

IADSA CONNECT

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**IADSA commissions
IPSOS to survey industry
on sustainability**

CMA POSITIONS ITSELF
FOR CLIMATE ACTION

AHPA PUTS SUSTAINABILITY
TOP OF THE AGENDA

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GOED AND SUSTAINABILITY

When GOED polled its members on what they viewed as the most important topic in the omega-3 sector in 2020, a majority answered “sustainability”. After hearing this response perennially over the past decade, GOED has now named sustainability as one of the strategic new work pillars in its five-year plan.

WHAT HAS GOED DONE TO DATE, ONE YEAR AFTER INITIATING THE ACTIVITY?

GOED realized early on that it had a steep learning curve ahead. One of the most important lessons to date is the confirmation that GOED straddles a long supply chain for its nutrients of interest, EPA and DHA, that reach all the way from biomass to the consumer. The assumption that GOED can only act in improving sustainability through its historical relationship with the fishing industry is a narrow view. Today, the omega-3 supply chain encompasses various other sources of EPA and DHA, including other marine sources such as marine crustaceans, such as krill and calanus, the quickly growing sector of omega-3-rich oils obtained from cultivated algae, and upcoming sources of terrestrial EPA and DHA from seed oil crops. We have decided that our scope needs to reflect the reality that GOED’s members only partially work in the biomass portion of this supply chain, which also encompasses refiners/processors, brokers, contract manufacturers, brands and retailers, specialized consultants, and laboratories. This left GOED with an important question: what should and can GOED do in the sustainability arena as an organization? The intuitive answer is to support the entire EPA+DHA supply chain. What is the best approach to achieve something tangible and synergistic, beyond what our members could achieve on their own?

In the second half of 2021, we conducted a detailed sustainability survey among more than 160+ member companies to gain deeper insight into what GOED’s role should be and what our members are already doing to track and improve their environmental, social and governance (ESG) impacts.

We asked questions about members’ certifications, membership in sustainability associations and consortia, and any extracurricular ESG initiatives.

We obtained a 72% response rate.

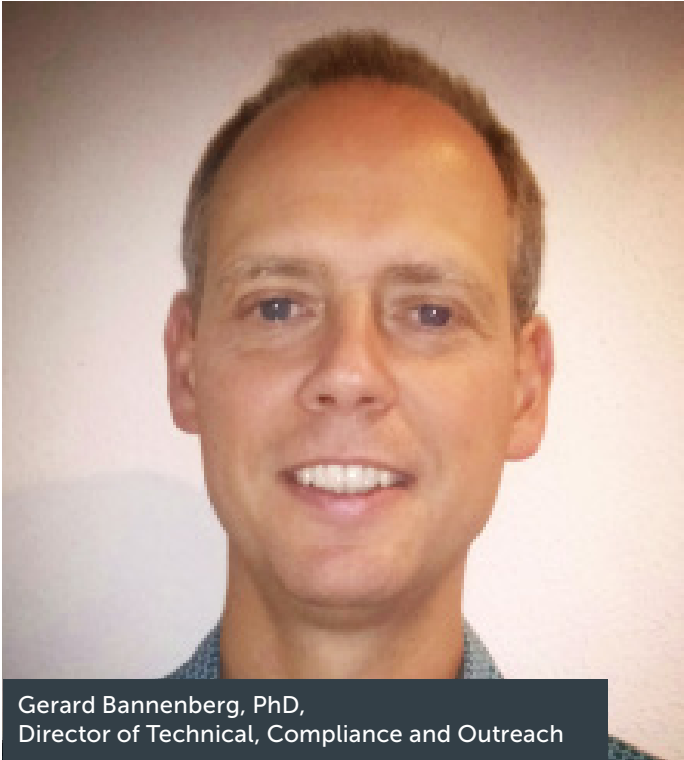
More than 55% of 86 open-ended answers recommended that GOED create or curate ESG training and resources for members:

“GOED should help members find sustainability plan implementation training and organize workshops, seminars, conferences and dialogues.”

Around 30% of suggestions included benchmarking the industry via standards, assessments and key performance indicators (KPIs):

“GOED should benchmark its members based on known best practices in ESG management and help the industry select responsible suppliers.”

Around 10% of suggestions defied any single category, like ESG regulatory advocacy with specific governments, collaborating with specific certifying bodies, and being a watchdog against greenwashing - spending more time and money on marketing oneself as environmentally friendly than on actually minimizing environmental impact.



