



Evolving due diligence requirements

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Union for an Ethical Biotrade

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UEBT VISION

A world in which all people
and biodiversity thrive

UEBT MISSION

To regenerate nature and
secure a better future for people
through ethical sourcing of
ingredients from biodiversity



Our Focus: Botanicals

For beauty and personal care, herbal infusions, herbs and spices, functional foods & beverages, fragrances and flavours, and natural pharmaceuticals



Flowers



Roots



Herbs



Spices



Vanilla



Stems



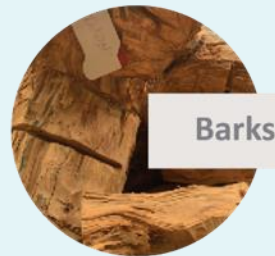
Fruits



Nuts



Algae



Barks



Seeds



Leaves



Resins



Beeswax



Woods

The UEBT standard – Sourcing with respect

Respect for Biodiversity

- Biodiversity conservation and restoration
- Cultivation and wild collection practices for sustainable use of biodiversity



Respect for People

- Human and worker's rights
- Community wellbeing and local development

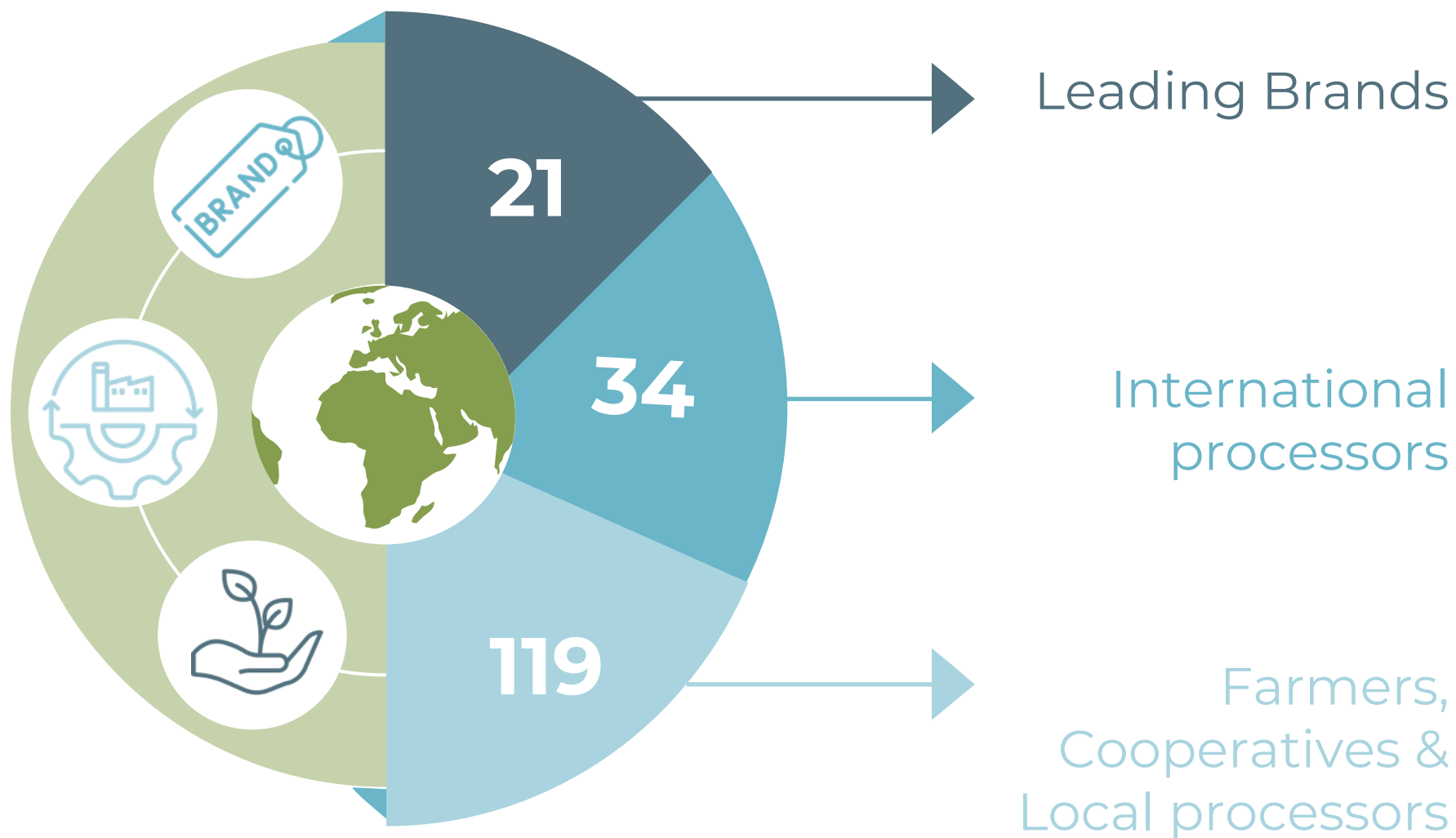




UEBT
MEMBER
SOURCING®
WITH RESPECT



UEBT has **174** members including:

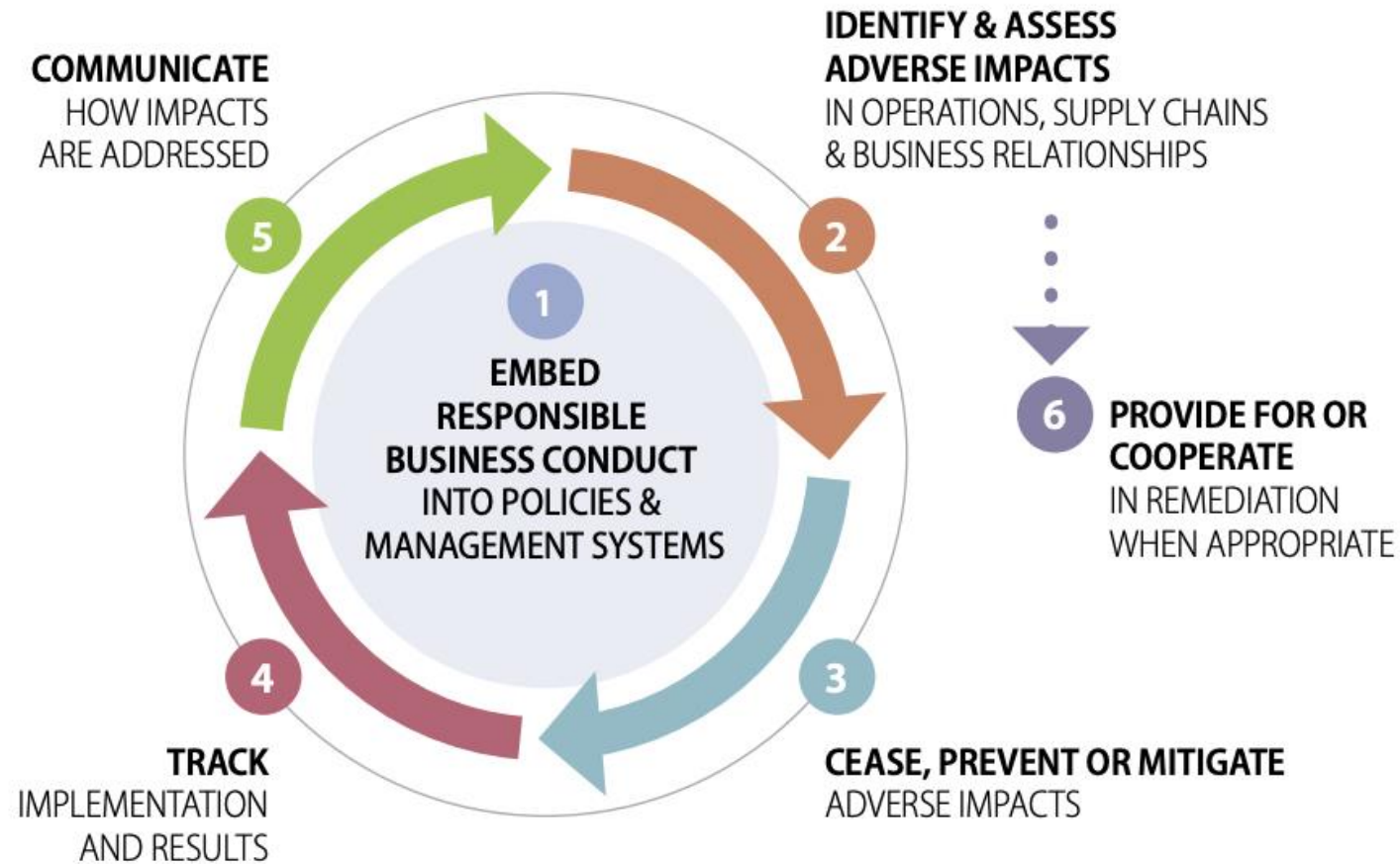


UEBT members commitments



- 1 Assess ethical sourcing policies and practices**
Corporate policies and supply chain practices
- 2 Set targets for continuous improvement**
Time-bound targets for due diligence and positive impact
- 3 Manage risks for people and biodiversity**
Due diligence on cultivation and wild collection practices in natural raw materials
