



UNION FOR
ETHICAL
BIOTRADE

SOURCING[®]
WITH RESPECT

In partnership with the
Rainforest Alliance



**RAINFOREST
ALLIANCE**

SUMMARY

IMPLEMENTING UEBT AND UTZ COMMITMENTS THROUGH THE MABAGROWN[®] PROGRAM

A Case Study | Summary

Using a methodology developed in collaboration with outside experts, UEBT and Rainforest Alliance (formerly UTZ) studied Martin Bauer Group's implementation of the mabagrown[®] program and the UEBT/UTZ certification process to investigate the implications for Martin Bauer Group as a company and for its suppliers.

The study goal is to gain insight into the possible positive, as well as unintended negative, effects of external certification programs on companies that have their own internal sustainability standards. Another goal is to communicate that information to stakeholders as well as use the learning for improving programs. This helps UEBT-UTZ know if it is succeeding in its vision to contribute to a world in which people and biodiversity thrive.

**This study was conducted with the collaboration of
Rainforest Alliance.**

FINDINGS

Benefits from mabagrown® and UEBT/UTZ programs:

- Improved traceability and transparency.
- Systematised approach to sustainability.
- Sustainability is grounded in the business and in its strategy.
- Improved competencies.
- Achieving trust with suppliers.
- Economic resilience during growing demand.
- Improved living and working conditions in the fields.
- Enhanced reliability.
- Increased confidence in communicating about the program.

Growing demand...

Demand for mabagrown® products is constantly increasing, with existing clients shifting to mabagrown® ingredients and new clients asking for them.

Existing mabagrown® clients remain committed to Martin Bauer Group because of the increasing recognition through UEBT/UTZ certification, which several of them had previously been asking for.

The demand is currently exceeding supply and prices paid are higher than in the average market.

Actions taken to fulfil the commitments:

- Redefinition of company sourcing approach and procedures including definition and implementation of a company sustainability standard, verification system and trainings for internal auditors and suppliers.
- After joining the UEBT/UTZ program new requirements on biodiversity and access and benefit sharing were added to the mabagrown® standard as well as more details on scoring, corrective actions and non-compliance.
- Reorganisation of departments and functions, including the growth of the mabagrown® team from two people to a full staff team across several departments. New functions and new staff added, including at the supplier level. Several junior professionals hired with new skills.
- Redefinition of relationships with suppliers toward more long-term, participatory relations and also more support for local development projects, particularly due to increased resources from the UTZ premium.
- Field operators increasingly involved in decision-making.
- More focus on traceability and separate stocking of prioritized ingredients.
- New production facilities to improve collection and raw material processing.

Interviewed

- 5 Martin Bauer Group staff, including:
 - Head of Strategic Procurement
 - Managing Director of Procurement
 - Head of the Supplier Management Team
 - Head of Sustainability
 - Biodiversity Action Plan Specialist
- 2 supplier staff, including:
 - managers of two supplier companies to Martin Bauer Group

Timeframe covered

2000 to 2017

Research Methods

- Semi-structured interviews with Martin Bauer Group
- Semi-structured interviews with supplier companies
- Audit data
- Company self-reports
- Desk research
- Validation with company, and with Rainforest Alliance and UEBT experts

About Martin Bauer Group

Martin Bauer Group is a global company with more than 2,500 employees passionate about botanicals. The group provides bespoke botanical solutions for the global tea, beverage, food and animal nutrition industries. Headquartered in Germany, Martin Bauer Group procures more than 200 botanicals from more than 80 countries and five continents.

Why Study Martin Bauer Group?

Since early 2015, Martin Bauer Group has been certified under the UEBT/UTZ Herbal Tea Program. To date, the certification covers 74 ingredients and supply chains in the company. Martin Bauer Group uses its own mabagrown® standard—which was accepted as equivalent to the UEBT/UTZ standard—to show it is fulfilling the UEBT/UTZ requirements.

Therefore, it represents one of the UEBT/UTZ Herbal Tea Program's unique attributes, the ability to work with a company with its own standard. This approach allows UEBT and UTZ to reflect on the efficacy of this and other aspects of the certification program.

Martin Bauer Group will also use the study for its own learning and for defining a M&E system.

