

Beyond The Production Site

How Sustainable Practices Can Make Companies More Innovative

Innovatus - The word innovation derives from the Latin *innovare*, an expression that dates back to 1540 and means "to renew or change." In other words, an innovation can be considered anything that adds value by having novelty as a consequence.

Ideally, innovation should be a current that flows through the organizational chart of every company, regardless of hierarchical levels. In order to deliver an improved outcome, all members of the supply chain must be outrageously engaged in making improvements focused on reaching innovative results.

Being such a crucial effort towards development and success, innovation is also one of the greatest paradoxes of our time. We live in a world where everything needs to be faster, more efficient, more productive, easier - and preferably cheaper. Technological improvements have made it possible for the industry to reach outstanding results in a time-efficient, cost-effective way. On the other hand, environmental consequences can be devastating. So, the very first question that arises is: How to innovate in a sustainable and ethical manner?

It's Not Easy Being Green

In 1996, the United Nations Conference on Trade and Development (UNCTAD) launched the BioTrade Initiative - an undoubtedly innovative concept. BioTrade refers to the collection, production, transformation and commercialization of goods and services derived from native biodiversity under the criteria of environmental, social and economic sustainability.

Although an increasing number of companies claim to be green, adopting ecologically friendly practices is simply not enough. It is necessary to be sustainable - and that means supplying products from transparent and traceable sources in strict compliance with global socio-environmental standards. Thus, sustainability is the result of three interdependent factors: natural en-



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vironment, economic vitality and healthy communities.

The first step towards establishing a sustainable production chain is the responsible exploitation of natural resources. Researchers at University of Maryland estimate that the income generated by forest resources corresponds to approximately \$1.1 trillion per year. At the same time, according to a study conducted by Dr. Philip M.

lifestyle, apply fair prices, and have a compensation policy for environmental services such as clean water and soil, carbon sequestration, and reforestation.

The first challenge related to ethical sourcing involves identifying sustainable activities that can be performed by local communities in industrial scale within the environmental capacity. Further to that, each extractive product has individual ecological, economic, social and ethnic-botanical characteristics and requires special attention regarding labor absorption, manufacturing expertise, stock management, market development, shelf-life evaluation, and social/economic organization.



The only way to build long-lasting relationships with local communities is to bring traditional and scientific knowledge to industrial scale through a sustainable process.

Fearnside at the National Institute of Amazonian Research (INPA), it would be necessary to spend \$3 trillion per year to control the negative effects of global warming as a consequence of deforestation.

Quality Of Life

The conservation of natural resources, though, must be combined to improvements in the quality of life of local populations. The best way to reach this balance is through neo-extractivist activities, which make use of developed technologies, respect the communities' identity and

A Transparent Relationship

The Biodiversity Enhancement Program created 10 years ago by Beraca aims to ensure traceability in the supply of raw materials from Brazilian biomes, particularly the Amazon region. Focused on local communities, our project contributes to improve regional development and to preserve the largest rainforest in the world.

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A transparent relationship must be established prior to harvesting and contracts must be based on benefit sharing, taking into account the use of genetic resources and intellectual property rights. The company must also invest in local development, which includes improvements in infrastructure, training, handling, and certification of raw materials.

Last but not least, while the concept of ethical sourcing is usually only related to the relationships with suppliers, it is also crucial for companies to communicate and work closely with other stakeholders. Consumers must also be provided with knowledge concerning the environmental and social impacts involved in the finished product.

Innovation must be linked to nature conservation and social enhancement through partnerships between companies, local communities and consumers. Before taking action, the industry must carefully analyze our planet's reality and identify potential vulnerabilities regarding the growing demand for products and services. Above all, innovation is

only legitimate if it contributes towards promoting sustainable development on a global scale.

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