



The Human Dimension of Biodiversity *2014 Beauty of Sourcing with Respect Conference*

Paris, 8 April 2014

Final report

The sixth edition of this annual conference organised by the Union for Ethical BioTrade (UEBT) brought together over 130 participants to share approaches and experiences on the ethical sourcing of biodiversity. Participants included representatives from international organisations, governments, civil society and, most significantly, companies using natural ingredients in the cosmetics, personal care, food and pharmaceutical sectors. Once again, presentations and discussions demonstrated the growing relevance of best practices and evolving legal frameworks for business strategies, operations and supply chains linked to natural ingredients.

The theme of the 2014 Beauty of Sourcing with Respect Conference was 'The Human Dimension of Biodiversity.' In welcoming participants, **Rik Kutsch Lojenga**, UEBT Executive Director, noted that – even as awareness on biodiversity increases – the essential role of people in this complex web of life is often forgotten. He explained how various sessions during the conference, as well as several of the background notes provided to participants, would focus on how local communities contribute to conserving biodiversity-rich areas, how countries regulate access to their biodiversity as part of sustainable development strategies, and how consumers – you and me – can also make a difference.

Making a difference on biodiversity

Discussions were off to an enthusiastic start with concrete examples of how companies in the cosmetic and personal care sectors are setting targets and taking steps on ethical sourcing of biodiversity. **Amy Fraenkel**, Director of Mainstreaming, Partnerships and Outreach for the Convention on Biological Diversity (CBD), explained: "*The vision is 'living in harmony with nature' – a lovely Japanese concept that highlights how people interact with biodiversity.*" As a result, the CBD is engaging with other stakeholders, particularly business, to build awareness on the link between their activities and biodiversity, as well as ensure measures are taken to improve synergies. She highlighted the pioneering role of the beauty sector in this regard.

Rachel Barré, Project Manager for Environmental Research & Sustainable Development at L'Oréal Research & Innovation, provided an example of pioneering efforts towards the ethical sourcing of biodiversity. She explained the role of people and biodiversity in the L'Oréal 'Sharing Beauty with All' commitments. For example, these commitments mean increasing efforts to raise consumer awareness and encourage more sustainable choices. Moreover, the commitments to sustainable production expressly include ethical sourcing of biodiversity. For example, by 2020, 100% of strategic suppliers for L'Oréal should be participating in its supplier sustainability programme, with 20% associated with its solidarity sourcing programme, which works with local communities. "*What will change with solidarity sourcing commitments,*" Ms. Barré asked, "*Probably everything!*" Moreover, changes will be significant not just for work with commodities but also in terms of access to biodiversity as a source of innovation.

Sylvie Bénard, Environmental Director for LVMH, shared experiences in respecting biodiversity along cosmetics supply chains. She explained the work of Guerlain with communities in India for the ethical sourcing of vetiver, used as a fragrance. Such work includes ensuring integral use of the plant, long-term commitments to ensure a source of revenue for the community, and low environmental impacts. Ms. Bénard also shared the experience of the Dior Gardens, areas selected all over the world to cultivate flowering plants of exceptional properties where partnerships with local communities have also been critical. Indeed, Ms. Bénard noted that, if the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation (ABS) had been in place at the time of developing these partnerships, its principles would have been directly applicable.

Panel discussions, moderated by **Kate Bottriell** of the International Finance Corporation (IFC), included exchanges on the need for governments to provide enabling frameworks for business initiatives on biodiversity, the role of standards in providing a ‘common language’ for these initiatives, and the importance of working with suppliers, including by providing guidance, tools and support on ethical sourcing practices.

Global context: consumer perspectives on biodiversity

The Beauty of Sourcing with Respect Conference featured the launch of the results of the [2014 UEBT Biodiversity Barometer](#), which monitors how consumer awareness of biodiversity is evolving around the world and what are the implications for businesses.

Rémy Oudghiri, Director of Trends & Insights Studies for Ipsos, explained how the UEBT Biodiversity Barometer has surveyed 38,000 consumers in 13 countries between 2009 and 2014 on issues such as biodiversity awareness, expectations towards ethical sourcing and how this affects purchasing decisions. For example, in 2014, 87% of consumers surveyed say they buy cosmetic products that use natural ingredients. Moreover, consumers are increasingly looking for transparency: 77% pay attention to where ingredients in cosmetics products come from and 87% expect companies to have ethical sourcing practices in place. Participants showed particular interest in Biodiversity Barometer information on brands that, in consumers’ opinion, make most efforts to respect biodiversity.

Leila Rochet-Podvin, Director of Cosmetics Inspiration & Creation, placed biodiversity awareness in the context of trends putting human values at the core of communication with consumers. For example, she explained that values currently central in marketing include ‘care’ – recognising that people make choices based on emotions and empathy. Ms. Rochet-Podvin also explained how people increasingly acknowledge themselves as part of a planet, which creates a strong sense of connection and responsibility.