Gerard Bannenberg, PhD,
Director of Technical, Compliance and Outreach



Chris Gearheart,
Director of Growth & Engagement

WHAT ARE THE NEXT STEPS?

The next steps are based on these and other responses from members — defining what sustainability means for us as an association, writing a resulting set of questions to address in the next year, and turning those answers into action items over the next three years. One major question is whether GOED should take an active supervisory approach and request verifiable improvements from its members, or whether GOED should rather support our members individually on their own sustainability journeys through study and education.

There are things to say in favor and against either approach. We may adopt a hybrid model that incentivizes progress from our members towards specific ESG outcomes and provides practical support to members, particularly those that are smaller in size.

In parallel to executing the survey, GOED has explored whether other trade associations in the nutrition/food ingredients sector have perhaps already developed operative or promising sustainability frameworks. To date, we haven't identified any models that match GOED's situation closely enough to invite direct imitation. The closest match has been the Pet Sustainability Coalition — we are currently assessing how usefully we could create a similar structure under GOED's umbrella. We are excited to complete our research and present the membership with a path to a supply-chain-wide sustainability initiative in the coming years.




QUESTION TIME: IADSA COMMISSIONS IPSOS TO SURVEY INDUSTRY ON SUSTAINABILITY

IADSA is already championing sustainability principles for the supplement sector. Now its planning a global survey to map out the industry's views on ESG issues.

In November 2021, IADSA launched its Guiding Principles on Sustainability, positioning the alliance at the forefront of the global food supplement sector's efforts to help create a more sustainable world. The eight principles provide over-arching action points to enable the global supplement supply chain to accelerate and collaborate on sustainability.

Now that governments are increasingly introducing sustainability objectives in regulation and policy, it is important for IADSA to better understand where the sector stands on environmental, social and governance (ESG) issues to-date and where current barriers lie. IADSA has therefore commissioned the global consumer research company IPSOS to develop and implement a global survey. This will take the form of a short, online survey of the members of IADSA's national and regional associations.



The survey is scheduled to be launched in September this year and will be available in English and a selection of other languages. The answers provided will be strictly confidential. Individual responses will be anonymised, and it won't be possible for IADSA or member associations to link them to any person or business.

Simon Pettman, IADSA's Executive Director, said: "There's a need to establish a baseline for the whole sector, from the smallest companies to the largest. The survey will give us a better understanding of the perceptions of the sector concerning ESG issues while identifying current priorities, trends and barriers."

He continued: "It will help us to identify the areas where progress has been made, and those where more attention is needed. In turn it will enable IADSA to define next steps to assist companies in moving forward independently or collaboratively on their sustainability journeys".

The areas to be surveyed are being developed by a task force of experts within IADSA and will address a broad range of issues associated with the United Nations Sustainable Development Goals. IPSOS will distribute the survey to respondents via a unique link. Member associations who partner with IADSA and IPSOS on the survey will receive the result for their relevant national market or region.

Simon Pettman said:

"Many of the industry's discussions with stakeholders in the future will be framed within the sustainability context. By completing the survey, supplement business will help us to gather the data and information we need to show real leadership on sustainability and also understand the barriers that hold companies back from greater engagement on sustainability targets".

CMA POSITIONS ITSELF FOR CLIMATE ACTION

There is growing international focus on climate governance and ESG reporting and the peak body, Complementary Medicines Australia are leading the way in order to support the industry.

The Australian complementary medicines industry is reliant upon the quality and biodiversity of nature and natural systems. Natural systems are increasingly impacted by the changing climate, accelerated by human modifications to air, water and land.

The 2022 Federal election showed climate as the number one issue for Australian voters and was a watershed moment for Australia. Not only has it led to the first change of government in nine years; it also marked the first time that an Australian prime minister has come unstuck for doing too little, to curb climate change. As a new government forms in Canberra, climate policy will be a key focus.



Emma Burchell, Director Operations,
Sustainability Committee Secretariate,
Complementary Medicines Australia (CMA)

Climate change remains a key focus for Australian Boards, investors, stakeholders and regulators. For Industry Associations, governance expectations and new international frameworks are continuing to evolve making this an important area for leadership, member development and education.

Complementary Medicines Australia has lifted its focus on climate governance and as part of supporting members has provided a bold Board endorsed Position Statement on Climate Action.

