

**Progress Report**  
**PHARMOS NATUR**  
**2013/2014**  
**on the Leadership Declaration of the**  
**'Biodiversity in Good Company' Initiative**  
**Leadership Declaration**

**All signatory companies acknowledge and support the three objectives of the international “Convention on Biological Diversity”:**

1. Conservation of biological diversity
2. Sustainable use of its components
3. Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources.

**and commit themselves to:**

1. Analyzing corporate activities with regard to their impacts on biological diversity;
2. Including the protection of biological diversity within their environmental management system;
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;
7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.

## **1. Analysis of corporate activities with regard to their impacts on biodiversity**

Biodiversity and entrepreneurial activities interact with one another and are closely intertwined. Only if business activities go hand in hand with maintaining the ecosystems can man live in harmony with nature on a long-term basis.

As an organically growing business, PHARMOS NATUR Green Luxury sees itself, like nature itself, as a living system with a clear focus: doing everything it can to benefit man and nature. This holistic corporate philosophy is more important for PHARMOS NATUR Green Luxury than isolated single values. Values as a mission statement are the automatic consequence when all employees have consciously internalized the philosophy.

What has become a trend in many companies has been taken for granted at PHARMOS NATUR Green Luxury from the beginning. This means that all aspects of biodiversity are integrated into the corporate activities where possible.

It is about treating humans and nature with dignity and respect along the value-added chain within the framework of these corporate activities, it is not about exploiting them. Only then can all the energy of nature with all its possibilities and resources unfold. Nature in its diversity is the basis for business at PHARMOS NATUR Green Luxury as extraordinary healing and rejuvenating plants, grown in strip cultivation without any chemicals, are the basis of all products which are produced for the beauty, health and well-being of individuals.

The work carried out in the “corporate microcosm” also shows direct effects on the business activities relating to biodiversity in everyday life. Cutting emissions along the value-added chain is reflected on the ground e.g. in the entire fleet of vehicles and in all disposal and shipping activities. When new vehicles are purchased, the focus is on staying below the CO<sub>2</sub> limit of 100mg. Electric vehicles are available to employees for short-distance travels.

When it comes to production and all of the necessary materials, resource and energy efficiency is always considered in all reflections and actions as well as climate protection. Waste is avoided and it goes without saying that the sales packaging is licensed via a dual system and all packages are labelled with the Green Dot.

Wherever possible, only natural raw materials are used for the production of final products and by-products and waste products which are detrimental to the environment or harmful to health are avoided.



Furthermore, all rules of reasonable waste separation are respected in the office routine and only environmentally friendly office materials are used.

There are currently plans to move the company to an energetically practical location which is equipped with a better insulation and emission values.

## **2. Integration of the protection of biological diversity and its sustainable use into the environmental management system**

With the Eco-Management and Audit Scheme (EMAS), PHARMOS NATUR is currently establishing a joint system for environmental management and auditing in the company. The aim is to improve the environmental performance and proving it by an independent evaluation. EMAS certification is currently being prepared and the process is expected to be completed by the end of 2015. The protection of biodiversity and its sustainable use are an essential and challenging aspect.

This voluntary environment management tool, which was set up by the EU in 1995, aims to achieve an efficient improvement in environmental consequences and a better management of them as well as to provide reliable information concerning all environment-related topics. Since 2010, EMAS has included “biodiversity” as a core indicator and in addition to this, registered companies are required to analyse and report crucial relations.

Furthermore, another certification process is currently underway for our products by the Ecocert Deutschland GmbH and will be completed by the end of 2015. Ecocert Deutschland GmbH is a private, independent control and certification institution for organic farming. In the course of the certification process verifications are carried out to see if the cosmetic products produced and/or distributed which are to be certificated meet the requirements of the respective standards.

The aloe vera plant and black sesame seeds are some of the main PHARMOS NATUR Green Luxury plants. Every year, these main plants are examined by the German control institution LACON and hence even fulfil the strict requirements of food law.

PHARMOS NATUR also feels bound to the Nagoya Protocol. It is “a new kind of instrument for international nature conservation. It helps to better account for the value of biodiversity in the manufacture of new products and offers economic incentives for the conservation and sustainable use of nature.”

(Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety)

### **3. Appointment of a responsible role within the company to steer all activities in the field of biodiversity and report to the management**

For both the management and the employees, maintaining and a sustainable use of biodiversity are a matter which is close to their hearts. Biodiversity is not represented by one specific position but is the object of the company itself, given the current size of the company at 40 employees. Ultimately, biodiversity is not only an important basis of existence from an ecological perspective. Biological diversity also ensures that family companies can be handed on to future generations in the long run. Nevertheless, Richard Olbrecht is in charge of introducing EMAS and further certification processes and is aware in particular of the need to consider biodiversity in environment-related issues. Gaby Schmidt-Tschida is responsible for communicating the content to the public.

