



## UEBT System Overview

**Year**

**2022**

**Version**

**1.0**

1) The **STRATEGIES** our system employs to meet its sustainability objectives

UEBT is committed to a world in which all people and biodiversity thrive. Its vision focuses on companies that innovate and source natural raw materials with respect for people and biodiversity. UEBT's main strategies and interventions are aimed at supporting UEBT member companies, focused in the beauty, natural pharma, active food and beverages, and fragrances & flavours sectors, and their suppliers and field operators (producers, farmers, pickers) as well as other (non-member) companies and other private and public stakeholders in the ethical sourcing of ingredients from biodiversity. Our intended medium term outcomes include:

- Progress on company commitments on ethical sourcing.
- Stronger partnership and benefit sharing along supply chains.
- Promotion and sustainable use of biodiversity in sourcing areas.
- Improvement of working and living conditions for operators in the sourcing areas.
- Better practices and approaches on sourcing with respect for people and biodiversity.

The system has been designed to achieve these strategies through the following interventions: 1) a standards system for the promotion and uptake of ethical sourcing practices, 2) a membership association of committed companies, and 3) a knowledge sharing platform on ethical sourcing issues.

A key part of UEBT's strategies and interventions is aimed at supporting the specific stakeholder groups of UEBT member companies: those engaged and committed companies and their suppliers and field operators (farmers/pickers), because they are the ones that lead the way by example towards the implementation of ethical sourcing principles and practices in the sourcing of ingredients from biodiversity. However, UEBT also works with additional, non-member companies and other private and public stakeholders to enable UEBT's ethical sourcing principles and practices at the sector level.

## 2) A description of the **STANDARD** that our system has developed

The UEBT standard was developed based on the United Nations Conference Trade and Development (UNCTAD) BioTrade Initiative Principles and Criteria. Revised in 2019, the UEBT standard is aligned with international instruments such as the Convention on Biological Diversity (CBD) and the UN Sustainable Development Goals. The UEBT standard can be applied around the globe. It is applicable to both cultivation and wild collection. Companies that use the UEBT standard are primarily active in

- Cosmetics
- Food
- Natural pharmaceuticals

Nevertheless, the application of the standard is not limited to these sectors. The UEBT standard establishes good practices along the supply chain, from the cultivation and wild collection areas to the work of UEBT member companies, which may be positioned in various levels downstream (they may include farms, cooperatives, processing companies, product manufacturers and brands). The relevance of the good practices in the UEBT standard depends on where in the supply chain they are to be implemented. The UEBT standard can be used for

- General guidance
- Ethical sourcing systems
- Verification and certification of natural raw materials
- Chain of custody certification

Indicators in the UEBT standard have different levels of importance (minimum, critical, critical stepwise and regular). This means there are different expectations as to whether full compliance is required. Some indicators allow for additional time for implementation.

The standard is revised every five years in a public consultation process.

## 3) How we maintain **RESPONSIBILITY** for decisions taken about and by our system

UEBT is a membership organisation made up of companies that have gone through a rigorous process to obtain UEBT membership. The Board composition is also complemented by no less than one-third independent members drawn from non profit associations and with expertise in the issues we seek to address and/or the regions of the world we are working in. Within the Board there is an Appeals Committee, a Certification Committee, and an Executive Committee. UEBT also has a separate Standards and Assurance Committee that oversees our standard-setting process and provides guidance on our assurance system.

We are governed through inclusive and multi-stakeholder processes. The UEBT General Assembly consists of all members of UEBT and is the ultimate decision-making authority for the organisation. It meets once per year. The General Assembly elects the Board of Directors, which governs UEBT and gives strategic direction to staff in support of our mission and vision.

Within the UEBT Secretariat we have a four person leadership team and a management team made up of the programme leads for each major area of intervention. Within these teams there are various decision-making bodies such as a Claims Committee made up of the Executive Director and two claims experts to decide on exceptions related to claims made about UEBT. In M&E there are a series of protocols for how staff work with and manage and store data and how our methodologies are developed in collaboration with others. There is also a system of checks within the system before results are shared (such as sharing with those organisations or entities studies, and checks between the impacts team and the communications team before any outcomes or impacts are published), with the Executive Director directly responsible for the quality of the M&E system in collaboration with the impacts lead.

#### 4) How our system's design demonstrates a **COMMITMENT TO IMPROVEMENT**

UEBT has an M&E System to gather information on and assess the implementation of ethical sourcing practices and their results. It provides insights on the reach of the ethical sourcing practices (i.e. outputs) - including the number of suppliers and workers adopting them, etc. - the results of the implementation of those practices (i.e. outputs and impacts) - such as the changes promoted in member companies and their supply chains with respect to biodiversity and socio-economic conditions, etc. The UEBT M&E system is based on regular collection of data and the implementation of evaluation studies of selected supply chains.

As a member of ISEAL Alliance, UEBT have developed its M&E System following the ISEAL Impacts Code. The UEBT M&E system is proportionate to the size of the organisation and verification and certification activities and it is regularly updated in its scope, activities and tools as the organisation evolves. Staff meetings, adoption of organisation strategic plans, and standard reviews are occasions to discuss and update the M&E system. The structure and functioning of the M&E system is documented in the M&E public system report.

In particular, the UEBT M&E system monitors and evaluates the following:

- The reach and scale of UEBT promotion of ethical sourcing practices within member companies and their supply chains (Outputs, Level 1)
- The medium-term changes and results deriving from ethical sourcing practices in member companies and certified/verified supply chains (Outcomes, Level 2)
- The long-term effects of ethical sourcing practices on people and biodiversity in certified/verified supply chains and supply chains involved in projects and initiatives promoted by UEBT (Impacts, Level 3).

Performance monitoring – monitoring the reach and scale of UEBT promotion of the UEBT standard’s principles and practices within member companies and certified supply chains (Outputs, Level 1) – is done through systematic collection of data about the short-term results or outputs of UEBT program implementation at the level of the member companies and certified supply chains. The data is collected yearly members self-reporting and certification audits and periodically through membership assessments and field verifications.

UEBT defined a list of outputs indicators to monitor the reach and scale of the UEBT programs. The list has been used for some years and has been reviewed to adjust to the UEBT standard issued in 2020. Stakeholders have been consulted to define the output areas in the UEBT ToC. After that, the UEBT M&E team has put forward a list of outputs indicators that:

1. Allow measuring the output areas in the ToC,

2. Build on those indicators that have been used in the past to ensure continuity,
3. Can be collected reliably and regularly through daily assurance activities,
4. Reflect the need of the UEBT assurance team to monitor the short-term results of the UEBT programme and facilitate learning to take corrective actions and improve the effectiveness of the assurance activity.

UEBT has a M&E data management approach, including procedures for data collection; storage and access; quality; analyses, reporting and sharing; and confidentiality. Recently, the intensification and expansion of UEBT activities (e.g. new members as well as new certification programs) have prompted a further automatisisation and formalisation of the M&E data management approach.

There are four entry points for data on the reach, scale and outcomes of the UEBT programs:

- Certification audits,
- Membership assessment,
- Field verifications,
- Annual reports.

They all provide information to cover indicators on the reach and scale of ethical sourcing practices (e.g. number of natural raw material prioritised/certified/verified, size of the areas where they are cultivated or collected from the wild, number of people involved in the cultivation or wild collection, etc.) as well as on the outcomes (e.g. progress in implementing supply chain risk assessment, progress in implementing practices to overcome risks and generate positive impacts, etc.).

Learning and improving is an important goal of the UEBT M&E system. It concerns both the M&E system specifically and the broader UEBT standard system. M&E is systematically incorporated in UEBT's operations. M&E activity's results are shared and discussed within the UEBT staff, with the senior management and the governance structure. They inform the process of adjustment for increasing effectiveness of the UEBT M&E and standard systems.

The following procedures are part of the M&E way of working, and are practiced encouraging learning at all levels of the organization.

1. Day-to-day feedback with staff, members and CBs on M&E activities
2. Regular staff meetings on M&E reports and sharing of those reports or summaries with members and other stakeholders
3. Stakeholder consultations, with both internal and external stakeholders on M&E components and evaluation studies
4. Feedback to published or otherwise shared M&E results.

#### 5) How our standard or tool is monitored and reviewed to ensure its **RELEVANCE**

UEBT has a number of ways we reduce barriers to access including free or reduced membership fees for organisations in non-OECD countries or with a turnover of less than 1.9 million Euros and that are directly responsible for the cultivation or collection of the natural raw materials. We also work to ensure our Field Checklist and its guidance, that suppliers locally will use to understand and make changes to meet the UEBT requirements, are written in additional languages for better understanding. In our assurance programmes we take a risk-based approach and audit frequency of verifications differs depending on risk. Membership assessments can take place at the desktop level if low risk. Information is made public on the web site with regards to UEBT fees, the standard, the various checklists, and all the guidance available. UEBT has made available several online training modules made up of small easy-to-watch videos that can be watched directly from YouTube to support members on understanding the ethical sourcing practices we promote.

In revising our standard, we follow a robust public consultation process and work directly with a wide variety of stakeholders. During the last revision in 2018-2019 we used direct emails to stakeholders, calls for comments on social media and on our web site home page, an email address, an online form, and consultation workshops held in the Netherlands, Madagascar, Brazil, Vietnam, Myanmar, South Africa and India. Stakeholders were identified in nine broad categories and the Standards and Assurance Committee oversaw the approach to stakeholder engagement. More than 130 people were engaged in the process in 2019 from more than 60 organisations.

The UEBT standard was made more relevant in the last revision through the following improvements:

- Better defined practices and detailed guidance on biodiversity conservation and sustainable use with an increased focus on regeneration of biodiversity.
- A more outcome based approach.
- More guidance on cost-calculation so that fair prices are paid.
- Better alignment with legal developments related to benefit sharing.
- Further alignment with UNGPs and ILO conventions.
- A continuous improvement approach with some stepwise indicators that can be prioritized in later stages.

#### 6) How the standard or tool is **IMPLEMENTED**

The UEBT standard is implemented by member companies that take clear steps towards improving their sourcing of ingredients from biodiversity. The standard comes into play at various stages and in various UEBT programmes including in verification and certification but also during the membership check for some of the indicators. In UEBT due diligence and risk tools (in development and pilot testing in 2022), elements of the UEBT minimum and critical indicators are also incorporated.

In the membership assessment, the six minimum requirements inside the UEBT standard are checked including no deforestation and no infringement of human rights. Critical requirements related to the company operations and facilities are also checked, including traceability and environmental quality systems.

A prospective member company also makes a workplan that UEBT approves, with specific actions for prioritized supply chains. They must establish due diligence approaches to assess and mitigate risks across all supply chains, and these must be in line with the minimum and critical requirements of the UEBT standard. UEBT supports members in this step with customized tools. For the prioritized supply chains, the member must gradually ensure that the cultivation of wild collection practices are verified or certified against the UEBT standard or other standards with similar objectives. These supply chains must meet the minimum and critical requirements and there must be improvement plans in place for meeting the full UEBT standard over time. UEBT implements field verification as well as field-based ingredient certification programmes that support members with this deeper step in their priority supply chains.

UEBT assurance is overseen by the UEBT standards and assurance committee and carried out by the UEBT verification and certification teams, with support from a group of accredited CBs. UEBT manages CBs through a set of requirements and protocols and requires CBs to undergo training on the UEBT learning platform. We run regular online training sessions and calibration sessions for auditors. We have comprehensive learning modules for both CBs and for field verification auditors in our learning platform. Each module is made up of a series of videos, additional resources, and quizzes to check learning. We have a series of guidance factsheets for auditors as well with tips and cases.

Auditors conducting UEBT audits must be fully trained auditors with proven experience in auditing in social and environmental scheme(s). UEBT auditors must have successfully completed the training modules provided by UEBT, composed of the training modules, face-to-face training when available and observed audits accompanied by UEBT staff. The auditors are also expected to participate in periodic refresher-training events that are provided by the UEBT Secretariat.

In case of UEBT certification, the UEBT Certification protocol defines a scoring system that sets the minimum level of compliance required for certification. Major non-conformities need to be addressed by the (candidate) UEBT Certification Holder before being certified. The Certification Body that conducted the certification audit checks if non-conformities has been satisfactorily addressed. UEBT's Certification Committee, an internal committee of the UEBT Secretariat, makes the final certification decision on the basis of the recommendation put forward by the Certification Body conducting the certification audit. Cases of complaints or appeals to decisions, both regarding UEBT membership and certification, may be submitted to the UEBT Appeals Committee and are handled according the UEBT Appeals Procedure. This document is publicly available.

The claims made related to the UEBT standard are governed by the rules in UEBT Claims and Labelling Policy and overseen by the UEBT claims committee.