In panel discussions, participants requested further insights into the role of biodiversity in consumer choices. Ms. Rochet-Podvin and Mr. Oudghiri explained that the term ‘biodiversity’ is not itself a central factor, but that the issues included in the concept, including origin, naturalness and ethical practices, are indeed central to consumer choices.

Storytelling: towards transparency on people and biodiversity

Building on discussions on the Biodiversity Barometer, the session on ‘storytelling’ explored how companies are already using the concept of biodiversity to communicate with consumers. **Henry Hicks**, Creative Director for Futerra Sustainability Communications, explained how biodiversity can be a powerful way to tell compelling stories and connect with consumers. Stories are strong tools for communication – it’s what people remember! Through several case studies, Mr. Hicks explained the challenge of telling compelling stories and the opportunities provided by natural ingredients. He noted that supply chains are full of real people – these are the heroes of stories about the ethical sourcing of biodiversity.

Emmanuelle Dumas, responsible for communications at Laboratoires Expanscience, presented 'Le Grand Jeu,' an online game and didactic strategy to involve consumers in responsible sourcing. It explains the commitments and efforts of Laboratoires Expanscience on its supply chains and allows participants to test their knowledge. Laboratoires Expanscience found the game to be an effective way to tell a story and simplify the issues around the ethical sourcing of biodiversity.

Fernando Alonso Oliveira, Manager of Organic Products for Native, explained how the company turned to storytelling as a way to communicate the positive biodiversity impacts of its green harvesting techniques for sugarcane. After ten years of inventories, Native found that over 300 species of reptiles, birds and mammals lived in its sugar fields, 49 of which are endangered. Such impacts were the basis for a successful campaign of fact-based marketing, including creating characters and drawings of the most emblematic animals. Biodiversity is also the basis of a longer-term strategy. As explained by Mr. Alonso Oliveira: *"We would like people to buy biodiversity... and get the sugar for free!"*

Panel discussions emphasised the need for clear message: Mr. Hicks exclaimed that *"story telling must always be simple! Always, always, always!"* There were also interesting exchanges on ways in which ingredient suppliers and brands could collaborate on biodiversity communication.

Empowering local communities in the supply chain

A lunch with plenty of discussion and networking was followed by additional panels in integrating equity, people and biodiversity. The first afternoon panel focused on local communities, highlighting how community engagement practices are a critical part of conservation and sustainable use of biodiversity, as well as building strong supply chains for natural ingredients.

Gastón Vizcarra, President of Candela Peru, explained how empowerment of local communities is a long-term process, in which development of people and relationship is critical. Empowerment is more than supporting producer organisations: it is about strengthening their capacity to manage value chain activities. The strategy has been to help producers integrate and participate in the value chain. Candela Peru has focused efforts on strengthening local organisations, improving their management of information and improving quality. Nevertheless, each process of empowerment also involves a change in mentality for everyone involved. Mr. Vizcarra noted: *"If we want dynamics to be different – we need to be the first to change."*

Annette Piperidis, Coordinator International Strategic Sourcing of Weleda AG, explained the role of the buyer in supporting ethical sourcing of biodiversity. Weleda's strategy focuses on fair treatment, transparency and long-term partnerships with suppliers. Ms. Piperidis presented two cases that exemplify collaboration with local producers, as well as support provided on training, technical matters, and other projects. These cases involved arnica, collected from the wild and used for skin products, and roses, cultivated organically and used as a scent. For a brand, Ms. Piperidis noted, *"ethical sourcing is a win-win situation,"* building solid partnerships with local producers as well as securing quality of natural ingredients.

Christina Archer, Senior Buyer for Community Fair Trade ingredients for The Body Shop, shared lessons on community empowerment from the company's Community Fair Trade Programme. From a business perspective, drivers for fair trade practices include securing superior quality, ensuring supply, and differential marketing. From a community perspective, benefits include access to markets, predictable demand, fair prices and community funds. Ms. Archer presented the successful cases of sesame oil, from Nicaragua, and shea butter, from Ghana. She also noted that *"to be truly fair, a supply chain cannot only focus on social elements, but also look at the environmental impact and sustainable practices."*

Panel discussions explored approaches to community empowerment further including issues such as whether models could be upscaled, how companies dealt with challenges and collaborate with each other, how to define fair prices and the link with laws and public policies, including on equitable benefit sharing.

Examples of access and benefit sharing in practice

At the request of participants in the previous edition, the 2014 Beauty of Sourcing with Respect Conference once again looked at the issue of access to genetic resources and the fair and equitable sharing of benefits resulting from their utilisation – also known as access and benefit sharing or ABS. The first of two sessions on ABS, chaired by **Sonia Peña Moreno** of the International Union for Conservation of Nature (IUCN), presented concrete cases of how countries and companies are dealing with ABS requirements, as well as lessons learnt.

Preshantie Naicker, of the Department of Environmental Affairs of the Republic of South Africa, presented the South African bio-economy strategy, which aims to achieve optimum benefits from the commercialisation of national biodiversity. This strategy builds on several rules and policies on biodiversity, including on ABS, as well as a growing experience with ABS permits and agreements with companies. For example, the strategy will support the development of value chains for natural ingredients, promote quality and certification standards and facilitate public-private partnerships. Indeed, Ms. Naicker stated, the basis of the strategy is that “*biodiversity is good for business and business is good for biodiversity.*”

André Tabanez, Project Leader of Naturals Sustainability in Latin America for Firmenich, discussed experiences on ABS in Brazil. He noted that putting in practice ABS in Brazil is complex, but feasible. For companies, ABS requires new expertise, including to understand rules, engage with local communities, and negotiate contracts that are often a ‘clash of worlds.’ Yet ABS provides an opportunity to enhance collaboration with local suppliers. For example, Firmenich focuses benefit sharing on training, capacity building and increasing value addition and market access for local products. Engaging in ABS discussions is also a chance for companies to contribute more practical and effective legal requirements.

María Julia Oliva, Senior Coordinator for Policy and Technical Support for UEBT, noted that, though concrete cases of benefit sharing are the ultimate objective for ABS, the starting point for most companies is a range of innovation, development, sourcing and sustainability activities involving biodiversity. Ms. Oliva explained that “*the challenge for companies working with natural ingredients is defining the relevance of ABS in their various activities.*” She presented a two-step approach to defining the relevance of ABS requirements. First, though there are several ABS laws and regulations in place, it is important to identify the countries that are actually putting them in practice. Second, whether or not there are legal requirements in place, there are a number of factors that increase ethical responsibilities and reputational risks linked to ABS, including novelty of research, technology used, role of ingredient, type of species, use of patents and approach to marketing.

Update on international and national rules on ABS

Amy Fraenkel, of the CBD Secretariat, chaired the second session on ABS, which briefed participants on latest developments in the evolving legal framework at different levels. Ms. Fraenkel explained that the Nagoya Protocol on ABS, which is expected to come into force in October, creates a basis for mutual trust and benefits for everyone: new research and business opportunities for users, new changes for sustainable development for providers, and incentives for the conservation and sustainable use of biodiversity.

Eliana Fontes, Director of the Genetic Resources Department at the Secretary of Biodiversity and Forests, Ministry of Environment of Brazil, discussed experiences in relation to ABS rules in Brazil. For example, lessons learnt include that unclear and overly bureaucratic requirements are a disincentive to applied research and development and to compliance with ABS. As a result, discussions on revised ABS framework focus on issues such as facilitating research and promoting benefit sharing. For example, an electronic registry will replace access requirements for initial phases of research, bioprospecting and technological development. For benefit sharing, final product manufacturers will be obliged to pay a percentage of profits into a benefit sharing fund – rather than negotiate contracts on a case by case basis. Echoing back to morning discussions on storytelling, Ms. Fontes quipped that the efforts are aimed at changing ABS rules “*from the role of villain to that of hero*” in regards to biodiversity-based research and development.

Anne-Laure Saint Girons, Partner at the GS Associés Law Firm, considered the implications of the new European regulation on ABS for the cosmetics sector. This regulation was adopted in 2014 with a delayed entry into force of its main obligations for late 2015. It defines rules for research and development into the genetic and biochemical components of biodiversity within the European Union, particularly an obligation of ‘due diligence.’ Such an obligation implies a reasonable standard of care in gathering, maintaining and analysing information on compliance with ABS requirements in countries providing genetic resources or associated traditional knowledge. Ms. Saint Girons explained that companies using genetic resources for research, development and commercialisation, irrespective of their size, must get ready for these regulations, including by adopting recognised best practices.

Suhel al-Janabi, Co-Manager of the ABS Capacity Development Initiative, provided an update on ABS developments in Africa. African countries have taken a leading role in the signature and ratification of the Nagoya Protocol. Work is also ongoing to develop African Union guidelines for the coordinated implementation of the Nagoya Protocol. These guidelines refer to the importance of biodiversity valorisation strategies and include approaches to use of terms, access, benefit sharing and monitoring and compliance. They also incorporate templates for authorisations and agreements. Mr. al-Janabi also presented examples of countries already taking measures on ABS, including Kenya, Morocco and Namibia.

Panel discussions addressed questions such as the most challenging aspects of the implementation of the Nagoya Protocol and how new rules and procedures on ABS would apply to prior and ongoing activities.

Closing remarks

In bringing the Beauty of Sourcing with Respect conference to a close, Rik Kutsch Lojenga thanked panelists for their outstanding presentations, as well as participants for their active engagement in discussions. He also noted the key role of sponsors, including L’Oréal Research and Innovation, Native, Natura Cosmetics and Weleda, in making the conference happen. Finally, Mr. Kutsch Lojenga highlighted that the Beauty of Sourcing with Respect conference was not only about bringing together expertise and experiences, but also about promoting change in the cosmetics and personal sector. He expressed the satisfaction at the progress achieved, when looking at how discussions, cases and information in the Biodiversity Barometer have evolved over the years, and challenged all participants to continue mainstreaming biodiversity in their activities.

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