



The “Beauty of Sourcing with Respect” Conference 2010 Report by the Union for Ethical BioTrade (UEBT)

The “Beauty of Sourcing with Respect” conference, organized by the Union for Ethical BioTrade (UEBT), took place on April 16, 2010 at the Palais de Tokyo, Paris. The conference brought together cosmetics and personal care companies sourcing natural ingredients and featured presentations from internationally recognized experts on the legal, economic and practical facets of the conservation and sustainable use of biodiversity, including the equitable sharing of benefits.

Rik Kutsch Lojenga, Executive Director of UEBT, and **Pierre Cornette de Saint Cyr**, President of the Palais de Tokyo, welcomed over 70 participants to the second annual conference on the “Beauty of Sourcing with Respect,” taking place in the context of the International Year of Biodiversity. Mr. Cornette de Saint Cyr noted that the cosmetics sector is in the middle of a new Renaissance, with biodiversity being a driver of innovation. Mr. Kutsch Lojenga welcomed the growing attention on biodiversity in 2010, but pointed out the lingering lack of awareness among companies in the sector of how the Convention on Biological Diversity affects industry.

The “**Beauty of Sourcing with Respect**” is a unique platform for discussion on the importance of biodiversity for the cosmetic and personal care sector, trends in consumer awareness, and emerging policy issues.

Session 1: The importance of biodiversity

The conference began with an overview of the significance of biodiversity from economic, environmental and cultural perspectives. Because a picture is worth a thousand words, as noted by chair **Eduardo Escobedo**, from the United Nations Conference on Trade and Development (UNCTAD) BioTrade Initiative, the session began with the [video](#) prepared by the Convention of Biological Diversity (CBD) for the 2010 International Year on Biodiversity. The video describes the benefits of biodiversity and the difficult task ahead in conservation and sustainable use efforts.

The **Economics of Ecosystems and Biodiversity (TEEB)** study is a major international initiative to draw attention to the global economic benefits of biodiversity and the growing costs of biodiversity loss.

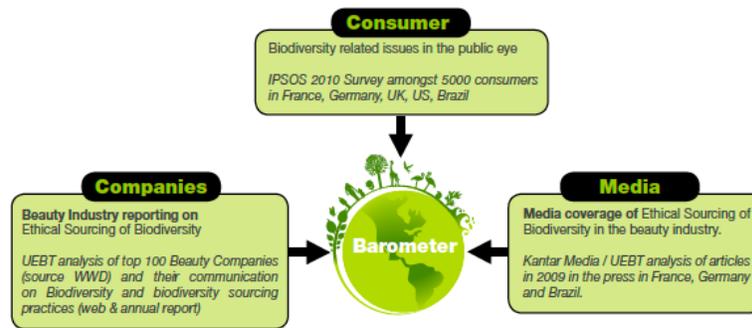
Josh Bishop, Chief Economist of the International Union for the Conservation of Nature (IUCN), explained the need to translate these benefits and threats into market terms, making the case for addressing biodiversity in the private sector. Explaining the initial findings of the upcoming report on The Economics of Ecosystems and Biodiversity (TEEB), Mr. Bishop made a call to action, saying business can and should assess biodiversity-related risks and opportunities and develop relevant strategies and action plans. To be effective,

such strategies must mainstream biodiversity considerations, not just mention tree planting projects in annual reports!

Marcos Vaz, Director of Sustainability for Natura Cosmetics, explained the value of biodiversity for the cosmetics sector, referring to the experiences of the company, which has incorporated it into its very approach to business. For Natura, biodiversity is a source of innovation for cosmetics and the basis for product differentiation - Natura has seen escalating revenues and a 400% increase in share prices since beginning to communicate on biodiversity. Biodiversity is also the driver of positive social and environmental impacts, including through several million reais in benefit sharing received by supplier communities in 2009.

Session 2: Biodiversity in our society

Chair **Leila Rochet-Podvin**, Director of Cosmetics Inspiration & Creation, underlined the usefulness of the UEBT's Biodiversity Barometer, a survey produced by UEBT, in analyzing changes in consumer attitudes towards biodiversity. Mr. Kutsch Lojenga introduced the 2010 results, which provided interesting information on the awareness of biodiversity in consumers, industry and the media.



As noted by **Remy Oudghiri**, Director of Trends & Insights Studies at IPSOS, there is expanding recognition of biodiversity – 60% of consumers in Europe and the United States indicated they had heard of biodiversity. With 94% of consumers surveyed having heard of biodiversity, Brazil appears as a biodiversity champion. Mr. Kutsch Lojenga observed that there is limited reporting on biodiversity among cosmetics companies, though the top 20 cosmetics and personal care companies are leading the way. The Biodiversity Barometer makes clear that biodiversity is an emerging trend in the sector, with the International Year on Biodiversity providing further momentum for company engagement in biodiversity-friendly sourcing practices.

Session 3: Private sector perspectives on ethical sourcing of biodiversity

The focus of the conference then turned to practical examples of companies engaged in ethical sourcing of biodiversity, as noted by chair **Gus Le Breton**, from PhytoTrade Africa. **Fleur Rodriguez-Gallois**, Head of Sustainable Development of Raw Materials for Kenzo Parfums, described the commitment and strategy of the company towards biodiversity. Kenzo has opted for an integrated approach to biodiversity, focusing not on a specific product or a supply chain but on all company policies. Such a goal has determined the development of new methodologies, including ensuring that marketing, supply chain management, and purchasing departments are included in sustainability discussions. Kenzo recently became a member of UEBT, seeking additional guidance and access to expertise on these issues.

