

ANNUAL REPORT 2013!\$' !&\$

Member organisation's name:	Aldivia
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COMPANY DESCRIPTION

Aldivia was founded in 1999 with the holistic ethical approach of respecting current and future generations with purposes, from Biodiversity Preservation to Consumers's Wellbeing.

One Mission : Sustainable Ingredients

For more than 10 years, ALDIVIA® has been developing sustainable cosmetic ingredients, in the respect for Man and the Environment, by replacing petrochemicals and animal derivatives with efficient actives derived from nature.

Two Requirements: Plants and Innovation

ALDIVIA® draws its raw materials and inspiration from the biodiversity, which constitutes an invaluable and renewable heritage for the humanity. To extract the quintessence of nature's gifts and reach petrochemicals' efficiency as well as economic viability, ALDIVIA® also develops highly innovative technologies, all patented and faithful to its holistic and ethical mission.

Three pillars for this holistic approach:

- Ethical Sourcing: ALDIVIA® works in close relation with harvesters and producers to better understand their knowledge and relation with their environment. By bringing new economic interests on species intimately connected to the protection of their ecosystem, ALDIVIA® helps biodiversity preservation.
- Green Chemistry: ALDIVIA® innovates on the development of healthy and biodegradable ingredients thanks to ecofriendly patented processes. These Innovative Technologies are based on renewable raw materials and green chemistry principles, respecting environmental and health parameters in addition to economic and scientific aspects.
- Natural Cosmetics: ALDIVIA® creates ingredients taking care of consumers' well-being, thanks to their texture, their touch, and the virtues they bring. And thanks to ALDIVIA®'s philosophy, Consumers' well-being goes even farther, as associated to the environment and heritage preservation they contribute to.

ALDIVIA® has always been and remains a pioneer by implementing today future solutions. The holistic approach ALDIVIA® applies, guarantees sustainability at each step of the supply chain.

UEBT MEMBERSHIP OBLIGATIONS

Steps	Dates <i>Historical/expected</i>	Verification Body
UEBT audit 1	2010-01-20	Ecocert SA
Provisional Membership, if applicable	NA	
Work-plan approval	2010-08-08	Ecocert SA
Membership status granted	2007-05-08	
Annual report 1	2012-02-28	
Annual report 2	2013-03-20	
Audit 2	2013	
Annual report 3		
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Implementation indicators submitted to UEBT? Yes No

Documents annexed for public use? Yes No

If so, number of annexes:

Description of the annexed documents:

PROGRESS IN IMPLEMENTATION OF UEBT MEMBERSHIP OBLIGATIONS

Progress made in the implementation of the Ethical BioTrade Sourcing Targets

Please provide a short up-date on where your organisation stands in the development and then implementation of its Ethical BioTrade Sourcing Targets. In case of development process, please provide a target date when they will be publically released.

The Ethical Biotrade Sourcing Targets are currently being drawn up following the UEBT updated requirements. They will include a short timeframe for UEBT compliance of priority supply chains, and a percentage of supply chains to be in conformity with UEBT principles in the medium term.

Progress made on the Biodiversity Management System (BMS)

Please provide a short summary on the progress made in the creation and/or implementation of your organisation's BMS based on the previous audit key findings.

The Biodiversity Management system is currently formalized following the UEBT updated requirements. The BMS was previously covered through different topics social, environmental, regulatory. The formalization will help optimize the follow up of the UEBT compliance for each natural ingredient.

Progress made in the use of the Ingredient Portfolio Assessment (IPA)

Please provide a short update on where you stand in the completion of the Ingredient Portfolio Assessment.

The new updated IPA is now utilised to compile the data on each ingredient and classify them to prioritize BMS application.

Progress made on the implementation of the UEBT principles on patents and biodiversity

When applicable, please provide a short update on the implementation of the UEBT principles on patents and biodiversity in your patent policy and portfolio.

No patents are currently being drawn up on actives derived from Biodiversity. When setting a new supply chain, ABS is carefully studied to see how the utilisation of the product harvested can be subject to these principles. The evolution of regulations worldwide are also carefully followed up in order to anticipate the formalization of what will be requested, both towards suppliers and customers, to guarantee a respect of these rights all along the supply chain.

Percentage of the Ethical BioTrade work-plan implemented

Which % of your organisation's total Ethical BioTrade work-plan has been implemented? Please provide a realistic estimate.

Aldivia's work plan is articulated in three main objectives, covering the UEBT requirements : environmental, social and economic sustainability.

