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The Beauty of Sourcing with Respect

The Beauty Industry and Biodiversity in Emerging Markets

REPORT

The 2012 “Beauty of Sourcing with Respect” conference, organized by the Union for Ethical BioTrade (UEBT), took place on 12 April in Paris. This unique annual conference brings together cosmetics and personal care companies to share approaches and experiences on the ethical sourcing of biodiversity, as well as to discuss latest developments and best practices in this field with internationally recognized experts, decision-makers and other stakeholders.

This year’s conference focused on “The Beauty Industry and Biodiversity in Emerging Markets.” In his welcoming words, **Rik Kutsch Lojenga**, Executive Director of UEBT, noted that emerging markets are now fundamental for the beauty and personal care sectors, with Brazil, for example, set to become the largest cosmetics market in the world in 2012. Emerging markets are already proving decisive in setting the global economic agenda and are increasingly influential in sustainability topics. These countries are putting forth their own sustainability priorities and concerns, and helping to shape related rules and best practices. The 2012 “Beauty of Sourcing with Respect” conference provided insights into these trends and their implications for the ethical sourcing of biodiversity.

Keynote

David Ainsworth, Information Officer at the UN Convention on Biological Diversity, addressed the conference as a keynote speaker, focusing on biodiversity as a strategic goal and consideration in ongoing and upcoming international policy discussions and decisions.

For 2011-2020, the international decade of biodiversity, governments have agreed upon strategic goals related to biodiversity. These goals include people’s awareness of biodiversity, business action on biodiversity, putting Access and Benefit Sharing related to biodiversity into practice, and finding ways to enhance the benefits from biodiversity for everyone. Governments are working towards these goals, and seeking to include and engage the private sector. The private sector is considered critical in unlocking potential resources and using them in new markets.

Mr. Ainsworth noted 2012 is likely to be the “tipping point” for biodiversity: Now is the time for the private sector to become engaged with biodiversity-related processes and targets! In this regard, he highlighted the UEBT Biodiversity Barometer as an extremely useful report, increasingly referred to by the CBD Secretariat. As the results of the 2012 UEBT Biodiversity Barometer show, consumer awareness on biodiversity is growing and they will increasingly turn to products and companies pioneering the issue.



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Biodiversity and Consumer Insights

A central element of the “Beauty of Sourcing with Respect” conference is the presentation of the latest UEBT Biodiversity Barometer, which measures consumer awareness on biodiversity in several countries around the world.

Rémy Oudghiri, Director of Trends & Insights Studies at IPSOS, presented the results of the 2012 UEBT Biodiversity Barometer. In line with the conference theme, special attention was paid to emerging economies, for which purpose India and Peru were newly included in the 2012 edition. Special attention was also given to Rio+20, the UN summit on sustainable development that will be held in June 2012.

The barometer shows that biodiversity awareness and understanding in emerging markets varies strongly, with high scores in Brazil but low ones in India. Awareness on sustainable development is much higher across the board, but national differences exist here as well. While biodiversity awareness is growing worldwide, it has stabilised with regard to sustainable development.

Interestingly, consumers in emerging markets showed higher than average interest in natural ingredients and their sources when buying a cosmetics product. Furthermore, although price and performance are the most important factors in purchasing decisions regarding cosmetics, the barometer shows that in emerging economies more people pay attention to a brand’s social and environmental values.

Finally, a majority of surveyed people assign an important role in achieving sustainable development to the private sector. Although primary responsibility is seen to rest with the government, this shows the need to consider private sector in the outcomes of Rio+20 and the importance of business taking action towards sustainable development.

As part of the focus on emerging markets, **Leslie Pascaud**, Director Sustainable Marketing at Added Value, presented additional perspectives on natural values and sustainability in India and China. She described the differences between India and China, from a historic as well as a commercial point of view, as well as the growing similarities, linked to a increasing environmental awareness. Even though, in both China and India, people currently focus on increasing their standard of living, a progressive sustainable consumer movement is coming to life. In part, this trend is due to ‘buying green’ being seen as foreign, exclusive and hip. However, people are also proud to be knowledgeable and, in places such as China, are finding nature as part of a newfound sense of pride in the immense cultural heritage of the country.

Sustainability Trends

This session explored sustainability trends already taking root in emerging markets, as well as the implications for companies in the beauty and personal care sectors.

Karin Kreider, Scaling-Up Director at the ISEAL Alliance, focused on the importance of emerging economies to sustainability. She noted that these countries often hold key natural resources and increasing economic power. Furthermore, emerging economies often have large populations and therefore large domestic markets.

In emerging markets, the main drivers for sustainability standards are still the pressure from international buyers and their local partners, but there are also national policy, business initiatives and political signals: The Indian government, for example, is currently introducing sustainable tourism standards. Yet according to Ms. Kreider, as standards are more recent notions in emerging markets, more awareness of existing norms and building up trust and local ownership of global standards with national interpretation are still needed to scale up the sustainability standards in these countries.



