

ANNUAL REPORT 2013-03-31

Member organisation's name:	Weleda Group
Main address:	Weleda AG Dychweg 14 Switzerland - 4144 Arlesheim Telephone: +41 61 705 21 21
Webpage:	http://www.weleda.com/



COMPANY DESCRIPTION

Weleda manufactures over 2500 pharmaceutical products, 120 natural cosmetics and 10 dietary products worldwide. Approximately 1'900 people work full time for Weleda and make sure that the highest standards of quality and the respectful use of resources both go into Weleda's products. Of Weleda's plant-based raw materials 77% are cultivated in controlled organic and biodynamic environments, or are obtained from controlled wild sources. All Weleda's products are made from pure natural substances; artificial preservatives are never used. Weleda enjoys a great business reputation for quality, trust and a sustainable business development.

Since Weleda uses over 500 natural ingredients, biodiversity is the source of its business, and Weleda cannot afford to have negative impact on it. In other words, preserving biodiversity is part of Weleda's business model. Above and beyond, fair partnerships are a way to share the Weleda values with the suppliers. Furthermore, conservation and sustainable use of biodiversity and fair trading is key to any natural product in the market. It not only guarantees a long term supply of ingredients but also helps building capacities and a regular income for thousands of smallholders, collectors and farmers worldwide.

UEBT MEMBERSHIP OBLIGATIONS

Steps	Dates <i>Historical/expected</i>	Verification Body
UEBT audit 1	2011-05-02/03	SGS Switzerland
Provisional Membership, if applicable	2011-05-04	
Work-plan approval	2011-09-09	SGS Switzerland
Membership status granted	2011-10-10	
Annual report 1	2013-03-31	
Annual report 2		
Audit 2		
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:

Note: Annual and sustainability report will only be available in June 2013

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.

One of the key strategic objectives is to increase the proportion of plant-based raw materials from organic cultivation up to 80 percent by 2015. In 2012, the share increased to 77 (from 73 in 2011). The goal will be continued in 2013.

All raw material suppliers should comply with the standards UEBT by 2015. In 2012, the necessary data were collected and evaluated by 60 percent of the suppliers. The goal for 2013 is the evaluation of 80 percent of Weleda suppliers.

Developing a strategy regarding the use of palm oil and palm oil derivatives. By 2015 all palm oil must derive from sustainable sources. In 2013, goals are developed within the company and with our suppliers.

Dedicated staff within Weleda is providing trainings and informations for all employees, introducing the UEBT standard internally but also presenting UEBT on external conferences.

The annual and sustainability report 2012 will be released on June 7th 2013.

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.

Implementation within Weleda:

- Weleda has dedicated staff for the implementation of the UEBT principles within Weleda, in total 1.5 FTE.
- Internal trainings on UEBT principles and implementation within the Weleda processes for the relevant departments (sourcing and quality) took place.
- Training/Workshop with the support from UEBT has been organized for a wider audience including staff from marketing, communication, R&D, gardens and sustainability.
- In Germany, documentation on seed origins in the garden has been initiated.
- Media kit for the communication departments including a wording guideline has been developed.

Implementation with suppliers:

- In 2012, existent suppliers have been asked in retrospective to fill in the UEBT questionnaire. The questionnaire has been developed within Weleda and covers all relevant UEBT Principles.
- Since 2013 the UEBT questionnaire is part of the supplier release.
- The relevant information on the supplier and the raw material are rated with a rating system developed for this purpose.
- A risk tool for suppliers has been developed and in 2013 all suppliers will be analyzed.

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.

Weleda has over 500 different natural ingredients with 800 different supply chains (including different suppliers for the same raw material) bought and used by the two main production sites in Switzerland and Germany. Weleda has sent out the UEBT questionnaire to nearly all of them by now and a returning quote of 60% (stand March 2013).

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.

Not applicable. Weleda has no patents on plants or animals.

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.

Referring to the actions planned in the work plan, Weleda has implemented 50% of its work-plan.

Progress in the implementation of the Ethical BioTrade work-plan

Please indicate what are your prioritized supply chains.

Weleda has currently not any defined prioritized supply chains. However, medicinal herbs from wild collection, essential oils and supply chains with high volumes have a higher importance than others. The exact prioritization of the supply chains will be followed by the risk analysis.