- **A Code of conduct on the respect of regulations and social aspects has been drawn up and engagement and has been signed by all supply chains.**
- **Environmental studies with specific sustainable concerns have been established for sensitive supply chains.**
- **The first priority supply chains have set a matrix detailing each point of the UEBT standards and the timeframe, over three years, to be in compliance with the standard. This matrix is broadened with additional subjects of importance for us, i.e. capacity building and advocacy. They are currently implementing year one or year two of the matrix.**

40% would be an approximative reflection of the progress made up to now.

Progress in the implementation of the Ethical BioTrade work-plan

Please indicate what are your prioritized supply chains.

Babassu, Baobab, Brazil Nut, Cocoa, Kalahari Melon, Mafura, Marula, Mongongo, Shea, Ximenia.

Please provide a brief indication of the progress that your organisation has made in the implementation of the Ethical BioTrade work-plan.

Progress should be reported upon at the level of the Principles of the Ethical BioTrade Standard. If possible, please distinguish between the work carried out at the level of your organisation's management system and at the level of your prioritized supply chains.

Principle 1. Conservation of biodiversity

Management system	Based on the general document prepared to improve data collection on the preservation of biodiversity and the environment, specific supply chain questionnaires have been developed and submitted for
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	completion for priority species. Follow up is conducted with priority supply chains to see the improvements made in the field.
Supply chain	The priority supply chains have formalized and are implementing a matrix adapted to their specific case and detailing the items to respect principle one of conservation of biodiversity

Principle 2. Sustainable use of biodiversity

Management system	Aldivia's policy has been from the beginning to focus on renewable species which are not listed in CITES or IUCN red list. For example we do not use palm oil or its derivatives because of unsustainable deforestations. Aldivia is also working on crops and harvesting data acquisition.
Supply chain	The priority supply chains have formalized and are implementing a matrix detailing the items to respect principle 2 of sustainable use of Biodiversity.

Principle 3. Fair and equitable sharing of benefits

Management system	Aldivia is developing contracts with suppliers, as well as a code of conduct signed by supplier, including fair and equitable sharing of benefits. Extensive work is done to cover ABS and PIC for all our existing and future supply chains. Aldivia also maintains its range of Fairtrade certified ingredients in order to broaden market opportunities for fairtrade certified supply chains.
Supply chain	The priority supply chains have formalized and are implementing a matrix detailing the items to respect principle 3 on the fair and equitable sharing of benefits. Prices paid to primary producers are established with producers' costs and margins considerations.

Principle 4. Socio-economic sustainability

Management system	Aldivia has a business plan to maintain socio economic sustainability and develop sustainability for new supply chains. Aldivia also invests in R&D, Marketing and sales to create interest for new products on the market.
Supply chain	Pricing of raw materials has been studied and revised to cover cost increases and improve sustainability of the supply chains. Aldivia also acts as an important buffer in case of crisis in order to help and preserve the interest in products. This includes forecasts, logistics, information, absorption of exceptional additional costs if necessary.

Principle 5. Compliance with national and international legislation

Management system	Aldivia thoroughly follows national and international laws internally. To verify this is the case for each of its supplier, a detailed code of conduct
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	including comprehensive legal references has been set, and validated by lawyers, submitted to suppliers and endorsed by them.
Supply chain	The Code of conduct has been submitted to suppliers for validation and signature. It is an engagement to respect Human Rights, Labour rights, Social rights, Children rights, as well as the environment. Priority supply chains also use their matrix to detail the steps necessary to comply with this principle.

Principle 6. Respect for the right of actors

Management system	The code of conduct introduced above also covers the aspects addressed in this chapter on the rights of actors. Aldivia also proposes a supplier contract to clarify conditions (quantity, quality, terms of payment...) and help traceability.
Supply chain	The code of conduct and the supplier contract bring guarantees for actors and respectful conditions. The matrix of priority supply chains also details these aspects, for full conformity with respect of the right of actors

Principle 7. Clarity about land tenure, right of use and access to natural resources

Management system	Research has been conducted to identify this specificity in the countries where we develop new supply chains, and measures put in place when necessary.
Supply chain	This information is shared and discussed with local actors, to better identify measures to be put in place to be in conformity with this principle.

Changes in Ethical BioTrade work-plan

If any significant changes have been made in the Ethical BioTrade work-plan, please indicate them here, together with the nature of these changes and the rationale.

ADDITIONAL INFORMATION

NA.