To support the statement, the CMA's Sustainability Committee developed a work program titled: Partnering for a Positive Global Impact, which establishes major milestones and a strategy for roll out, education and communication activities.

The Industry Position Statement drives an emissions reduction goal by acknowledging climate change and biodiversity loss are threatening access to natural medicines, which are the primary form of health care for 80% of the world's population. It emphasises a collective obligation to contribute to mitigating the adverse effects of climate change, its impact on biodiversity, and embedding measures in business models to adapt to these changes.

CMA advocates that by 2025 CMA members will measure their greenhouse gas emissions footprint and have committed to an emissions reduction goal.





Holly E. Johnson Ph.D,
Chief Science Officer,
American Herbal Products
Association (AHPA)

GREEN LIGHT: AHPA PUTS SUSTAINABILITY TOP OF THE AGENDA

Sustainability has been in AHPA's DNA for decades, says Chief Science Officer Holly E. Johnson, Ph.D. As the association commemorates its 40th anniversary, she spoke to Connect about why ethical issues matter now more than ever.

When the American Herbal Products Association (AHPA) hosts its 10th Botanical Congress later this year, attention at the two-day virtual symposium will be focused on a single theme – sustainability – under the heading 'Botanicals and Planet Earth, 2022.'

The decision to concentrate exclusively on one topic reflects just how important it is to AHPA's members, says Holly E. Johnson, Ph.D., the organisation's Chief Science Officer. "Usually, the congress will cover broad issues affecting the botanicals sector with some sessions on sustainability," she explains. "But, this year, we agreed that it's a huge conversation, and we're at a critical moment in terms of climate change and how it could affect our members' businesses. We have two days' worth of material to talk about on this one subject, and our members want to have this discussion."

AHPA, which celebrates its 40th anniversary this year, has a long track record of embracing sustainable practices, and plant conservation in particular – to the extent that Johnson jokes that it is "kind of a hippy organisation." In the 1990s, for example, AHPA published a series of good stewardship handbooks incorporating best practice guidelines discouraging the over-harvesting of certain valuable wild-grown botanicals, including American ginseng and oshá. These harvest brochures remain extremely popular to this day, and they are among the most-downloaded documents on AHPA's website.

But Johnson says that sustainability has been embedded in some members' businesses for even longer than AHPA has existed. "Many of our companies have had an eye on environmental sustainability since the 1970s.



They've built a customer base that is not only sensitive to, but demands, high sustainability standards. Those business have done well: not only have they continued to grow, but they've grown massively. They've continued to do well even though they have invested heavily in sustainable ingredients and practices, showing that it's possible to build a customer base in this way."

More recently, in 2019, AHPA took another major step forward with the formation of a dedicated sustainability committee. This has been key, Johnson explains, to building a bridge between members' ethical commitments and their commercial strategies. "We wanted to highlight how sustainability isn't just about making corporate leadership feel good or sleep well at night. It can be good for your business and deliver a return on investment." The committee has also acted as a driver to take AHPA's ethical strategy beyond plant conservation and into other areas such as social impacts, carbon emissions and packaging waste.

It's becoming ever more important for botanicals businesses to embrace sustainability, says Johnson.

"We're seeing new regulations that mean even those companies that haven't built their customer base predominantly around sustainability standards are now having to address these issues. It's no longer just about achieving a return on investment; it's also about protecting your investment."

AHPA welcomes IADSA's recently published Guiding Principles on Sustainability, Johnson says. "It's very valuable to have a cohesive statement when you have a diverse, global membership. We welcome the opportunity to connect with international colleagues who are on the same journey to find out how they see things. There is usually much more that unites us on this issue than we realise."

The over-arching message for AHPA companies on sustainability is simply: "do something." "We don't expect members to become B Corporations overnight," Johnson says, referring to the high-profile B Corp certification scheme. "It's fine to start with one ingredient, or one recycling project, and go from there. Set small goals and keep taking steps forward. We're not here to shame anyone; we're here to help."

AHPA's 10th Botanical Congress takes place online on 16-17 August 2022. For more details, visit ahpa.org/Education/BotanicalCongress.aspx. Special offer for IADSA Connect readers: Register for AHPA's 10th Botanical Congress at the discounted AHPA member rate by contacting Melissa Do at mdo@ahpa.org.