### **4. Definition of measurable and realistic objectives for an improved protection of biodiversity and its sustainable use that are monitored and adapted every two to three years**

Due to the future integration of the eco-management system EMAS, PHARMOS NATUR Green Luxury is subject to regular audits. Pursuant to public law, the EMAS system reliably covers all environmental aspects of CSR. "Biodiversity" has only been addressed as a separate subject in EMAS for a few years, and most companies and industries are still testing the measuring and control options. When it comes to determining future goals, PHARMOS NATUR will focus above all on its raw materials.

### **5. Publication of all activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report**

An environmental report will also be drafted within the framework of EMAS activities as soon as the certification process is completed in 2015. The report will then be prepared every two years, with the next one due in 2017.

## **6. Inclusion of and information for suppliers about the biodiversity objectives**

Supporting small farmers means sustainable welfare for many people around the world. Less wood clearing is achieved by more fertilisation of soils. This also improves the microclimate. A diversity of different cultures in small-scale cultivations provides a better living space for humans, animals and plants. Small farmers stabilise the regions and ensure biodiversity. There is a close collaboration and a regular exchange of information with the suppliers.

The quality of a product starts with the cultivation of the plants on the field. This is why PHARMOS NATUR Green Luxury collaborates with small farmers. The cultivation at powerful places rich in energy around the world creates luxurious healing and rejuvenating plants rich in active ingredients. Small farmers treat them with great levels of expertise, care and affection and they get good prices for them. This means that the farmers can feed their families and send their children to school with the money they are paid by PHARMOS NATUR Green Luxury.

In Ecuador on the Pacific Coast for example, our very special aloe vera is grown in strip cultivation and without any chemicals. The prices paid for the plants by PHARMOS NATUR Green Luxury are the reason that around 250 children can go to school, from primary to secondary school. In the mountain region at 2,800 meters above sea level, a special type of babaco is cultivated. The earnings here serve to providing elderly people with a warm meal a day.

These special raw materials are processed under controlled conditions in accordance with the most modern standards in Germany for the products of PHARMOS NATUR.

These partnerships with small-scale farmers are not isolated and temporarily limited projects. The collaboration with all partners is on a long-term basis along the entire value-added chain. You know the corporate objectives: the plants are exclusively grown in strip cultivation which is crucial for biodiversity.

With all of its products, PHARMOS NATUR Green Luxury stands for a sustainable production of high-quality cosmetics, natural Lebensgesundmittel (healthy foods) and extra-ordinary treatments with fresh plants.



As a consequence, for PHARMOS NATUR Green Luxury as a company this also means that new markets for the high-quality products from these countries are sought and that the readiness of the people to pay fair prices for the products is encouraged. PHARMOS NATUR Green Luxury considers this its own task and assumes responsibility in working in this respect and also acting in this way itself.

### **7. Exploring collaborations with potential partners like conservation organisations, scientific or public institutions in order to deepen expert knowledge and further develop the management system through dialogue.**

Thanks to the visionary commitment shown by Paul Greineder, Managing Director and shareholder of PHARMOS NATUR Green Luxury and his vast interest in nature, environment and ecology, sustainable cultivation methods in agriculture are an omnipresent and integral part of the corporate philosophy. The owners and employees of the company are actively involved in numerous initiatives and associations. These include:

- "Die Umweltakademie München" (Environment Academy Munich Association)
- B.A.U.M. (German Environmental Management Association)
- the business network 'Biodiversity in Good Company' Initiative Association
- "Förderung des Nationalparks Bayerischer Wald"  
(Association for the Support of the Bavarian Forest National Park)
- Icada, a certification institution which also takes ethical and ecological work processes into account

PHARMOS NATUR Green Luxury is also globally committed in sustainable and biological-dynamical projects and also takes the educational mandate in this context very seriously.

To mention an example, the company was the co-founder of "School Help for Nepal" and continues to carry out work for them and provide financial support. Education makes people strong and independent and shows them why sustainability in their work is important for the whole value-added chain.



PHARMOS NATUR Green Luxury also supports the campaign “Save Our Soils” which was founded by Nature & More, a partner of the Food and Agriculture Organisation of the United Nations (FAO). The objective of the campaign is to raise awareness of the importance of soils for health, food safety and climate protection among consumers. The campaign not only highlights the problem, but also presents possible solutions. This means above all engaging consumers and gaining them as “soil ambassadors” for a better future.

Client trips to our partner countries, such as Nepal or Ecuador, sensitise all individuals who work with “finished” products for the whole value-added chain. Ultimately, in the centre of the work of PHARMOS NATUR are the raw materials; the focus of attention is on the human being. Knowledge from ancient cultures is integrated into new scientific findings. This is why fair partnerships throughout the whole world have been the viable basis of PHARMOS NATUR from the very beginning. It is about a sustainable use of nature and ensuring the survival of many people and families. And sharing the success with all those who enable it. This is what our clients see, experience and feel during these trips.