Examples of local development projects

- Building centres in the field to be used as training facilities, with internet access and other services for field operators and their families.
- Provision of equipment to improve safety and efficiency at work in the fields and processing facilities.
- Installing beehives and selling honey to the staff for a low price.
- Installing water purification stations in the fields for worker and community use.
- Building sustainable residential buildings for field operators.

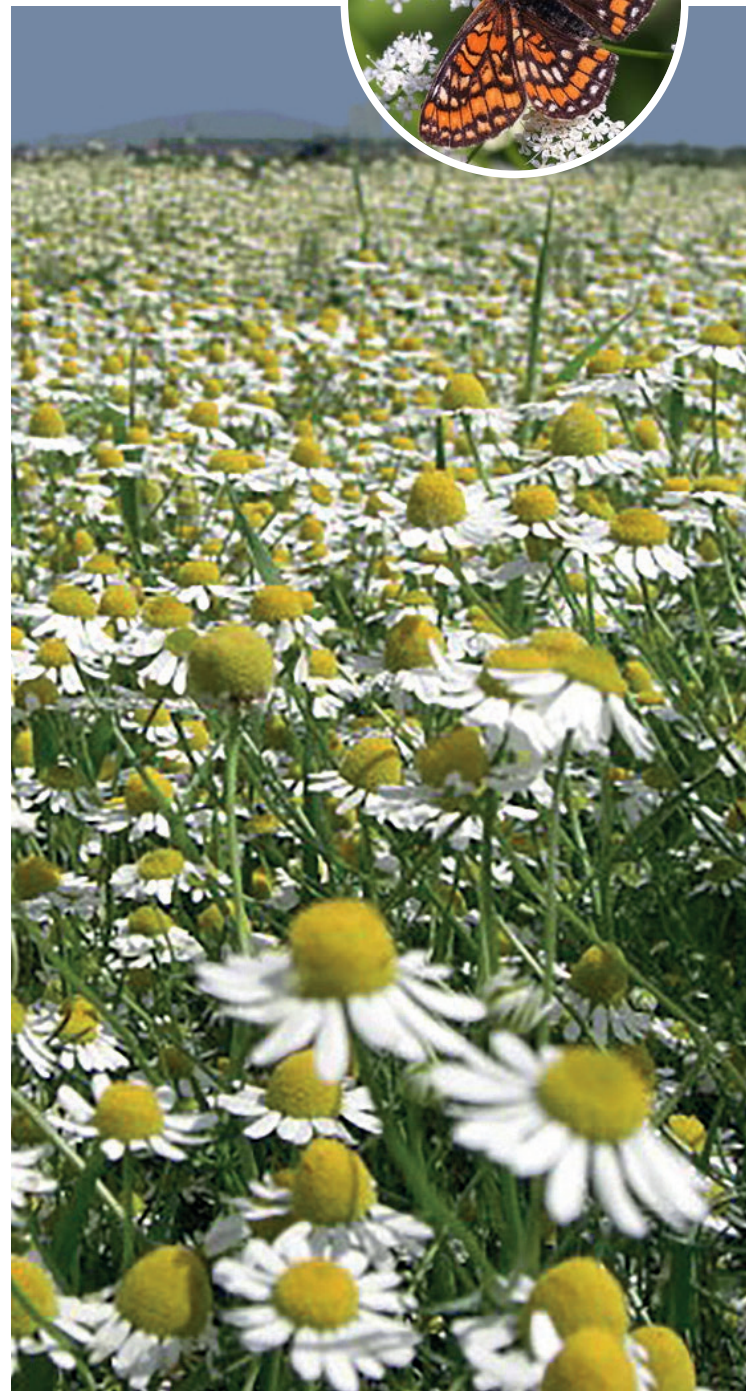
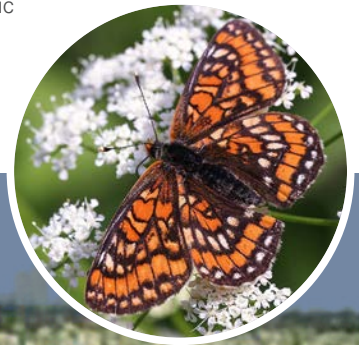
Changes to the mabagrown® standard after joining the UEBT/UTZ program

The internal standard was focused on quality, safety, socio-economic and environmental sustainability. After joining UEBT/UTZ the new version added the following:

- Checklist for small farmers to differentiate requirements in documentation compared to larger farms in line with UTZ.
- Specification of biodiversity aspects and introduction of the concept of Biodiversity Action Plans concerning the areas in and around where farmers and collectors work.
- Further specification of good farming practices, especially in relation to yield optimisation and fertiliser use, storage and disposal.
- Introduction of requirements related to payment of a premium.
- Social projects to be regularly monitored to ensure results for local development.
- Specification of actions to be taken in the case of disputes for access to resources and for fair remuneration for the use of local knowledge and resources.
- Reference made to regulations related to the use and trade of natural ingredients, and language around no involvement of suppliers in such criminal activities.
- Explicit mention of negotiation processes with suppliers and field operators for decisions on sourcing activities and prices.

Factors that stimulated the decision to join the UEBT/UTZ certification program and to comply with requirements.

- Demand for sustainability labels and external verification.
- Confident that communication is substantiated.
- Recognition and possibility to build on the existing system.
- Having tools and procedures in place and used for the mabagrown® system.
- Trainings and other forms of support for compliance with UEBT/UTZ requirements.
- External recognition, economic value and internal commitment.



Factors that stimulated suppliers entering the program

- Clients increasing demand for sustainability.
- Support from Martin Bauer Group.
- Resources available.
- Increased commitment of staff.
- New opportunities for certifications and opening of new markets.
- Recognition of work and efforts.

Challenges for company staff and suppliers

- Complexity of the procurement system with several supply chains, working in different contexts and with different starting conditions.
- Management challenges for coordination.
- Slow uptake in sharing and understanding the vision, due to limited internal and external communication.
- Cultural resistance to change.
- Difficult requirements to put in practice.
- Limited applicability of requirements which might not be appropriate in all contexts.
- Contextual factors including lack of land ownership, and confusing or changing legislation.
- Increasing demand for resources and late return on investments.
- Difficulty to find new suppliers to respond to the increasing demand.

Factors that could slow down progress

- Suppliers lost due to complex requirements.
- Too much extra work.
- Higher risks due to less flexibility in shifting to new suppliers.
- Risk of losing investments if suppliers do not comply and have to be moved back to the conventional supply chain.
- Risk of attracting more control and critics.
- Limited recognition of UEBT/UTZ at the supplier level.

Learning and next steps for Martin Bauer Group

- Offer more client oriented communication that is substantiated by stories, figures and evidence from the field.
- Continuously improve and expand the good practices implemented, both in supply chains already certified and in new supply chains to meet increasing demand.
- Improve analysis of supply chain conditions and plan interventions according to workload.
- Increase internal and external knowledge about interventions and results, to improve communications and substantiate claims.
- Improve the monitoring and evaluation system of the mabagrown® program and communicate about it to increase confidence of clients and other stakeholders.
- Complement this exploratory study with studies to look at actual impact on communities, verifying with primary socio-economic and biodiversity data the positive, negative, intended and unintended effects that this study has highlighted through perceptions.

For further information write to us at impact@uebt.org

The study was carried out between 2017 and 2018 by the monitoring and evaluation teams at Rainforest Alliance and UEBT. We thank Martin Bauer Group, the mabagrown® team and the suppliers to this program who have participated in the study.

About UEBT

UEBT is a non-profit association that promotes sourcing with respect. Its mission is to support and validate best practices of companies committed to ethical sourcing and innovation of natural ingredients for the benefit of people and biodiversity.

www.uebt.org

About Rainforest Alliance

The Rainforest Alliance is an international non-profit organisation working at the intersection of business, agriculture, and forests to make responsible business the new normal. We are an alliance of companies, farmers, foresters, communities, and consumers committed to creating a world where people and nature thrive in harmony.

www.rainforest-alliance.org



UNION FOR ETHICAL BIOTRADE

De Ruijterkade 6, 1013 AA, Amsterdam, The Netherlands | Telephone: +31 20 22 34567 | Email: info@uebt.org

Representation in Porto Alegre, Brazil | Ghaziabad, India | Antananarivo, Madagascar | Hanoi, Vietnam

Connect with us www.uebt.org | [in](https://www.linkedin.com/company/uebt) www.linkedin.com/company/uebt

Published March 2020