- 4 Promote positive impact for people and biodiversity**
Improving cultivation and wild collection practices in strategic natural raw materials
- 5 Monitoring, reporting and communication**
Monitoring of implementation and impact, with options for verification and certification

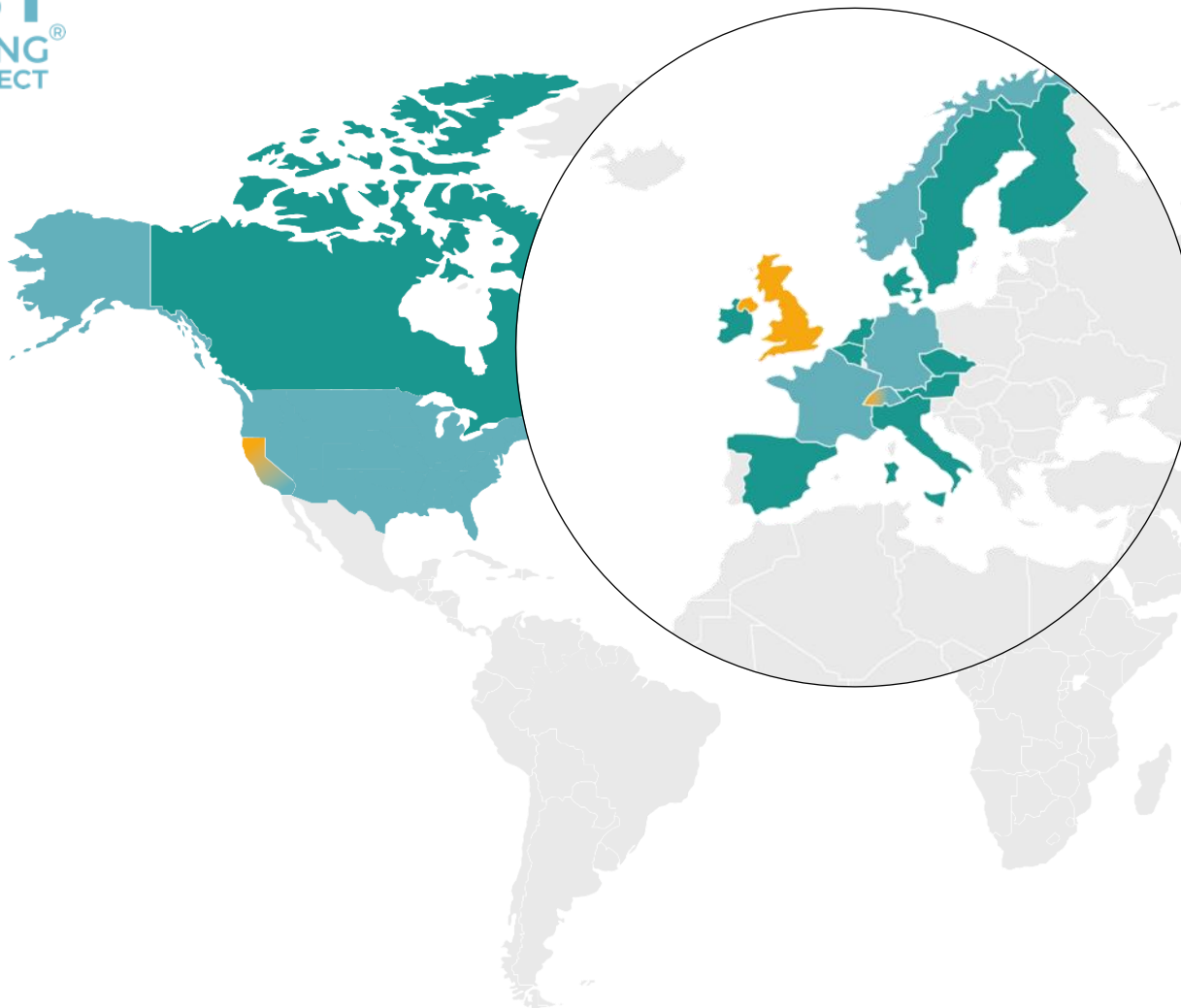
Due diligence steps (OECD)