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Filipe Sabará, Business Director at Beraca, represented and introduced the Brazilian Enterprise Movement for Biodiversity (MEB) of which Beraca is member. MEB was launched in 2010 with two objectives: promoting engagement of the Brazilian business sector in the conservation of biodiversity and improving collaboration between companies and government, civil society and other groups towards enhanced regulatory frameworks for biodiversity. Mr. Sabará explained MEB structure and activities and noted that, even though their work has really only just started, already 65 companies and 10 non-governmental organizations have joined – a clear recognition of the need for business, government and civil society to join forces for biodiversity.

Gus Le Breton, CEO of Bio-Innovation Zimbabwe, offered an overview of sustainability trends from the perspective of an African producer. Zimbabwe is starting to look to the economic opportunities of sustainably sourcing natural resources. The local private sector increasingly sees sustainability and organic production as an opportunity for the very near future. The demand for organic food for instance is already growing in Southern Africa and similar trends can be expected in relation to ethically sourced products. Gus Le Breton highlighted the role of the market as a driver of sustainability, especially in emerging countries. And, he noted, with the demand growing, companies that are ahead of the game will reap the rewards.

Mainstreaming biodiversity in business operations

In the afternoon sessions, the 2012 “Beauty of Sourcing with Respect” conference explored concrete examples and experiences of biodiversity in business operations. **Karen Lemasson**, Responsible for Sustainable Development at Laboratoires Expanscience, explained the role of biodiversity in the corporate social responsibility (CSR) targets of Laboratoires Expanscience. For Laboratoire Expanscience, biodiversity is a business model. In part, this is a strategic decision, recognizing the need to secure their ingredients and supply chains and respond to expectations from consumers, partners, and suppliers. In addition, in line with ISO 26000, Laboratoires Expanscience also considers biodiversity in the context of the care provided to others. Finally, Laboratoires Expanscience is member of UEBT and has made several commitments including, for instance, that, by 2015, all new products in dermo-cosmetics will be eco-designed and a CSR action plan will be in place for 100% of its plant supply chains.

Anne Cabotin, VP Global Accounts Director & Sustainability Strategy at Symrise and **Ricardo Omori**, Director Scent & Care Division at Symrise Brazil and, shared their experiences on putting into practise the UEBT standard, as part of a broader sustainability strategy. Symrise aims to be the most responsible supplier in its market segment and to lead through sustainable innovation, using biodiversity as a key driver. Symrise decided to align its activities with the UEBT standard, starting with its operations in Brazil. UEBT was selected as key partner to support Symrise Brazil towards the commitment of responsible sourcing in view of UEBT’s recognition in the cosmetic industry, its approach of integrating biodiversity in company management systems, and expertise on benefit sharing and auditing of specific supply chains.



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Innovation and Biodiversity

To start off the session which focused on how biodiversity forms part of companies' innovation strategies, the UEBT presented [a short video](#) on the ethical sourcing of biodiversity and on putting the green economy in practice.

Ricardo Faucon, Distribution and Customer Service Director at Natura Cosmetics, introduced the Natura Amazon Project, aimed at transforming socio–environmental challenges into sustainable business opportunities in the biodiversity-rich region. The project is based on three pillars. First, there is a science, technology and innovation perspective, including a network that will encompass over a thousand researchers on topics linked to biodiversity. Second, there is a socio-biodiversity perspective, focusing on achieving the most sustainable supply chains that can be found in the world today. This includes ensuring a wealth of partners and other companies collaborating in the same area. And finally, the third pillar is institutional strengthening, which involves ensuring complementary education and culture development projects.

Cyril Lombard, Head of PhytoTech, explained how the non-profit trade organisation PhytoTrade Africa, along with a range of partners, is looking to promote innovation in cosmetic ingredients and facilitate implementation of requirements on access to biodiversity and the sharing of its benefits in Southern Africa. This region is rich in biodiversity and traditional uses, which constitute a source of possible innovation, as well as improved local livelihoods. He also discussed the relevance of a biodiversity 'one-stop shop' where all partners are brought together to make sure requirements on Access and Benefit Sharing (ABS) are met. PhytoTech will work with customers to design and put in practice projects with the goal of having an impact in the value chain as early as possible to improve the results for all stakeholders.

With a call to action **Ricardo Faucon**, as President of the Board of Directors of UEBT, brought the conference to a close. He talked about the opportunities for companies to contribute to the Green Economy and highlighted that, for all the challenges to be met, the "Beauty of Sourcing with Respect" conference showed there were also many interesting strategies and initiatives already being put into practice.

The immediate feedback on the conference was very positive, with an emphasis on the networking opportunities. Indeed, long after the conference had officially ended, attendees and speakers were still discussing different approaches and diverse aspects of biodiversity.

Conference supported by:

