Green INGREDIENTS

Leaders in natural household and personal care take formulating with green ingredients to new levels by focusing on sustainability and ethical sourcing.

Christine Esposito • Associate Editor

ROM ANSWERING consumer demand for more natural products to sustainability to ethical sourcing practices, there is a bevy of factors influencing the use of green ingredients.

The household and personal care market is packed with companies trying to leverage consumer demand for green/natural/organic, and firms enlist an array of tactics that range from using Mother Nature as marketing inspiration to employing principles and practices that place her on a pedestal. For some, harnessing a naturally inspired raw material to capture consumer attention is the goal, but for the greenest firms in the industry, it is a much more complicated process that digs deeper down the supply chain. And some even get their own hands dirty, so to speak, operating their own supply sources.

The Green Journey

For leaders in the natural space, sourcing and formulating finished products with green ingredients has always been an evolutionary process.

"You don't really'arrive' at a destination when it comes to being green with personal care formulas and materials sourcing; it's a process that continues to evolve," said Michael D'Arminio, senior vice president and chief creative officer at Arbonne, which incorporates a number of green ingredients into its cosmetic and personal care products.

Market leaders have watched as industry has changed too.

"Sustainable/ethical sourcing has evolved within the industry as the level of transparency expected by consumers and the kinds

Aveda's Invati line features turmeric sourced by Nisarga, an Indian company that supplies Ayurvedic herbs using organic and biodynamic agriculture.

of due diligence expected by regulatory agencies has changed. Our goal is to ensure our programs of environmental and social responsibility continue to lead the industry and also evolve to meet and exceed these expectations," said Cindy Angerhoffer, executive director of botanical research at Aveda.

The greenest firms in the industry employ detailed processes when it comes to sourcing green ingredients.

Method, for example, enlists a comprehensive vetting process, according to Saskia van Gendt, Method's greenskeeping manager. All of the ingredients in Method's formulas are assessed by McDonough Braungart Design Chemistry, which is based on the assessment methodology established by Michael Braungart, coauthor of the Cradle to Cradle design principles.

"Our assessments evaluate our ingredients on 17 different environmental and human health endpoints including oral, skin and eye irritation; reproductive effects; biodegradability; and bioaccumulation," said van Gendt. "Our green chefs—our formulators—can only use ingredients that we've screened through this process. We're like the mom that stocks her pantry with healthy ingredients, so that her family only eats healthy foods."

According to Angerhoffer, Aveda has embarked on a "significant cross-functional effort" to improve how it evaluates and selects sourcing projects. The company has been working with third party organizations that specialize in evaluating companies for environmental and social responsibility based on objective, recognized standards.

Currently, Aveda works with Nisarga, an Indian company that

supplies Ayurvedic herbs using organic and biodynamic agriculture. Nisarga grows organic turmeric at its Umbari farm, creating jobs for nearby villagers who plant the fields, harvest the rhizomes, then steam, dry and polish them for shipment. Nisarga employs an environmentally friendly extraction method using carbon dioxide, which leaves no toxic residues and works at a lower temperature—yielding highly potent extracts, which Aveda features in its Invati line for thinning hair.

Through the alliance, Aveda has provided funds to repair and rebuild the drinking water systems for these villages and supported Nisarga's efforts to gain 'For Life' certification from the Institute for Marketecology (IMO), which includes manufacturing facilities and the farms where the turmeric is grown.

"They are doing good work in the organic agriculture

movement in India and are aligned with Aveda's mission in many ways," noted Angerhoffer.

Great Minds...

When it comes to ingredients, leaders in the green movement seek like-minded suppliers.

"We have many initiatives in motion, including collaboration

BIODIVERSITY BAROMETER RISING

• According to the 2013 Biodiversity Barometer from the Union for Ethical BioTrade (UEBT), 75% of consumers surveyed worldwide are aware of biodiversity, while 48% can give a correct definition of the term.

Consumer awareness is up (from 56% to 65% in Germany, France, UK and USA between 2009 and 2013), as is beauty companies' reporting on biodiversity (from 13% in 2009 to 32% in 2013), according to UEBT, which is a non-profit association that promotes the 'Sourcing with Respect' of ingredients that come from biodiversity. Members of UEBT, which currently include Weleda and Natura, commit to gradually ensuring that their sourcing practices promote the conservation of biodiversity, respect traditional knowledge and assure the equitable sharing of benefits all along the supply chain, according to the organization.

The UEBT Barometer, which provides insights on evolving biodiversity awareness among consumers and how the beauty industry reports on biodiversity, also illustrates the progress toward achieving the targets of the Strategic Plan of the United Nations Convention on Biological Diversity (CBD). The survey was conducted among 6,000 consumers in six countries (Brazil, China, France, Germany, UK and US).

"Today, 32 of the top 100 beauty companies in the world refer to biodiversity in their corporate communications such as sustainability reporting and websites. This is considerably higher than in 2009, but much lower than what we found in the top 100 food companies," according to Rik Kutsch Lojenga, executive director of UEBT.

Responses to the survey question: "What are the three brands you consider are making the most efforts to respect biodiversity?" were manifold and often country-specific, according to UEBT. In Brazil, there is a clear leader with Natura (49%). In the US, most survey respondents mentioned food brands, including Kraft, Starbucks and Ben & Jerry's. The UK had two leading companies—The Body Shop and CO-OP (23% and 20%)—while in France Yves Rocher, Nestle and Danone topped the list. In China, the perceived leaders are Yili, Mengliu and Amway.

In the survey, 87% of consumers said they want to be better informed about how companies source their natural ingredients, and a large majority of consumers say they would boycott brands that do not take good care of environmental or utilize ethical trade practices in their sourcing and production processes.

On April 19, UEBT held its fifth annual "Beauty of Sourcing with Respect" conference in Paris. This most recent edition was supported by L'Oréal and Natura Cosmetics and drew 150 attendees, the largest number of participants to date.

More info: www.ethicalbiotrade.org

with our suppliers who share our sustainable harvesting mission," said Dr. Peter Matravers, vice president of product development at Arbonne. "We look for vendors who meet us on common ground; who share our sustainable harvest philosophy. Suppliers who care about their company employees and also about the consumers who ultimately use their products."

According to Matravers, staying compliant with Arbonne's botanical-green mission "involves more time, effort and commitment to determine the efficacy of ingredients, to ensure that even beyond being inspired and produced by nature, that they meet our standard of—Pure. Safe. Beneficial. This means that the ingredients must deliver high performance, as well."



This mascara from
Arbonne contains pea
extract and bamboo leaf/
steam extract, which are
skin conditioning agents.

Performance matters at Method too. s According to van Gendt, Method seeks"key suppliers that have an aligned goal to shake up

suppliers that have an aligned goal to shake up the cleaning category by providing highly functional products that are safe for people and for the planet."

Segetis, a Golden Valley, MN-based green chemistry company, met those ideals. Method first linked up with the firm in 2011.

"Segetis' renewably-sourced solvent works great, and it comes from a renewable, more sustainable source," said van Gendt. "The partnership with Segetis worked so well because both companies strive to bring innovative, efficacious green chemistries to market."

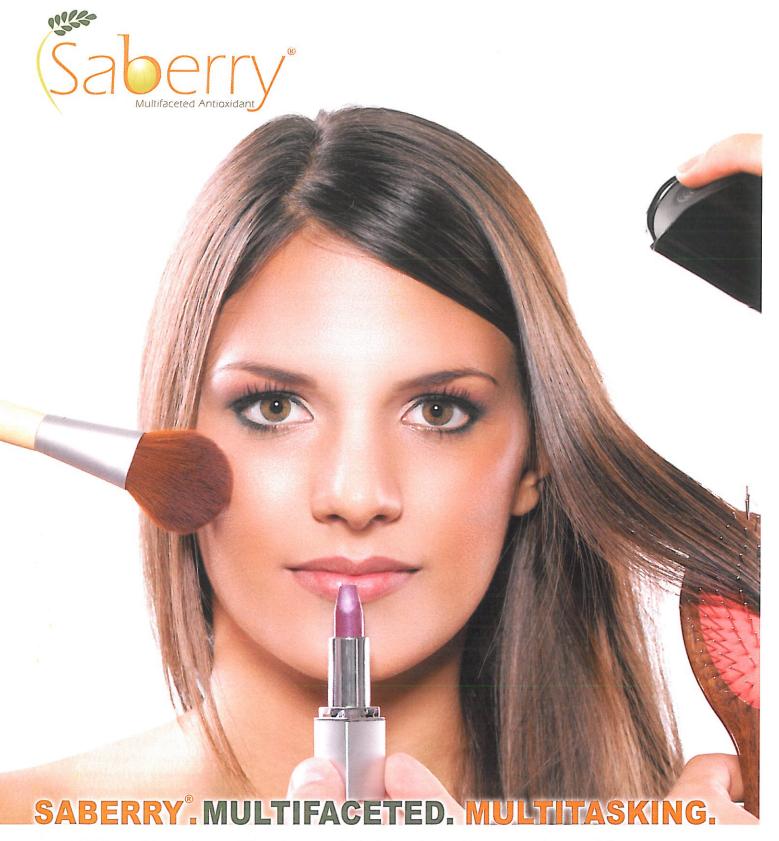
According to Hugo Saavedra, co-founder and chief executive officer of Hugo & Debra Naturals, marketers shouldn't compromise when it comes to green ingredients. As an example, he cited Japanese honeysuckle extract, which the firm has used as a preservative.

"We required the manufacturer to change the way it was manufactured, and the company did," Saavedra told attendees at the recent Sustainable Cosmetics Summit in New York City. At the conference, which was organized by Organic Monitor, a number of leading cosmetic and personal care companies discussed the issues surrounding sustainability. Participants ranged from the biggest in the business, like P&G and J&J, to smaller brands like Dr. Bronner's and Intelligent Nutrients.

Growing Your Own

More companies are looking closely at sustainability when it comes to the green ingredients they source, especially in highly visible categories, such as palm oil.

For a number of years, Oriflame had purchased its palm oil from certified sustainable sources, initially through the purchase of green palm credits. In 2012, it began production of a foaming product that contained RSPO-certified segregated sustainable palm oil. Most recently, in March, the company's Swedish facility obtained a trademark license allowing future production



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of Oriflame's Swedish Spa Refreshing Shower Gel, 2187 to carry the RSPO logo.

Dr. Bronner's Magic Soaps has firsthand experience with sustainable palm through Serendipalm, a sister company it created in Ghana in 2007.

Serendipalm—which buys its entire organic certified palm fruits from 500 local smallholder farmers—operates one mill at

full capacity, producing 350 metric tons of crude palm oil per year. That supply currently serves Dr. Bronner's and a select group of European customers, but in order to meet Dr. Bronner's growing demand for fair trade palm oil, expansion is underway.

Another marketer active at the "ground" level is Apivita, a Greek health and beauty company founded by pharmacists Nikos and Niki Koutsianas. In operation since 1979, Apivita products can be found in 11 countries including Spain, Hong Kong and US, and the company has its own herb and bee farms.

In 2004, Apivita established a bee farm with 50 beehives. Seven years later, the firm formed Apigaia—which means "land of the bee" in Latin—in collaboration with local beekeepers. Apigaia is now the single largest apiary (2000 beehives) in Greece. Featuring state of

From drum and tote lots to multiple

tankwagons and tank cars



the art bee product harvesting facilities, less than 40% of the production is harvested, and Apivita treats the hives with essential oils and plant extracts to promote the sustainability of the hive.

The Apivita Farm was founded in 2009 to focus on the quality, safety and full traceability from the "earth to the bottle" of all medicinal and aromatic plants used in

its products "while leading the way to an alternative sustainable cooperative agricultural practice in rural Greece," according to the company. The farms, which are located in four different regions of Greece (Mt. Olympus, Arkadia, Fthiotida and Thessaly) cultivate local herbs such as Greek mountain tea, St. John's wort and lavender. Apivita also collaborates with organic farmers and herb collectors that follow sustainable wild crafting practices.

"Our purpose has always been to promote ethical and sustainable business," Nikos Koutsianas said during a roundtable discussion at the Sustainable Cosmetic Summit

Fair Trade & Giving Back

Many green leaders look beyond sustainability issues when it

comes to sourcing their ingredients; ethical practices are part and parcel to their business.

"Theoretically, you can have certified an organic product that was made with child or forced labor," Dr. Bronner's business development specialist Les Szabo said during the Sustainable Cosmetics Summit.

To avoid that situation, his firm sources all of its major raw materials from Fair Trade projects around the world that ensure a fair price, living wage and community benefits for farmers, workers and their families, according to the company. To date, the firm has directly built, or partnered with Fair Trade projects in Sri Lanka, Ghana, India, Kenya, Mexico, Ecuador, Palestine, Israel and Zambia, for Fair Trade organic coconut, palm, tea tree, avocado, jojoba and mint oils, as well as fair trade ethanol and beeswax.

Dr. Bronner's—which contends some 3,600 farmers and workers around the world benefit directly from participating in its supply chains—was recently accepted as a member of the World Fair Trade Organization (WFTO), an organization it calls the "authentic voice" of Fair Trade and a "guardian of Fair Trade values."

Unlike companies that have some products with some ingredients certified under Fair Trade USA or the Fair Labeling Organization (FLO),



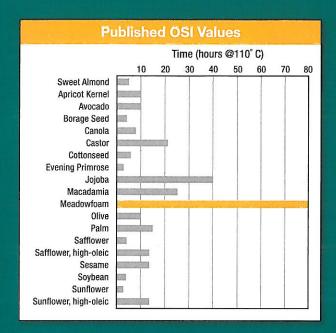
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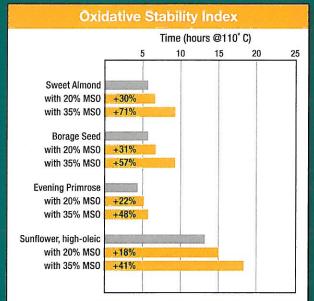
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WFTO members are dedicated to Fair Trade principles throughout all their major supply chains, according to Dr. Bronner's.

More company executives want to give back to the regions and people that provide their green ingredients. Aura Cacia has launched a 1% Organic Fund, with 1% of the sales of all its organic products funding projects that aid farmers and their communities.

The program was designed to promote the sustainable production of natural and organic products and create partnerships built upon a mutual respect for quality botanicals and sound social and environmental principles. And, it gives con-

sumers the opportunity to use their purchases to influence the way the world does business, according to the company.

The first project associated with this fund is a preschool for the children of families who pick organically grown ylang ylang flowers near the village of Ambohimena in Madagascar.

Even the smallest firms in the business are forging these alliances. Bamboobies, a Colorado-based manufacturer of breastfeeding



accessories, recently partnered with BeadforLife to launch Bell-ease Belly & Baby Butter, which is made from 100% certified organic Ugandan shea nut oil. BeadforLife is a nonprofit founded to create opportunities for Ugandan women to earn livable wages. In 2009, the organization started an income-generating project in Northern Uganda, creating a livelihood for poor women who farm.

What's Ahead

Looking forward, the demand for green ingredients in personal care and household products will be fueled by consumer desire—as the category grows more complex with issues like sustainability and biodiversity coming to the fore.

This in turn will have marketers on the prowl for suppliers that can offer novel, efficacious green ingredients that also address ethical, social and sustainability issues. For Saavedra of Hugo & Debra Naturals, it's a matter of ask and you shall receive.

"When it comes to ingredients, ask for it—and suppliers can do it," he said in New York last month. "Push them to bring more innovation into their field." •

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