Chris Buss, from the Forest Conservation Programme of IUCN, observed the changing times in terms of interest and initiatives on biodiversity, of which the Novella Africa

Partnership in West Africa is an interesting example. This partnership brings together Unilever, IUCN and other organizations with the aim of developing equitable and sustainable supply chain for oil from the Allanblackia tree – an ingredient with great potential in the food and cosmetics sectors. Its focus is on people (supporting small businesses and community development), as well as on the planet (supporting sustainable environmental and farming practices), with a range of benefits for both development and biodiversity conservation. In 2010, UEBT will be providing the verification scheme to support the implementation of ethical practices in the Novella Africa Partnership, on the basis of the Ethical BioTrade standard.

Session 4: ABS and the impact on the private sector

The afternoon sessions were dedicated to some of the technical aspects of the ethical sourcing of biodiversity, including the implementation of access and benefit sharing (ABS) principles, the imminent international rules on ABS and developments linked to the Convention on International Trade in Endangered Species (CITES). **Maria Julia Oliva**, from UEBT, chaired the afternoon sessions, which included two introductory videos produced by UEBT.

Access and benefit sharing (ABS) refers to the system established by the Convention on Biological Diversity for the collection and other types of access to genetic resources and associated traditional knowledge on the basis of prior informed consent and mutually agreed terms

Rachel Wynberg, Senior Researcher at the Environmental Evaluation Unit of the University of Cape Town, explored whether the emerging national rules on ABS constitute barriers or opportunities for ethical sourcing. To date, 41 countries have adopted ABS measures. These legislations vary greatly in approach, scope and procedures. On the basis of the example of the South African legislation, the challenges of navigating ABS rules for companies in the cosmetics and personal care sector were clear, but Ms. Wynberg noted also opportunities such as enhanced collaboration and more effective partnerships with local institutions and communities.

Representatives from the private sector were also asked to provide their views and experiences in relation to national legislation on ABS. **Caroline Segond**, Commercial & Technical Support Supervisor at Serdex – Bayer Santé Familiale, noted the difficulties of working in countries without clear ABS guidelines and of translating general principles on ABS to different cultural contexts. **Henrique Sales**, Senior Manager for Process Technology at Cognis Germany, talked about the experience with Brazilian ABS legislation in the context of a project with Amazonian oils.

Session 5: International regime on access and benefit sharing

Suhel al-Janabi, manager of The ABS Capacity Development Initiative for Africa, offered an insight on the political dynamics of the international negotiations on ABS, as well as an update on how these negotiations are moving forth in the context of the CBD. At the last meeting of the working group on ABS in Cali, there was not as much progress as expected, but some points are now clear, including that the outcome will be a legally binding protocol. Issues critical to the cosmetic sector, including the scope of the new rules and the type of compliance measures to be implemented, are still largely undefined and, as noted by Mr. al-Janabi, remain among the key points of contention.

At the World Summit for Sustainable Development in 2002, governments called for negotiations on an **international regime on access and benefit sharing (ABS)**, with the aim of adopting an instrument to effectively implement the CBD objectives and ABS provisions. The new regime on ABS is expected to be adopted in October 2010 in the Conference of the Parties to the CBD and is likely to impact biodiversity- based research and development.

Cyril Lombard, Research and Development Manager at PhytoTrade Africa, responded to the presentation, raising some fundamental issues and concerns from the perspective of an organization engaged in the ethical sourcing of biodiversity. For example, Mr. Lombard questioned how ABS would apply in the context of long and complex supply chains. He also highlighted that – based on the experience of PhytoTrade Africa – it

will be critical to work closely with local stakeholders in the practical implementation of ABS.

Session 6: ABS, patents and the cosmetics sector

Manuel Ruiz, Director of the International Affairs and Biodiversity Program of the Peruvian Society for Environmental Law (SPDA), then focused on the interface between ABS and patents. In particular, Mr. Ruiz spoke of the concerns around the concept of biopiracy, both a legal and a public perception issue. The response of Peru has been a commission to track patents that could represent the misappropriation of its biodiversity. Since 2004, action has been taken on more than 20 patents deemed suspicious – for example, because they did not represent any invention or novelty compared to the documented traditional uses. Mr. Ruiz called on companies to evaluate the legal status of biodiversity resources used in cosmetics and other products in the sector.

In his comments, **Claude Fromageot**, Director of Research and Development at the Yves Rocher Group, emphasized the support of the cosmetic sector for the CBD. Mr. Fromageot noted the importance of micro-businesses in cosmetics and warned against too much regulation hindering their more dynamic approaches.

Session 7: The cosmetics sector and CITES

Marceil Yeater, Chief, Legal Affairs and Trade Policy Support at CITES, made the last presentation of the conference, showing, through the example of Candelilla, the positive interaction between CITES and the business sector. Candelilla is a plant that requires a permit for international trade. When used in cosmetics, primarily in lipsticks, those finished products were also covered by the permit system, which was found to be an undue administrative burden. Companies requested an exemption for finished products and this was granted in the last CITES Conference of the Parties. Nevertheless, Ms. Yeater emphasized the need for companies to remain engaged to facilitate implementation.

Conclusion

Gus le Breton, as the Chair of the Board of Directors of UEBT brought the conference to a close. Nevertheless, participants informally continued discussions for over thirty minutes, noting the range and quality of the information provided and that the event provided a “great networking opportunity.”

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