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	Characteristics of ecosystems from which the organization
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system	<p>sources natural ingredients are taken into account in the own gardens of Weleda and at the level of the suppliers and producers. For identified ingredients, measures are assessed, planned, taken and monitored in order to maintain or restore their characteristics.</p> <p>Practices on the sourcing of natural ingredients, including those activities undertaken to advance compliance with the UEBT standard, are aligned with long term projects in collaboration with technical cooperation at the level of the producers and suppliers. The vision of Weleda "at the service of the human being and the world as a whole" is articulated through commitments to sustainability, human being, nature, economic activities, and projects, where, in an extended sense, conservation and sustainable use of the natural resources and respect of relevant traditional practices are defined as priorities.</p> <p>Measures to enhance the conservation of biodiversity on areas owned by Weleda are continuously improving and have been awarded external certifications (demeter, Swiss nature protection award).</p> <p>Transparency on environmental indicators has increased since all Weleda subsidiaries have supplied data for the sustainability part of Weleda's annual and sustainability report 2012.</p>
Supply chain	Sustainable raw material projects initiated by Weleda like Strophantus kombé in Malawi, Arnica in Romania, Sabadilla in Venezuela.

Principle 2. Sustainable use of biodiversity

Management system	<p>Weleda's gardens in France, Switzerland and Germany have all been certified against the Demeter requirements, a brand for products from Biodynamic® Agriculture. The compliance with the Demeter standard requirements for seeds, propagation materials and harvesting, and the allowed fertilizers and phyto-sanitary measures, may mainly contribute to the enhancement of biodiversity in the garden areas managed by Weleda in France, Germany and Switzerland.</p> <p>Persons involved in sourcing activities have been trained in the implementation of good collection, cultivation and quality assurance practices with appropriate documentation, documentation is kept and was available at the audit place. Purchasing contracts are mid- to long-term contracts. They are taking into account the phenology of the sourced species.</p> <p>Internal trainings for UEBT-relevant departments (sourcing and quality) took place.</p> <p>Training/Workshop with the support from UEBT has been organized for a wider audience including staff from marketing, communication, R&D, gardens and sustainability.</p>
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	Documentation about seed origins in the garden has been initiated. In 2012, the percentage of plant-based organic raw materials has been increased to 77%.
Supply chain	Indicator on supporting organic farming, use of pesticides, collecting methods and origin of product has been included in the questionnaire and relevant information has been provided by 60% of all questioned suppliers.

Principle 3. Fair and equitable sharing of benefits

Management system	The declared vision of Weleda, its various published commitments, its memberships to some relevant programs and current projects with the technical cooperation show concordance with this principle: <ul style="list-style-type: none"> • The organization pay equitable prices for sourced species and ingredients. • Weleda AG generates sustainable local development through monetary and non-monetary benefits • Weleda AG is not patenting none of its products
Supply chain	Indicator on ABS and traditional knowledge has been included in the questionnaire and relevant information has been provided by 60% of all questioned suppliers.

Principle 4. Socio-economic sustainability

Management system	
Supply chain	

Principle 5. Compliance with national and international legislation

Management system	<p>The organisation respects local, national and international legislation related to the use and trade of natural ingredients.</p> <p>The organization maintains records of payment of applicable fees, royalties, taxes and other charges.</p> <p>Measures to minimize the illegal use of the sourcing areas it manages are taken where it has been identified.</p> <p>The provisions of CITES are taking into account and subject of discussion. The introduction of relevant species in the list of CITES may lead to the starting of a project or the replacement of the concerned ingredient(s).</p> <p>Switzerland, Germany and France are signatories of the ILO Conventions. Weleda AG's handbook show many services and rules over the legal requirements.</p>
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Supply chain	Indicator on ILO conventions, applying national laws, considering CITES and Red lists has been included in the questionnaire and relevant information has been provided by 60% of all questioned suppliers.
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Principle 6. Respect for the right of actors

Management system	Weleda AG respects human rights and involves indigenous and local communities in its projects.
Supply chain	Indicator on identification and respect of sites of special value (cultural, ecological, economic or religious) as well as threats against local food security has been included in the questionnaire and relevant information has been provided by 60% of all questioned suppliers.

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

Management system	Weleda AG uses land and natural resources according to established rights.
Supply chain	Indicator has been included in the questionnaire and relevant information has been provided by 60% of all questioned suppliers.

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.

We postponed the following target due to limited resources by one year (from 2014 to 2015): UEBT compliance for all ingredients.

ADDITIONAL INFORMATION

None