.
- iv. Have sent for approval their Ethical BioTrade work-plan to the qualified Verification Body.

7.5 When this is the first independent verification, the results shall allow continuing the membership application process as detailed in PRO10 – Membership Application Process.

7.6 For subsequent independent verifications, the results shall be analyzed according to GOV25 – Membership Conditions and Obligations for Trading Members and PRO14 – Membership Non-Compliance for Trading Members.

Note 12: the qualified Verification Body has only a role of independent auditor and for recommendation; membership decisions are taken within the UEBT Secretariat with the relevant UEBT Committees.

8 INFORMATION SHARING

8.1 UEBT Trading Members or Approved candidate shall make available relevant information to the selected qualified Verification Body such as:

- i. results of the pre-assessment/completed Ingredient Portfolio Assessment;
- ii. enrollment in any other certification schemes: e.g. Organic, fair trade (e.g. UTZ, FLO, ESR, etc.), environmental (ISO14000), quality management (ISO9000), Social responsibility (SA 8000), etc.
- iii. any information requested by the qualified Verification Body prior and during the independent verification to facilitate the assessment (e.g. Filled application form ADM06, etc.);
- iv. etc.

8.2 Selected qualified Verification Body shall share the independent verification results with the UEBT Trading Member as detailed in §7 of the present document.

9 NON-COMPLIANCE AND UN-ANNOUNCED VERIFICATIONS

9.1 If Non-Compliance is identified during independent verification(s), the following procedure: PRO14 – Membership Non-Compliance for Trading Member shall be applied.

10 CONFIDENTIALITY

- 10.1 UEBT shall treat information received from members in context of their independent verifications as confidential, unless it concerns information that is already public, is contained in public documents or is clearly highlighted for public distribution.

11 CONTACT INFORMATION

Any enquiry about this procedure of the Union for Ethical BioTrade should be addressed to:

Union for Ethical BioTrade - Secretariat

De Ruyterkade 6
1013 AA Amsterdam
Netherlands

Or via email: info@ethicalbiotrade.org

12 ANNEX 1 – ENTRY INDICATORS

The UEBT STD01 – Ethical BioTrade Standard_2012-04-11 contains five entry indicators, with which an organisation wishing to become or remain a UEBT Trading Member needs to be in compliance with.

Indicators

- 1.2.1 The organisation does not undertake activities that convert pristine ecosystems.
- 2.4.2 The organisation does not use agrochemicals:
 - banned under the Stockholm Convention on Persistent Organic Pollutants (POPs),
 - that fall under WHO Categories I and II,
 - and/or are listed in the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade,
 - and/or banned in the relevant countries of operations.
- 6.1.1 The organisation takes measures to ensure the respect for human rights and there is no evidence of violation of such rights or of discriminatory policies or practices.
- 6.1.2 The organisation protects child through at least the respect of the ILO Conventions on the Minimum Age Convention (138) and on the Elimination of the Worst Forms of Child Labour (182).
- 6.1.4 The organisation avoids immoral transactions in business operations according to the UN Convention against TransNational Organized Crime, Protocol on Trafficking and Smuggling, the OECD guidelines for Multinational Enterprises and the UN Convention on contracts for Sale of Goods.