



Policy on the Nagoya Protocol and Access and Benefit Sharing (ABS)¹

General Information about ABS

The Nagoya Protocol on ABS is a new international treaty introduced at the Convention on Biological Diversity (CBD) on October 2010 in Nagoya, Japan. The protocol has been in force since October 12, 2014. Its objective is the fair and equitable sharing of benefits arising from the use of genetic resources, thereby contributing to the conservation and sustainable use of biodiversity and implementing the three objectives of the CBD:

- The conservation of biological biodiversity
- The sustainable use of its components
- The fair and equitable sharing of benefits arising out of the utilization of genetic resources

The European Union transposed the protocol into corresponding community legislation. Switzerland and other countries worldwide adopted corresponding national ABS law. Other countries will follow.

Position of Lipoid Kosmetik AG regarding the Nagoya Protocol

Lipoid Kosmetik is a leading manufacturer of high-quality botanical extracts and natural phospholipid products for the cosmetic and personal care industry. Our products are impacted by ABS regulations to varying degrees depending on the claims made and the plant material used.

We are not only affected by the ABS legislation but are also convinced that this is the right path to work towards a fair distribution of resources around the globe. We make every effort to use due diligence where applicable.

¹ <http://www.cbd.int/abs/>
<https://absch.cbd.int/>

- **Cosmetic ingredients not connected to R&D activities**
A large part of the genetic resources (i.e., plant materials and other ingredients) used to manufacture our products is not impacted by ABS legislation as derived from the Nagoya Protocol since they are not connected to R&D activities in the sense of the Nagoya Protocol. However, it needs to be checked carefully whether additional requirements of the providing country apply to the raw material used.

- **Cosmetic ingredient with R&D activities performed before October 12, 2014**
Typical products: Cosmetic actives such as Hydro-Gain™

The applicable ABS regulation does not include genetic resources used before October 12, 2014, since the access to the genetic resource took place before the Nagoya Protocol came into force. These ingredients are grandfathered and, thus, no due diligence process will be performed for these types of raw materials/products. However, it needs to be checked carefully whether additional requirements of the providing country apply to the raw material used.

- **Cosmetic ingredient with R&D activities performed after October 12, 2014**
Typical products: Newly developed cosmetic active

ABS regulations fully apply if R&D activities ('new property/new insights') are conducted. This is also true if the product claim specified by Lipoid Kosmetik AG involves traditional knowledge. Appropriate actions are taken in these cases to assure and document ABS compliance according to the applicable laws. If the product claim is based on public literature, no R&D activities are conducted with the meaning of the Nagoya Protocol. This is in line with the guidance given in the 'Guidance Document for the Cosmetic Industry', May 2019².

- **Cosmetic ingredients with R&D performed by our customers**
If a customer decides to develop a cosmetic claim on its own, it is the responsibility of the customer to assure compliance to relevant ABS regulations. However, Lipoid Kosmetik will provide information and support upon request.

² The Application of the 'EU ABS Regulation' on Compliance Measures regarding Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization; Guidance Document for the Cosmetic Industry, May 31, 2019, by: Cosmetics Europe, EFCI, UNITIS

Providing country with ABS obligations going beyond the Nagoya Protocol

Some countries have obligations in place which go beyond the Nagoya Protocol. Their national ABS legislation may for example include the pure commercial utilization or other types of measures. The applicability of these laws needs to be evaluated case by case.

National ABS regulations are being implemented or revised actively around the world. The regulatory environment is therefore very dynamic and changes in legislation occur frequently. This is overall a challenging situation for all parties involved. Lipoid Kosmetik will regularly report on the status and progress made towards the implementation of this policy.



Key Process Indicators

We refrain from defining quantitative targets in this context.

A handwritten signature in black ink, appearing to read "P. Röthlisberger".

Dr. Peter Röthlisberger
Managing Director

A handwritten signature in black ink, appearing to read "N. Bernard".

Nicole Bernard
Head of QM & Regulatory Affairs

Date first release: November 2019

Last review date: February 2024

This policy will be reviewed on an annual basis and communicated to all interested parties.