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Evolving rules on due diligence



● Due Diligence (With Reporting) Obligation

- **EU Nagoya Protocol (2014)**
- **German Supply Chain Due Diligence Act (2020)**
- French Duty of Vigilance Law (2020)
- Norwegian Transparency Act (2022)
- **EU deforestation-free products (2023)**

● Reporting Obligation

- Australian Modern Slavery Act
- California Transparency in Supply Chains Act
- UK Modern Slavery Act
- Swiss Non-Financial Reporting Regime
- EU Corporate Reporting Directive (2021)

● Proposals for Regimes Developed/Considered

- Dutch Child Labour Due Diligence
- Belgian Duty of Vigilance
- **EU Corporate Sustainability Due Diligence**
- Canadian Forced and Child Labour Due Diligence

EU corporate sustainability due diligence

- Proposal 2023 (expected adoption 2024)
- Risks for companies **and** risks for society (double materiality)
- Human rights & environmental issues

- Child labour
- Forced labour
- Freedom of association
- Occupational health and safety
- Minimum wage
- etc

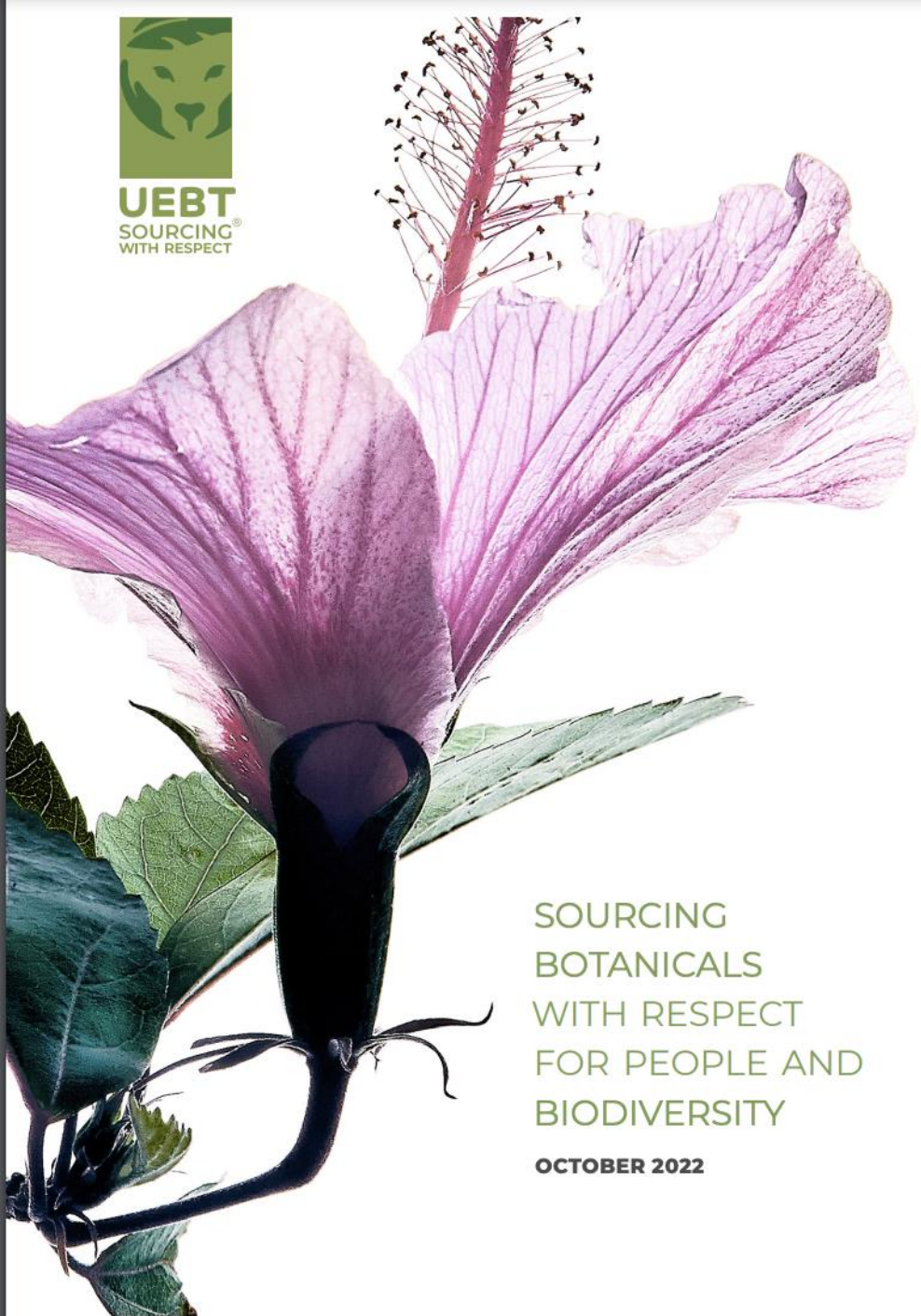
- Greenhouse gas emissions
- Pollution
- Biodiversity loss
- Ecosystem degradation
- etc

Due diligence steps (EU)



Implications for biotrade sector

- Don't forget human/ labour rights and the environment
 - Focus biotrade often on indigenous products, product development, market access



SOURCING
BOTANICALS
WITH RESPECT
FOR PEOPLE AND
BIODIVERSITY

OCTOBER 2022

Challenges in botanicals

Insufficient attention paid to biodiversity conservation practices

Agrochemicals misused or overused, and waste not well managed

Farmer and picker pay is often low (below min wage) and insufficient to lift them out of poverty

Implications for biotrade sector

- Don't forget human/ labour rights and the environment
 - Focus biotrade often on indigenous products, product development, market access
- Due diligence applies to all supply chains – including biotrade
 - Initial focus larger volumes (e.g. commodities), but smaller ingredients also in scope
- Focus is on larger companies, but SMEs are not off the hook!
 - SMEs will be asked to provide information to buyers!
- Documentation!
 - Buyers need evidence on social and environmental issues
- Cut and run?

Examples of what UEBT is doing

- Risk database for natural raw materials (including biotrade)
- Due diligence platform: facilitate supplier information collection
- Supply chain assessments
- Initiatives to address problems
 - Supply chain projects
 - Carnauba wax Brazil – working group to address ‘modern slavery’
 - Madagascar – sector strategy on Centella asiatica (social conditions)
 - Rooibos – dialogue around land conversion